

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

Governmental Funds:

School – Accounts for the activities of primary and secondary education.

Textbook – Accounts for the distribution of textbooks to students.

Cafeteria – Accounts for the operations of school food services.

COUNTY OF HANOVER, VIRGINIA
Discretely Presented Component Unit School Board
Combining Balance Sheet
June 30, 2007

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
ASSETS				
Cash, cash equivalents and investments	\$ 12,676,016	602,321	566,886	13,845,223
Accounts receivable	197,167	3,877	220	201,264
Due from other governmental units	4,123,543	-	48,371	4,171,914
Inventory	-	-	90,760	90,760
Total assets	<u>\$ 16,996,726</u>	<u>606,198</u>	<u>706,237</u>	<u>18,309,161</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 865,156	51,978	34,122	951,256
Accrued liabilities	13,356,406	-	425,627	13,782,033
Deferred revenue	39,767	-	-	39,767
Total liabilities	<u>14,261,329</u>	<u>51,978</u>	<u>459,749</u>	<u>14,773,056</u>
Fund balances:				
Reserved for:				
Encumbrances	1,842,390	-	-	1,842,390
Inventory	-	-	90,760	90,760
Unreserved:				
Designated for specific purposes	893,007	-	-	893,007
Undesignated	-	554,220	155,728	709,948
Total fund balances	<u>2,735,397</u>	<u>554,220</u>	<u>246,488</u>	<u>3,536,105</u>
Total liabilities and fund balances	<u>\$ 16,996,726</u>	<u>606,198</u>	<u>706,237</u>	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				\$ 92,117,306
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds				
Compensated absences			\$ (3,954,317)	
Liability for early retirement program			(1,383,280)	
Accrued bond interest			(2,818,168)	(8,155,765)
Net assets of School Component Unit activities				<u>\$ 87,497,646</u>

COUNTY OF HANOVER, VIRGINIA

Discretely Presented Component Unit - School Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2007

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ -	27,566	18,197	45,763
Charges for services - operating	549,908	-	5,927,095	6,477,003
Miscellaneous	402,742	-	21,361	424,103
Recovered costs	728,725	-	-	728,725
Payments from primary government	82,328,003	696,458	-	83,024,461
Revenue from the Commonwealth	81,316,187	1,068,252	67,440	82,451,879
Revenue from the Federal government	6,037,041	-	1,205,728	7,242,769
Total revenues	171,362,606	1,792,276	7,239,821	180,394,703
EXPENDITURES				
Current:				
Education	154,737,273	1,252,590	7,360,020	163,349,883
Debt service:				
Principal retirement	10,064,060	-	-	10,064,060
Interest and fiscal charges	5,592,647	-	-	5,592,647
Total expenditures	170,393,980	1,252,590	7,360,020	179,006,590
Excess (deficiency) of revenues over (under) expenditures	968,626	539,686	(120,199)	1,388,113
Net change in fund balance	968,626	539,686	(120,199)	1,388,113
Fund balances - beginning	1,766,771	14,534	357,790	2,139,095
Increase in reserve for inventory	-	-	8,897	8,897
Fund balances - ending	\$ 2,735,397	554,220	246,488	3,536,105

COUNTY OF HANOVER, VIRGINIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Discretely Presented School Component Unit to the Statement of Activities
For the Year Ended June 30, 2007

Net change in fund balances - total governmental funds	\$ 1,388,113
<p>The County's School Improvements Fund accounts for the construction and acquisition of School Board capital assets. As the School Improvements Fund makes capital outlay expenditures, the capital assets, and a corresponding increase in the "Payment from Hanover County" are recorded by the School Component Unit in the government-wide financial statements. After their completion, the cost of the capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the increase in the Payment from Hanover County due to capital asset acquisitions (\$21,461,655) exceeded depreciation expense (\$7,408,073) in the current period.</p>	14,053,582
<p>Under Virginia law, the County has a tenancy in common for School Component Unit capital assets for which the County is obligated to repay outstanding "on-behalf" bonds. Under the tenancy in common, the County reports the net book value of School Component Unit capital assets up to the outstanding principal balance of "on-behalf" bonds at year end. This amount is the increase in the net book value of School Component Unit capital assets reported by the County for the fiscal year, which resulted primarily from school construction activity funded by newly issued County bonds. The amount of the capital assets transferred to the County from the School Component Unit results in a decrease in net assets reported by the School Component Unit on the statement of activities.</p>	(12,858,809)
<p>Some expenses reported in this statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	(86,903)
Changes in net assets of School Component Unit activities	\$ 2,495,983

COUNTY OF HANOVER, VIRGINIA

School Fund - School Board

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services:				
Tuition and other charges for services	\$ 792,107	611,162	549,908	(61,254)
Total charges for services	792,107	611,162	549,908	(61,254)
Miscellaneous:				
Sale of assets	10,000	10,000	-	(10,000)
Miscellaneous	562,345	359,812	402,742	42,930
Total miscellaneous revenue	572,345	369,812	402,742	32,930
Recovered costs:				
Recovered costs	666,547	670,286	728,725	58,439
Total recovered costs	666,547	670,286	728,725	58,439
Payments from primary government:				
General Fund	85,097,973	85,097,973	82,328,003	(2,769,970)
Total payments from primary government	85,097,973	85,097,973	82,328,003	(2,769,970)
Total revenue from local sources	87,128,972	86,749,233	84,009,378	(2,739,855)
Revenue from the Commonwealth:				
Non-categorical aid:				
Lottery proceeds and basic school aid	62,110,277	62,155,421	63,188,469	1,033,048
Total non-categorical aid	62,110,277	62,155,421	63,188,469	1,033,048
Categorical aid:				
Categorical aid programs	19,291,900	19,409,181	18,127,718	(1,281,463)
Total categorical aid	19,291,900	19,409,181	18,127,718	(1,281,463)
Total revenue from the Commonwealth	81,402,177	81,564,602	81,316,187	(248,415)
Revenue from the Federal government:				
Categorical aid:				
Department of Education	5,830,857	6,646,495	6,037,041	(609,454)
Total revenue from the Federal government	5,830,857	6,646,495	6,037,041	(609,454)
Total revenues	174,362,006	174,960,330	171,362,606	(3,597,724)
EXPENDITURES				
Education:				
General support	8,549,300	8,598,193	8,188,942	409,251
Pupil transportation	8,047,985	8,138,564	7,844,078	294,486
Operations and maintenance	11,318,322	11,288,073	11,035,623	252,450
Instruction	128,609,948	130,149,590	126,193,207	3,956,383
Facilities	1,790,821	2,575,052	1,475,423	1,099,629
Total education	158,316,376	160,749,472	154,737,273	6,012,199
Debt service:				
Principal retirement	10,064,060	10,064,060	10,064,060	-
Interest and fiscal charges	5,981,570	5,906,570	5,592,647	313,923
Total debt service	16,045,630	15,970,630	15,656,707	313,923
Total expenditures	174,362,006	176,720,102	170,393,980	6,326,122
Excess (deficiency) of revenues over (under) expenditures	-	(1,759,772)	968,626	2,728,398
Net change in fund balance	-	(1,759,772)	968,626	2,728,398
Fund balance - beginning	-	1,759,772	1,766,771	6,999
Fund balance - ending	\$ -	-	2,735,397	2,735,397

COUNTY OF HANOVER, VIRGINIA

Textbook Fund - School Board

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of property	\$ -	-	27,566	27,566
Total revenue from use of property	-	-	27,566	27,566
Payments from primary government:				
General Fund	696,458	696,458	696,458	-
Total payments from primary government	696,458	696,458	696,458	-
Total revenue from local sources	696,458	696,458	724,024	27,566
Revenue from the Commonwealth:				
Categorical aid:				
Textbook	1,082,711	1,082,711	1,068,252	(14,459)
Total revenue from the Commonwealth	1,082,711	1,082,711	1,068,252	(14,459)
Total revenues	1,779,169	1,779,169	1,792,276	13,107
EXPENDITURES				
Education:				
Textbook	1,779,169	1,782,795	1,252,590	530,205
Total expenditures	1,779,169	1,782,795	1,252,590	530,205
Excess (deficiency) of revenue over (under) expenditures	-	(3,626)	539,686	543,312
Net change in fund balance	-	(3,626)	539,686	543,312
Fund balance - beginning	-	3,626	14,534	10,908
Fund balance - ending	\$ -	-	554,220	554,220

COUNTY OF HANOVER, VIRGINIA

Cafeteria Fund - School Board

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ 10,000	10,000	18,197	8,197
Charges for services	5,982,590	6,032,590	5,927,095	(105,495)
Miscellaneous revenue	26,000	26,000	21,361	(4,639)
Total revenue from local sources	<u>6,018,590</u>	<u>6,068,590</u>	<u>5,966,653</u>	<u>(101,937)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food programs	69,000	69,000	67,440	(1,560)
Total revenue from the Commonwealth	<u>69,000</u>	<u>69,000</u>	<u>67,440</u>	<u>(1,560)</u>
Revenue from the Federal government:				
Categorical aid:				
USDA donated commodities	236,450	236,450	241,440	4,990
School food programs	757,048	757,048	809,949	52,901
Breakfast reimbursement	140,862	140,862	154,339	13,477
Total revenue from the Federal government	<u>1,134,360</u>	<u>1,134,360</u>	<u>1,205,728</u>	<u>71,368</u>
Total revenues	<u>7,221,950</u>	<u>7,271,950</u>	<u>7,239,821</u>	<u>(32,129)</u>
EXPENDITURES				
Education:				
Cafeteria	7,382,825	7,432,825	7,360,020	72,805
Total expenditures	<u>7,382,825</u>	<u>7,432,825</u>	<u>7,360,020</u>	<u>72,805</u>
Net change in fund balance	(160,875)	(160,875)	(120,199)	40,676
Fund balance - beginning	160,875	160,875	357,790	196,915.00
Increase in reserve for inventory	-	-	8,897	8,897
Fund balance - ending	<u>\$ -</u>	<u>-</u>	<u>246,488</u>	<u>246,488</u>