

Additional References

In addition to the budget document, the following resources relate to County operations and finances:

Annual Comprehensive Financial Report

This document is a detailed presentation of the County's financial statements as of June 30 of each fiscal year. This report is prepared by Finance and Management Services and audited by the County's independent auditors in accordance with generally accepted auditing standards and as required under state law. The report is available to the public in November of each fiscal year.

<https://www.hanovercounty.gov/283/Annual-Comprehensive-Financial-Report>

Comprehensive Plan

This document is a long-term guide for growth and development establishing a vision of what Hanover County could look like in twenty years. The plan addresses a variety of topics, including land use, housing, economic development and natural resources. It identifies objectives and strategies that can be implemented to realize the community's vision. The Planning Commission and Board of Supervisors consider the plan's recommendations when evaluating different policies and proposals, including rezoning requests, conditional use permits, and the Capital Improvement Program (CIP). The plan is prepared by Planning and adopted by the Board of Supervisors. This plan was first adopted in 1972 and has been updated at least every five years since 1982. With an eye to community engagement, Hanover County has launched the "Envision Hanover" website to work with residents, businesses, landowners and other community members to update the plan.

Current Comprehensive Plan: <https://www.hanovercounty.gov/199/Comprehensive-Plan>

Envision Hanover: <https://www.envisionhanover.com/>

Financial Policies

The Board of Supervisors adopts Financial Policies that apply to both the County and Schools. Financial policies are periodically reviewed, with amendments approved by the Board of Supervisors, as necessary. Part 1-2 of the financial policies, 'Purpose of Policies' summarizes the topics addressed within each major section of the policies.

<https://www.hanovercounty.gov/DocumentCenter/View/1236>

Financial Reports to the Board of Supervisors

Finance and Management Services presents interim financial reports to the Board of Supervisors in February for the six months ended December 31; May for the nine months ended March 31; August for the preliminary year-end report and November for the audited financial statements.

<https://www.hanovercounty.gov/697/Board-of-Supervisors-Upcoming-and-Archived-Meetings>

Hanover County Public Schools Budget

Operations of the School Board are independent of the Board of Supervisors as prescribed by Virginia law. The proposed budget is the School Board's request submitted to the County for consideration. The adopted budget is the annual financial plan as adopted by the School Board.

http://hcps.us/departments/business_operations

Additional References

Human Resources Policies

Personnel policies are adopted by the Board of Supervisors and apply to all departments, positions and employees of the County. Policies addressing position management and compensation of employees most directly impact development and administration of the budget. Human resources policies are periodically reviewed, with amendments approved by the Board of Supervisors, as necessary.

<https://www.hanovercounty.gov/DocumentCenter/View/1334>

Municipal Securities Data and Disclosure Documents

The EMMA website provides free public access to official statements and continuing disclosure for municipal securities, including lease revenue and general obligation bonds. Official statements give a detailed description of the bonds as well as economic and financial information of the County. These documents are prepared by Finance and Management Services and the County Attorney's Office with assistance from bond counsel, financial advisors and underwriters. These statements are available to the public at the time of each bond sale. Continuing disclosure documents describe material information throughout the life of a bond.

<https://emma.msrb.org>

Vendor Payments Report

The information included in this report is extracted from the County's financial system and only includes Hanover County government payments. All vendor payments are included with the exception of confidential, private or protected information. The Vendor Payment Report is unaudited and for informational purposes only.

<https://www.hanovercounty.gov/891/Vendor-Payment-Reports>

Virginia Auditor of Public Accounts (APA) Reports

These are reports prepared by the Virginia APA and are reviews of state-related agencies (Clerk of the Circuit Court, Sheriff, etc.). These reports are made available to the public when published by the APA.

http://www.apa.virginia.gov/APA_Reports/Reports.aspx

Virginia Comparative Report of Local Government

County input for the statewide comparative report is prepared by Finance and Management Services and reviewed by the County's independent auditors. The County's response enables the State to prepare an overall report which compares each locality's revenues and expenditures by activity and category. The State's report is usually available in March for the prior fiscal year.

http://www.apa.virginia.gov/APA_Reports/LG_ComparativeReports.aspx

Acronyms & Abbreviations

General Abbreviations

ACFR: Annual Comprehensive Financial Report

Addn: Addition

Addtl: Additional

CDA: Community Development Authority

CIP: Capital Improvements Program

Constr: Construction

CSA: Children's Services Act

CSB: Community Services Board

CVTA: Central Virginia Transportation Authority

EDA: Economic Development Authority

EMS: Emergency Medical Services

FAA: Federal Aviation Administration

FBA: Fund Balance Assignment

FTE: Full-time Equivalent

FY: Fiscal Year

GAAP: Generally Accepted Accounting Principles

GASB: Governmental Accounting Standards Board

GF: General Fund

GFOA: Government Finance Officers Association of the United States and Canada

GIS: Geographic Information System

HCPS: Hanover County Public Schools

HVAC: Heating, Ventilation and Air Conditioning

IT: Information Technology

Impr: Improvements

Mgmt: Management

PTNB: Part-time non-benefited

PYB: Prior Year's Balance

RAFT: Recovery Acceptance Friendship Teamwork

Rec: Recreation

Rehab: Rehabilitation

Repl: Replacement

SLP: Service Level Plan

VDOT: Virginia Department of Transportation

VPSA: Virginia Public School Authority

VRA: Virginia Resources Authority

VRS: Virginia Retirement System

Public Utilities Abbreviations

MG: Million gallon

MGD: Million gallons per day

WIP: Watershed Implementation Plan

WST: Water Storage Tank

WTP: Water Treatment Plant

WWPS: Wastewater Pump Station

WWTP: Wastewater Treatment Plant

Glossary

Annual Comprehensive Financial Report (ACFR): This is a detailed document of the County's financial statements as of June 30 of each fiscal year. (For more information, see Additional References).

Appropriation: A legal authorization of the Board of Supervisors to incur obligations and to make expenditures for specific purposes.

Assessed Valuation: The valuation set upon real estate and certain personal property as a basis for levying property taxes.

Assessment Ratio: The relationship between the assessed value and the fair market value. The Code of Virginia (Title 58.1-3201) states that real estate is to be assessed at 100% of fair market value.

Asset: Resources owned or held by a government that have monetary value.

Assigned Fund Balance: Amounts a government intends to use for a specific purpose, including budgeted use of prior year fund balance.

Audit: The systematic examination of the assertions of actions of a third party to evaluate conformance to some norm or checkmark.

Balanced Budget: A balanced budget is a budget with estimated revenues, including the use of fund balance, meeting planned expenditures.

Basis of Budgeting: Refers to the basis used to estimate financing sources and uses in the budget. This generally takes one of three forms: accrual, modified accrual or cash.

Bond: A long-term promise to pay. It is a promise to repay a specified amount of money (the face value of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

Bond – General Obligation: This type of bond is backed by the full faith, credit and taxing power of the government.

Bond – Revenue: This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

Bond Rating: An evaluation performed by an independent rating service of the credit quality of bonds issued. Ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities.

Bond Refinancing: The payoff and reissuance of bonds to obtain better interest rates and/or bond conditions.

Budget: A plan of financial activity indicating planned revenues and expenses for the budget period.

Budget Amendment: An adjustment to the original adopted budget. Examples include transferring funding across departments or providing supplemental funding for a particular project. Amendments that increase the total appropriated budget require approval of the Board of Supervisors.

Budget Calendar: The schedule of key dates that a government follows in the preparation and adoption of the budget.

Budgetary Control: The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets: Fixed assets that have a value of \$5,000 or more and a useful economic life of more than five years; or assets of any value if the nature of the item is such that it must be controlled as a fixed asset for custody purposes.

Capital Improvements Fund: A type of governmental fund that accounts for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Glossary

Capital Improvements Program (CIP): A five-year plan for capital improvements to meet the government's long-term needs. Includes major construction, acquisition or renovation activities that add value to a government's physical assets or significantly increase their useful life; typically, assets greater than \$50,000 that have a useful life of several years.

Capital Outlay: An expenditure category that includes capital assets that have a value of \$5,000 or more that do not qualify for the Capital Improvements Program (equipment, vehicles, etc.).

Cash Basis: A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Central Virginia Transportation Authority (CVTA): An Authority established by the 2020 General Assembly of Virginia that provides funding opportunities for priority transportation investments to counties and cities in Virginia Planning District 15.

Comprehensive Plan: A planning document that is a long-term guide for growth and development within the county. The plan outlines goals, objectives and projections of the county's needs for the next 20-year horizon.

Constitutional Officers: Refers to the officers or agencies directed by elected officials whose positions are established by the Constitution of the Commonwealth of Virginia or its statutes (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff and Treasurer).

Contingency: An appropriated budgetary reserve set aside for emergencies or unforeseen expenditures.

Contractual Services: An expenditure classification that includes services acquired from outside sources (i.e., private vendors or other governmental entities); examples include maintenance agreements and professional consulting services.

Debt Service: An expenditure category that includes the cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Department: The basic organizational unit of government that is functionally unique in its delivery of service.

Depreciation: The decrease in the value of a capital asset over the service life of the capital asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Disbursement: The spending or payment of money from an account.

Distinguished Budget Presentation Award: A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare a budget document that meets program criteria as a policy document, an operations guide, a financial plan and communication device.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund: A type of proprietary fund that provides services that are financed and operated similarly to those of a private business.

Expenditure: The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense: Charges incurred, whether paid or unpaid, on operations, maintenance, interest or other charges presumed to benefit the current fiscal period.

Fair Market Value: The amount a property would likely sell for today if it were on the market for a reasonable time.

Fiduciary Fund Type: Fiduciary funds are used to report resources that are received and held by the County in a trustee or custodial capacity for the benefit of individuals, private organizations or other governments and cannot be used to support the locality's programs.

Glossary

Fiscal Year (FY): A one-year period of time used by an organization for budgeting and financial reporting. The fiscal year for Hanover County starts on July 1 and ends June 30.

Fringe Benefits: Contributions made by the County for non-wage compensation provided to employees. Examples include Social Security, retirement, health insurance and life insurance.

FTE (Full-time Equivalent): A measure of authorized staff positions. For Hanover County, full-time and part-time benefited positions require authorization. An FTE of 1.0 is a full-time position. For Hanover County, benefits begin at a full-time equivalent status of 0.5, which is 20 hours per week. Part-time employees who work less than 20 hours per week are non-benefited and are not included in FTEs.

Functional Area: A group of related departments aimed at accomplishing a major service or regulatory program for which a government is responsible. Examples include community development, public safety and human services.

Fund: A fiscal entity with revenues and expenditures that are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance: The difference between assets and liabilities in a governmental fund.

Fund Type: A classification of funds that are similar in purpose and character.

GAAP (Generally Accepted Accounting Principles): Uniform minimum standards for financial accounting and recording.

GASB (Governmental Accounting Standards Board): The authoritative accounting and financial reporting standards-setting body for state and local governments.

General Fund: The chief operating fund of the County. This fund contains the operating budgets for most traditional local government programs such as public safety, parks and recreation and public works. The General Fund transfers general tax revenues and receipts to other funds to supplement revenue collected by those funds..

General Property Taxes: Revenue from taxes levied on property located in, or owned by the residents and businesses of, Hanover County. Examples include real and personal property.

GFOA (Government Finance Officers Association of the United States and Canada): The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit.

Governmental Fund Type: Funds generally used to account for tax-supported activities. Most of the County's governmental functions are accounted for in governmental funds. These funds are appropriated by the Board of Supervisors.

Grant: A contribution by a government or other organization for a specific purpose.

Infrastructure: The physical assets of a government such as roads, sewers and parks.

Intergovernmental Revenue: Funds received from Federal, State or other local governments in the form of grants, shared revenues or payments in lieu of taxes.

Internal Service Fund: A type of proprietary fund used to account for the costs of operations for services provided to other County departments.

Levy: To impose taxes for the support of government activities.

Liability: A legally binding obligation that is payable to another person or entity. Settlement of a liability can be accomplished through the transfer of money, goods and/or services.

Line-item Budget: A budget that specifies the types of expenditures planned for the fiscal year at the detailed operational level.

Glossary

Local Revenue: Funds that are received as income by the locality through the imposition of both general property and non-property taxes, permitting fees and fines, and charges for services as well as recovered costs.

Long-term Debt: Money borrowed through financing mechanisms, such as bonds. Principal and interest on borrowed money is paid through the Debt Service Fund.

Objective: A specific and measurable goal that is achievable within a specific period.

Obligation: An amount that a government may be legally required to meet out of its resources, including liabilities and encumbrances not yet paid.

Operating: An expenditure category that includes the cost for services, materials and supplies required in normal business operations.

Operating Budget: Plans of expenditures and the means to finance them. Contains appropriations for such expenditures as salaries & fringe benefits, supplies, training, services, repair & maintenance and capital outlay for various departments.

Operating Impact: The effect a capital improvement project will have on the operating budget. Operating impacts may increase or decrease revenues or expenditures. Operating impacts to the General Fund are incorporated into the Five-Year General Fund Financial Plan.

Operating Revenue: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance: A piece of legislation enacted by a municipal authority.

Per Capita: The amount per person within a population. For example, the per capita cost of a department is the department's expenditures divided by the population of Hanover County.

Personal Property: A category of property, other than real estate, identified for purposes of taxation. It includes resident owned items, corporate property and business equipment. Examples of personal property include automobiles, motorcycles, trailers, boats, aircraft, business furnishings and manufacturing equipment.

Personnel: Consists of all costs related to employees, such as salaries and fringe benefits.

Proffers: Cash or property offered by developers to the County in land development projects.

Property Tax Rate: The dollar amount applied to the assessed value of various categories of property used to calculate the amount of taxes to be collected. The tax rate is usually expressed as an amount per \$100 of assessed valuation.

Proprietary Fund Type: Proprietary funds account for a government's business-type activities. The services provided in these funds are intended to recover all or a significant portion of their costs through user fees. Proprietary funds include enterprise and internal service funds.

Real Property: Real estate, including land and improvements (buildings, fencing and paving), classified for purposes of tax assessment.

Reserve: An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year, or to earmark revenues for a specific future purpose.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources: The total amount available for appropriation including estimated revenues, fund transfers and beginning balances.

Glossary

Revenue: A source of income that provides an increase in net financial resources and is used to fund expenditures. Budgeted revenue is categorized by its source, such as taxes, fees, bonds, investment income, federal and state grants or other financing sources.

Salaries & Fringe Benefits: An expenditure category for employee compensation, including salaries, wages, overtime, health insurance and other benefits.

Service Level: Services or products that comprise actual or expected output of a given program. The focus of service levels is on results, not measures of workload.

Service Level Plan (SLP): A plan for increasing efficiencies and enhancing services provided to the citizens within each department's budget in the Five-Year General Fund Financial Plan.

Special Revenue Fund: A type of governmental fund used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Suburban Service Area (SSA): The Suburban Service Area includes parts of Hanover County where public water and sewer service are planned to be made available, accommodating higher-intensity residential, commercial and industrial development.

Tax Levy: Charges imposed by a locality to support government activities.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people.

Transfers In/Out: Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unassigned Fund Balance: Fund balance that is available for any purpose. This amount is reported only in the General Fund.

Unencumbered Balance: The amount of an appropriation that is neither expended nor encumbered. It is the remaining amount available for future purposes.

User Fees: The payment of a fee for direct receipt of a public service by the party who benefits from the service.

VPSA (Virginia Public School Authority): Created by the General Assembly in 1962 for the purpose of supplementing the existing method of capital programs for public schools.

VRS (Virginia Retirement System): The retirement program that the County is statutorily required to participate in, which is overseen by the General Assembly who has the authority to set the rates.