

STANDARD & POOR'S GIVES HANOVER COUNTY 'AAA' BOND RATING; SECOND BOND RATING AGENCY TO DO SO

Standard and Poor's, one of the three major municipal bond ratings agencies in the United States, has upgraded Hanover County to a 'AAA' rating, the highest possible. Fitch Ratings also reaffirmed the 'AAA' bond rating it gave Hanover County in 2006.

Only 24 county governments nationwide have been rated 'AAA' by both S&P and Fitch, and only six counties in Virginia, with Hanover County having the smallest population of those recognized with this rating. The U.S. has nearly 3,100 counties in all 50 states.

The bond rating will be applied to \$21 million in general obligation bonds that are scheduled to sell competitively during the week of February 2. These bonds will finance school and county projects from the 2005 bond referendum that have been recently completed or are under construction. Hanover County will also refinance about \$15.9 million in existing public improvement bonds at a lower rate.

S&P based its upgrade on Hanover's "historically strong financial position, aided by excellent and well adhered to fiscal policies. Continued economic development in a resilient economy further supports the upgrade. The outlook is stable."

"This is great news for Hanover taxpayers," said John E. Gordon Jr., Chairman of the Board of Supervisors. "It means that Hanover County will be able to borrow money at lower interest rates as we continue to finance needed capital improvement projects."

"Hanover County has maintained a sound financial performance and benefited from sophisticated financial planning," S&P stated. It called Hanover County's financial management practices "strong, well embedded and likely sustainable."

"The stable outlook reflects the local economy's growth and the expanding role it plays within the already diverse regional economy," according to S&P. "Economic development should continue, strengthening the economy and the employment and property tax bases while allowing the county to maintain its rural nature. The county's excellent fiscal policies and adherence to them and the overall health of the county's financial position provide rating stability."

Fitch based its 'AAA' rating on Hanover's "sustained economic growth and diversification coupled with the maintenance of a sound financial position despite declines in state support. The rating is further supported by extensive institutionalized management and planning practices, low debt and unemployment levels, consistently positive financial results, high income levels and the excellent growth prospects of the entire Richmond region."

"The Board of Supervisors and the staff have worked very hard to give Hanover County citizens the highest quality of financial management and we are glad that S&P and Fitch have chosen to recognize these accomplishments," County Administrator Cecil R. "Rhu" Harris, Jr. said. "These 'AAA' bond ratings will produce significant benefits for Hanover County over a long period of time."

Hanover is rated Aa1 by Moody's Investors Service, which is one rating grade below AAA.