

**Schools Operating Fund**

FUNCTIONAL AREA: Education

**DESCRIPTION**

Hanover County Public Schools (HCPS) serves students from pre-kindergarten to 12th grade across traditional, online, trade and technology and alternative education schools. All Hanover schools are fully accredited by the Virginia Department of Education.

Hanover County Public Schools are operated by a seven-member School Board, the members of which are appointed by the Board of Supervisors. A Superintendent of Schools is appointed by the School Board to administer the operations of the public schools. Operations of the School Board are independent of the Board of Supervisors as prescribed by Virginia law.

The Schools Operating Fund is the primary fund for education-related activities. The complete HCPS budget also includes the School Nutrition Services Fund and School Improvements Fund. Complete details of all funds can be found in the School Board’s budget, which can be accessed on the HCPS website below.

**FOR ADDITIONAL INFORMATION**

<http://hcps.us>

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>192,309,837</b>	<b>203,450,240</b>	<b>217,259,835</b>	<b>6.8%</b>
<b>Salaries &amp; Fringe Benefits</b>	<b>171,436,191</b>	<b>182,684,437</b>	<b>195,440,304</b>	<b>7.0%</b>
<b>Operating</b>	<b>18,619,554</b>	<b>19,285,803</b>	<b>20,202,523</b>	<b>4.8%</b>
<b>Capital Outlay</b>	<b>2,163,092</b>	<b>1,480,000</b>	<b>1,617,008</b>	<b>9.3%</b>
<b>Transfers Out</b>	<b>91,000</b>	<b>-</b>	<b>-</b>	<b>----</b>
<b>Revenues</b>	<b>193,383,352</b>	<b>203,450,240</b>	<b>217,259,835</b>	<b>6.8%</b>
<b>Intergovernmental</b>	<b>105,953,248</b>	<b>102,385,691</b>	<b>109,671,035</b>	<b>7.1%</b>
Non-Categorical State Aid	66,246,967	70,842,346	73,647,441	4.0%
Categorical State Aid	26,911,112	24,028,895	28,430,369	18.3%
Categorical Federal Aid	12,795,169	7,514,450	7,593,225	1.0%
<b>Local Revenue</b>	<b>3,021,791</b>	<b>3,043,549</b>	<b>3,218,800</b>	<b>5.8%</b>
Charges for Services	462,997	736,000	480,000	-34.8%
Miscellaneous	1,546,090	1,442,749	1,649,000	14.3%
Recovered Costs	857,904	710,000	935,000	31.7%
Use of Money & Property	154,800	154,800	154,800	0.0%
<b>Transfers In</b>	<b>84,408,313</b>	<b>98,021,000</b>	<b>104,370,000</b>	<b>6.5%</b>
<b>Generated Revenue</b>	<b>56.2%</b>	<b>51.8%</b>	<b>52.0%</b>	
<b>Contribution from the General Fund</b>	<b>43.8%</b>	<b>48.2%</b>	<b>48.0%</b>	

**Schools Operating Fund**

**BUDGET HIGHLIGHTS**

- Salaries & Fringe Benefits includes a 5.0% merit increase for School employees. This is consistent with the merit included in the Governor’s proposed budget for state-supported positions. Merit for all other positions is funded with local dollars.
- Salaries & Fringe Benefits also includes longevity salary enhancements and market-driven salary enhancements for targeted job families.
- The FY23 CIP includes funding for the replacement school which consolidates Henry Clay and John M. Gandy Elementary Schools. Future years of the CIP include replacement of Battlefield (FY25) and Washington Henry (FY27) Elementary Schools and a major renovation to Beaverdam Elementary School (FY27). These projects are separately budgeted in the CIP section of the document.

**FTE SUMMARY**

	<b>FY22 Budget</b>	<b>FY22 Amended</b>	<b>FY23 Budget</b>	<b>Change from FY22 Amended</b>
<b>Full-time Equivalent (FTE)</b>	<b>2,390.5</b>	<b>2,390.5</b>	<b>2,405.4</b>	<b>14.9</b>
Full-time Positions	2,265.0	2,265.0	2,269.0	4.0
Part-time Positions	125.5	125.5	136.4	10.9

*Budgeted FTE for the Schools Operating Fund and School Nutrition Services Fund are provided by HCPS.*

**School Nutrition Services Fund**

FUNCTIONAL AREA: Education

**DESCRIPTION**

The School Nutrition Services Fund accounts for operation of the HCPS food service program that provides Hanover students with breakfast and lunch. All schools participate in the National School Breakfast and Lunch Program, which provides subsidized meals to eligible students at reduced or no cost. An a la carte food service program is also available. Revenues that support the program are from school-based lunch and breakfast sales coupled with federal and state funding based upon the anticipated participation levels for free, reduced and paid meals.

**FOR ADDITIONAL INFORMATION**

[http://hcps.us/departments/school\\_nutrition](http://hcps.us/departments/school_nutrition)

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>6,139,712</b>	<b>7,311,275</b>	<b>8,910,670</b>	<b>21.9%</b>
<b>Salaries &amp; Fringe Benefits</b>	<b>3,497,351</b>	<b>3,686,338</b>	<b>4,260,069</b>	<b>15.6%</b>
<b>Operating</b>	<b>2,632,363</b>	<b>3,599,937</b>	<b>4,625,601</b>	<b>28.5%</b>
<b>Capital Outlay</b>	<b>9,998</b>	<b>25,000</b>	<b>25,000</b>	<b>0.0%</b>
<b>Revenues</b>	<b>6,410,421</b>	<b>7,311,275</b>	<b>8,910,670</b>	<b>21.9%</b>
<b>Intergovernmental</b>	<b>5,980,203</b>	<b>2,681,353</b>	<b>8,150,670</b>	<b>204.0%</b>
Categorical Federal Aid	5,923,984	2,600,903	7,947,630	205.6%
Categorical State Aid	56,219	80,450	203,040	152.4%
<b>Local Revenue</b>	<b>339,217</b>	<b>4,629,922</b>	<b>760,000</b>	<b>-83.6%</b>
Charges for Services	274,155	4,319,922	385,000	-91.1%
Miscellaneous	65,048	310,000	375,000	21.0%
Use of Money & Property	14	-	-	----
<b>Transfers In</b>	<b>91,000</b>	<b>-</b>	<b>-</b>	<b>----</b>
<b>Generated Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Contribution from the General Fund</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

**BUDGET HIGHLIGHTS**

- The FY23 budget is built under the assumption that that free federally-funded lunches for all students will carry over into next school year.

**FTE SUMMARY**

	<b>FY22 Budget</b>	<b>FY22 Amended</b>	<b>FY23 Budget</b>	<b>Change from FY22 Amended</b>
<b>Full-time Equivalents (FTE)</b>	<b>129.7</b>	<b>129.7</b>	<b>129.7</b>	<b>-</b>
Full-time Positions	115.0	115.0	115.0	-
Part-time Positions	14.7	14.7	14.7	-

*Budgeted FTE for the Schools Operating Fund and School Nutrition Services Fund are provided by HCPS.*

**Airport Fund**

FUNCTIONAL AREA: Airport

**DESCRIPTION**

The Airport Fund accounts for the County’s oversight of the Hanover County Airport. The airport is a 260 acre facility strategically located between Ashland and Richmond, easily accessible to Interstates 95 and 295 for multimodal transportation. The airport is a reliever airport within the Richmond metropolitan service area and serves small-engine and multi-engine aircraft, as well as light business jets. The facility has a 5,400 x 100 foot runway, non-precision landing system and is able to accommodate corporate aircraft and the businesses that they represent. A fixed-base operator (FBO) handles the day-to-day operations of the airport. Services at the facility include flight instruction, aircraft fueling, aircraft charters, aircraft sales, repairs, rentals and aircraft storage.

**FOR ADDITIONAL INFORMATION**

<http://www.airnav.com/airport/KOFP>

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>468,768</b>	<b>1,376,642</b>	<b>553,493</b>	<b>-59.8%</b>
<b>Salaries &amp; Fringe Benefits</b>	<b>117,161</b>	<b>119,729</b>	<b>119,034</b>	<b>-0.6%</b>
<b>Operating</b>	<b>99,663</b>	<b>968,439</b>	<b>145,995</b>	<b>-84.9%</b>
<b>Capital Outlay</b>	<b>6,950</b>	-	-	----
<b>Debt Service</b>	<b>244,994</b>	<b>288,474</b>	<b>288,464</b>	<b>0.0%</b>
Principal	143,088	205,146	209,601	2.2%
Interest	93,556	83,328	78,863	-5.4%
Issuance Costs	8,350	-	-	----
<b>Revenues</b>	<b>560,398</b>	<b>1,376,642</b>	<b>553,493</b>	<b>-59.8%</b>
<b>Local Revenue</b>	<b>415,748</b>	<b>483,787</b>	<b>505,193</b>	<b>4.4%</b>
Rental Income	387,054	393,887	411,543	4.5%
Reserve for Revenue Transfers	-	50,000	50,000	0.0%
Rental Rev Tower Lease	27,900	30,900	30,900	0.0%
Fuel Tax	-	-	12,750	----
Miscellaneous Revenue	794	9,000	-	-100.0%
<b>Intergovernmental</b>	<b>14,974</b>	<b>816,666</b>	-	<b>-100.0%</b>
<b>Transfers In</b>	<b>129,676</b>	<b>76,189</b>	<b>48,300</b>	<b>-36.6%</b>
Transfer from General Fund	109,676	76,189	48,300	-36.6%
Transfer from Airport CIP	20,000	-	-	----
<b>Generated Revenue</b>	<b>76.6%</b>	<b>94.5%</b>	<b>91.3%</b>	
<b>Contribution from the General Fund</b>	<b>23.4%</b>	<b>5.5%</b>	<b>8.7%</b>	

*Budget Summary excludes the Airport CIP Fund. Airport CIP Fund information, including project details, is available in the CIP section of this document.*

**Airport Fund**

**BUDGET HIGHLIGHTS**

- Revenues are derived primarily from rental income from hangers, terminals and other spaces. FY23 includes revenue from a new tax on fuel sales.
- FY23 Operating expenditures and Intergovernmental Revenues each reflect the planned lapse of more than \$800K in one-time funding in FY22 to update the Airport Master Plan.

**FTE SUMMARY**

	<b>FY22 Budget</b>	<b>FY22 Amended</b>	<b>FY23 Budget</b>	<b>Change from FY22 Amended</b>
<b>Full-time Equivalents (FTE)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>-</b>
Full-time Positions	1.0	1.0	1.0	-

**Public Utilities Fund**

FUNCTIONAL AREA: Public Utilities

**DESCRIPTION**

The Department of Public Utilities (DPU) owns, operates and maintains public water and wastewater (sewer) systems in the Suburban Service Area, Town of Ashland, Hanover Courthouse Area and five rural residential subdivisions (collectively, the “System”). Extensions of the System are made in support of and in compliance with the County’s and Town of Ashland’s Comprehensive Plans.

The Public Utilities Fund is a self-supporting enterprise fund whereby the operations and capital expenditures are funded with revenues generated from customer user fees and one-time capacity fees paid at the time of connection to the System. County General Fund tax dollars are not used to fund the System. Although DPU is a tax-exempt part of the County government, it pays a service assessment charge to the General Fund in lieu of taxes for indirect public safety services. The Board of Supervisors establishes and revises both water and wastewater rates and fees and adopts the annual operating and Capital Improvements Program (CIP) budgets.

DPU develops operating, maintenance and capital construction plans to ensure reliability, adequate capacity and regulatory compliance. Capital needs are impacted by construction in support of the Comprehensive Plans, rehabilitation and maintenance requirements and compliance with state and federal regulations.

**FOR ADDITIONAL INFORMATION**

<https://www.hanovercounty.gov/413/Public-Utilities>

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>30,306,682</b>	<b>41,711,188</b>	<b>55,945,987</b>	<b>34.1%</b>
<b>Salaries &amp; Fringe Benefits</b>	<b>6,843,456</b>	<b>7,374,273</b>	<b>8,438,015</b>	<b>14.4%</b>
<b>Operating</b>	<b>11,975,982</b>	<b>13,119,956</b>	<b>14,289,164</b>	<b>8.9%</b>
<b>Capital Outlay</b>	<b>1,104,566</b>	<b>1,143,580</b>	<b>1,168,546</b>	<b>2.2%</b>
<b>Debt Service</b>	<b>1,705,532</b>	<b>1,742,730</b>	<b>1,743,317</b>	<b>0.0%</b>
<b>Transfers Out</b>	<b>8,677,146</b>	<b>18,330,649</b>	<b>30,306,945</b>	<b>65.3%</b>
<b>Revenues</b>	<b>42,867,803</b>	<b>41,711,188</b>	<b>55,945,987</b>	<b>34.1%</b>
<b>Local Revenue</b>	<b>42,689,784</b>	<b>32,052,446</b>	<b>33,478,289</b>	<b>4.4%</b>
Charges for Services	26,235,847	26,383,566	27,401,609	3.9%
Miscellaneous	15,585,637	4,960,000	5,160,000	4.0%
Permits Fees & Licenses	635,805	525,000	450,000	-14.3%
Recovered Costs	233,857	83,880	365,880	336.2%
Use of Money & Property	(1,362)	100,000	100,800	0.8%
<b>Intergovernmental</b>	<b>178,019</b>	<b>-</b>	<b>-</b>	<b>----</b>
Categorical Federal Aid	178,019	-	-	----
<b>Use of Planned Surpluses</b>	<b>-</b>	<b>9,658,742</b>	<b>22,467,698</b>	<b>132.6%</b>
<b>Generated Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Contribution from the General Fund</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

**Public Utilities Fund**

*Budget Summary excludes the Public Utilities CIP Fund. Public Utilities CIP Fund information, including project details, is available in the CIP section of this document.*

**BUDGET HIGHLIGHTS**

- FY23 Budget includes \$1.17M in Public Utilities' Service Level Plan (SLP). The SLP includes \$640K for machinery and equipment, \$228K in motor vehicles and \$301K for facility rehabilitation.

**FTE SUMMARY**

	<b>FY22 Budget</b>	<b>FY22 Amended</b>	<b>FY23 Budget</b>	<b>Change from FY22 Amended</b>
<b>Full-time Equivalent (FTE)</b>	<b>95.0</b>	<b>95.0</b>	<b>95.0</b>	<b>-</b>
Full-time Positions	95.0	95.0	95.0	-

**Self-Insurance Fund**

FUNCTIONAL AREA: Nondepartmental

**DESCRIPTION**

The Self-Insurance Fund provides for fiscal management of health insurance costs, as well as clinic operations and wellness initiatives. Participating employers include the County, Schools, Pamunkey Regional Library and Pamunkey Regional Jail. This internal service fund pays claims and receives employer contributions and employee health insurance premiums that are set with the intent to recover all costs. Employer health insurance contributions and retiree healthcare liability costs are budgeted as expenditures in departmental budgets and revenues in the Self-Insurance Fund.

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>37,911,667</b>	<b>49,662,285</b>	<b>47,528,000</b>	<b>-4.3%</b>
<b>Salaries &amp; Fringe Benefits</b>	<b>1,769,464</b>	<b>2,060,555</b>	<b>2,148,897</b>	<b>4.3%</b>
<b>Operating</b>	<b>36,142,203</b>	<b>47,601,730</b>	<b>45,379,103</b>	<b>-4.7%</b>
<b>Revenues</b>	<b>45,299,770</b>	<b>49,662,285</b>	<b>47,528,000</b>	<b>-4.3%</b>
<b>Local Revenue</b>	<b>45,299,770</b>	<b>48,162,285</b>	<b>46,528,000</b>	<b>-3.4%</b>
Health Ins Fees - Employer	35,021,476	36,824,278	36,331,000	-1.3%
Health Ins Fees - Employee	8,907,187	11,082,667	10,167,000	-8.3%
Investment Income	(1,199)	75,340	30,000	-60.2%
Retirees	886,937	-	-	----
COBRA	280,919	-	-	----
Recovered Costs	204,449	180,000	-	-100.0%
<b>Use of Planned Surpluses</b>	<b>-</b>	<b>1,500,000</b>	<b>1,000,000</b>	<b>-33.3%</b>
<b>Employer Contributions</b>	<b>77.3%</b>	<b>74.1%</b>	<b>76.4%</b>	
<b>Employee Contributions</b>	<b>19.7%</b>	<b>22.3%</b>	<b>21.4%</b>	
<b>Other Funding Sources</b>	<b>3.0%</b>	<b>3.5%</b>	<b>2.2%</b>	
<b>Contribution from the General Fund</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

**BUDGET HIGHLIGHTS**

- Salaries & Fringe Benefits includes increased employer contributions to Health Savings Accounts (HSA) as more employees opt for consumer-driven insurance plans.
- Operating reflects a reduction in budgeted health insurance claims in response to actual experience. This decrease is partly offset by increased pharmacy claims and reinsurance fees.
- Health insurance claims are primarily covered by employee and employer contributions. The Use of Planned Surpluses represents prior year contributions that were not paid out in claims.

**FTE SUMMARY**

	<b>FY22 Budget</b>	<b>FY22 Amended</b>	<b>FY23 Budget</b>	<b>Change from FY22 Amended</b>
<b>Full-time Equivalents (FTE)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>-</b>
Full-time Positions	1.0	1.0	1.0	-



**Debt Service Fund**

FUNCTIONAL AREA: Nondepartmental

**DESCRIPTION**

Debt service is the cost of paying principal and interest on borrowed money. The County borrows money through financing mechanisms that include general obligation bonds, revenue bonds, lease-purchase arrangements and loans from the Virginia Department of Education Literary Loan Fund.

The Constitution of Virginia and the Virginia Public Finance Act provide the County with authority to issue general obligation debt secured solely by the pledge of its full faith and credit. The issuance of general obligation bonds must have been approved by public referendum, unless such bonds are issued to certain state authorities. In the Commonwealth of Virginia, there is no statutory limitation on the amount of general obligation debt the County may incur. Debt secured solely by revenues generated by the system for which the bonds were issued (revenue bonds) may be issued in any amount without a public referendum.

The process of debt funding begins with the Five-Year Capital Improvements Program (CIP). The Board of Supervisors approves the source of funding for all projects in the CIP, including debt-funded projects using bond proceeds. The five-year plan for issuance of debt is designed to minimize fluctuations of annual debt service requirements and maintain compliance with debt ratio policies.

The County’s commitment to established debt and financial management policies has enabled the County to achieve AAA bond ratings from all three rating agencies: Fitch Ratings, Standard & Poor’s and Moody’s Investors Service.

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>18,684,208</b>	<b>18,888,630</b>	<b>18,410,820</b>	<b>-2.5%</b>
<b>Operating</b>	<b>14,900</b>	<b>25,800</b>	<b>25,700</b>	<b>-0.4%</b>
<b>Debt Service</b>	<b>18,669,308</b>	<b>18,862,830</b>	<b>18,385,120</b>	<b>-2.5%</b>
Principal	12,601,325	12,850,750	11,847,930	-7.8%
Interest	6,024,135	5,943,080	5,899,310	-0.7%
Issuance Costs	43,848	69,000	637,880	824.5%
<b>Revenues</b>	<b>18,770,087</b>	<b>18,888,630</b>	<b>18,410,820</b>	<b>-2.5%</b>
<b>Local Revenue</b>	<b>57,833</b>	<b>26,860</b>	<b>26,020</b>	<b>-3.1%</b>
Investment Income	40,033	-	-	----
Misc Rev VPSA Credits	17,800	26,860	26,020	-3.1%
<b>Long-term Debt</b>	<b>50,334</b>	<b>69,000</b>	<b>637,880</b>	<b>824.5%</b>
<b>Transfers In</b>	<b>18,661,920</b>	<b>18,792,770</b>	<b>17,746,920</b>	<b>-5.6%</b>
Transfer from General Fund	18,661,920	18,792,770	17,746,920	-5.6%
<b>Generated Revenue</b>	<b>0.1%</b>	<b>0.5%</b>	<b>3.6%</b>	
<b>Contribution from the General Fund</b>	<b>99.9%</b>	<b>99.5%</b>	<b>96.4%</b>	

## Debt Service Fund

### **BUDGET HIGHLIGHTS**

- As of June 30, 2021, the County had outstanding debt funded by general government expenditures of \$149.0M.

### **ADDITIONAL REFERENCES**

- Principal and interest to maturity for the County's noncurrent liabilities are detailed in the Notes to Financial Statements section of the County's Comprehensive Annual Financial Report.  
<https://www.hanovercounty.gov/283/Annual-Comprehensive-Financial-Report>
- Ratings and official statements including the purpose of each issuance are available on the Electronic Municipal Market Access (EMMA) website operated by the Municipal Securities Rulemaking Board (MSRB).  
<https://emma.msrb.org/>

**Bell Creek CDA Fund**

FUNCTIONAL AREA: Community Development

**DESCRIPTION**

This fund accounts for revenue collected revenue on behalf of the Bell Creek Community Development Authority (CDA) for the repayment of \$15,980,000 of bonds issued in 2003 to finance infrastructure improvements to the Bell Creek CDA District. The District consists of 325 acres of land within the county containing mixed-use development with residential, retail, commercial and light industrial properties. The Board of Supervisors, at the request of the Bell Creek CDA, adopted a special assessment levy on properties within the District to repay the bonds. Neither the faith and credit of the Bell Creek CDA, nor the faith and credit of the County, are pledged to the payment of the principal of or interest on the bonds. Accordingly, these bonds are not reported as County debt.

**FOR ADDITIONAL INFORMATION**

<https://www.hanovercounty.gov/420/Bell-Creek-Community-Development-Authority>

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>158,261</b>	<b>160,000</b>	<b>160,000</b>	<b>0.0%</b>
<b>Operating</b>	<b>158,261</b>	<b>160,000</b>	<b>160,000</b>	<b>0.0%</b>
<b>Revenues</b>	<b>157,993</b>	<b>160,000</b>	<b>160,000</b>	<b>0.0%</b>
<b>Local Revenue</b>	<b>157,993</b>	<b>160,000</b>	<b>160,000</b>	<b>0.0%</b>
Assessments	157,993	160,000	160,000	0.0%
<b>Generated Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Contribution from the General Fund</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

**BUDGET HIGHLIGHTS**

- The Revenue budget for assessments is set based on expected growth from prior year actuals.
- At June 30, 2021, the remaining bonds outstanding were \$989,000.

**Lewistown CDA Fund**

FUNCTIONAL AREA: Community Development

**DESCRIPTION**

This fund accounts for revenue collected on behalf of the Lewistown Commerce Center Community Development Authority (Lewistown CDA) for the repayment of bonds issued in 2007 to finance land acquisition and infrastructure improvements in the Lewistown CDA District. The bonds were subsequently amended and restructured in 2014. The District consists of 186.5 acres of land within the county. The District originally included commercial, retail and recreational properties. A portion of the District was rezoned in 2018 to allow residential development.

Pursuant to the terms of a special assessment agreement between the County, the Lewistown CDA and the developers, the bonds are repaid from (1) a special real property tax collected by Hanover County against taxable real property within the District, (2) incremental tax revenues consisting of specified percentages of incremental real and personal property, hotel occupancy and the County’s portion of sales tax revenues collected and, if necessary, (3) special assessments imposed and collected by the County at the request of the Lewistown CDA on taxable real property within the District.

Neither the faith and credit of the Lewistown CDA, nor the faith and credit of the County, are pledged to the payment of the principal of or interest on the bonds. Accordingly, these bonds are not reported as County debt.

**FOR ADDITIONAL INFORMATION**

<https://www.hanovercounty.gov/426/Lewistown-Community-Development>

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>1,361,004</b>	<b>1,871,000</b>	<b>1,657,000</b>	<b>-11.4%</b>
<b>Operating</b>	<b>1,361,004</b>	<b>1,871,000</b>	<b>1,657,000</b>	<b>-11.4%</b>
<b>Revenues</b>	<b>1,294,848</b>	<b>1,871,000</b>	<b>1,657,000</b>	<b>-11.4%</b>
<b>Local Revenue</b>	<b>659,233</b>	<b>1,236,000</b>	<b>950,000</b>	<b>-23.1%</b>
Assessments	659,233	1,236,000	950,000	-23.1%
<b>Transfers In</b>	<b>635,616</b>	<b>635,000</b>	<b>707,000</b>	<b>11.3%</b>
Transfer from General Fund	635,616	635,000	707,000	11.3%
<b>Generated Revenue</b>	<b>53.3%</b>	<b>66.1%</b>	<b>57.3%</b>	
<b>Contribution from the General Fund</b>	<b>46.7%</b>	<b>33.9%</b>	<b>42.7%</b>	

**BUDGET HIGHLIGHTS**

- Local Revenue reflects a reduction in budget in response to actual experience.
- The General Fund collects generated revenue on behalf of the Lewistown Commerce Center CDA and transfers that revenue to this fund ('Transfers In').
- At June 30, 2020, the remaining bonds outstanding were \$42,531,000.

**Economic Development Authority Fund**

FUNCTIONAL AREA: Community Development

**DESCRIPTION**

The Economic Development Authority (EDA) is a political subdivision of the Commonwealth of Virginia empowered to acquire, own, lease and dispose of properties, including properties for use by the County, and to finance the same by issuance of revenue bonds. Hanover's EDA is primarily used for considering industrial revenue bond requests and assisting the County in lease revenue bonds. The EDA consists of 7 members appointed from each magisterial district in the County.

The EDA has no taxing authority. Revenue is generated from a management fee of 1/10 of 1% of all outstanding debt issued from inducement resolutions approved by the EDA. Those bonds, representing limited obligations of the EDA, are to be repaid solely from the revenue and receipts derived from the projects funded with the proceeds. The debt outstanding does not constitute a debt or pledge of the faith and credit of the County or the EDA. Accordingly, these bonds are not reported as County debt.

**FOR ADDITIONAL INFORMATION**

<https://www.hanovercounty.gov/488/Economic-Development-Authority>

<b>BUDGET SUMMARY</b>	<b>FY21 Actual</b>	<b>FY22 Budget</b>	<b>FY23 Budget</b>	<b>% Change FY22 to FY23</b>
<b>Expenditures</b>	<b>375,557</b>	<b>94,230</b>	<b>84,610</b>	<b>-10.2%</b>
<b>Operating</b>	<b>375,557</b>	<b>94,230</b>	<b>84,610</b>	<b>-10.2%</b>
<b>Revenues</b>	<b>396,946</b>	<b>94,230</b>	<b>84,610</b>	<b>-10.2%</b>
<b>Local Revenue</b>	<b>106,545</b>	<b>94,230</b>	<b>84,610</b>	<b>-10.2%</b>
Economic Dev Commission Fee	106,545	94,230	84,610	-10.2%
<b>Intergovernmental</b>	<b>290,401</b>	-	-	----
Categorical Federal Aid	290,401	-	-	----
<b>Generated Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Contribution from the General Fund</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

**BUDGET HIGHLIGHTS**

- The EDA's budget is funded with management fees received for bond issuances, which fluctuate based on the amount of outstanding debt.
- The Operating budget includes an \$8,000 increase in EDA support for the Dominion Energy Innovation Center (DEIC).
- The EDA partially reimburses the Economic Development department in the General Fund for costs associated with managing the EDA. This amount decreases in FY23 with changes in Revenue and other Operating expenditures.