

COUNTY OF HANOVER, VIRGINIA

Revenue Bond Coverage (1)

Last Ten Fiscal Years

Fiscal Year	Net Revenues (2)	Capacity Fees	Unrestricted Reserves (3)	Senior Debt Service	Subordinate Debt Service	Total Debt Service	Deposits to Debt Funds (4)	Coverage Test 1 (5)	Coverage Test 2a (6)	Coverage Test 2b (7)
1996	\$ 8,209,345	3,502,791	16,138,515	735,900	1,791,691	2,527,591	-	3.1	8.8	13.2
1997	12,311,406	5,583,623	19,291,700	1,901,625	2,110,983	4,012,608	-	2.8	5.0	6.7
1998	11,355,694	5,880,425	18,259,341	1,886,392	2,099,773	3,986,165	-	2.6	4.5	6.2
1999	11,577,233	5,342,219	18,290,691	1,852,277	2,087,704	3,939,981	-	2.7	4.8	6.5
2000	12,317,861	6,748,630	14,148,842	1,396,609	2,477,031	3,873,640	-	3.0	6.4	7.6
2001	17,467,033	6,647,492	11,272,210	1,200,484	1,317,411	2,517,895	-	6.3	11.8	11.0
2002	16,154,569	7,064,350	15,350,456	1,315,060	917,775	2,232,835	-	6.5	9.6	10.3
2003	14,602,557	6,537,958	19,031,402	1,221,541	951,800	2,173,341	-	6.0	9.3	11.4
2004	14,715,890	4,836,478	13,955,698	1,996,845	986,031	2,982,876	-	4.4	6.2	6.4
2005	12,243,450	5,807,444	13,252,838	3,076,445	792,200	3,868,645	-	2.7	3.0	3.5
% Change	-16.8%	20.1%	-5.0%	54.1%	-19.7%	29.7%	n/a	-37.2%	-50.7%	-46.2%
% Ch. Since 1996	49.1%	65.8%	-17.9%	318.1%	-55.8%	-3.6%	n/a	-11.9%	-65.5%	-73.8%

Notes:

- (1) Revenue covenants on 1996 Water and Sewer System Revenue Bonds must meet two coverage tests.
- (2) Net revenue represents net income, excluding interest expense and depreciation.
- (3) Unrestricted cash and cash equivalents.
- (4) Debt funds include the Renewal, Replacement and Expansion Fund and the Debt Service Reserve Fund.
- (5) The ratio of the net revenues divided by the sum of 120% of senior debt service plus any amounts required to be deposited in the Renewal, Replacement and Expansion Fund and the Debt Service Reserve Fund during the fiscal year must exceed 1.0
- (6) The ratio of net revenues less 50% of capacity fees divided by 100% of senior debt service must exceed 1.0.
- (7) The ratio of net revenues less 50% of capacity fees plus 50% of unrestricted reserves divided by 150% of senior debt service must exceed 1.0.