

COUNTY OF HANOVER, VIRGINIA

Table 11

Pledged Revenue Coverage (1)  
Last Ten Fiscal Years

**Utility - Water and Sewer Revenue Bonds**

Fiscal Year	Utility Revenues (3,8)	Less: Operating Expenses (4)	Net Available Revenues	Debt Service Requirements		Net Available Revenues Coverage (5)	Utility - Debt Covenant Coverage Ratio (1,2,6)		
				Principal	Interest		Debt Service		Debt Covenant Coverage Test
							Senior Debt Service	Subordinate Debt Service	
2002	\$ 22,862,743	\$ 9,738,936	\$ 13,123,807	\$ 1,125,068	\$ 1,107,767	5.9	\$ 1,315,060	\$ 917,775	5.4
2003	22,019,995	10,739,603	11,280,392	1,194,006	979,335	5.2	1,221,541	951,800	4.8
2004	20,204,934	11,575,054	8,629,880	1,804,612	1,178,264	2.9	1,996,845	986,031	2.6
2005	22,269,236	13,583,502	8,685,734	2,380,906	1,487,739	2.2	3,076,445	792,200	2.0
2006	24,926,132	14,357,272	10,568,860	1,595,163	1,350,519	3.6	2,750,338	195,344	3.1
2007	24,793,867	14,376,026	10,417,841	2,033,671	1,680,484	2.8	3,513,740	200,415	2.5
2008	34,519,573	15,127,475	19,392,098	2,254,088	1,572,342	5.1	3,622,625	203,805	4.4
2009	25,584,480	16,429,026	9,155,454	2,304,393	1,328,738	2.5	3,461,496	171,635	2.2
2010	24,194,254	17,331,485	6,862,769	2,257,626	1,369,346	1.9	3,459,711	167,261	1.7
2011	25,293,064	15,245,233	10,047,831	2,385,498	1,286,239	2.7	3,501,011	170,726	2.4
% Change			46.4%	5.7%	-6.1%	44.6%	1.2%	2.1%	44.6%
% Ch. Since 2002			-23.4%	112.0%	16.1%	-53.4%	166.2%	-81.4%	-55.7%

**Airport Revenue Bond**

Fiscal Year	Rent received from Airport Fixed Base Operator	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Available Revenues Coverage (5)	Airport - Debt Covenant Coverage Ratio (1,7)			
				Principal	Interest		Rent Received	Restricted cash -	Lessee irrevocable	Debt Covenant Coverage Test
								(used during current FY or available at FYE for debt service)	letter of credit pledged for satisfaction of debt covenant ratio	
2008	\$ 61,039	-	\$ 61,039	\$ 26,396	\$ 70,922	0.6	\$ 61,039	\$ 156,081	\$ 36,000	2.6
2009	88,093	-	88,093	54,820	89,158	0.6	88,093	156,081	36,000	1.9
2010	152,748	-	152,748	57,640	86,337	1.1	152,748	12,361	36,000	1.4
2011	157,330	-	157,330	60,605	83,372	1.1	157,330	-	36,000	1.3
% Change			3.0%	5.1%	-3.4%	3.0%	3.0%	-100.0%	0.0%	-3.9%
% Ch. Since 2008			157.8%	129.6%	17.6%	74.2%	157.8%	-100.0%	0.0%	-48.4%

- Notes: (1) Further information on the County's revenue bonds can be found in Note IV-E to the accompanying basic financial statements.
- (2) For comparability, the utility debt covenant coverage test for 2002 through 2005 has been restated to comply with current water and sewer system revenue bond covenants. The County was in compliance with all utility debt coverage ratios applicable to those years before restatement, as demonstrated in the statistical sections of the Comprehensive Annual Financial Reports for those years.
- (3) Utility revenues exclude donated capital assets.
- (4) Utility operating expenses exclude depreciation.
- (5) The net available revenues coverage equals net available revenues divided by total debt service requirements.
- (6) The utility debt covenant coverage ratios assist users to assess the County's legal compliance with its utility debt service covenant requirements. The County's water and sewer revenue bonds debt covenant requires the ratio of utilities net available revenues divided by the sum of 115% of senior debt service and 100% of subordinate debt service to exceed 1.0.
- (7) During fiscal 2007, the County issued an airport revenue bond, secured by rent from the airport's fixed base operator. The airport bond had no debt service requirement or debt covenant requirement for fiscal 2007. Beginning in fiscal year 2008, the County's airport debt covenant required the ratio of the sum of rent received from the airport's fixed base operator, restricted cash used during the fiscal year (FY) or available at fiscal year-end (FYE) for airport bond debt service, and the amount of any lessee irrevocable letter of credit, divided by the airport bond principal and interest paid during the fiscal year to equal or exceed 1.25. The lease agreement with the airport's fixed base operator contains scheduled rent increases consistent with the availability of the property to the lessee, designed to meet the debt covenant coverage requirement during the lease term.
- (8) Utility revenues do not include exercise of oversize credits, which are reported as capital contributions on Exhibit 8 of the financial statements.