

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, 2011

Exhibit 25

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
ASSETS				
Cash, cash equivalents and investments	\$ 12,120,501	1,720,417	1,271,536	15,112,454
Accounts receivable	114,190	-	-	114,190
Due from other governmental units	5,755,344	-	80,481	5,835,825
Inventory	-	-	112,171	112,171
Total assets	\$ 17,990,035	1,720,417	1,464,188	21,174,640
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,380,427	32,859	82,543	1,495,829
Accrued liabilities	13,468,659	2,531	437,996	13,909,186
Deferred revenue	86,245	-	-	86,245
Total liabilities	14,935,331	35,390	520,539	15,491,260
Fund balances:				
Nonspendable	-	-	112,171	112,171
Restricted	589,800	-	-	589,800
Assigned	2,305,009	1,685,027	831,478	4,821,514
Unassigned	159,895	-	-	159,895
Total fund balances	3,054,704	1,685,027	943,649	5,683,380
Total liabilities and fund balances	\$ 17,990,035	1,720,417	1,464,188	

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.	\$ 106,658,231
Long-term liabilities and some accrued liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	\$ (4,661,866)
Accrued bond interest	(2,391,473)
	<u>(7,053,339)</u>
Net assets of School Component Unit activities	<u>\$ 105,288,272</u>

COUNTY OF HANOVER, VIRGINIA

Exhibit 26

Discretely Presented Component Unit - School Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2011

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ -	6,654	7,716	14,370
Charges for services - operating	796,275	-	5,377,859	6,174,134
Miscellaneous	553,417	-	29,388	582,805
Recovered costs	725,645	-	-	725,645
Payments from primary government	84,083,310	-	-	84,083,310
Revenue from the Commonwealth	74,095,723	256,211	66,195	74,418,129
Revenue from the Federal government	12,902,060	-	1,552,770	14,454,830
Total revenues	173,156,430	262,865	7,033,928	180,453,223
EXPENDITURES				
Current:				
Education	157,452,284	270,382	6,966,248	164,688,914
Debt service:				
Principal retirement	11,111,792	-	-	11,111,792
Interest and fiscal charges	5,546,302	-	-	5,546,302
Total expenditures	174,110,378	270,382	6,966,248	181,347,008
Excess (deficiency) of revenues over (under) expenditures	(953,948)	(7,517)	67,680	(893,785)
Net change in fund balance	(953,948)	(7,517)	67,680	(893,785)
Fund balances - beginning	4,008,652	1,692,544	868,386	6,569,582
Increase in nonspendable fund balance-inventory	-	-	7,583	7,583
Fund balances - ending	\$ 3,054,704	1,685,027	943,649	5,683,380

COUNTY OF HANOVER, VIRGINIA

Exhibit 27

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, 2011

Net change in fund balances - total governmental funds	\$ (893,785)
<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 depreciation expense (\$9,743,442) exceeded the increase in the Payment from Hanover County due to capital asset acquisitions (\$7,700,153) in the current period.</p>	(2,043,289)
<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 decrease in the net book value of School Component Unit capital assets reported by the County for the fiscal year, which resulted primarily from a decrease in school construction activity during the fiscal period.</p>	6,183,664
<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>	149,597
Changes in net assets of School Component Unit activities	<u>\$ 3,396,187</u>

COUNTY OF HANOVER, VIRGINIA

Exhibit 28

School Fund - School Board

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

For the Year Ended June 30, 2011

	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	\$ 890,000	896,000	796,275	(99,725)
Total charges for services	890,000	896,000	796,275	(99,725)
Miscellaneous:				
Sale of assets	2,000	2,000	-	(2,000)
Miscellaneous	1,141,421	651,696	553,417	(98,279)
Total miscellaneous revenue	1,143,421	653,696	553,417	(100,279)
Recovered costs:				
Recovered costs	788,880	815,035	725,645	(89,390)
Total recovered costs	788,880	815,035	725,645	(89,390)
Payments from primary government:				
General Fund	93,017,000	93,017,000	84,083,310	(8,933,690)
Total payments from primary government	93,017,000	93,017,000	84,083,310	(8,933,690)
Total revenue from local sources	95,839,301	95,381,731	86,158,647	(9,223,084)
Revenue from the Commonwealth:				
Non-categorical aid:				
Lottery proceeds and basic school aid	55,946,973	50,600,141	55,481,478	4,881,337
Total non-categorical aid	55,946,973	50,600,141	55,481,478	4,881,337
Categorical aid:				
Categorical aid programs	17,318,755	17,508,222	18,614,245	1,106,023
Total categorical aid	17,318,755	17,508,222	18,614,245	1,106,023
Total revenue from the Commonwealth	73,265,728	68,108,363	74,095,723	5,987,360
Revenue from the Federal government:				
Categorical aid:				
Department of Education	9,902,322	16,391,061	12,902,060	(3,489,001)
Total revenue from the Federal government	9,902,322	16,391,061	12,902,060	(3,489,001)
Total revenues	179,007,351	179,881,155	173,156,430	(6,724,725)
EXPENDITURES				
Education:				
General support	9,526,297	9,596,823	8,880,913	715,910
Pupil transportation	9,072,110	9,214,645	8,671,630	543,015
Operations and maintenance	12,973,804	12,919,616	11,841,182	1,078,434
Instruction	129,562,840	132,870,630	126,419,220	6,451,410
Facilities	955,300	1,770,508	1,639,339	131,169
Total education	162,090,351	166,372,222	157,452,284	8,919,938
Debt service:				
Principal retirement	16,917,000	16,917,000	11,111,792	5,805,208
Interest and fiscal charges	-	-	5,546,302	(5,546,302)
Total debt service	16,917,000	16,917,000	16,658,094	258,906
Total expenditures	179,007,351	183,289,222	174,110,378	9,178,844
Net change in fund balance	-	(3,408,067)	(953,948)	2,454,119
Fund balance - beginning	-	3,408,067	4,008,652	600,585
Fund balance - ending	\$ -	-	3,054,704	3,054,704

COUNTY OF HANOVER, VIRGINIA**Exhibit 29**

Textbook Fund - School Board

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

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of property	\$ -	-	6,654	6,654
Total revenue from local sources	-	-	6,654	6,654
Revenue from the Commonwealth:				
Categorical aid:				
Textbook	256,211	256,211	256,211	-
Total revenue from the Commonwealth	256,211	256,211	256,211	-
Total revenues	256,211	256,211	262,865	6,654
EXPENDITURES				
Education:				
Textbook	256,211	274,828	270,382	4,446
Total expenditures	256,211	274,828	270,382	4,446
Net change in fund balance	-	(18,617)	(7,517)	11,100
Fund balance - beginning	-	18,617	1,692,544	1,673,927
Fund balance - ending	\$ -	-	1,685,027	1,685,027

COUNTY OF HANOVER, VIRGINIA

Exhibit 30

Cafeteria Fund - School Board

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

For the Year Ended June 30, 2011

	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	7,716	(2,284)
Charges for services	5,582,200	5,582,200	5,377,859	(204,341)
Miscellaneous revenue	20,000	20,000	29,388	9,388
Total revenue from local sources	<u>5,612,200</u>	<u>5,612,200</u>	<u>5,414,963</u>	<u>(197,237)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food programs	57,000	57,000	66,195	9,195
Total revenue from the Commonwealth	<u>57,000</u>	<u>57,000</u>	<u>66,195</u>	<u>9,195</u>
Revenue from the Federal government:				
Categorical aid:				
USDA donated commodities	233,649	233,649	270,459	36,810
School food programs	948,552	948,552	1,035,644	87,092
Breakfast reimbursement	219,740	219,740	246,667	26,927
Total revenue from the Federal government	<u>1,401,941</u>	<u>1,401,941</u>	<u>1,552,770</u>	<u>150,829</u>
Total revenues	<u>7,071,141</u>	<u>7,071,141</u>	<u>7,033,928</u>	<u>(37,213)</u>
EXPENDITURES				
Education:				
Cafeteria	7,071,141	7,071,141	6,966,248	104,893
Total expenditures	<u>7,071,141</u>	<u>7,071,141</u>	<u>6,966,248</u>	<u>104,893</u>
Net change in fund balance	-	-	67,680	67,680
Fund balance - beginning	-	-	868,386	868,386
Increase in nonspendable fund balance-inventory	-	-	7,583	7,583
Fund balance - ending	<u>\$ -</u>	<u>-</u>	<u>943,649</u>	<u>943,649</u>