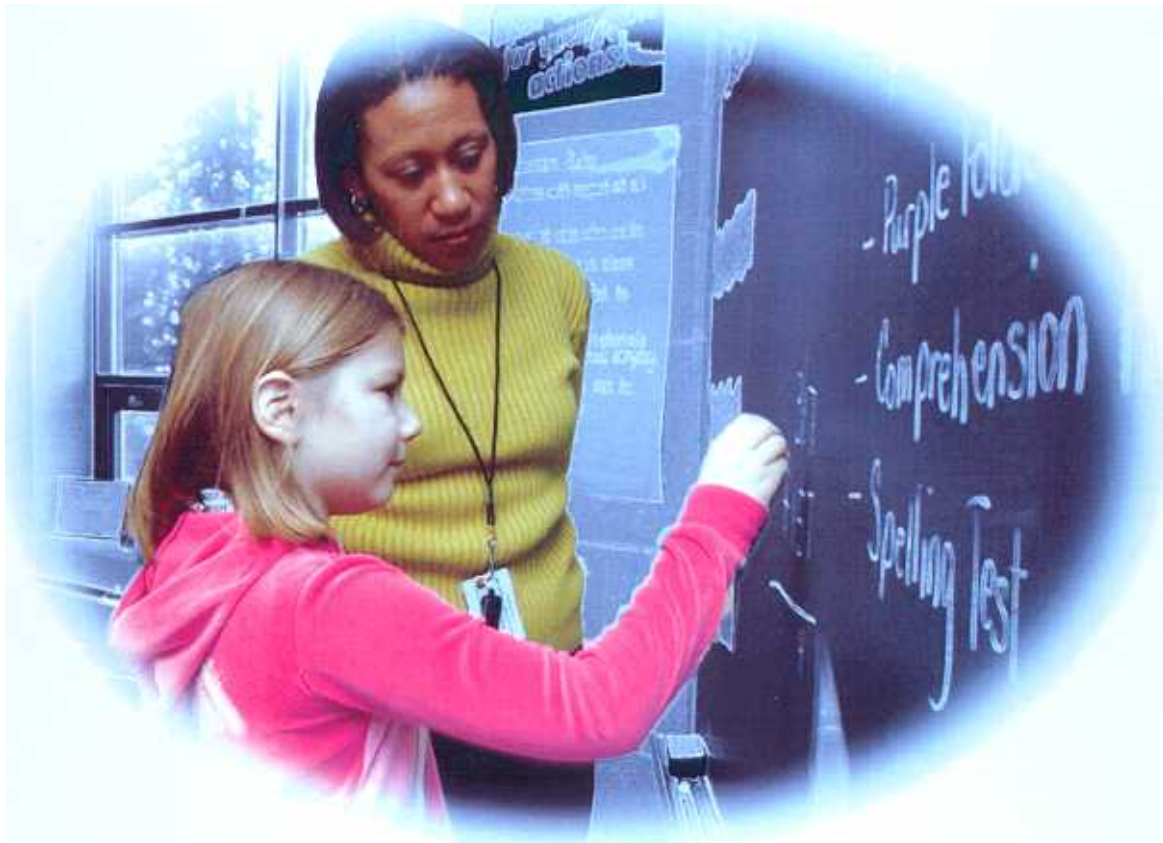




**Comprehensive Annual Financial Report
of the
Williamsburg-James City County Public Schools
A Component Unit of James City County, Virginia**



2005 CAFR

Fiscal Year Ended June 30, 2005

Prepared by the Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT
WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

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INTRODUCTORY SECTION

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of the James City County, Virginia)**

Members of the School Board and School Board Officials as of July 1, 2005

City of Williamsburg

Dr. John Alewynse.....School Board Member
Ms. Elise Emanuel.....School Board Member

James City County

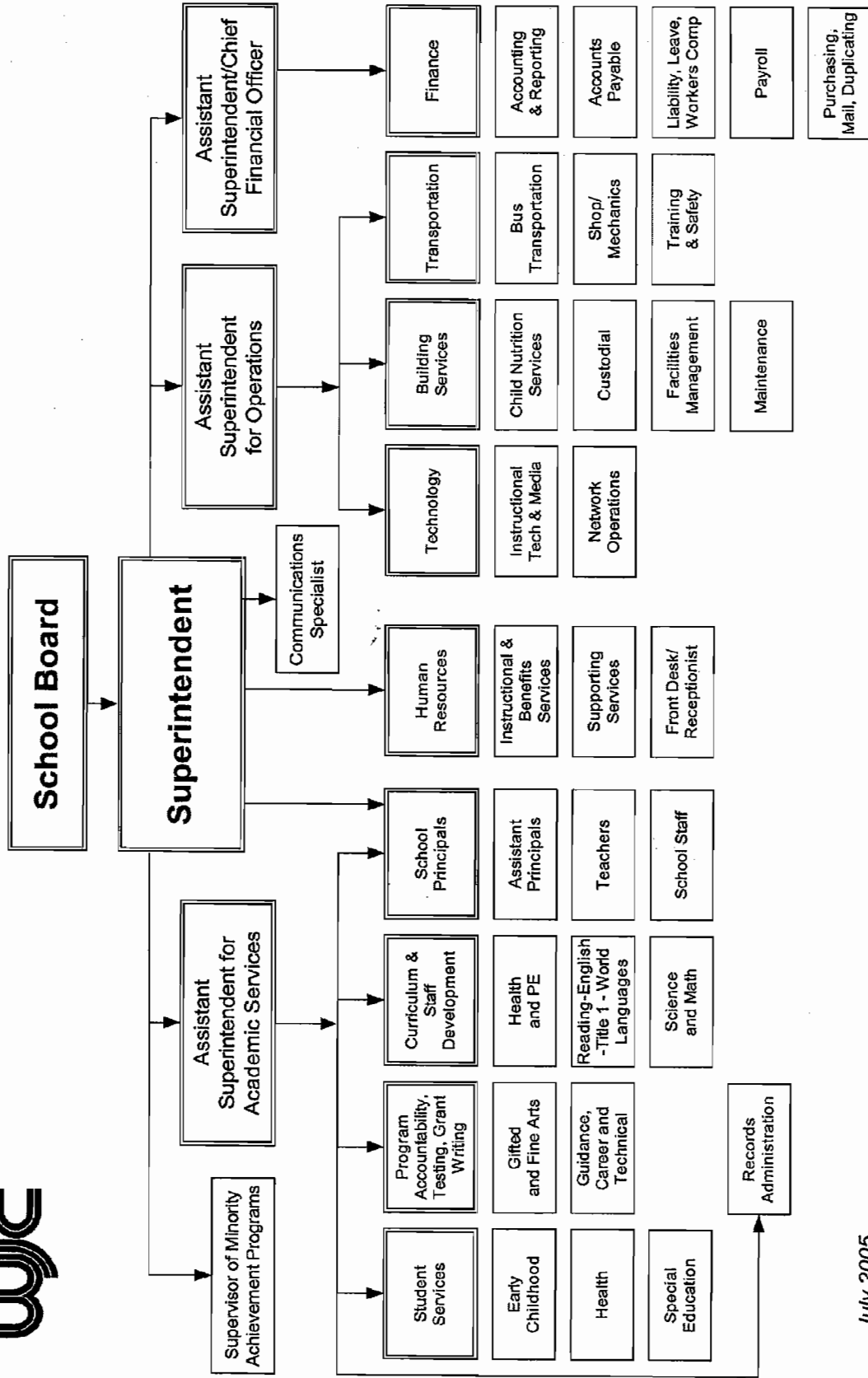
Ms. Ann A. Brown..... Chair
Ms. Denise W. Koch..... Vice-Chair
Ms. Mary Ann Maimone.....School Board Member
Ms. Mary Minor.....School Board Member
Mr. Ron Vaught.....School Board Member

Officials

Dr. Gary S. Mathews..... Superintendent of Schools
Dr. Jeffrey O. Smith.....Assistant Superintendent, Academic Services
Mr. Scott A. Burckbuchler.....Assistant Superintendent/Chief Financial Officer
Ms. Janet L. Cerza.....Deputy Clerk
Ms. M. Ann Davis.....Treasurer



WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS





Williamsburg-James City County Public Schools

P.O. Box 8783, Williamsburg, Virginia 23187-8783
Telephone (757) 253-6777

SCHOOL BOARD

Mrs. Ann A. Brown
Chair
Powhatan District
James City County

Ms. Denise W. Koch
Vice-Chair
Roberts District
James City County

Dr. John Alewynse
Williamsburg

Ms. Elise Emanuel
Williamsburg

Ms. Mary Ann Maimone
Berkeley District
James City County

Ms. Mary Minor
Jamestown District
James City County

Mr. Ron L. Vaught
Stonehouse District
James City County

SUPERINTENDENT
Gary S. Mathews

FAX NUMBERS

Academic Services:
757-253-6722

Finance:
757-253-0173

Human Resources:
757-258-0092

Superintendent's Office:
757-229-3027

September 15, 2005

To School Board Members
of Williamsburg-James City County:

The Comprehensive Annual Financial Report (CAFR) of Williamsburg-James City County Public Schools (the School Division), a component unit of James City County, Virginia, for the fiscal year that ended June 30, 2005, is hereby submitted. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and includes all disclosures necessary to understand the School Division's financial activities. The responsibility for the accuracy, completeness and fairness of the data presented, as well as all accompanying disclosures, rests with the Schools.

This report is prepared in conformity with accounting principles generally accepted in the United States of America for governments as promulgated by the Governmental Accounting Standards Board (GASB). This report is intended to present a comprehensive summary of significant financial data to meet the needs of the citizens, taxpayers, financial institutions, and the Williamsburg-James City County School Board (the School Board). Generally accepted accounting principles (GAAP) require that management provide a narrative introduction and an overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is intended to complement the required MD&A and is intended to accompany it. The MD&A can be found immediately following the reports of the independent auditors.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a listing of principal officials, an organizational chart for the School Division, the Association of School Business Officials Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The financial section begins with the independent auditors' report. This section also includes the MD&A, basic financial statements, notes to the basic financial statements, and the required supplementary information for the year ended June 30, 2005. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

The firm of KPMG LLP performed the audit of Williamsburg-James City County Public Schools for the ninth consecutive year. They were awarded the contract to provide the annual financial audit through the year ended June 30, 2005, as part of a combined proposal between Williamsburg-James City County Public Schools, James City County, James City County Service Authority, James City County Industrial Development Authority, Virginia Peninsula Regional Jail Authority, and the Middle Peninsula Juvenile Detention Center.

The School Division was developed as a result of an agreement of consolidation between the governing bodies and the school boards of the City of Williamsburg (the City) and James City County (the County) on January 14, 1954. The Division is considered a component unit of James City County.

This report includes all funds that are controlled by or dependent on the School Superintendent and School Board. Additional information regarding the School Division's financial reporting entity may be found in the notes to the basic financial statements. During school year 2004-2005, the School Division operated two high schools (grades 9-12), three middle schools (grades 6-8), and seven elementary schools (grades K-5). The School Division served 9,402 students and provided a full range of educational services appropriate to grades K-12, including regular and enriched academic education, special education for handicapped youngsters, occupational education, and programs for those with limited English proficiency. These programs are supplemented by a wide variety of offerings in fine arts and athletics.

ECONOMIC OUTLOOK

The City and the County are located on the northern side of the Virginia Peninsula near the cities of Hampton and Newport News and located halfway between Norfolk and Richmond. The major employers in these surrounding areas include Newport News Shipbuilding, Langley Air Force Base, Fort Eustis, and the National Aeronautics and Space Administration. Although it has a growing industrial base of its own, much of the City and the County serve as a bedroom community to the surrounding industrialized area.

James City County has a strong, diverse and growing economic base. The value of taxable real property grew by 12.6% from July 2004 to July 2005, and a similar increase is expected over the next twelve-month period. Several new retail clusters are breaking ground or are under construction and, after three years of modest growth, are projected to increase 6% to 8% a year.

The major trade in the Williamsburg-James City County area, tourism, is expected to experience moderate improvement in room and meal sales during 2006 as the national economy shows signs of strengthening. Other major local employers include The College of William and Mary and Anheuser-Busch, Inc., both of which are involved in stable markets. The County's largest taxpayer, Anheuser Busch, Inc., is undergoing a three-year, \$200 million modernization to its James City County brewery. Continuing commercial investment in the Greenmount, Stonehouse, and New Town areas of the County has and will create additional jobs and the unemployment rate in the County (2.5%) is lower than state and federal averages. Significant new investment in road infrastructure and continuing development of both the State and Federal properties at Jamestown are expected to continue, anticipating the 400th anniversary of the English Colony at Jamestown in 2007. Also, in fiscal year 2005, the number of business licenses increased by 5.8%.

The County enjoys bond ratings of AA2 from Moody's, AA from Standard and Poor's, and an AA++ from Fitch. These bond ratings are based on analyst recommendations after a review of economic and fiscal performance, fiscal policies and practices, current debt outstanding, and evidence of financial planning to meet future capital needs. These ratings are excellent for a community the size of James City County and give the County additional leverage in the bond market for potential bond buyers and investors.

Real estate development/price appreciation continues to be healthy. Growth in personal property values (primarily vehicles) remains strong.

Residential growth continues in the middle and upper income brackets as the area attracts residents from the Hampton Roads and Richmond areas. New residents are older and wealthier, fueling investments in facilities and services for the elderly. However, we are also seeing an increase in younger families with school-aged children moving into the area.

MAJOR INITIATIVES

Continued residential growth and economic expansion in the Williamsburg-James City County area are having their impact on the Schools. Student enrollment has consistently increased. From September 2004 to September 2005, student enrollment increased from 9,402 to 9,820 or 418 students, representing a one year growth rate of 4.4%. This growth, and heavier past growth throughout the community, has added a strain on the space capacity

of the School Division's schools. Space capacity has been increased through specific building projects over the last few years but a strain, nevertheless, is occurring at many of the School Division's schools. For the 2004-2005 school year, the number of trailers in use at 7 of 12 school sites was increased to 25. These 25 trailers provided an additional 43 classrooms. The additional space was needed to accommodate effective and/or programmatic capacity needs during the 2004-2005 school year.

The existing strain is most apparent at the high school level, where September 2004 student enrollment of 2,987 (including some special education students) exceeded the School Division's combined high school program capacity of 2,546. Even with the opening of a second high school in 1997-1998, known as Jamestown, the annual enrollment at the secondary level has exceeded both the design and program capacities, thus, facilitating the need to expand the use of trailers to 13 trailers for the 2004-2005 school year.

As a component of our long range capital project planning process, a division wide comprehensive facility assessment was conducted by an independent architectural firm during fiscal year 2004-2005. The purpose of this assessment was: (1) to assess the condition of our current facilities including major systems specifically HVAC, roofing, and electrical systems, (2) to determine whether our current facilities are able to accommodate our current and future educational programs, and (3) to determine our current capacity in relation to current and future enrollment. Two major recommendations that came out of that study was the need to construct an additional elementary and an additional middle school as well as the expansion of some current schools.

In anticipation of continued growth at all grade levels a new elementary and high school are scheduled to open in September 2007. During the 2004-2005 fiscal year, James City County voters approved a bond referendum in the amount of \$39.8 million to secure financing for the County's share of the cost of constructing and equipping the new high school. The City of Williamsburg has also approved its share of the costs for the new high school in proportion to the County funding per the joint school contract. The construction phase for the new high school will commence during fiscal year 2005-2006. During the fiscal year 2005-2006 budget process, funding was approved by both the County and the City for a new elementary school and we are hoping to secure funding for a new middle school in fiscal year 2007-2008. Accommodating enrollment growth will continue to be a challenge in the next number of years.

Just as important, changes have been occurring within the instructional division. Staff has made substantial progress in convincing all appropriate parties that different programs serving the needs of preschool children who are at-risk or have disabilities should be consolidated and/or expanded. In addition, numerous career and technical program offerings have been expanded to prepare students for the ever-changing workplace.

The School Division continues to upgrade existing facilities with technology improvements. During fiscal year 2005, all of the secondary schools were certified to be "prepared for SOL Online testing" ensuring that the network infrastructure, bandwidth required for internet access, and SOL-compliant computers are present and ready for use by the students. In addition to the wired, or legacy, networking infrastructure, all 12 schools have the latest in wireless networking technology allowing greater flexibility and mobility in teaching venues using wireless laptops. Using the James City County fiber-optic infrastructure, the school division converted all secondary schools and the school board office from Verizon's ATM-T1 to fiber connectivity. This conversion is both an enhancement in network speed, performance, and reliability as well as a cost avoidance of ATM-T1 leased line fees.

Finally, during the 2004-2005 fiscal year, the School Division underwent, on a voluntary basis, a state-sponsored efficiency review of its non-instructional operations. The goal of this independent review was to identify potential cost savings in non-instructional areas of the school system's operations that will allow resources to be redirected to support classroom instruction. This study was completed in the summer of 2005. The administration and the School Board have been systematically reviewing the contents of the study and have been taking appropriate actions in its regard.

FINANCIAL INFORMATION

Internal Controls

Internal controls are designed to provide reasonable assurance that assets of the reporting entity are protected from loss, theft, or misuse, and to ensure that reliable financial records are maintained for preparation of financial statements that are in conformity with generally accepted accounting principles.

Internal control evaluations occur with the above guidelines when the annual audit process is undertaken and they are felt to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, this internal control structure is subject to periodic evaluation by management of the School Division.

Budgetary Controls

Budgetary controls are maintained to ensure compliance with Virginia statutes governing public entities and school operations. These statutes provide legal standards for preparing, presenting, adopting, and administering the budget. The School Board presents a proposed budget to the City and the County, the governing bodies, who then adopt their own operating and capital project budgets incorporating their contributions to the School Division. The School Board makes any required adjustments, and then adopts an amended budget. The Superintendent is authorized to make expenditures and commitments of funds as approved by the Board in the adopted annual budget in accordance with the Board's policies and applicable state and federal regulations and laws.

The School Division also maintains an encumbrance accounting system as one method of accomplishing budgetary control. Outstanding encumbrances are reported as a reservation of fund balance of the General Fund at year end. With the 1996-1997 fiscal year as the initial year, a contractual agreement exists with the City and County that permits the School Division to retain any unexpended appropriated funds. Therefore, this agreement also applied to the 2004-2005 fiscal year.

Financial Highlights

The School Division continues to be in sound financial condition as demonstrated by the basic financial statements included in this report. The School Division has operated within the resources available while achieving many of its program goals.

Williamsburg-James City County Public Schools is a component unit of James City County, Virginia, and the County is the legal holder of debt related to the acquisition of school facilities.

Overall, the School Division will experience growth in funding in the near future. Funding from the Commonwealth of Virginia (the Commonwealth) will increase due to enrollment and as the State "rebenchmarks" the costs associated with the Standards of Quality (SOQ). Funding from the City and County is expected to increase due to enrollment increases and inflationary factors. As public education is a services-oriented industry, approximately 85% of our operating costs are related to employee compensation and fringe benefits. Therefore, providing a competitive employee compensation package will continue to be very challenging.

Cash Management

The James City County Treasurer also serves as Treasurer for the City of Williamsburg and for the School Board. As such, monies are transferred from the governing bodies to the School Board's cash account on an as-needed basis until year end when the balances of the total appropriations are transferred.

Temporarily idle funds are automatically placed into overnight investments that are secured or collateralized by government securities as required by the Code of Virginia and investments in the State Treasurer's Local Government Investment Pool (LGIP).

Risk Management

The Risk Management Program currently involves maintaining several comprehensive insurance policies, monitoring various loss control activities, and a program to effectively manage claims filed against the School Division. The School Division risk manager and injury coordinator monitor all claims.

The School Division's insurance coverage includes the following: a workers' compensation insurance policy, a comprehensive general liability policy, a property insurance policy, a boiler and machinery coverage policy, fleet insurance, umbrella liability policy, employee blanket bond, and a School Board errors and omissions policy.

The School Division maintains an ongoing program of risk management, primarily focusing on the support service areas. The loss control program is structured to reduce and control on-the-job injuries and accidents. The program also includes safety awareness training for higher risk categories of employees.

The School Division retains the professional services of Rosenthal Insurance Consulting of Richmond, Virginia, and Taylor Johnson Group of Virginia Beach, Virginia. These firms send representatives to lead and participate in analyzing areas of concern and assist with ideas to reduce and control overall risk.

Independent Audit

State statutes require an annual audit of the books of account financial records and transactions of the School Division. This requirement has been addressed. In addition, an unqualified opinion of KPMG LLP, an independent audit firm, has been included in this report.

Single Audit Act

The School Division is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' report on internal control and compliance with applicable laws regulations, contracts and grants, and a schedule of findings and questioned costs, if any, are included in a separately issued James City County and Williamsburg-James City County School Board combined single audit report.

Awards

This past year, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Williamsburg-James City County Public Schools for its FY 2003-2004 comprehensive annual financial report. The Association of School Business Officials International (ASBO) also recognized the Division with its Certificate of Excellence in Financial Reporting.

In order to be awarded a certificate, a reporting unit must publish an easily readable and efficiently organized comprehensive annual financial report, which generally conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

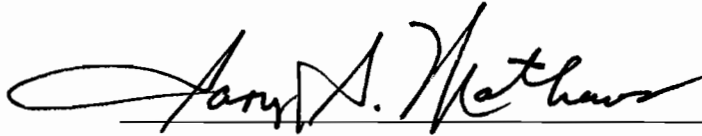
Although these certificates are only valid for a single year, it is our belief that the current report continues to adhere to the Certificate of Achievement and Certificate of Excellence standards established by these accrediting agencies. Therefore, we are submitting it both to the GFOA and ASBO for their review.

ACKNOWLEDGEMENTS

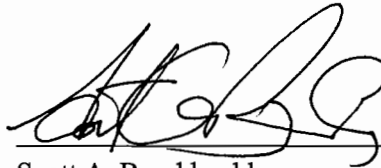
We would like to express appreciation to the members of the Williamsburg-James City County School Board for their concern in providing fiscal responsibility and accurate reporting of financial data to the students, parents, staff, and general community of the School Division.

We also would like to thank the members of the Department of Finance, who devote so many hours each year to the preparation of accurate payrolls, payables, financial reports, and statistical data.

Respectfully submitted,

A handwritten signature in black ink, reading "Gary S. Mathews", written over a horizontal line.

Gary S. Mathews, Ph.D.
Superintendent of Schools

A handwritten signature in black ink, reading "Scott A. Burckbuchler", written over a horizontal line.

Scott A. Burckbuchler
Assistant Superintendent/Chief Financial Officer

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Williamsburg-James City County Public Schools

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department

Williamsburg-James City County Public Schools, Virginia



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date May 27, 2005

FINANCIAL SECTION



KPMG LLP
Suite 2000
1021 East Cary Street
Richmond, VA 23219-4023

Independent Auditors' Report

The Honorable Members of the School Board
Williamsburg-James City County Public Schools:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Williamsburg-James City County Public Schools (the Schools), a component unit of James City County, Virginia, as of and for the year ended June 30, 2005, which collectively comprise the Schools' basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Williamsburg-James City County Public Schools, as of June 30, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2005 on our consideration of the Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 13, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual on page 35 and the Schedule of Funding Progress on page 36 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Schools' basic financial statements. The accompanying information in the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

KPMG LLP

September 15, 2005



KPMG LLP
Suite 2000
1021 East Cary Street
Richmond, VA 23219-4023

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

The Honorable Members of the School Board
Williamsburg-James City County Public Schools:

We have audited the financial statements of the governmental activities and each major fund of the Williamsburg-James City County Public Schools (the Schools), a component unit of James City County, Virginia, as of and for the year ended June 30, 2005, which collectively comprise the Schools' basic financial statements and have issued our report thereon dated September 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Schools' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards*.



This report is intended solely for the information and use of members of the School Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 15, 2005

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

The discussion and analysis of Williamsburg-James City County Public Schools' (the Schools) financial performance provides an overview of financial activities for fiscal years ended June 30, 2005 and 2004. The analysis focuses on the Schools' financial performance as a whole. Please read it in conjunction with the Schools' basic financial statements.

Financial Highlights

- The Schools' total net assets (assets less liabilities) on a government-wide basis were \$28.2 million at June 30, 2005, representing an increase of 3.4% over fiscal year 2004. Of the balance, \$1.8 million of net assets are unrestricted at June 30, 2005. The increase in net assets is primarily attributable to the capitalization of ongoing and completed capital projects.
- The Schools' liabilities on a government-wide basis totaled \$9.7 million at June 30, 2005. This represented a 14.5% increase when compared to the balance at June 30, 2004. This increase was the result of an increase in accrued salaries and benefits payable, as well as an increase in accounts payable balances at June 30, 2005. The current liabilities of \$8.8 million, primarily relate to accounts payable, accrued payroll and benefits while the majority of noncurrent liabilities in the amount of \$897,050 primarily relates to compensated absences at June 30, 2005.
- For fiscal year 2005, the Schools' governmental activities' expenses of \$89.6 million exceeded charges for services and operating grants and contributions of \$13.1 million by \$76.5 million. General revenues of \$77.4 million, which are funds that are available for all educational purposes, were sufficient to cover the net program expenses. General revenues primarily include local appropriations from the City of Williamsburg (the City) and James City County (the County) and general contributions from the state and federal government.
- On the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, the General and Capital Projects funds had a decrease in fund balance while the Schools' Food Services fund had a small increase in fund balance. The decrease in the General Fund can be attributed to the School Board's approved use of fund balance reserves to fund certain one-time operating costs during the fiscal year. (Note: Per the Contract for the Joint Operation of Schools between the City of Williamsburg and James City County, the School Board is permitted to retain and determine the use of any year-end surplus funds.) The General Fund had \$86.6 million in revenues and other financing sources and \$87.9 million in expenditures and other financing uses. The General Fund's fund balance decreased to \$1.7 million from \$3.0 million. The decline in the Capital Projects fund is due to ongoing construction projects.
- Total intergovernmental revenue for the governmental funds was \$88.1 million for the year ended June 30, 2005, reflecting an increase of 11.1% over 2004. Of that amount, \$63.0 million was revenue from the City and the County, \$20.8 million represented aid from the Commonwealth of Virginia (the Commonwealth), and \$4.3 million was revenue from the federal government.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Schools' basic financial statements.

The basic financial statements consist of two kinds of statements that present different views of the Schools' financial activities.

- The Statement of Net Assets and Statement of Activities provide information on a government-wide basis. The statements present an aggregate view of the Schools' finances. Government-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are fund financial statements that focus on individual parts of the Schools. Fund statements generally report operations in more detail than the government-wide statements.

The notes to the financial statements explain some of the information in the statements and provide additional disclosures so that statement users have a complete picture of the Schools' financial activities and position. The required supplementary information further explains and supports the financial statements.

The following diagram shows how the various parts of the financial section are arranged and related to one another.

FINANCIAL SECTION

Required Supplementary Information

Management's Discussion and Analysis (MD&A)

Basic Financial Statements

Government-Wide
Financial Statements

Fund
Financial Statements

Notes to Basic Financial Statements

Required Supplementary Information

(Other than MD&A)

Government-Wide Financial Statements

The government-wide financial statements report information about the Schools as a whole using accounting methods similar to those used by private-sector companies. The two statements—Statement of Net Assets and Statement of Activities—report the Schools' net assets and how they have changed. Net assets, the difference between the Schools' assets and liabilities, are one way to measure the Schools' overall financial position.

- Increases or decreases in the Schools' net assets are one indicator of whether its financial position is improving or worsening, respectively.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

- To assess the overall financial position of the Schools, additional nonfinancial factors, such as changes in the City and the County's property tax base and the condition of school buildings and other facilities, should be considered.

In the government-wide financial statements, the activities are divided into two categories—governmental activities and business-type activities. The Schools report only activities related to governmental activities since the Schools do not have any business-type activities.

- **Governmental Activities:** The Schools' basic services are included here, such as general and administrative, instruction, attendance and health services, improvement of instruction, pupil transportation, operations and maintenance, technology, and food services. City and County appropriations and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Schools' funds, focusing on its most significant or "major" funds, not the district as a whole. Funds are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Schools, like other state and local governments, use fund accounting to demonstrate compliance with finance-related legal requirements. The Schools' fund financial statements provide detailed information about the Schools' most significant funds.

The Schools utilize two types of funds:

- **Governmental Funds:** Most of the Schools' activities are reported in governmental funds, which focus on (1) how money flows into and out of those funds and (2) the balances left at year end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the Schools' general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer resources that can be spent in the near future to finance educational programs. Governmental fund information does not report on long-term commitments as is reported on the government-wide statements. Therefore, the relationships (or differences) between the government-wide statements and the governmental funds are reconciled and explained at the bottom of the governmental funds statements.
- **Fiduciary Funds:** The Schools are a fiduciary for the monies in the School Activities Fund and the State Operated Educational Program because the Schools do not use these assets to finance its operations. The School Activities Fund and State Operated Educational Program monies are accounted for as an agency fund.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

Financial Analysis of the Schools as a Whole

Table 1 below shows total net assets for governmental activities at June 30, 2005 and 2004. Total net assets increased by \$927,062 or 3.4% over fiscal year 2004. The increase in net assets is primarily attributable to the capitalization of ongoing and completed capital projects during the year. Unrestricted net assets totaled \$1.8 million, representing a decrease of 42.3% over 2004. These net assets are available; however, the Schools have designated a portion of these net assets for specific purposes.

Table 1
Condensed Summary of Net Assets at June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Current assets	\$ 11,251,449	11,559,352	(307,903)
Capital assets, net	26,628,449	24,162,846	2,465,603
Total assets	\$ 37,879,898	35,722,198	2,157,700
Current liabilities	\$ 8,814,113	7,803,228	1,010,885
Noncurrent liabilities	897,050	677,297	219,753
Total liabilities	\$ 9,711,163	8,480,525	1,230,638
Net assets:			
Invested in capital assets, net of related debt	\$ 26,390,984	24,162,846	2,228,138
Unrestricted	1,777,751	3,078,827	(1,301,076)
Total net assets	\$ 28,168,735	27,241,673	927,062

Table 2 below shows the change in net assets.

In the area of program revenues, the bulk of the funding was from operating grants and contributions. The majority of that funding was categorical revenue from the state and federal governments. The increase in operating grants and contributions of \$2.5 million or 29.0% over fiscal year 2004 was the result of an increase in state and federal allocations. The majority of the charges for services revenue came from local lunch sales in the cafeterias (Schools' Food Services Fund).

In the area of general revenue, the majority of the funding came from the Commonwealth in the form of state basic aid and local funding from the City and the County. The increase of \$6.2 million or 8.8% over fiscal year 2004 was the result of an increase in allocations from the Commonwealth, the City and the County as a result of increasing student enrollments and changes in the Commonwealth's Standards of Quality (SOQ).

School divisions are people intensive operations. As such, personnel related costs comprise the majority of program expenses. As would be expected, expenses for instruction were the largest category of expense in fiscal year 2005, the majority of which were related to salary and benefit costs for instructional personnel.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

Table 2
Condensed Changes in Net Assets – Governmental Activities
Years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2,110,069	2,007,073	102,996
Operating grants and contributions	10,990,988	8,522,163	2,468,825
General revenue:			
Interest	52,149	14,116	38,033
Grants and contributions not restricted	77,346,943	71,137,422	6,209,521
Miscellaneous	4,158	2,641	1,517
Total revenue	<u>90,504,307</u>	<u>81,683,415</u>	<u>8,820,892</u>
Program expenses:			
General and administrative	2,554,632	2,479,099	75,533
Instruction	61,361,173	55,552,009	5,809,164
Attendance and health services	2,502,571	2,211,991	290,580
Improvement of instruction	2,102,035	2,082,469	19,566
Pupil transportation	5,257,276	4,506,629	750,647
Operations and maintenance	8,285,639	7,572,789	712,850
Technology	4,679,553	3,545,784	1,133,769
Food services	2,829,199	2,564,147	265,052
Interest on long-term liabilities	5,167	963	4,204
Total program expenses	<u>89,577,245</u>	<u>80,515,880</u>	<u>9,061,365</u>
Increase in net assets	\$ <u>927,062</u>	<u>1,167,535</u>	<u>(240,473)</u>

Governmental Activities

Table 3 presents the cost of the major Schools activities: general and administrative, instruction, attendance and health services, improvement of instruction, pupil transportation, operations and maintenance, technology, food services, and interest on long-term liabilities. The table also shows each activity's net cost (total cost less fees generated by the charges for services, operating grants and contributions, and capital grants and contributions). The net cost identifies the cost of services supported by City and County tax revenues and unrestricted state and federal entitlements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

Table 3
Total and Net Cost of Program Services
Years ended June 30, 2005 and 2004

	2005		2004	
	Total cost of service	Net cost of service	Total cost of service	Net cost of service
General and administrative	\$ 2,554,632	(2,554,632)	2,479,099	(2,479,099)
Instruction	61,361,173	(51,258,931)	55,552,009	(47,727,804)
Attendance and health services	2,502,571	(2,414,621)	2,211,991	(2,167,741)
Improvement of instruction	2,102,035	(2,102,035)	2,082,469	(2,082,469)
Pupil transportation	5,257,276	(5,257,276)	4,506,629	(4,506,629)
Operations and maintenance	8,285,639	(8,226,308)	7,572,789	(7,503,481)
Technology	4,679,553	(4,679,553)	3,545,784	(3,545,784)
Food services	2,829,199	22,335	2,564,147	27,326
Interest on long-term liabilities	5,167	(5,167)	963	(963)
Total program expenses	\$ 89,577,245	(76,476,188)	80,515,880	(69,986,644)

The net cost of all governmental activities in fiscal year 2005 was \$76.5 million, representing a 9.3% increase over fiscal year 2004. The increase in the net cost is the result of increases in expenses for salaries, fringe benefits and pupil transportation. The amount that the citizens of the City and the County paid for these activities in fiscal year 2005 through taxes was \$63.0 million, representing an increase of 5.2% over fiscal year 2004. The increase in amounts paid by City and County taxpayers was the result of increasing student enrollment.

Financial Analysis of the Schools' Funds

The focus of the Schools' governmental funds is on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the Schools' net resources available for spending at the end of the fiscal year. As the Schools completed the year, its governmental funds reported combined fund balances of \$2.4 million. Approximately 18% of this amount (\$428,000) constitutes unreserved fund balance, which is available for spending at the Schools' discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is mostly reserved as follows: (1) to liquidate contracts and purchase orders of the prior period, (2) to account for reported inventories in the Schools' Food Service Fund, (3) to account for funding reserved for school bus replacements and student data warehousing, (4) to fund capital projects, and (5) to fund third high school construction services. All of the governmental funds are accounted for using the modified accrual basis of accounting. The primary reason for the General Fund's decrease in fund balance can be attributed to the School Board's approved use of fund balance reserves to fund certain one time operating costs during the fiscal year.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

General Fund Highlights

Table 4
General Fund Revenue and Expenditures
and Other Financing Uses
Years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Revenues:			
City of Williamsburg and James City Co.	\$ 61,602,642	59,267,087	2,335,555
Commonwealth of Virginia	20,830,121	15,723,947	5,106,174
Federal government	3,345,702	2,905,714	439,988
Charges for services, interest, and miscellaneous	490,703	615,504	(124,801)
Other financing sources	275,713	—	275,713
Total revenues	\$ 86,544,881	78,512,252	7,756,916
Expenditures and other financing uses:			
General and administrative	\$ 2,536,557	2,461,024	75,533
Instruction	60,845,012	54,913,779	5,931,233
Attendance and health services	2,502,571	2,211,991	290,580
Improvement of instruction	2,102,035	2,082,469	19,566
Pupil transportation	4,635,963	3,939,360	696,603
Operation and maintenance	8,239,180	7,526,528	712,652
Technology	4,509,523	3,405,925	1,103,598
Debt service/capital outlay	1,489,533	901,614	587,919
Transfers to other funds	1,038,712	1,014,801	23,911
Total expenditures and other financing uses	\$ 87,899,086	78,457,491	9,441,595

The Schools' budget is prepared in accordance with Virginia School Laws. The General Fund is the primary fund for the Schools. On a fund basis, General Fund expenditures and other financing uses (\$87.9 million) exceeded revenue and other financing sources (\$86.5 million) by \$1.4 million due mostly to the School Board's approved use of fund balance reserves to fund certain one-time operating costs during the fiscal year.

As compared to the original budget, actual intergovernmental revenue was approximately \$724,000 more at June 30, 2005. This was due primarily to increased enrollment-driven revenue from the Commonwealth. No amendments to the original revenue budget were made during the year. Regarding expenditures and other financing uses, the actual was approximately \$1.8 million more than the original budget. No amendments to the original expenditures budget were made during the year. As mentioned previously, the School Board authorized the use of fund balance reserves to fund several capital projects during fiscal year 2005.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

The Schools' Food Services Fund Highlights

The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias. Revenues for the fiscal year 2005 totaled \$2.9 million, representing a 10.3% increase over fiscal year 2004. The majority of the revenue, \$1.9 million, was derived from lunch sales to students in the cafeterias. The other major source of revenue was aid from the federal government in the amount of \$943,846. Expenditures for the year totaled \$2.8 million in fiscal year 2005. As a result, the Schools' Food Services Fund ended the year with a small increase in fund balance.

Capital Projects Fund Highlights

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance of the school plant. Capital projects are funded by local appropriations from the City and County. During fiscal year 2005, revenues amounted to \$1.4 million, while expenditures totaled \$2.4 million. In fiscal year 2005, transfers in from the general fund for capital projects totaled \$1 million. This resulted in a decrease in fund balance in fiscal year 2005 of \$22,000. The decrease in fund balance was the result of ongoing construction projects.

Capital Assets

At the end of fiscal year 2005, the Schools had \$26.6 million of capital assets (net of accumulated depreciation) invested in land, buildings, and furniture and equipment. This represented a 10.2% increase from fiscal year 2004 to fiscal year 2005. All capital assets are attributable to governmental activities. Total accumulated depreciation on these assets was approximately \$11.1 million at June 30, 2005.

Below is a summary of the Schools' net capital assets as of June 30, 2005 and 2004:

Table 5
Capital Assets, Net at June 30, 2005 and 2004

Capital Asset Category	2005	2004	Variance
Land	\$ 8,249,163	8,249,163	---
Buildings and building improvements	11,772,408	10,455,998	1,316,410
Furniture and equipment	4,842,106	4,746,944	95,162
Construction in progress	1,764,772	710,741	1,054,031
Total capital assets, net	\$ 26,628,449	24,162,846	2,465,603

Major capital asset events during fiscal year 2005 included the following:

- Architectural design services for the third high school;
- Completion of replacement HVAC systems at one middle school and one elementary school;
- Completion of gymnasium renovations at one high school; and

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2005 and 2004

- Telephone system replacements at one elementary school and one high school.

Additional information on the Schools' capital assets is presented in notes 1 and 4 of this report.

Long-Term Liabilities

Long-term liabilities at the end of fiscal year 2005 were \$897,050, with \$363,026 due within one year and \$534,024 due in greater than one year consisting of \$659,585 in compensated absences and \$237,465 in capital lease obligations. The capital lease obligation consists of a lease-purchase agreement that the Schools entered into during fiscal year 2005 to purchase several modular classroom facilities. These trailers were installed in October 2004.

Additional information on the Schools' long-term liabilities is presented in notes 1 and 5 of this report.

Factors Influencing Future Budgets

- The student enrollment increased by 443 students, or 4.94%, in fiscal year 2005
- Providing competitive salaries to attract and retain highly qualified staff
- Rising costs of employee health insurance premiums and VRS retirement contributions
- No Child Left Behind (NCLB) Legislation
- Capital projects as a result of increasing enrollment
- Utility and fuel increases as a result of rapidly increasing prices
- Instructional improvement programs to address the "Achievement Gap" and other academic needs

Contacting the Williamsburg-James City County Public Schools Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Schools' finances and to show the Schools' accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Office at Williamsburg-James City County Public Schools, 101-D Mounts Bay Road, Williamsburg, Virginia 23185, and telephone 757-253-6746.

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BASIC FINANCIAL STATEMENTS

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Statement of Net Assets – Governmental Activities

June 30, 2005

Assets:

Cash and temporary investments (note 2)	\$ 8,895,148
Receivables	61,783
Due from other funds (note 3)	96,939
Due from federal government	1,256,070
Due from Commonwealth of Virginia	209,775
Due from the City of Williamsburg and James City County	710,825
Inventory	20,909
Capital assets, not being depreciated (note 4)	10,013,935
Capital assets, net of depreciation (note 4)	16,614,514
	<hr/>
Total assets	37,879,898

Liabilities:

Accounts payable	1,077,246
Accrued payroll	5,120,314
Accrued benefits	2,409,957
Due to other funds (note 3)	96,939
Deferred revenue	109,657
Noncurrent liabilities (note 5):	
Due within one year	363,026
Due in more than one year	534,024
	<hr/>
Total liabilities	9,711,163

Net assets:

Invested in capital assets, net of related debt	26,390,984
Unrestricted	1,777,751
	<hr/>
Total net assets	\$ 28,168,735

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statement of Activities – Governmental Activities

Year ended June 30, 2005

Functions/programs	Expenses	Program revenues		Net (expense) revenue and changes in net assets
		Charges for services	Operating grants and contributions	
Governmental activities:				
General and administrative	\$ 2,554,632	—	—	(2,554,632)
Instruction	61,361,173	168,772	9,933,470	(51,258,931)
Attendance and health services	2,502,571	—	87,950	(2,414,621)
Improvement of instruction	2,102,035	—	—	(2,102,035)
Pupil transportation	5,257,276	—	—	(5,257,276)
Operations and maintenance	8,285,639	59,331	—	(8,226,308)
Technology	4,679,553	—	—	(4,679,553)
Food services	2,829,199	1,881,966	969,568	22,335
Interest on long-term liabilities	5,167	—	—	(5,167)
Total	\$ <u>89,577,245</u>	<u>2,110,069</u>	<u>10,990,988</u>	<u>(76,476,188)</u>
General revenues:				
Interest				52,149
Grants and contributions not restricted to specific programs				77,346,943
Miscellaneous				4,158
Total				<u>77,403,250</u>
Change in net assets				927,062
Net assets at beginning of year				<u>27,241,673</u>
Net assets at end of year				\$ <u>28,168,735</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Balance Sheet – Governmental Funds

June 30, 2005

Assets	General	Schools' Food Services	Capital Projects	Total governmental funds
Cash and temporary investments (note 2)	\$ 8,500,881	394,267	—	8,895,148
Receivables	40,793	20,990	—	61,783
Due from other funds (note 3)	96,939	—	—	96,939
Due from federal government	1,206,058	50,012	—	1,256,070
Due from Commonwealth of Virginia	209,775	—	—	209,775
Due from the City of Williamsburg and James City County	61,867	—	648,958	710,825
Inventory	—	20,909	—	20,909
Total assets	\$ 10,116,313	486,178	648,958	11,251,449
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 875,007	78,462	123,777	1,077,246
Accrued payroll	5,048,710	71,604	—	5,120,314
Accrued benefits	2,388,148	21,809	—	2,409,957
Due to other funds (note 3)	—	—	96,939	96,939
Deferred revenue	109,657	—	—	109,657
Total liabilities	8,421,522	171,875	220,716	8,814,113
Fund balances:				
Reserved for:				
Inventory	—	20,909	—	20,909
Encumbrances	161,250	—	—	161,250
School bus replacement	217,734	—	—	217,734
Student data warehousing	100,000	—	—	100,000
Construction management	481,481	—	—	481,481
Third high school	600,000	—	—	600,000
Capital projects	—	—	428,242	428,242
Unreserved:				
Undesignated	134,326	293,394	—	427,720
Total fund balances	1,694,791	314,303	428,242	2,437,336
Total liabilities and fund balances	\$ 10,116,313	486,178	648,958	
Adjustments for the statement of net assets:				
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.				26,628,449
Long-term liabilities are not reported as liabilities in the governmental funds.				(897,050)
Net assets of governmental activities				\$ 28,168,735

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year ended June 30, 2005

	<u>General</u>	<u>Schools' Food Services</u>	<u>Capital Projects</u>	<u>Total governmental funds</u>
Revenues:				
Intergovernmental:				
From City of Williamsburg and James City County	\$ 61,602,642	—	1,375,201	62,977,843
From Commonwealth of Virginia	20,830,121	25,722	—	20,855,843
From federal government	3,345,702	943,846	—	4,289,548
Total intergovernmental	85,778,465	969,568	1,375,201	88,123,234
Charges for services	228,103	1,881,966	—	2,110,069
Interest	43,745	8,404	—	52,149
Miscellaneous	218,855	—	—	218,855
Total revenues	86,269,168	2,859,938	1,375,201	90,504,307
Expenditures:				
General and administrative	2,536,557	—	—	2,536,557
Instruction	60,845,012	—	—	60,845,012
Attendance and health services	2,502,571	—	—	2,502,571
Improvement of instruction	2,102,035	—	—	2,102,035
Pupil transportation	4,635,963	—	—	4,635,963
Operations and maintenance	8,239,180	—	—	8,239,180
Technology	4,509,523	—	—	4,509,523
Food services	—	2,791,674	—	2,791,674
Debt service:				
Principal	38,248	—	—	38,248
Interest	5,167	—	—	5,167
Capital outlay	1,446,118	11,329	2,435,431	3,892,878
Total expenditures	86,860,374	2,803,003	2,435,431	92,098,808
Excess (deficiency) of revenues over (under) expenditures	(591,206)	56,935	(1,060,230)	(1,594,501)
Other financing sources (uses):				
Transfers in (note 3)	—	—	1,038,712	1,038,712
Transfers out (note 3)	(1,038,712)	—	—	(1,038,712)
Proceeds from capital lease obligations	275,713	—	—	275,713
Total other financing sources and uses	(762,999)	—	1,038,712	275,713
Net change in fund balances	(1,354,205)	56,935	(21,518)	(1,318,788)
Fund balances at beginning of year	3,048,996	257,368	449,760	3,756,124
Fund balances at end of year	\$ <u>1,694,791</u>	<u>314,303</u>	<u>428,242</u>	<u>2,437,336</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year ended June 30, 2005

Net change in fund balances	\$ (1,318,788)
Adjustments for the statement of activities:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which new capital assets exceeded capital expenditures in the current period:	
Capital outlay	3,892,878
Depreciation expense	<u>(1,409,567)</u>
	2,483,311
In the statement of activities, the loss on the sale of equipment is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the equipment sold.	
	(17,708)
Repayment of debt principal is an expenditure in the governmental funds, but does not affect the statement of activities.	
	38,248
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. This year, compensated absences used exceeded the amount earned by \$17,712.	
	17,712
Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds, increasing fund balance. In the government-wide statements, new debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. This represents principal amounts of new capital leases.	
	<u>(275,713)</u>
Change in net assets of governmental activities	<u>\$ 927,062</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Statement of Fiduciary Assets and Liabilities – Agency Funds

June 30, 2005

Assets:	
Cash and temporary investments (note 2)	\$ 778,291
Receivables:	
Commonwealth of Virginia	858
Total assets	<u>\$ 779,149</u>
Liabilities:	
Accounts payable	\$ 4,346
Accrued payroll	31,331
Accrued benefits	14,767
Due to students	<u>728,705</u>
Total liabilities	<u>\$ 779,149</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
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Notes to Basic Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies

Narrative Profile

Under the terms of an agreement dated January 14, 1954 (the Agreement) between the governing bodies and the School Board of the City of Williamsburg (the City) and James City County (the County), effective July 1, 1955, the localities consolidated the operations of their school systems (the Schools).

The Schools are responsible for elementary and secondary education for the City and the County. Two members of the School Board are appointed by the City Council of the City. Five members of the School Board are elected by the citizens of the County. The School Board is fiscally dependent upon the governing bodies that levy the necessary taxes and provide the financial resources to be used for the operation of the Schools and acquisition or construction of facilities.

Costs related to the operation of the Schools are apportioned between the two localities in accordance with the Agreement, as amended. For the fiscal year ended June 30, 2005, the apportionment of the Schools' costs to the County and the City was \$55,442,378, or 90.0%, and \$6,160,264, or 10.0%, respectively. According to the Agreement, as amended, the City and the County permit the Schools to retain and determine the use of any year end surplus funds up to an amount equal to one percent (1%) of the total school operating budget. Any funds that exceed that amount shall be dedicated to, and identified in, the capital budget for the following year.

The accounting policies of the Schools conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant accounting policies of the Schools:

(a) *The Financial Reporting Model*

In fiscal year 2003, the Schools implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This statement, known as the "Reporting Model" statement established new requirements and a new reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-Wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and

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Notes to Basic Financial Statements

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long-term liabilities (such as buildings and debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Assets – The statement of net assets is designed to display the financial position of the Schools. Governments report all capital assets in the government-wide statement of net assets and report depreciation expense—the cost of “using up” capital assets—in the statement of activities. The net assets of a government will be broken down into three categories: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. The Schools do not currently have restricted net assets.

Statement of Activities – The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government’s functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements – These statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on major funds.

As required by GAAP, the financial reporting entity of the County consists of the County as the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. Because of the significance of the Schools’ financial relationship with the County, the Schools are considered a component unit of the County and, accordingly, the financial position and results of operations of the Schools are reflected in the financial statements included in the Comprehensive Annual Financial Report of the County. The Schools have no component units for financial reporting purposes.

(b) Basis of Presentation

The Schools’ basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements: The statement of net assets and the statement of activities display information about the Schools as a whole. These statements are reflected on a full accrual basis of accounting and economic resources measurement focus, which incorporates long-term assets as well as long-term liabilities. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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The statement of net assets presents the financial condition of the governmental activities of the Schools at year end. The Schools do not have any business-type activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Schools' governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore identifiable to a particular function. Expenses are grouped in the following categories: general and administrative, instruction, attendance and health services, improvement of instruction, pupil transportation, operations and maintenance, technology, and food services.

Program revenues include charges paid by the recipient of the goods or services offered by the program or from grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Charges for services include adult education, regular day school tuition, summer school tuition, cafeteria sales, building rental, and communications tower leases. Revenues not classified as program revenues are presented as general revenues of the Schools. The comparison of direct expenses with program revenues identifies the extent to which the governmental function is self-financing or draws from the general revenues of the Schools. The Schools do not allocate indirect expenses. When both restricted and unrestricted resources are available for use, it is the Schools' policy to use restricted resources first, then unrestricted resources, as they are needed. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements.

Fund Financial Statements: During the year, the Schools segregate transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements present financial information of the Schools at this more detailed level. The focus of governmental fund financial statements is on major funds, each displayed in a separate column. The Schools have identified all of its governmental funds as major. The fiduciary fund is reported by type.

The accounts of the Schools are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The fund statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. The acquisition, use and balances of the Schools' expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is based upon the determination of changes in financial position, rather than upon net income determination.

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- The Schools report the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Schools. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are primarily from intergovernmental revenues.

Schools' Food Services Fund – The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance of the school plant (other than those financed by the other funds).

- Additionally, the Schools report the following fund:

Fiduciary Fund – Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. Accordingly, the measurement focus is upon determination of changes in financial position rather than upon net income determination. The Schools' two Agency Funds are the State Operated Educational Program, which is used to account for the funding of the education programs at Eastern State Hospital and the Merrimac Center; and the School Activities Funds, which is used to account for student funds for various extracurricular activities in each of the schools. Fiduciary funds are not included in the government-wide financial statements.

(c) Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Schools consider collections within 45 days of year end as available. Expenditures, other than principal and interest on long-term debt which is recorded when due, are recorded when the related fund liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Schools; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to

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purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the accrual criteria are met.

Under the accrual basis of accounting, revenues are recognized when earned. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Expenses are recognized at the time they are incurred.

The following is a list of the major revenue sources which meet the susceptible to accrual criteria: (1) Commonwealth of Virginia, (2) state sales taxes, (3) federal government, (4) interest on deposits, and (5) insurance proceeds.

(d) Encumbrances

Encumbrances outstanding at year end represent the estimated amount of the expenditures required to complete contracts, purchase orders, and commitments in process at year end. Encumbrances outstanding at year end do not constitute expenditures or liabilities. However, fund balances at year end have been accordingly reserved.

(e) Cash and Investments

Cash and investments at June 30, 2005 are included in the various cash accounts reflected in the financial statements. Investments in the General Fund consist of investments in the State Treasurer's Local Government Investment Pool (LGIP), which is stated at fair value.

The Schools adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates.

(f) Receivables and Due From Other Governments

Amounts due from the Commonwealth of Virginia consist primarily of receivables from state entitlements and reimbursement of grants expenditures. Amounts due from federal government are for reimbursement of grants expenditures. Amounts due from the City and the County are primarily related to reimbursement of capital project expenditures. Receivables consist primarily of amounts due from students and other customers of the Schools. All receivables are expected to be collected within one year from the end of the fiscal year.

(g) Inventory

All inventory reported in the Schools' Food Services Fund is stated at cost using the first-in, first-out inventory method. Inventory consists principally of food and other items held for resale and is

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considered expended when used (consumption method). The inventory is offset by a fund balance reserve, which indicates that the inventories do not constitute available, expendable resources.

(h) Capital Assets

General capital assets have been acquired for general school purposes. Capital outlays are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements to the extent the Schools' capitalization threshold is met.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets are recorded at estimated fair market value on the date received. The Schools maintain a capitalization threshold of \$5,000 for equipment, improvements and buildings. Land is capitalized regardless of value. The Schools have no infrastructure assets.

Under Virginia law, certain property maintained by the Schools is subject to tenancy-in-common with the County, if the County incurred a financial obligation for the property, which is payable over more than one fiscal year. The Schools and the County have agreed that such property will be carried on the County's financial statements until the outstanding debt is repaid. At June 30, 2005, the County holds capital assets related to school property with a net book value of \$82,784,012.

Depreciation is recorded on general capital assets on a government-wide basis. All reported capital assets except land are depreciated. Depreciation is computed using the straight-line method with full month convention over the following useful lives:

Buildings	50 years
Improvements	7 - 20 years
Furniture and equipment	5 - 20 years
Modulars	15 years

(i) Compensated Absences

School employees are granted vacation pay in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation pay earned and, upon retirement, termination or death, may be compensated for certain amounts at their most current rate of pay. The cost of accumulated vacation is accrued as a liability in the government-wide financial statements as the benefits are earned by employees if attributable to services already rendered and compensation through paid time off or some other means is probable. Compensated absences are reported in the governmental funds only if they have matured. Upon termination, for reasons other than retirement, school employees are not paid for accumulated sick leave. Employees who retire will receive payment for any unused sick leave days at a rate of 25% of the employee's daily rate of pay at retirement or a minimum of \$25 per day, whichever is higher. The sick leave compensation amount shall not exceed \$5,000. The June 30, 2005 liability for sick leave that will be ultimately paid upon retirement is not determinable but is considered immaterial based upon amounts actually paid in prior years.

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(j) Fund Balance Reserves

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available, expendable resources, or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(k) Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it, that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All interfund transactions, except for quasi-external transactions and reimbursements, are reported as transfers. Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(2) Cash and Temporary Investments

The Schools maintain individual segregated bank accounts for all of its funds.

The components of the Schools' cash and temporary investments at June 30, 2005 are as follows:

Petty cash	\$	500
Bank deposits		3,168,179
Investment in the Treasurer of the Commonwealth of Virginia's Local Government Investment Pool (LGIP)		<u>6,504,760</u>
	\$	<u><u>9,673,439</u></u>

Deposits

The carrying value of the Schools' deposits with banks and savings institutions was \$3,168,179, and the bank balance was \$5,582,155. The entire bank balance was covered by the Federal Depositor Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. If any member financial institution fails, the entire collateral becomes available to satisfy the claims of the Schools. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members (banks and savings and loans) of the pool; therefore, these deposits are considered collateralized and as a result are consider insured. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and

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for notifying local governments of compliance by banks and savings and loans. Therefore, these deposits are considered collateralized and as a result, are considered insured.

Investments

As of June 30, 2005 the fair value and maturities of the Schools' investments are as follows:

	<u>Fair value</u>	<u>Maturity</u>
Investment Type:		
Money market funds – Virginia LGIP	\$ 6,504,760	1 day

The fair value of the Schools' position in the pool is the same as the value of the pool shares.

Investment Policy

The Schools utilize the policies and procedures of the James City County, Treasurer (the Treasurer); therefore the Investment Policy (Policy) of James City County is used. In accordance with the Code of Virginia and other applicable law, including regulations, the Schools' Policy permits investments in U.S. Government obligations, municipal obligations, prime quality commercial paper, and certain corporate notes, bankers acceptances, repurchase agreements, negotiable certificates of deposit, bank deposit notes, mutual funds that invest exclusively in securities specifically permitted under the Policy, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, a 2a-7 like pool).

The Policy establishes limitations on the holdings of non-U.S. Government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

Registered Money Market Mutual Funds	100% maximum
State of Virginia LGIP	100% maximum
Registered Money Market Mutual Funds	100% maximum
Repurchase Agreements	50% maximum
Bankers' Acceptances	40% maximum
Commercial Paper	35% maximum
Negotiable Certificates of Deposit/Bank Notes	20% maximum
Municipal Obligations	20% maximum
Corporate Notes	15% maximum
Bank Deposits	25% maximum

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Credit Risk

As required by State statute, the Policy requires that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following; Moody’s Investors Service, Standard & Poor’s and Fitch Investor’s Service. Corporate notes must have a minimum of “Aa” long-term debt rating by Moody’s Investors Service and a minimum of “AA” long term debt rating by Standard & Poor’s. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service. Notes having a maturity of greater than one year must be rated “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service.

Although State statute does not impose credit standards on repurchase agreement counterparties, bankers’ acceptances or money market mutual funds, the Schools’ have established stringent credit standards for these investments to minimize portfolio risk.

As of June 30, 2005, 100% of the Schools’ portfolio was invested in the State of Virginia LGIP account.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than 5% of the Schools’ portfolio will be invested in the securities of any single issuer with following exceptions:

U.S. Treasury	100% maximum
Each Money Market Mutual Fund	50% maximum
Each Federal Agency	35% maximum
Each Repurchase Agreement Counterparty	25% maximum

As of June 30, 2005, 100% of the Schools’ portfolio was invested in the State of Virginia LGIP account.

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the Schools’ Policy limits the investment of short-term operating funds to an average weighted maturity of no more than 180 days, with a portion of the portfolio continuously invested in readily available funds. The operating fund core portfolio will be invested in permitted investments with a stated maturity of no more than five years from the date of purchase. To control the volatility of the core portfolio, the Treasurer will determine a duration target, not to exceed three years.

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Custodial Credit Risk

The Policy requires that all investment securities purchased by the Schools or held as collateral on deposits or investments shall be held by the Schools or by a third-party custodial agent who may not otherwise be a counterparty to the investment transaction. As of June 30, 2005, all of the Schools' investments are held in a bank's trust department in the Schools' name.

(3) Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances are considered short term in nature. All other balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2005, the balances are as follows:

	Interfund receivables	Interfund payables
Fund:		
General	\$ 96,939	—
Capital projects	—	96,939
Total	\$ 96,939	96,939

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. At June 30, 2005, interfund transfers consisted of the following:

	Transfer to	Transfer from
Fund:		
General	\$ —	1,038,712
Capital projects	1,038,712	—
Total	\$ 1,038,712	1,038,712

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Notes to Basic Financial Statements

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(4) Capital Assets, Net

A summary of changes in capital assets follows:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Capital assets not being depreciated:				
Land	\$ 8,249,163	—	—	8,249,163
Construction in progress	<u>710,741</u>	<u>2,435,431</u>	<u>1,381,400</u>	<u>1,764,772</u>
Total capital assets not being depreciated	<u>8,959,904</u>	<u>2,435,431</u>	<u>1,381,400</u>	<u>10,013,935</u>
Other capital assets:				
Buildings and building improvements	14,012,547	1,787,223	—	15,799,770
Furniture and equipment	<u>11,260,676</u>	<u>1,051,624</u>	<u>410,178</u>	<u>11,902,122</u>
Total other capital assets	<u>25,273,223</u>	<u>2,838,847</u>	<u>410,178</u>	<u>27,701,892</u>
Less accumulated depreciation for:				
Buildings and building improvements	3,556,549	470,813	—	4,027,362
Furniture and equipment	<u>6,513,732</u>	<u>938,754</u>	<u>392,470</u>	<u>7,060,016</u>
Total accumulated depreciation	<u>10,070,281</u>	<u>1,409,567</u>	<u>392,470</u>	<u>11,087,378</u>
Other capital assets, net	<u>15,202,942</u>	<u>1,429,280</u>	<u>17,708</u>	<u>16,614,514</u>
Totals	\$ <u>24,162,846</u>	<u>3,864,711</u>	<u>1,399,108</u>	<u>26,628,449</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 533,872
General and administrative	18,075
Pupil transportation	603,605
Operations and maintenance	46,459
Technology	170,030
Food services	<u>37,526</u>
Total governmental activities depreciation expense	\$ <u>1,409,567</u>

At June 30, 2005, the Schools had contractual commitments of approximately \$495,000 for work remaining to be performed under capital projects.

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(5) Long-Term Liabilities

A summary of changes in long-term liabilities for the Schools for the year ended June 30, 2005 follows:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>	<u>Amounts due</u> <u>in one year</u>
Compensated absences	\$ 677,297	622,568	640,280	659,585	296,813
Equipment capital leases	—	275,713	38,248	237,465	66,213
	<u>\$ 677,297</u>	<u>898,281</u>	<u>678,528</u>	<u>897,050</u>	<u>363,026</u>

Long-term liabilities are normally paid from the General Fund.

The future payments by year of compensated absences are not determinable.

(a) Equipment Capital Leases

During fiscal year 2005, the Schools executed a lease-purchase agreement to purchase several modular classroom facilities. This lease agreement utilizes a national financial institution as the escrow agent, who is responsible for receiving money from the Schools based on the lease payment schedule and for making payments to the modular classroom facility vendor based on the services rendered as evidenced by invoices sent to the Schools. This lease agreement qualifies as a capital lease for accounting purposes and has a term of four years with annual payments of principal and interest of \$74,426. At June 30, 2005, \$264,991 of equipment financed under capital leases is included in the statement of net assets. A reduction in principal of \$38,248 was recognized during the year ended June 30, 2005 and the amortization charge of \$10,772 is included in depreciation expense. The future minimum lease payments for this lease are as follows:

Years ending June 30:	
2006	\$ 66,213
2007	68,884
2008	71,663
2009	<u>30,706</u>
	<u>\$ 237,465</u>

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(b) Operating Leases

The Schools lease equipment and buildings under noncancelable operating leases. Total costs for such leases were approximately \$460,138 for the year ended June 30, 2005. The future minimum lease payments for these leases are as follows:

Years ending June 30:			
	2006	\$	406,852
	2007		105,542
	2008		88,888
	2009		58,312
	2010		2,241
		\$	<u>661,835</u>

(6) Defined Benefit Pension Plan

(a) Plan Description

The Schools contribute to the Virginia Retirement System (VRS or the System), an agent and cost-sharing multiple employer, defined benefit pension plan administered by the System. All full-time, salaried permanent employees of participating employers must participate in VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service or at age 50 with 30 years of service for participating employees payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustments (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950) (the Code), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/2003AnnuRept.pdf> or may be obtained by writing to the System at P.O. Box 2500, Richmond, Virginia 23218-2500.

(b) Funding Policy

Plan members are required by the Code, to contribute 5% of their annual salary to VRS. This 5% member contribution has been assumed by the employer. In addition, the Schools are required to contribute the remaining amounts necessary to fund its participation in VRS using the actuarial basis specified by the Code and approved by the VRS Board of Trustees. The Schools' contribution rate for nonprofessional employees for the fiscal year ended 2005 was 8.0% of annual covered payroll.

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The following table relates to the Schools' contribution rate for professional employees:

	<u>Annual required contributions</u>	<u>Actual amount contributed</u>	<u>Amount contributed in percent</u>
2005	\$ 5,293,732	5,293,732	100%
2004	3,858,101	3,858,101	100%
2003	3,658,963	3,658,963	100%

(c) Annual Pension Cost

For fiscal year 2005, the Schools' annual pension cost of \$277,091 for nonprofessional employees was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases of 4.25% to 6.10% per year, and (c) 3.0% per year COLA adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of the Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five year period. The Schools' unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of four years or less. The Schools did not have a net pension obligation as determined by GASB Statement No. 27, *Accounting for Pension by State and Local Government Employers*. The trend information for the Schools' nonprofessional employees is as follows:

<u>Three-year trend information</u>			
	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ended:			
June 30, 2005	\$ 277,091	100%	—
June 30, 2004	193,043	100%	—
June 30, 2003	177,230	100%	—

(7) Contingent Liabilities

(a) Litigation

Various claims and lawsuits are pending against the Schools. In the opinion of legal counsel, resolution of these cases would not involve a significant liability to the Schools.

(b) Federal Award Programs

The Schools participate in a number of federal award programs. Although the Schools were audited in accordance with the provisions of the U.S. Office of Management and Budget's (OMB) Circular

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit Of James City County, Virginia)

Notes to Basic Financial Statements

June 30, 2005

A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, in conjunction with the audit of the County, these programs are still subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Based on prior experience, the Schools' management believes such disallowances, if any, will not be significant.

(8) Risk Management

The Schools are exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Schools report all of its risk management activities in its General Fund and pay all claims for retained risks from General Fund resources.

The Schools maintain comprehensive property and casualty policies, commercial general liability policies, comprehensive liability vehicle fleet policies and coverages for errors and omissions, workers' compensation, employer's liability, health care, and certain other risks with commercial insurance companies. All premiums are budgeted for and paid with General Fund resources. All unemployment and health care claims are paid through a third-party administrator with resources from the General Fund. For all retained risks and claims expenditures, liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. There have been no reductions in insurance coverages from the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Budget Basis)
(unaudited)

General Fund

Year ended June 30, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance from amended favorable (unfavorable)</u>
Revenues:				
Intergovernmental:				
Local sources	\$ 61,602,642	61,602,642	61,602,642	—
Commonwealth of Virginia	19,914,417	19,914,417	20,830,121	915,704
Federal government	3,537,889	3,537,889	3,345,702	(192,187)
Charges for services	197,000	197,000	228,103	31,103
Miscellaneous	210,079	210,079	262,600	52,521
Total revenues	<u>85,462,027</u>	<u>85,462,027</u>	<u>86,269,168</u>	<u>807,141</u>
Expenditures:				
Education:				
General and administrative	2,482,566	2,472,651	2,538,532	(65,881)
Instruction	61,018,783	60,989,992	60,968,708	21,284
Attendance and health services	2,525,623	2,546,501	2,502,571	43,930
Improvement of instruction	2,653,506	2,653,905	2,100,549	553,356
Pupil transportation	4,821,057	4,804,604	5,572,757	(768,153)
Operations and maintenance	7,654,431	7,655,923	7,816,570	(160,647)
Technology	4,306,061	4,338,451	4,664,485	(326,034)
Total education	<u>85,462,027</u>	<u>85,462,027</u>	<u>86,164,172</u>	<u>(702,145)</u>
Debt service:				
Principal	—	—	38,248	(38,248)
Interest	—	—	5,167	(5,167)
Total debt service	<u>—</u>	<u>—</u>	<u>43,415</u>	<u>(43,415)</u>
Total expenditures	<u>85,462,027</u>	<u>85,462,027</u>	<u>86,207,587</u>	<u>(745,560)</u>
Excess of revenues over expenditures	—	—	61,581	61,581
Other financing use:				
Transfers out	—	—	(1,038,712)	(1,038,712)
Deficiency of revenues under expenditures and other financing uses	<u>\$ —</u>	<u>—</u>	<u>(977,131)</u>	<u>(977,131)</u>
Fund balance at the beginning of year			3,048,996	
Cancellation of unexpended prior year encumbrances			80,520	
Decrease in reserve for encumbrances			<u>(457,594)</u>	
Fund balance at end of year			<u>\$ 1,694,791</u>	

See accompanying note to required supplementary information.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Required Supplementary Information
 Schedule of Funding Progress (unaudited)
 Year ended June 30, 2005

The Schools' nonprofessional employees:

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded (overfunded) actuarial accrued liability (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
June 30, 2004	\$ 7,729,691	7,821,620	91,929	98.8%	\$ 3,257,324	2.8%
June 30, 2003	7,552,928	7,229,043	(323,885)	104.5%	2,951,958	(11.0)%
June 30, 2002	7,471,272	6,893,758	(577,514)	108.4%	3,018,705	(19.1)%

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REQUIRED SUPPLEMENTARY INFORMATION

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of the James City County, Virginia)

Note to Required Supplementary Information

Year ended June 30, 2005

(1) Budgetary Data

The budgetary data reflected in the required supplementary information was established by the Schools using the following procedures:

- (a)* The Superintendent submits a proposed budget for the General Fund to the School Board, usually in January of each year. Budget schedules and deadlines are developed annually.
- (b)* Following public hearing on the budget and Board discussion, the School Board adopts its annual budget for the General Fund and forwards it to the governing bodies for consideration, usually in March of each year.
- (c)* The School Board makes any adjustments required to its adopted budget for the General Fund as a result of the actions of the governing bodies and adopts an amended budget.
- (d)* The governing bodies appropriate the monies identified and budgeted by the School Board, as set forth in the Schools' amended budget.
- (e)* For the General Fund, which has an annual adopted budget, the School Board is authorized to make transfers between budgetary line items; however, revisions that alter the total appropriations of the budget must be approved by the James City County Board of Supervisors and the Williamsburg City Council. Therefore, the legal level of budgetary control, that level where expenditures may not exceed appropriations in total, for the General Fund is the fund level.
- (f)* An encumbrance system is used to monitor purchases and contractual commitments during the fiscal year. Open encumbrances at year end are reported as a reservation of fund balances. Encumbrances do not constitute expenditures or liabilities of the current year. Appropriations with outstanding commitments or encumbrances are carried forward into the following year. Unexpended, unencumbered appropriations lapse (except for the Capital Projects Fund) and are closed to the proper fund balances at the end of each fiscal year (June 30). The contractual agreement for funding with the County and the City permits the Schools to retain its unreserved and undesignated fund balance for use in subsequent fiscal years at the School Board's discretion. There were no supplemental appropriations approved by the Board of Supervisors or City Council during the fiscal year.
- (g)* The General Fund is the only governmental fund that has a legally adopted annual budget. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except that encumbrances are included as budgetary expenditures.
- (h)* Program and project budgets are adopted for the Schools' Fund Services Fund and the Capital Projects fund. The Capital Projects budget is adopted on a project basis by the Board of Supervisors and the City Council upon the School Board's recommendation. The accounting, encumbering and controlling of funds for capital projects are based on the project length of each individual project which may be over several years. Since the budgets are not legally adopted, they are not included in the budget to actual comparisons.

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STATISTICAL SECTION
(UNAUDITED)

Notes to the Statistical Tables:

Except for obligations under capital leases and early retirement plan, Williamsburg-James City County Public Schools do not have a liability for any long-term debt nor do the Schools have any legal debt margin. The Schools do not have the authority to levy taxes or issue bonded debt in its name.

Tables I through XVI pertain to James City County, of which the Williamsburg-James City County Public Schools is a component unit.

Table 1

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Government-Wide Expenses by Function (1)
Last Two Fiscal Years

Fiscal year	General government administration	Judicial administration	Public safety	Public works	Health and welfare	Education	Parks, recreation, and cultural	Community development	Storm costs	Internet on long-term debt	Miscellaneous	Total expenditures
2003	\$ 7,197,198	4,117,622	14,199,802	3,295,519	5,774,531	52,526,017	8,090,348	10,129,125	—	4,179,994	829,715	110,339,871
2004	7,421,564	4,006,887	14,856,391	3,487,207	6,141,730	55,189,245	8,304,480	9,811,644	8,239,127	4,197,067	1,643,125	123,298,467
2005	7,715,060	4,212,935	16,742,887	4,390,347	6,555,435	58,841,825	8,893,143	11,835,533	30,124	4,328,942	1,975,709	125,521,940

(1) Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which requires government-wide financial statements that provide the above financial information was adopted by the County as of July 1, 2002. Hence, the financial information for fiscal years prior to 2004 is not available.

Table II

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Government-Wide Revenues by Source (1)

Last Two Fiscal Years

Fiscal year	Program revenues			General revenues					Total revenues
	Charges for services	Operating grants and contributions	Capital grants and contributions	Taxes	Interest	Grants and contributions not restricted to specific programs	Gain (loss) on sale of capital assets	Miscellaneous	
2003	\$ 11,630,870	6,081,590	—	86,899,783	880,626	11,696,289	23,809	—	117,212,967
2004	13,049,029	14,130,212	317,414	99,135,237	563,216	2,947,631	(93,129)	715,171	130,764,781
2005	13,819,822	18,964,343	3,057,457	100,182,411	849,860	2,520,331	(53,727)	1,074,518	140,415,015

(1) Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which requires government-wide financial statements that provide the above financial information was adopted by the County as of July 1, 2002. Hence, the financial information for fiscal years prior to 2004 is not available.

Table III

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

County General Governmental Expenditures by Function (4)

Last Ten Fiscal Years

Fiscal year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Recreation and Cultural	Community Development	(5) Non departmental	(3) Capital Projects	(6) Debt Service	(1) Total
1996	\$ 3,993,950	1,362,660	7,890,840	1,854,471	3,066,812	36,822,565	2,840,149	3,884,419	19,718	4,204,124	6,171,093	72,110,801
1997	3,476,653	1,919,512	8,774,333	2,239,308	3,143,287	39,829,367	4,217,609	4,038,630	16,777	4,549,393	8,264,275	80,469,144
1998	3,454,327	2,174,274	9,474,496	2,273,320	3,454,362	43,833,759	4,944,929	5,669,980	33,974	1,111,048	8,845,164	85,269,633
1999	3,678,360	2,191,634	9,863,142	3,180,600	3,863,517	47,739,602	5,540,240	6,083,466	6,756	4,651,821	9,274,567	96,073,705
2000	4,066,741	2,790,619	11,149,855	2,693,919	4,319,693	51,695,673	5,772,407	6,547,236	13,985	5,028,682	9,562,069	103,640,879
2001	4,190,117	3,180,248	11,837,816	2,789,699	4,759,139	56,987,923	6,320,234	7,226,017	25,886	3,060,000	9,791,477	110,168,556
2002	4,566,213	4,046,524	12,763,826	3,190,367	5,372,821	58,873,941	6,998,086	10,958,573	831	9,765,828	9,573,068	126,110,078
2003	6,833,152	3,795,286	14,939,911	3,437,085	5,814,844	66,014,065	7,667,379	8,954,876	824,886	5,399,976	10,090,347	133,771,807
2004	7,202,889	3,747,921	15,176,064	3,341,281	6,161,651	68,707,805	7,886,872	9,213,254	8,866,110	2,686,221	9,389,811	142,379,879
2005	7,101,022	3,923,755	17,526,762	4,218,631	6,314,548	78,512,440	8,338,914	14,646,031	815,989	2,347,460	10,889,393	154,634,945

(1) Reflects recurring expenditures included in the General Fund, Debt Service Fund, and all Special Revenue Funds, excluding Route 5, and Transportation District funds

(2) Includes County percentage of discretely presented Component Unit – Public Schools Operating fund

(3) Includes operating transfers to capital projects

(4) Restated for years 1996 to 1997

(5) Includes storm costs of \$8,239,127 in 2004 and \$30,124 in 2005

(6) Excludes costs associated with refunding of debt in 2003 of \$3,115,526

Table IIIA

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

County General Fund—Expenditures and Transfers by Function
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Administration	\$ 3,993,950 7.2%	3,476,653 5.3%	3,454,327 4.9%	3,678,360 4.6%	4,066,741 4.7%	4,190,117 4.9%	4,566,213 4.4%	6,833,152 6.2%	7,202,889 6.5%	7,101,022 6.0%
Public Works	1,854,471 3.4%	2,239,308 3.4%	2,273,320 3.2%	3,180,600 4.0%	2,693,919 3.1%	2,789,699 3.2%	3,190,367 3.1%	3,437,085 3.1%	3,337,376 3.0%	4,210,327 3.6%
Health and Welfare	743,957 1.3%	719,200 1.1%	815,425 1.3%	849,247 1.1%	905,457 1.0%	1,019,289 1.2%	1,073,208 1.0%	1,086,846 1.0%	1,163,535 1.0%	1,224,701 1.0%
Community Development	2,264,660 4.1%	2,783,574 4.3%	4,295,261 6.0%	4,562,198 5.7%	5,073,548 5.9%	5,190,542 6.0%	5,409,573 5.2%	5,528,160 5.0%	5,727,498 5.2%	6,263,004 5.3%
Recreation and Cultural	2,840,149 5.1%	4,217,609 6.5%	4,944,929 6.9%	5,540,240 6.9%	5,772,407 6.7%	6,320,234 7.3%	6,998,086 6.7%	7,661,269 7.0%	7,818,279 7.0%	8,258,524 7.0%
Education	24,501,874 44.3%	29,552,921 45.4%	33,740,288 47.4%	35,475,142 44.4%	38,649,122 44.8%	42,953,127 49.8%	46,050,774 44.0%	49,505,679 44.8%	52,556,412 47.4%	55,459,098 47.0%
Judicial Administration	1,058,777 1.9%	1,421,410 2.2%	1,734,800 2.4%	1,713,934 2.1%	2,274,832 2.6%	2,550,406 3.0%	3,415,489 3.3%	3,078,719 2.8%	3,050,448 2.7%	3,125,975 2.7%
Public Safety	7,890,840 14.3%	8,774,333 13.5%	9,474,496 13.5%	9,863,142 12.3%	11,149,855 12.9%	11,837,816 13.7%	12,763,826 12.2%	14,732,748 13.3%	14,773,572 13.3%	16,271,208 13.8%
Nondepartmental	19,718 0.0%	16,777 0.0%	33,974 0.0%	6,756 0.0%	13,985 0.0%	25,886 0.0%	831 0.0%	824,886 0.7%	626,983 0.6%	785,865 0.7%
Transfer to Transit and Community Development	283,291 0.5%	289,886 0.4%	289,886 0.4%	309,742 0.4%	315,177 0.4%	399,034 0.5%	461,308 0.4%	924,945 0.8%	649,904 0.6%	689,741 0.6%
Transfer to Capital Projects	4,204,124 7.6%	4,549,393 7.0%	1,111,048 1.6%	4,651,821 5.8%	5,028,682 5.8%	3,060,000 3.5%	9,765,828 9.3%	5,399,976 4.9%	2,686,221 2.4%	2,347,460 2.0%
Transfer to Debt Services	5,097,575 9.2%	6,324,578 9.7%	8,258,603 11.6%	9,258,416 11.6%	9,171,877 10.6%	9,877,515 11.5%	9,749,157 9.3%	10,275,953 9.3%	9,422,577 8.5%	10,855,242 9.2%
Transfer to Social Services	587,679 1.1%	775,253 1.2%	735,253 1.0%	787,149 1.0%	822,756 1.0%	928,047 1.1%	1,083,746 1.0%	1,106,746 1.0%	1,257,441 1.1%	1,107,441 0.9%
Transfer to James City Service Authority	—	—	—	—	314,100 0.4%	—	—	—	—	—
Transfer to Colonial Community Corrections	—	3,800	3,800	3,770 0.0%	3,770 0.0%	15,748 0.0%	15,748 0.0%	17,525 0.1%	18,306 0.0%	18,616 0.0%
Transfer to Trust Fund	—	—	—	—	—	—	—	—	—	120,000 0.1%
Transfer to Grants/Special Projects	—	—	—	—	—	—	—	—	684,644 0.7%	75,357 0.1%
Total	\$ 55,341,065	65,144,695	71,165,410	79,880,517	86,256,228	91,157,460	104,544,154	110,413,689	110,976,085	117,913,581

Note: This table is limited to the General Fund only because of the high interest shown by users of this report in historical General Fund data.

Table IV

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

County General Governmental Revenues by Source (1) (2) (3)

Last Ten Fiscal Years

Fiscal year	General property taxes	Other local taxes	Permits, privilege fees, and regulatory licenses	Fines and forfeitures	Revenue from use of money and property	Charges for services	Miscellaneous	Inter-governmental	Total
1996	\$ 38,372,491	9,024,463	3,478,039	84,700	2,435,722	1,224,430	624,653	17,656,815	72,901,313
1997	42,783,327	9,530,823	4,074,409	65,768	1,716,512	1,657,822	561,104	19,158,337	79,548,102
1998	47,256,166	11,652,701	4,278,365	63,930	1,904,718	1,947,044	585,272	21,073,702	88,761,898
1999	50,210,586	12,522,848	4,585,569	56,286	1,857,668	2,146,599	663,798	22,612,058	94,655,412
2000	56,207,725	13,069,350	4,959,612	155,245	1,994,929	2,299,143	910,317	27,453,413	107,049,734
2001	57,520,214	13,711,689	5,333,067	176,803	2,106,648	2,429,625	614,476	33,918,676	115,811,198
2002	60,271,928	14,368,190	5,788,162	203,714	1,216,951	2,777,535	716,562	41,236,007	126,579,049
2003	64,932,615	14,948,074	6,241,266	240,353	880,030	3,600,763	967,072	39,741,961	131,552,134
2004	68,743,915	15,297,039	7,233,545	288,221	574,037	4,063,661	763,117	49,656,920	146,620,455
2005	73,731,983	17,955,400	7,746,142	301,204	888,295	4,213,859	1,311,094	53,203,989	159,351,966

(1) Reflects recurring revenues in the General Fund, Debt Service Fund, and all Special Revenue Funds, excluding Route 5, and Transportation District funds

(2) Includes County percentage of discretely presented Component Unit – Public Schools Operating fund, less City of Williamsburg's contribution

(3) Restated for years 1996 to 1997

Table IV/A

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

County General Fund – Revenues by Source

Last Ten Fiscal Years

Fiscal year	General property taxes	Other local taxes	Permits, privilege fees, and regulatory licenses	Fines and forfeitures	Revenue from use of money and property	Charges for current services	Inter-governmental	Miscellaneous	Total
1996	\$ 38,372,491 65.2%	9,024,463 15.3%	3,478,039 5.9%	84,700 0.2%	1,331,642 2.3%	1,077,228 1.8%	5,370,083 9.1%	139,268 0.2%	58,877,914 100.0%
1997	42,783,327 65.4%	9,530,823 14.6%	4,074,409 6.2%	65,768 0.1%	1,172,496 1.8%	1,577,069 2.4%	6,136,718 9.4%	65,082 0.1%	65,405,692 100.0%
1998	47,256,166 64.4%	11,652,701 15.9%	4,278,365 5.8%	63,930 0.1%	1,476,152 2.0%	1,871,793 2.6%	6,633,267 9.0%	126,370 0.2%	73,358,744 100.0%
1999	50,210,586 63.7%	12,522,848 15.9%	4,585,569 5.8%	56,286 0.1%	1,705,754 2.2%	2,063,249 2.6%	7,485,319 9.5%	131,881 0.2%	78,761,492 100.0%
2000	56,207,725 63.0%	13,069,350 14.7%	4,959,612 5.6%	155,245 0.2%	1,529,544 1.7%	2,200,328 2.5%	10,403,785 11.7%	504,405 0.6%	89,029,994 100.0%
2001	57,520,214 59.4%	13,711,689 14.2%	5,333,067 5.5%	176,803 0.2%	1,962,869 2.0%	2,328,716 2.4%	15,626,608 16.1%	192,501 0.2%	96,852,467 100.0%
2002	60,271,928 58.5%	14,368,190 14.0%	5,788,162 5.6%	203,714 0.2%	1,195,831 1.2%	2,680,879 2.6%	18,079,554 17.6%	300,818 0.3%	102,889,076 100.0%
2003	64,932,615 59.8%	14,948,074 13.8%	6,241,266 5.8%	240,353 0.2%	681,355 0.6%	3,232,690 3.0%	18,053,369 16.6%	183,661 0.2%	108,513,383 100.0%
2004	68,743,915 60.3%	15,297,039 13.4%	7,233,545 6.3%	288,221 0.3%	288,567 0.3%	3,486,006 3.1%	18,503,545 16.2%	116,844.0% 0.1%	113,957,682 100.0%
2005	73,731,983 59.4%	17,955,400 14.5%	7,746,142 6.2%	301,204 0.2%	574,902 0.5%	3,501,772 2.8%	20,235,995 16.3%	150,352 0.1%	124,197,750 100.0%

Note: This table is limited to the General Fund only because of the high interest shown by users of this report in historical General Fund data.

Table V

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

County Comparative Statements of Revenues, Expenditures, Transfers, and
Changes in General Fund Balance for Fiscal Years Ending June 30

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues:					
General property taxes	\$ 57,520,214	60,271,928	64,932,615	68,743,915	73,731,983
Other local taxes	13,711,689	14,368,190	14,948,074	15,297,039	17,955,400
Licenses, permits, and fees	5,333,067	5,788,162	6,241,266	7,233,545	7,746,142
Fines and forfeitures	176,803	203,714	240,353	288,221	301,204
Use of money and property	1,962,869	1,195,831	681,355	288,567	574,902
Revenue from the Commonwealth	15,404,256	17,755,839	17,870,110	18,471,484	20,128,115
Charges for services	2,328,716	2,680,879	3,232,690	3,486,006	3,501,772
Revenue from the federal government	222,352	323,715	183,259	32,061	107,880
Miscellaneous	192,501	300,818	183,661	116,844	150,352
Total revenues	<u>96,852,467</u>	<u>102,889,076</u>	<u>108,513,383</u>	<u>113,957,682</u>	<u>124,197,750</u>
Expenditures:					
General government	1,794,712	1,994,679	2,162,361	2,444,188	2,381,971
Financial administration	2,395,405	2,571,534	4,670,791	4,758,701	4,719,051
Community environmental services	7,980,241	8,710,444	9,029,558	9,164,073	10,564,351
Community personal services	7,339,523	7,960,790	8,683,802	8,882,615	9,392,205
Education	42,953,127	46,050,774	49,505,679	52,556,412	55,459,098
Administration of justice	2,550,406	3,415,489	3,078,719	3,050,448	3,125,975
Public safety	11,837,816	12,763,826	14,732,748	14,773,572	16,271,208
Nondepartmental	25,886	831	824,886	626,983	785,865
Total expenditures	<u>76,877,116</u>	<u>83,468,367</u>	<u>92,688,544</u>	<u>96,256,992</u>	<u>102,699,724</u>
Excess of revenues over expenditures	<u>19,975,351</u>	<u>19,420,709</u>	<u>15,824,839</u>	<u>17,700,690</u>	<u>21,498,026</u>
Other financing sources (uses):					
Operating transfers out	<u>(14,280,344)</u>	<u>(21,075,787)</u>	<u>(17,725,145)</u>	<u>(14,719,093)</u>	<u>(15,213,857)</u>
Total other financing uses	<u>(14,280,344)</u>	<u>(21,075,787)</u>	<u>(17,725,145)</u>	<u>(14,719,093)</u>	<u>(15,213,857)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	5,695,007	(1,655,078)	(1,900,306)	2,981,597	6,284,169
Fund balance at beginning of year	<u>19,574,296</u>	<u>25,269,303</u>	<u>23,614,225</u>	<u>21,713,919</u>	<u>24,695,516</u>
Fund balance at end of year	\$ <u>25,269,303</u>	<u>23,614,225</u>	<u>21,713,919</u>	<u>24,695,516</u>	<u>30,979,685</u>

Note: The beginning fund balance of fiscal year 2001 was restated as a result of the implementation of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Table VI

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal year	(1) Total tax levy	Current tax collections	Percent of levy collected	(1) (2) Delinquent tax collections	Total tax collections	Percent of total tax collections to tax levy	Outstanding delinquent taxes	Percent of delinquent taxes to tax levy
1996	\$ 38,099,756	36,987,047	97.08%	\$ 900,916	37,887,963	99.44%	\$ 2,491,655	6.54%
1997	41,352,732	40,582,157	98.14%	966,829	41,548,986	100.47%	2,283,385	5.52%
1998	81,439,140	68,714,888	84.38%	1,013,929	69,728,817	85.62%	4,398,819	5.40%
1999	50,734,620	48,930,720	96.44%	2,506,269	51,436,989	101.38%	1,878,577	3.70%
2000	59,403,454	56,096,069	94.43%	1,765,480	57,861,549	97.40%	2,295,231	3.86%
2001	64,782,011	61,581,853	95.06%	1,913,905	63,495,758	98.01%	1,743,337	2.69%
2002	66,574,122	65,456,146	98.32%	1,916,554	67,372,700	101.20%	2,249,006	3.38%
2003	72,770,254	71,037,857	97.62%	2,563,632	73,601,489	101.14%	1,830,312	2.52%
2004	77,632,358	75,152,542	96.81%	2,403,245	77,555,787	99.90%	3,008,851	3.88%
2005	82,556,220	79,820,882	96.69%	2,366,403	82,187,285	99.55%	2,899,317	3.51%

(1) Exclusive of penalties and interest

(2) Does not include land redemptions

Source: Treasurer, James City County

Table VII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal year	Real property	Personal property	Public services	Total	Real property and public services assessed value as a percentage of estimated actual value	Personal property assessed value as a percentage of estimated actual value
1996	\$ 3,115,601,694	359,787,791	128,984,942	3,604,374,427	100.00%	100.00%
1997	3,443,111,310	391,877,787	132,276,794	3,967,265,891	100.00%	100.00%
1998	3,650,018,119	399,249,984	140,757,498	4,190,025,601	100.00%	100.00%
1999	3,901,523,500	422,071,919	140,747,498	4,464,342,917	100.00%	100.00%
2000	4,185,440,000	500,618,775	145,841,491	4,831,900,266	100.00%	100.00%
2001	4,585,882,700	583,751,601	150,801,630	5,320,435,931	100.00%	100.00%
2002	4,983,279,400	599,119,465	163,054,266	5,745,453,131	100.00%	100.00%
2003	5,457,560,000	602,841,268	165,415,976	6,225,817,244	100.00%	100.00%
2004	6,024,565,600	614,647,310	163,577,218	6,802,790,128	100.00%	100.00%
2005	6,781,199,400	639,376,935	154,833,875	7,575,410,210	100.00%	100.00%

Source: Real Estate Assessments and Commissioner of the Revenue, James City County

Table VIII**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**
(Component Unit of James City County, Virginia)

Property Tax Rates (1)

Last Ten Fiscal Years

Fiscal year	Real estate	Personal property	Assessed % NADA loan value
1996	0.840	4.00	100%
1997	0.870	4.00	100%
1998	0.870	4.00	100%
1999	0.870	4.00	100%
2000	0.870	4.00	100%
2001	0.870	4.00	100%
2002	0.870	4.00	100%
2003	0.870	4.00	100%
2004	0.860	4.00	100%
2005	0.825	4.00	100%

(1) Per \$100 of assessed value

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal year	(1) Population	(2) Assessed value	(3) (4) Gross bonded debt	(5) Less: Debt service monies available	Net bonded debt	Ratio of net general obligation debt to assessed value	Net bonded debt per capita
1996	42,530	\$ 3,604,374,427	71,761,970	8,560,525	63,201,445	0.0175	1,486
1997	44,019	3,967,265,891	86,562,168	9,042,174	77,519,994	0.0195	1,761
1998	45,998	4,190,025,601	82,453,641	8,845,164	73,608,477	0.0176	1,600
1999	47,451	4,464,342,917	96,974,872	9,274,567	87,700,305	0.0196	1,848
2000	(6) 47,445	4,831,900,266	93,514,706	9,562,069	83,952,637	0.0174	1,769
2001	49,256	5,320,435,931	88,685,429	9,791,477	78,893,952	0.0148	1,602
2002	50,858	5,745,453,131	83,781,382	9,573,068	74,208,314	0.0129	1,459
2003	52,303	6,225,817,244	80,537,541	9,686,080	70,851,461	0.0114	1,355
2004	53,952	6,802,790,128	75,247,759	9,300,903	65,946,856	0.0097	1,222
2005	56,463	7,545,410,210	109,465,708	10,686,133	98,779,575	0.0131	1,749

(1) Center for Public Service at the University of Virginia and Planning Department

(2) From Table V

(3) Includes all long-term general obligation bonded debt, Bond Anticipation Notes, and Literary Fund loans

(4) Includes General Obligation Debt payable from enterprise revenues

(5) From Table VIII

(6) The population estimate formula was revised in 2000 to reflect information from the 2000 census. Average household size decreased from 2.6 to 2.47 and the vacancy rate decreased from 9.5% to 8.5%.

Table X

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Ratio of Annual Debt Service Expenditures for General Bonded Debt (1) to
Total General Governmental Expenditures (5)

Last Ten Fiscal Years

Fiscal year	Principal	(2) Interest	(4) Total debt service	(3) Total general governmental expenditures	Ratio of debt service to general debt to governmental expenditures
1996	\$ 2,576,698	3,594,395	6,171,093	72,110,801	0.0856
1997	4,075,636	4,188,639	8,264,275	80,469,144	0.1027
1998	4,189,360	4,655,804	8,845,164	85,269,633	0.1037
1999	4,698,769	4,575,798	9,274,567	96,073,705	0.0965
2000	4,679,232	4,882,837	9,562,069	103,640,879	0.0923
2001	4,829,277	4,962,200	9,791,477	110,168,556	0.0889
2002	4,904,047	4,669,021	9,573,068	126,110,078	0.0759
2003	5,442,903	4,243,177	9,686,080	133,771,807	0.0724
2004	5,414,782	3,886,121	9,300,903	142,379,879	0.0653
2005	6,411,051	4,275,082	10,686,133	154,634,945	0.0691

- (1) General obligation bonds reported in the enterprise funds and special assessment debt with government commitment have been excluded
- (2) Excludes bond issuance and other costs
- (3) From Table I
- (4) The County has no overlapping debt
- (5) Restated for years 1996 to 1997

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Revenue Bond Coverage
James City Service Authority

Last Ten Fiscal Years

Fiscal year	(1) Gross revenue	(2) Operating expenses	Net revenue available for debt service	(3) Debt service requirements			Coverage
				Principal	Interest	Total	
1996	\$ 6,306,006	4,094,501	2,211,505	—	—	—	0.00%
1997	6,144,475	4,255,789	1,888,686	—	—	—	0.00%
1998	6,894,579	5,192,324	1,702,255	—	—	—	0.00%
1999	7,518,100	4,928,559	2,589,541	—	—	—	0.00%
2000	8,489,573	6,018,181	2,471,392	—	—	—	0.00%
2001	12,047,519	5,679,512	6,368,007	—	—	—	0.00%
2002	12,390,547	7,394,450	4,996,097	—	—	—	0.00%
2003	12,390,749	6,587,651	5,803,098	435,000	60,969	495,969	8.55%
2004	13,942,677	7,128,622	6,814,055	825,000	482,695	1,307,695	19.19%
2005	16,307,719	7,743,365	8,564,354	840,000	541,881	1,381,881	16.14%

(1) Total revenues (including interest) exclusive of water and sewer facility fees for years 1993 through 2000. Upon implementation of GASB Statement No. 33 at July 1, 2000, the Authority began recording water and sewer facility fees as nonoperating revenues.

(2) Total operating expenses (including interest) exclusive of depreciation

(3) The Authority has no debt margin nor overlapping debt.

Table XII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Construction and Property Values and Bank Deposits*
Last Ten Fiscal Years

Fiscal year	Commercial/Industrial		Construction Residential		Total		Property values			
	Number of permits	Value	Number of permits	Value	Number of permits	Value	Real property	Personal property	Public service	Total
1996	56	\$ 28,702,304	590	112,972,338	646	141,674,642	3,115,601,694	359,787,791	128,984,942	3,604,374,427
1997	43	24,834,022	623	91,781,145	666	116,615,167	3,443,111,310	391,877,787	132,276,794	3,967,265,891
1998	65	31,524,996	797	126,044,546	862	157,569,542	3,650,018,119	399,249,984	140,757,498	4,190,025,601
1999	73	33,240,109	902	153,334,300	975	186,574,409	3,901,523,500	422,071,919	140,747,498	4,464,342,917
2000	70	50,295,305	1,099	187,869,190	1,169	238,164,495	4,185,440,000	500,618,775	145,841,491	4,831,900,266
2001	121	53,119,323	911	135,265,141	1,032	188,384,464	4,585,882,700	583,751,601	150,801,630	5,320,435,931
2002	154	29,544,103	1,095	170,128,299	1,249	199,672,402	4,983,279,400	599,119,465	163,054,266	5,745,453,131
2003	71	38,817,788	898	180,586,390	969	219,404,178	5,457,560,000	602,841,268	165,415,976	6,225,817,244
2004	81	29,478,502	1,012	215,960,174	1,093	245,438,676	6,024,565,600	614,647,310	163,577,218	6,802,790,128
2005	84	104,058,153	1,177	144,545,638	1,261	248,603,791	6,781,199,400	639,376,935	154,833,875	7,575,410,210

* Bank deposits are unavailable.

Source: Code Compliance Department

Table XIII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

List of Principal Taxpayers

Fiscal Year 2005

	Property taxes assessed	Percent of County total
1. Anheuser-Busch, Inc.	\$ 4,738,877	5.72%
2. Busch Entertainment, Inc.	1,293,499	1.56%
3. Busch Properties, Inc.	736,357	0.89%
4. Wal-Mart	733,672	0.89%
5. Powhatan Associates	685,241	0.83%
6. Ball-Metal Container	602,190	0.73%
7. Virginia Electric and Power	590,997	0.71%
8. Williamsburg Outlets, LLC	517,505	0.62%
9. Williamsburg Landing	471,723	0.57%
10. Owens-Brockway	460,738	0.56%
11. Marriot Ownership Resort, Inc.	453,559	0.55%
12. Williamsburg Plantation	337,678	0.41%
Total	\$ <u>11,622,036</u>	<u>14.04%</u>

Source: Commissioner of the Revenue, James City County

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Principal Employers in James City County

Fiscal Year 2005

Employment:

Principal Public and Private Employers:

1000+ employees:

Anheuser-Busch, Inc.
Busch Gardens
Williamsburg-James City County Public Schools
Eastern State Hospital

500-999 employees:

Busch Properties, Inc.
James City County

250-499 employees:

Williamsburg Plantation, Inc.
Jamestown-Yorktown Foundation
Williamsburg Landing, Inc.
Wal-Mart Distribution Center

Source: Economic Development, James City County

Table XV

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Demographic Statistics

Households and Population

(Sources: Social Services Department and Planning Department)

Year:	<u>Food stamp households</u>	<u>Total households</u>	<u>Percent of food stamp households</u>
1996	1,018	16,163	6.3
1997	913	16,676	5.5
1998	717	17,275	4.2
1999	624	18,154	3.5
2000	614	18,834	3.3
2001	650	19,563	3.3
2002	666	20,224	3.3
2003	696	20,796	3.3
2004	773	21,500	3.6
2005	881	22,531	3.9

Population

(Source: U.S. Census)

Year:	<u>Population number</u>	<u>Percent increase</u>
1940	4,907	26.5
1950	6,317	28.7
1960	11,539	82.7
1970	17,853	54.7
1980	22,763	27.5
1990	34,859	53.1
2000	48,102	38.0

Age Distribution

Age:	<u>1960</u>	<u>%</u>	<u>1970</u>	<u>%</u>	<u>1980</u>	<u>%</u>	<u>1990</u>	<u>%</u>	<u>2000</u>	<u>%</u>
0-14	3,594	31.1	5,226	29.3	5,008	22.0	7,211	20.7	9,254	19.2
15-19	897	7.8	1,448	8.1	2,276	10.0	2,147	6.2	2,838	5.9
20-29	1,496	13.0	2,915	16.3	3,870	17.0	5,330	15.3	—	0.0
20-34 *	—	0.0	—	0.0	—	0.0	—	0.0	7,484	15.6
30-44	2,559	22.2	3,172	17.8	4,780	21.0	8,901	25.5	—	0.0
35-44 *	—	0.0	—	0.0	—	0.0	—	0.0	7,866	16.4
45-64	2,263	19.6	3,531	19.8	5,235	23.0	7,255	20.8	12,563	26.1
65+	730	6.3	1,561	8.7	1,594	7.0	4,015	11.5	8,097	16.8
	<u>11,539</u>	<u>100.0</u>	<u>17,853</u>	<u>100.0</u>	<u>22,763</u>	<u>100.0</u>	<u>34,859</u>	<u>100.0</u>	<u>48,102</u>	<u>100.0</u>

*New categories, as defined by U.S. Bureau of the Census

Source: U.S. Bureau of the Census

Table XV

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Demographic Statistics

Households and Population

(Sources: Planning Department Supplemented by Data from U.S. Census)

Year:	<u>Number of households</u>	<u>Total households population*</u>	<u>Persons per household</u>
1995	15,677	40,761	2.60
1996	16,163	40,025	2.60
1997	16,674	43,352	2.60
1998	17,370	45,161	2.60
1999	17,926	46,608	2.60
2000	18,834	46,521	2.47
2001	19,495	48,153	2.47
2002	20,553	50,716	2.47
2003	21,160	52,266	2.47
2004	22,095	54,573	2.47

Unemployment Rate and Labor Force

Year:	<u>Labor force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment percentage</u>
1995	20,522	19,953	569	2.8
1996	21,397	20,781	616	2.9
1997	22,843	22,319	524	2.3
1998	24,387	23,960	427	1.8
1999	24,330	23,844	486	2.0
2000	25,410	25,103	307	1.2
2001	25,562	25,015	547	2.1
2002	28,453	27,759	694	2.4
2003	29,189	28,462	727	2.5
2004	26,419	25,580	839	3.2

* Household population is total population less population of institutions, such as Eastern State Hospital, a state mental facility.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Demographic Statistics

Married Couple Returns*
(% Distribution of Returns by AGI)

Virginia

(2002 Total number of returns equal 1,333,692)

AGI in \$000's

	<u>Median</u>	<u>0-9.9</u>	<u>10-19.9</u>	<u>20-29.9</u>	<u>30-39.9</u>	<u>40+</u>	<u>Total</u>
Year:							
1993	\$ 41,582	10.0%	12.1%	12.8%	13.2%	52.0%	100%
1994	42,577	9.9%	11.9%	12.4%	12.8%	53.0%	100%
1995	43,869	11.2%	10.8%	11.5%	12.1%	54.4%	100%
1996	45,482	11.6%	10.1%	10.8%	11.4%	56.1%	100%
1997	48,078	10.8%	9.4%	10.2%	10.8%	58.8%	100%
1998	50,849	10.1%	8.7%	9.7%	10.3%	61.2%	100%
1999	53,745	9.6%	8.2%	9.1%	9.7%	63.4%	100%
2000	56,530	9.4%	7.7%	8.6%	9.2%	65.1%	100%
2001	57,619	9.4%	7.5%	8.4%	8.9%	65.8%	100%
2002	57,924	9.8%	7.5%	8.3%	8.8%	65.6%	100%

James City County

(2002 Total number of returns equals 12,601)

AGI in \$000's

	<u>Median</u>	<u>0-9.9</u>	<u>10-19.9</u>	<u>20-29.9</u>	<u>30-39.9</u>	<u>40+</u>	<u>Total</u>
Year:							
1993	47,857	7.4%	9.5%	11.1%	12.1%	59.9%	100%
1994	48,034	7.8%	9.3%	11.1%	11.9%	59.9%	100%
1995	49,177	9.9%	9.0%	9.8%	10.8%	60.5%	100%
1996	50,459	10.4%	8.4%	9.2%	10.7%	61.3%	100%
1997	55,547	9.3%	7.6%	8.2%	9.2%	65.7%	100%
1998	58,273	8.5%	7.1%	7.8%	8.8%	67.8%	100%
1999	61,315	7.8%	6.4%	7.4%	8.6%	69.8%	100%
2000	63,945	7.6%	6.2%	6.9%	8.2%	71.1%	100%
2001	63,491	8.3%	6.2%	6.8%	8.3%	70.4%	100%
2002	61,999	9.1%	6.6%	7.2%	8.5%	68.6%	100%

* Number of returns adjusted by counting two married separate returns as equivalent to one married return.
(Source: Weldon Cooper Center for Public Service, University of Virginia)

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Miscellaneous Statistics

Retail Sales

Last 10 Years

(Source: Treasurer, James City County)

Year:	Taxable retail sales	Percent change
1996	493,704,000	13.7%
1997	496,150,800	0.5%
1998	567,112,700	14.3%
1999	606,084,800	6.9%
2000	644,192,700	6.3%
2001	673,000,700	4.5%
2002	660,603,800	(1.8)%
2003	678,016,200	2.6%
2004	679,508,600	0.2%
2005	763,697,400	12.4%

Business Licenses Issued

Last 10 Years

(Source: Commissioner of the Revenue, James City County)

Year:	Business licenses issued	Percent change
1996	2,459	(3.5)%
1997	2,488	1.2%
1998	2,868	15.3%
1999	3,387	18.1%
2000	3,573	5.5%
2001	3,783	5.9%
2002	3,954	4.5%
2003	4,099	3.7%
2004	4,696	14.5%
2005	4,967	5.8%

Table XVI

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Miscellaneous Statistics

Williamsburg-James City County Public Schools

Staffing Analysis

	<u>Staff teachers</u>	<u>Pupils</u>	<u>Pupil-teacher ratio</u>
School year:			
2005-06	463.3	9,402	20.3
2004-05	441.5	8,959	20.3
2003-04	438.3	8,553	19.5
2002-03	441.0	8,407	19.1
2001-02	433.5	8,324	19.2
2000-01	425.0	8,218	19.3
1999-00	410.2	8,115	19.8
1998-99	401.2	8,025	20.0
1997-98	380.3	7,784	20.5
1996-97	365.7	7,494	20.5

Projected Enrollment

2005	9,711
2006	10,051
2007	10,364
2008	10,647
2009	10,896

Source: Williamsburg-James City County Public Schools

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Miscellaneous Statistics

Public Facilities

(Source: Facilities Management, James City County)

Fire stations	5
Recreation areas	333 acres
Community recreation centers	2
County and school maintained athletic fields:	
Ball fields maintained	58
Tennis courts maintained	19

Listing of current County facilities:

- Williamsburg Regional Library
- James City County Library
- Government Center
- Human Services Center
- Law Enforcement Center
- Emergency Operations Center
- Video Center
- Maintenance Garage

Williamsburg-James City County Public Schools

Listing of current school facilities:

Elementary (K-5):

- Clara Byrd Elementary School
- James River Elementary School
- Matthew Whaley Elementary School
- D.J. Montague Elementary School
- Norge Elementary School
- Rawls Byrd Elementary School
- Stonehouse Elementary School

Middle (6-8):

- Berkeley Middle School
- James Blair Middle School
- Toano Middle School

High (9-12):

- Lafayette High School
- Jamestown High School

- Williamsburg-James City County Schools Operations Center
- Williamsburg-James City County Schools Administrative Office (Building D)
- Norge Early Educational Center – Pre-School Facility
- Center for Educational Opportunities (Alternative Ed)

Table XVII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Changes in Student Membership Throughout School Year

Last Ten Fiscal Years

Fiscal year	Membership at September 30	Average daily membership at March 31	End-of-year membership	Percent of change	Annual retention rate
2005	9,402	9,403	9,411	0.10%	100.10%
2004	8,959	8,980	8,932	(0.30)%	99.70%
2003	8,553	8,550	8,535	(0.21)%	99.79%
2002	8,407	8,422	8,353	(0.64)%	99.36%
2001	8,191	8,156	8,115	(0.93)%	99.07%
2000	8,156	8,049	8,006	(1.84)%	98.16%
1999	8,025	7,938	7,912	(1.41)%	98.59%
1998	7,784	7,734	7,649	(1.73)%	98.27%
1997	7,517	7,609	7,319	(2.63)%	97.37%
1996	7,385	7,291	7,235	(2.03)%	97.97%

Source: Data extracted from *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia.

Table XVIII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Government-Wide Expenditures by Function
Last Three Fiscal Years

Fiscal year	General and administrative	Instruction	Attendance and health services	Pupil transportation	Operations and maintenance	Technology	Food services	Interest on long-term liabilities	Total expenditures
2005	\$ 2,554,632	63,463,208	2,502,571	5,257,276	8,285,639	4,679,553	2,829,199	5,167	89,577,245
2004	2,479,099	57,634,478	2,211,991	4,506,629	7,572,789	3,545,784	2,564,147	963	80,515,880
2003	2,281,220	53,216,714	2,168,679	4,049,874	7,497,613	4,195,232	2,408,783	16,276	75,834,391

Source: Amounts extracted from Exhibit II of the financial section of the respective Comprehensive Annual Financial Report.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which requires government-wide financial statements that provide the above financial information was adopted by the Schools as of July 1, 2002. Hence, the financial information for fiscal years prior to 2003 is not available.

Table XIX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Government-Wide Expenditures by Source

Last Three Fiscal Years

Fiscal year	Program revenues		General revenues			Total revenues
	Charges for services	Operating grants and contributions	Grant and contributions not restricted to specific programs	Interest	Miscellaneous	
2005	\$ 2,110,069	10,990,988	77,346,943	52,149	4,158	90,504,307
2004	2,007,073	8,522,163	71,137,422	14,116	2,641	81,683,415
2003	1,840,374	7,862,036	67,330,197	8,047	1,833	77,042,487

Source: Amounts extracted from Exhibit II of the financial section of the respective Comprehensive Annual Financial Report.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which requires government-wide financial statements that provide the above financial information was adopted by the Schools as of July 1, 2002. Hence, the financial information for fiscal years prior to 2003 is not available.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Source of Actual Receipts by Fiscal Year

Last Ten Fiscal Years

Fiscal year	State sales tax receipts	State funds	Federal funds	Local funds	Other funds	Total receipts	Beginning year balance	Total receipts and balances
2005	\$ 7,745,404	21,915,877	4,281,838	56,227,790	2,563,262	92,734,171	3,975,657	96,709,828
2004	6,586,531	16,647,163	3,716,322	53,612,967	2,502,465	83,065,448	2,493,502	85,558,950
2003	5,973,971	15,573,427	3,267,529	51,024,887	2,196,885	78,036,699	3,144,009	81,180,708
2002	5,994,589	14,602,221	2,942,433	47,739,635	1,928,468	73,207,346	—	73,207,346
2001	5,897,551	14,506,972	2,328,317	46,470,977	1,868,542	71,072,359	1,587,410	72,659,769
2000	5,964,272	13,316,496	2,387,630	55,592,665	1,731,464	78,992,527	1,791,104	80,783,631
1999	4,811,449	12,706,187	1,950,117	57,400,929	1,613,837	78,482,519	1,694,291	80,176,810
1998	4,516,423	11,241,096	1,652,286	59,814,437	1,831,512	79,055,754	593,879	79,649,633
1997	4,074,630	10,770,480	1,402,209	59,225,893	1,383,494	76,856,706	642,352	77,499,058
1996	3,779,707	9,963,834	1,466,768	48,723,898	1,193,342	65,127,549	548,969	65,676,518

Source: Data extracted from *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia.

This table includes all revenue sources within the General Fund.

Table XXI

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Expenditures by Function and Per Pupil Cost
Last Ten Fiscal Years

Fiscal year	General and administrative	Instruction	Attendance and health services	Pupil transportation	Operations and maintenance	Technology	Total cost -- regular day school	End of year membership for determining cost per pupil	Per pupil expenditures
2005	\$ 2,538,532	63,069,257	2,502,571	5,572,757	7,816,570	4,664,485	86,164,172	9,403	\$ 9,164
2004	2,465,790	56,988,429	2,210,883	4,297,263	7,924,173	3,696,795	77,583,333	8,932	8,686
2003	2,252,542	53,257,142	2,169,153	4,259,594	7,611,346	4,748,153	74,297,930	8,535	8,705
2002	2,232,268	49,219,696	2,005,609	3,915,647	6,924,775	2,837,922	67,135,917	8,353	8,037
2001	2,208,134	49,196,385	1,959,092	3,523,386	6,910,787	720,726	64,518,510	8,115	7,951
2000	2,476,439	46,021,802	1,861,687	3,568,103	5,861,652	—	59,789,683	8,006	7,468
1999	2,151,812	41,500,401	1,729,116	3,349,365	5,767,599	—	54,498,293	7,970	6,838
1998	1,459,397	39,509,413	1,505,343	2,833,476	5,445,026	—	50,752,655	7,725	6,570
1997	1,888,985	35,828,174	1,406,301	2,533,584	5,051,732	—	46,708,776	7,475	6,249
1996	2,000,547	34,038,109	1,418,201	2,230,855	4,116,236	—	43,803,948	7,326	5,979

Source: Data for FY 1996 – FY 2000 extracted from *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia.

FY 2001 and FY 2002 amounts extracted from Exhibit A-2 of the financial section of the respective Comprehensive Annual Financial Report. The amounts represent data of the General Fund and are presented on the budgetary basis.

FY 2003 – FY 2005 amounts extracted from Exhibit VII in the required supplementary information section of the Comprehensive Annual Financial Report. The amounts represent data of the General Fund and are presented on the budgetary basis.

Prior to FY 2001, Technology expenditures were not presented as separate functional categories.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

General Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal year	General and administrative	Instruction	Attendance and health services	Pupil transportation	Operations and maintenance	Technology	Debt Service	Total expenditures
2005	\$ 2,538,532	63,069,257	2,502,571	5,572,757	7,816,570	4,664,485	43,415	86,207,587
2004	2,465,790	56,988,429	2,210,883	4,297,263	7,924,173	3,696,795	175,274	77,758,607
2003	2,252,542	53,257,142	2,169,153	4,259,594	7,611,346	4,748,153	524,081	74,822,011
2002	2,232,268	49,219,696	2,005,609	3,915,647	6,924,775	2,837,922	491,786	67,627,703
2001	2,208,134	49,196,385	1,959,092	3,523,386	6,910,787	720,726	172,572	64,691,082
2000	2,476,439	46,021,802	1,861,687	3,568,103	5,861,652	—	—	59,789,683
1999	2,151,812	41,500,401	1,729,116	3,349,365	5,767,599	—	—	54,498,293
1998	1,459,397	39,509,413	1,505,343	2,833,476	5,445,026	—	—	50,752,655
1997	1,888,985	35,828,174	1,406,301	2,533,584	5,051,732	—	—	46,708,776
1996	2,000,547	34,038,109	1,418,201	2,230,855	4,116,236	—	—	43,803,948

Source: FY 1996 – FY 2000 Data extracted from *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia.

FY 2001 and FY 2002 amounts extracted from Exhibit A-2 of the financial section of the respective Comprehensive Annual Financial Report. The amounts represent data of the General Fund and are presented on the budgetary basis.

FY 2003 – FY 2005 amounts extracted from Exhibit VII in the required supplementary information section of the Comprehensive Annual Financial Report. The amounts represent data of the General Fund and are presented on the budgetary basis.

Prior to FY 2001, Technology and Debt Service expenditures were not presented as separate functional categories.

Table XXIII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Instructional Personnel Positions Per 1,000 Students in ADM

Last Ten Fiscal Years

Fiscal year	Number of instructional personnel positions	End-of-year membership	Instructional personnel per 1,000 students
2005	797.68	9,403	84.83
2004	735.67	8,932	82.36
2003	729.96	8,535	85.53
2002	720.71	8,353	86.28
2001	712.21	8,115	87.76
2000	675.94	8,006	84.43
1999	658.33	7,912	83.21
1998	603.61	7,649	78.91
1997	578.43	7,319	79.03
1996	543.83	7,235	75.17

Source: Data extracted from *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia.

Table XXIV

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

General Statistical Information on the Transportation Program
Last Ten Fiscal Years

Fiscal year	Number of school buses	Number of mechanics	Total miles driven
2005	139	6	2,180,282
2004	135	6	2,189,720
2003	137	6	1,992,061
2002	137	6	2,103,869
2001	137	6	2,074,744
2000	133	6	2,098,116
1999	131	6	2,097,954
1998	123	6	2,051,268
1997	116	6	1,923,724
1996	110	6	1,664,723

Source: Statistics maintained in School Division’s Transportation Department and used for both internal and external reporting purposes.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

General Property Taxes as a Major Source of Local Revenue in Support of Public Education
for the City of Williamsburg
Ten Fiscal Years

Fiscal year	Real property	Personal property	Other sources	Total amount	Per capita	Total revenue	Percent of total revenue
2004	\$ 6,158,084	373,730	1,599,811	8,131,625	598	27,998,415	29.04%
2003	5,523,130	355,022	1,632,229	7,510,381	587	33,290,363	22.56%
2002	4,962,549	365,495	1,567,170	6,895,214	547	33,651,196	20.49%
2001	4,681,313	494,654	1,515,384	6,691,351	558	31,980,799	20.92%
2000	4,551,006	549,451	1,488,587	6,589,044	540	31,151,104	21.15%
1999	4,237,639	827,067	1,398,734	6,463,440	530	28,944,675	22.33%
1998	3,994,920	738,116	1,384,728	6,117,764	510	26,471,877	23.11%
1997	4,093,646	705,587	1,330,761	6,129,994	528	25,280,139	24.25%
1996	3,806,289	599,018	1,314,048	5,719,355	473	25,785,462	22.18%
1995	3,801,409	523,497	1,214,552	5,539,458	447	23,147,307	23.93%

Source: *Comparative Report of Local Government Revenues and Expenditures*, an annual report prepared by Auditor of Public Accounts, Commonwealth of Virginia, Richmond, Virginia.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

General Property Taxes as a Major Source of Local Revenue in Support of Public Education
for the County of James City

Ten Fiscal Years

Fiscal year	Real property	Personal property	Other sources	Total amount	Per capita	Total revenue	Percent of total revenue
2004	\$ 51,719,043	9,911,198	7,114,805	68,745,046	1,245	101,417,709	67.78%
2003	48,049,965	9,453,284	7,464,683	64,967,932	1,224	142,560,052	45.57%
2002	44,623,671	8,685,189	7,423,332	60,732,192	1,172	131,352,845	46.24%
2001	41,229,278	9,878,212	6,988,846	58,096,336	1,208	123,405,904	47.08%
2000	37,402,978	12,472,370	6,661,650	56,536,998	1,226	114,556,012	49.35%
1999	33,119,418	10,883,252	6,207,916	50,210,586	1,089	100,477,953	49.97%
1998	30,674,287	10,995,953	5,585,926	47,256,166	1,048	94,701,028	49.90%
1997	27,487,395	10,222,603	5,082,114	42,792,112	984	83,898,055	51.00%
1996	24,452,463	8,962,532	5,020,995	38,435,990	944	75,414,203	50.97%
1995	23,009,393	7,488,311	5,272,375	35,770,079	901	72,326,838	49.46%

Source: *Comparative Report of Local Government Revenues and Expenditures*, an annual report prepared by Auditor of Public Accounts, Commonwealth of Virginia, Richmond, Virginia.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Capital Projects and Application of Funds for Education and Other Purposes
for the City of Williamsburg and the County of James City – Combined

Ten Fiscal Years

Fiscal year	Funds available before application	Education	All other uses or applications	Total applications	Ending balance	Percent used for education
2004	\$ 44,604,260	1,157,575	20,153,002	21,310,577	23,293,683	5.43%
2003	55,869,106	1,193,731	37,372,325	38,566,056	17,303,050	3.10%
2002	43,500,170	839,611	21,231,908	22,071,519	21,428,651	3.80%
2001	35,476,145	3,117,952	12,029,923	15,147,875	20,328,270	20.58%
2000	55,703,588	9,881,745	22,102,405	31,984,150	23,719,438	30.90%
1999	81,555,324	14,104,676	36,400,418	50,505,094	31,050,230	27.93%
1998	56,127,628	14,115,609	14,055,482	28,171,091	27,956,537	50.11%
1997	64,297,483	21,836,388	23,588,222	45,424,610	18,872,873	48.07%
1996	70,625,338	17,135,776	21,179,570	38,315,346	32,309,992	44.72%
1995	22,491,090	8,115,590	8,882,609	16,998,199	5,492,891	47.74%

Source: *Comparative Report of Local Government Revenues and Expenditures*, an annual report prepared by Auditor of Public Accounts, Commonwealth of Virginia, Richmond, Virginia.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Debt Service and Application of Funds for Education and Other Purposes
for the City of Williamsburg and the County of James City – Combined

Ten Fiscal Years

Fiscal year	Debt for education	Debt for all other uses or applications	Total debt	Debt interest for education	Debt interest for all other applications	Total debt interest	Total debt service for education	Total debt service
2004	\$ 5,289,782	5,413,000	10,702,782	3,667,098	571,356	4,238,454	8,956,880	14,941,236
2003	6,165,629	28,043,000	34,208,629	4,290,629	361,126	4,651,755	10,456,258	38,860,384
2002	4,904,047	788,000	5,692,047	4,669,021	290,907	4,959,928	9,573,068	10,651,975
2001	4,829,277	788,000	5,617,277	4,962,200	323,094	5,285,294	9,791,477	10,902,571
2000	4,679,232	788,000	5,467,232	4,882,837	345,542	5,228,379	9,562,069	10,695,611
1999	4,698,769	2,446,227	7,144,996	4,631,412	359,243	4,990,655	9,330,181	12,135,651
1998	4,104,254	27,496,239	31,600,493	4,562,266	460,786	5,023,052	8,666,520	36,623,545
1997	3,999,802	463,834	4,463,636	825,473	471,793	1,297,266	4,825,275	5,760,902
1996	2,576,698	—	2,576,698	3,594,395	—	3,594,395	6,171,093	6,171,093
1995	1,886,374	—	1,886,374	2,510,013	—	2,510,013	4,396,387	4,396,387

Source: *Comparative Report of Local Government Revenues and Expenditures*, an annual report prepared by Auditor of Public Accounts, Commonwealth of Virginia, Richmond, Virginia.

Table XXIX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Outstanding Debt for Education and for all Other Functions
for the City of Williamsburg and the County of James City – Combined

Ten Fiscal Years

Fiscal year	Education	Other general government	Enterprise activities	Total debt	Per capita	Percent of debt for education
2004	\$ 75,925,056	30,909,604	21,531,342	128,366,002	3,432	59.15%
2003	81,174,950	15,926,598	22,246,639	119,348,187	3,422	68.02%
2002	83,781,382	18,804,271	7,777,015	110,362,668	3,383	75.91%
2001	88,685,429	12,930,743	7,933,800	109,549,972	3,187	80.95%
2000	93,514,706	13,423,937	2,287,133	109,225,776	2,966	85.62%
1999	96,354,455	15,551,436	2,420,467	114,326,358	3,145	84.28%
1998	71,210,899	25,995,134	2,575,735	99,781,768	2,942	71.37%
1997	88,322,579	8,271,322	653,800	97,247,701	2,544	90.82%
1996	73,921,863	4,921,969	673,037	79,516,869	2,021	92.96%
1995	38,593,530	4,964,832	666,846	44,225,208	1,199	87.27%

Source: *Comparative Report of Local Government Revenues and Expenditures*, an annual report prepared by Auditor of Public Accounts, Commonwealth of Virginia, Richmond, Virginia.

Table XXX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

Schedule of Insurance Program Coverages

For the Year ended June 30, 2005

Coverage	Insurance company/ carrier	Limits	Deductibles
Buildings and contents: No coinsurance Replacement cost coverage	Virginia Municipal Liability Pool	\$ 180,171,100	2,500
Special causes of loss:			
Flood		25,000,000	25,000
Earthquake		25,000,000	25,000
Extra expense		8,100,000	2,500
Computers	Virginia Municipal Liability Pool	10,500,000	2,500
Breakdown deductible			1,000
Fine arts		10,000	2,500
While in transit		250,000	2,500
Valuable papers and records		5,000,000	2,500
Boilers and equipment	Virginia Municipal Liability Pool	5,000,000	1,000
Extra expense		100,000	1,000
Flood insurance (Lafayette High School):	The Hartford Fire Insurance Co.		
Building		500,000	1,000
Contents		500,000	1,000
General liability:	Virginia Municipal Liability Pool		
Each occurrence		1,000,000	none
Fire damage legal liability		100,000	none
Medical expenses		10,000	none
Defense of certain excluded occurrences		100,000	none
Land use coverage		100,000	none
Total aggregate limits		1,000,000	none
CGL coverages include:			
Corporal punishment			
Medical professionals	Virginia Municipal Liability Pool	1,000,000	none
Wrongful acts	Virginia Municipal Liability Pool	1,000,000	none
Dishonesty bond:	Fidelity and Deposit Co. of Maryland		
Employee dishonesty		500,000	none
Forgery or alterations		500,000	none
Bond – Clerk of the School Board		10,000	none
Bond – Deputy Clerk of the School Board		10,000	none
Money and securities:	Fidelity and Deposit Co. of Maryland	25,000	none
First two weeks of school		50,000	none
Auto and bus fleet:	Virginia Municipal Liability Pool		
Liability to others		1,000,000	none
Medical payments		10,000	none
Uninsured motorists:			
Bodily injury per person		50,000	none
Bodily injury per accident		200,000	none
Property damage		20,000	none
Students on buses		1,000,000	none
Nonowned or hired autos	Virginia Municipal Liability Pool	1,000,000	none
Comprehensive perils		Actual Cash Value	1,000
Collision and upset		Actual Cash Value	1,000
Hired car physical damage		100,000	1,000

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

Schedule of Insurance Program Coverages

For the Year ended June 30, 2005

Coverage	Insurance company/ carrier	Limits	Deductibles
Buildings and contents:	Virginia Municipal Liability Pool	\$ 180,171,100	2,500
Garage liability:	Virginia Municipal Liability Pool		
Liability to others		\$ 1,000,000	none
Damages to vehicles of others:	Virginia Municipal Liability Pool		
Comprehensive		Actual Cash Value	250
Collision and upset		Actual Cash Value	250
Workers' compensation:	School Systems of Virginia Group Self Insurance Association	Statutory	none
Experience modification		0.89	
Excess liability limits	Virginia Municipal Liability Pool	5,000,000	none
Retention*			
Excess over:			
General liability			
Auto and bus fleet			
Wrongful acts			
*The Retention applies if there is no primary coverage and the Excess Policy has to drop down and provide first dollar coverage.			
Health insurance	Commonwealth of Virginia's The Local Choice Program	Varies by program	Varies by program
Dental insurance (stand-alone)	Delta Dental of Virginia	Varies by program	Varies by program

Source: Williamsburg-James City County Public Schools, Finance Department

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Miscellaneous Statistical Data on Williamsburg-James City County Schools
on School Facilities Owned by School Board as of June 30, 2005

Form of Governance: Fiscally Dependent School System with elected (5 members) and appointed (2 members) School Board

Geographic Area: 176 Square Miles

Population 2000: 60,100 (Most recent statistics: 11,998 in Williamsburg as of 2000; and 48,102 in James City County as of 2000)

Student Membership (June 2005): 9,403

	<u>Original construction date</u>	<u>Date(s) of additions/renovations</u>	<u>Building area (in square feet)</u>	<u>Acreage</u>
Secondary schools:				
Berkeley	1966	1989, 1990, 1999	114,867	19.30
James Blair	1954	1989, 1990, 1996, 1998, 2003	89,400	15.00
Toano	1992	2000	102,275	34.37
Jamestown	1997	None	193,094	80.01
Lafayette	1973	1990, 1993, 1997	202,500	50.00
Elementary schools:				
Clara Byrd Baker	1989	1992, 1999, 2000	78,840	23.60
Rawls Byrd	1966	1987, 1988, 1990, 1998	95,109	12.63
D. J. Montague	1989	1997, 1999, 2000	74,500	21.00
Norge	1967	1994, 1995, 1996, 2004	99,378	20.02
Matthew Whaley	1931	1988, 1997, 1998	67,950	8.47
James River	1993	2002	71,739	24.19
Stonehouse	2000	None	83,000	26.00
Operations Center	1992	None	26,000	7.60

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

General Statistical Data Encompassing School Division Area

POPULATION		ROADS		EMPLOYMENT (for 2004)	
Number of households	22,095	Interstate	11.04 mi	Unemployment rate	3.2%
Average household size	2.47	Secondary	55.85 mi	Civilian Labor Force	
Household population	54,573	Primary	242.73 mi	Employed	25,580
(Source: Planning Department, James City County, supplemented by data from the U.S. Bureau of the Census)					
AGE		TAXABLE RETAIL SALES		AREA	
0 to 14 years old	9,254	James City County	2002 \$ 660,603,800	Land	144.1 square miles
15 to 19 years old	2,838		2003 678,016,200	(and inland water)	92,224 acres
20 to 34 years old	7,484		2004 679,508,600	Border Water	31.6 square miles
35 to 44 years old	7,866		2005 763,697,400		
45 to 64 years old	12,563	(Source: Treasurer, James City County)			
65 and older	8,097				
Total population	48,102	TRUE VALUE OF PROPERTY			
(Source: 2000 U.S. Census)		James City County	2002 \$ 5,745,453,131		
			2003 6,225,817,244		
			2004 6,802,790,128		
			2005 7,575,410,210		
		(Source: Real Estate Assessments and Commissioner of the Revenue, James City County)			
RACE		LOCAL COMPOSITE INDEX			
White	39,444	JCC	City		
Black	6,927	1995 .5924	.8000		
Other	1,731	1997 .5993	.8000		
(Source: 2000 U.S. Census)		1999 .6088	.8000		
		2001 .6404	.8000		
		2003 .6228	.8000		
		2005 .5988	.8000		
		(Source: Virginia Department of Education)			

Table XXXIII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statistics on Federal Free/Reduced Lunch Program Participation
as of September 30, 2004

<u>School</u>	<u>Free lunch</u>	<u>Reduced lunch</u>	<u>Total count</u>	<u>September enrollment</u>	<u>Percentage of participants</u>
Clara Byrd Baker	122	16	138	772	17.88%
Rawls Byrd	72	28	100	466	21.46%
Need Center at Rawls Byrd	6	—	6	n/a	n/a
Bright Beginnings at Rawls Byrd	17	3	20	n/a	n/a
D. J. Montague Need Center	140	21	161	738	21.82%
at D. J. Montague	5	—	5	n/a	n/a
Norge	128	38	166	644	25.78%
Bright Beginnings at Norge	14	7	21	n/a	n/a
Need Center at Norge	7	—	7	n/a	n/a
Matthew Whaley	103	29	132	534	24.72%
James River	179	38	217	434	50.00%
Bright Beginnings at James River	13	7	20	n/a	n/a
Stonehouse	73	23	96	582	16.49%
Bright Beginnings at Stonehouse	13	1	14	n/a	n/a
Berkeley Middle	104	24	128	851	15.04%
James Blair	119	30	149	583	25.56%
Toano	154	24	178	811	21.95%
Jamestown	52	—	52	1,451	3.58%
Lafayette	47	—	47	1,536	3.06%
Total	1,368	289	1,657	9,402	