



# Comprehensive Annual Financial Report Williamsburg-James City County Public Schools

A Component Unit of  
James City County, Virginia



**For the Fiscal Year Ended June 30, 2012**

# **WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

*(serving the City of Williamsburg and the County of James City)*

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**



A Component Unit of James City County, Virginia  
For the Fiscal Year Ended June 30, 2012  
(with Independent Auditors' Report thereon)

Prepared By:  
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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS  
(Component Unit of James City County, Virginia)  
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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, 2012

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**City of Williamsburg**

Ms. Elise Emanuel .....School Board Member  
Dr. Oscar Prater .....School Board Member

**James City County**

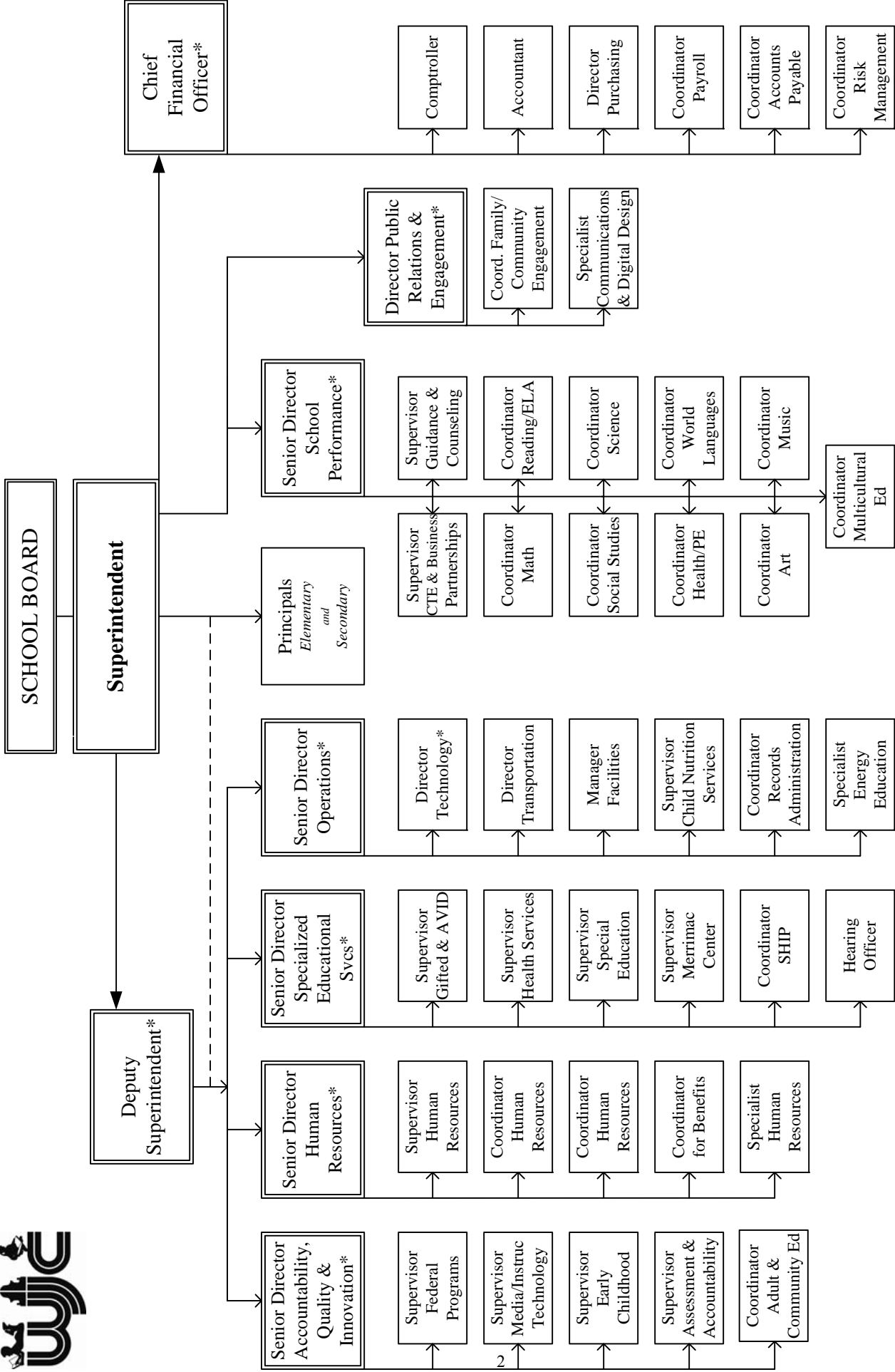
Ms. Ruth Larson..... Chair  
Mr. Joseph Fuentes ..... Vice-Chair  
Ms. Heather Cordasco.....School Board Member  
Mr. James Kelly .....School Board Member  
Mr. James P. Nickols .....School Board Member

**Officials**

Dr. Steven M. Constantino.....Superintendent of Schools  
Dr. Scott A. Burckbuchler .....Chief Financial Officer  
Ms. Janet L. Cerza ..... Deputy Clerk  
Ms. M. Ann Davis.....Treasurer  
Ms. Y. Rene Ewing ..... Comptroller



WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS



\*Denotes Member of Superintendent's Cabinet  
7-01-2012



## Williamsburg – James City County Public Schools

School Board & Central Office at James Blair

PO Box 8783 | Williamsburg, VA 23187

Phone: (757) 603-6400 | [www.wjccschools.org](http://www.wjccschools.org)

### WJCC School Board

Ruth Larson  
*Chair*  
*Berkeley District*

Joe Fuentes  
*Vice Chair*  
*Powhatan District*

Heather Cordasco  
*Roberts District*

Elise Emanuel  
*City of Williamsburg*

James P. Nickols  
*Stonehouse District*

Dr. Oscar Prater  
*Parliamentarian*  
*City of Williamsburg*

Jim Kelly  
*Jamestown District*

Steven M. Constantino, Ed. D.  
*Superintendent*

November 13, 2012

To Citizens  
of James City County, Virginia:

To Citizens  
of the City of Williamsburg, Virginia:

To School Board Members  
of Williamsburg-James City County Public Schools:

The Comprehensive Annual Financial Report (CAFR) of Williamsburg-James City County Public Schools (WJCC, or the School Division), a component unit of James City County, Virginia, for the fiscal year that ended June 30, 2012, 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 School Division.

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 firm of Dixon Hughes Goodman LLP performed the audit of Williamsburg-James City County Public Schools for the sixth time this year. They were awarded the contract to provide the annual financial audit through the year ended June 30, 2012, as part of a combined proposal between Williamsburg-James City County Public Schools, James City County, James City County Service Authority, James City County Economic Development Authority, Virginia Peninsula Regional Jail Authority, and the Middle Peninsula Juvenile Detention Center. The unqualified report of Dixon Hughes Goodman LLP, the highest possible result of the audit process, accompanies the financial statements in this report.

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 2011-2012, the School Division operated three high schools (Grades 9-12), three middle schools (Grades 6-8), and nine elementary schools (Grades K-5). The School Division served 10,671 K-12 students and 304 Pre-K students and provided a full range of educational services appropriate to grades Pre-K through 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 AND CONDITION**

James City County has seen a gradual increase in economy activity during the current fiscal year. Overall, revenues increased 2.3% from last year. Revenues are expected to have a modest increase of 1.1% during fiscal year 2013. The real estate tax revenue is expected to decline over the next fiscal year due to a decrease in the real estate assessment of approximately 3.7%. Reductions in residential assessments lowered the actual taxable value approximately 5.7%, but that reduction was partially offset by new development.

In October 2010, the County was upgraded by Standard & Poor's to a AAA rating, which is the highest rating possible. The County also maintains a AAA rating with Fitch Ratings and Aa1 rating from Moody's Investors Service. These bond ratings are based on analysts' 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.

## **MAJOR INITIATIVES**

During the 2011-12 school year, the School Division developed a five year strategic plan for 2012-2017 with the vision of "pursuing excellence and championing the success of all students." The decisions, directions, and actions of WJCC are guided by the following five priorities:

1. High student achievement for 21<sup>st</sup> century success
2. Safe, secure and welcoming climate for learning
3. Rich, rewarding experience for professionals
4. Build trust and authentic partnerships with families and the broader community
5. Accountable and trusted leadership

Overall learning outcomes for students have continued to improve. Students in all tested grades scored an average of over 92% in reading. Overall science performance continued to be strong, with pass rates ranging between 86 to 93 percent at the elementary level. Even though student performance on the new math tests fell significantly from the previous school year across the state, WJCC students in all tested grades/subjects scored better than the state average in math. The pass rate of Williamsburg- James City County students exceeded the state in English by five percentage points, Math by ten percentage points, Science by two percentage points and History by three percentage points. All fifteen schools were awarded "Fully Accredited" status by the Virginia Department of Education. Eleven of fifteen schools met all federal annual measurable objectives in reading and math.

## **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 School Board in the adopted annual budget in accordance with the School Board's policies and applicable state and federal regulations and laws. The legal level of budgetary control is at the fund level in regard to County and City appropriations (i.e., the level at which expenditures cannot legally exceed the appropriated amount). However, the School Board has established the function<sup>1</sup> level as their level of control over the budget.

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 2011-2012 fiscal year.

### **Financial Highlights**

The Williamsburg-James City County Public Schools continues to be in sound financial condition as demonstrated by the basic financial statements included in this report. As reflected in the reports:

- WJCC had enough resources to cover its expenses;
- WJCC continues to rely on tax resources to fund its activities, which primarily are instructional;
- WJCC revenues increased slightly from last year; while expenses decreased;
- WJCC "unassigned" fund balance increased slightly;
- WJCC financial health is stable from last year, but there are still concerns over the economic future.

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<sup>1</sup> (Defined functional areas are: general and administrative, instruction, pupil transportation, attendance and health services, operations and maintenance, and technology).

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.

While the School Division will continue to operate within a balanced budget, funding for FY 2013-2014 will see probable decreases given the continued economic downturn nationwide. Local and state revenue estimates are forecasted to decline and consequently school systems will be forced to make staffing (given that approximately 85% of operating costs are related to employee compensation) and program adjustments. Increased costs for fuel, utilities, retirement and health insurance will also put greater strain on the budget.

### **Long-Term Financial Planning**

The annual budget reflects WJCC's varied plans by allocating resources to carry out the goals defined through the division wide planning processes. The major planning activities are:

- **WJCC's Approved Budget** – adopted annually by the School Board and reflects ongoing programs as well as initiatives for the next fiscal year.
- **Capital Improvement Program** – adopted annually by the School Board and contains the five year capital improvement plans.
- **Enrollment Projections** – prepared annually based on the official fall enrollment to assist in facility planning.

WJCC is fiscally dependent (i.e., it does not have taxing or levying authority, or borrowing authority) and is required by state law to operate within a balanced budget. WJCC derives most of its funding from allocations from the City of Williamsburg, James City County, and the Commonwealth of Virginia. Long-term financial planning includes a five-year forecast submission to the governing bodies as part of the annual budget process which assesses the fiscal impact of the capital improvement program on the School Division's operations.

### **Relevant Financial Policies**

As a component unit, WJCC is directly impacted by the County's Financial Policies that control fund balance, revenues and collections, debt management, cash management, and investments. These areas in particular have a long-term impact on the fiscal health of the County and WJCC.

### **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 Dixon Hughes Goodman 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 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 2010-2011 comprehensive annual financial report. The Association of School Business Officials International (ASBO) also recognized the School 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 to both the GFOA and ASBO for their review.

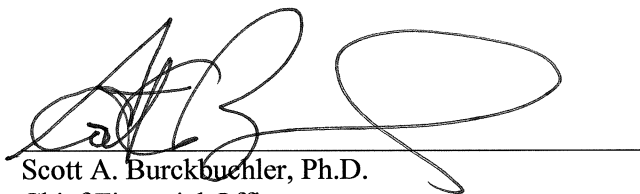
## **ACKNOWLEDGEMENTS**

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,



Steven M. Constantino, Ed.D.  
Superintendent of Schools



Scott A. Burckbuchler, Ph.D.  
Chief Financial Officer



Y. Rene Ewing, CPA  
Comptroller



One Vision. **One Word.** *Premier*

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# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Williamsburg-James City County Public Schools

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Williamsburg-James City  
County Public Schools  
Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

*Jeffrey R. Egan*

Executive Director



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

## *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, each major fund and the aggregate remaining fund information of the ***Williamsburg - James City County Public Schools***, a component unit of the County of James City, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the ***Williamsburg - James City County Public Schools*** basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the ***Williamsburg - James City County Public 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 *Governmental 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 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 the 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, each major fund and the aggregate remaining fund information of the ***Williamsburg - James City County Public Schools***, as of June 30, 2012, 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 November 13, 2012, on our consideration of the ***Williamsburg - James City County Public 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 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.



Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 22, the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual on page 53, the Schedule of Funding Progress on page 54, the Schedule of Employer Contributions on page 55, and the notes to required supplementary information on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *Williamsburg - James City County Public Schools'* financial statements as a whole. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information on page 57 is presented for purposes of additional analysis and is also not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Dixon Hughes Goodman LLP*

Newport News, Virginia  
November 13, 2012

## **WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

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This 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, 2012 and 2011. 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 \$46.8 million at June 30, 2012, representing an increase of \$1.6 million or 3.5% over fiscal year 2011. Of the balance, a \$1.2 million deficit for unrestricted net assets exists at June 30, 2012, from the recognition of unfunded liabilities related to other post employment benefits (OPEB) and \$48.0 million is invested in capital assets. 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 \$17.4 million at June 30, 2012. This represented a \$3.0 million decrease or 14.7% when compared to the balance at June 30, 2011. This decrease was the result of a decrease in accounts payable at June 30, 2012. The current liabilities of \$13.6 million primarily relate to accounts payable, accrued payroll and benefits while the majority of noncurrent liabilities in the amount of \$3.8 million relates to other postemployment benefits and compensated absences at June 30, 2012.
- For fiscal year 2012, the Schools' governmental activities' expenses of \$122.6 million exceeded charges for services and operating grants and contributions of \$20.6 million by \$102.0 million. General revenues of \$103.5 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.
- The Schools' total governmental funds' expenditures exceeded revenues by \$1.0 million for the year ended June 30, 2012. This reduction 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 and ongoing construction projects. (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.)
- Total intergovernmental revenue for the governmental funds was \$120.9 million for the year ended June 30, 2012, reflecting a decrease of 1.7% under 2011. Of that amount, \$84.7 million was revenue from the City and the County, \$27.4 million represented aid from the Commonwealth of Virginia (the Commonwealth), and \$8.8 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, 2012 and 2011

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**Overview of the Financial Statements**

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

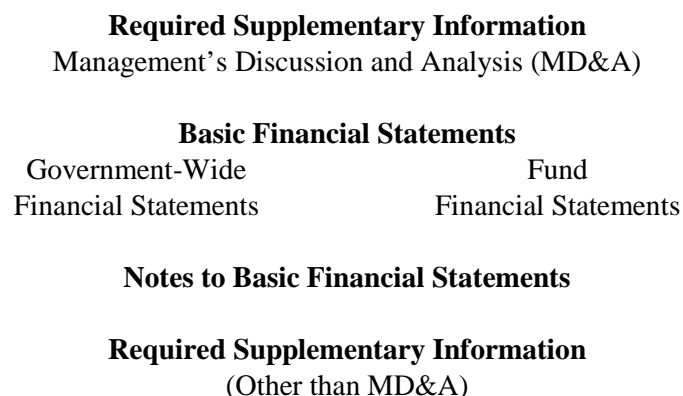
The basic financial statements consist of two kinds of statements that present different views of the Schools' financial activities.

- 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**



**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.

## **WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

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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.
- 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, 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, 2012 and 2011

**Financial Analysis of the Schools as a Whole**

**STATEMENT OF NET ASSETS**

(What the district owns and owes at a point in time)

*Table 1 (from Exhibit I – Statement of Net Assets - Governmental Activities) below shows total net assets for governmental activities at June 30, 2012 and 2011.*

Total net assets increased by \$1.6 million or 3.5% over fiscal year 2011. The increase in net assets is primarily attributable to the capitalization of ongoing and completed capital projects during the year. Unrestricted net assets totaled a deficit of \$1.2.

Table 1				
Condensed Summary of Net Assets at June 30, 2012 and 2011				
		2012	2011	Variance
Current assets	\$	16,180,450	20,807,022	(4,626,572)
Capital assets, net		47,957,321	44,767,708	3,189,613
Total assets	\$	64,137,771	65,574,730	(1,436,959)
Current liabilities	\$	13,545,055	16,689,873	(3,144,818)
Noncurrent liabilities		3,837,591	3,692,754	144,837
Total liabilities	\$	17,382,646	20,382,627	(2,999,981)
Net assets:				
Invested in capital assets, net of related debt	\$	47,957,321	44,767,708	3,189,613
Unrestricted		(1,202,196)	424,395	(1,626,591)
Total net assets	\$	46,755,125	45,192,103	1,563,022

*Table 2 (from Exhibit II – Statement of Activities - Governmental Activities) 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 decrease in operating grants and contributions of \$1.4 million or 7.4% under fiscal year 2011 was the result of a decrease in federal stimulus 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. There was a decrease of \$0.6 million or

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

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

0.6% under fiscal year 2011 as a result of decreased allocations from the Commonwealth.

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 2012, the majority of which were related to salary and benefit costs for instructional personnel.

<b>Table 2</b> <b>Condensed Changes in Net Assets – Governmental Activities</b> <b>Years ended June 30, 2012 and 2011</b>			
	<b>2012</b>	<b>2011</b>	<b>Variance</b>
Revenues:			
Program revenues:			
Charges for services	\$ 2,568,153	2,459,149	109,004
Operating grants and contributions	17,998,894	19,437,453	(1,438,559)
General revenue:			
Interest	8,454	3,661	4,793
Grants and contributions not restricted	103,477,467	104,117,528	(640,061)
Miscellaneous	61,251	44,934	16,317
Total revenues	<u>124,114,219</u>	<u>126,062,725</u>	<u>(1,948,506)</u>
Program expenses:			
General and administrative	2,425,720	2,403,103	22,617
Instruction	87,034,927	86,617,095	417,832
Attendance and health services	4,309,939	4,096,464	213,475
Pupil transportation	8,130,530	7,506,922	623,608
Operations and maintenance	10,703,375	10,845,610	(142,235)
Technology	5,893,444	6,175,525	(282,081)
Food services	4,053,262	3,943,052	110,210
Total program expenses	<u>122,551,197</u>	<u>121,587,771</u>	<u>963,426</u>
Increase in net assets	<u>\$ 1,563,022</u>	<u>4,474,954</u>	<u>(2,911,932)</u>
Beginning Net Assets	\$ 45,192,103	40,717,149	4,474,954
Ending Net Assets	<u>\$ 46,755,125</u>	<u>45,192,103</u>	<u>1,563,022</u>

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

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

**STATEMENT OF ACTIVITIES**

*(What it costs to operate our schools and how much is supported by tax dollars)*

**Governmental Activities**

Table 3 (*from Exhibit II – Statement of Activities - Governmental Activities*) presents the cost of the major Schools activities: general and administrative, instruction, attendance and health services, pupil transportation, operations and maintenance, technology, and food services. 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.

<b>Table 3</b> <b>Total and Net Cost of Program Services</b> <b>Years ended June 30, 2012 and 2011</b>				
	<b>2012</b>		<b>2011</b>	
	<b>Total cost of service</b>	<b>Net cost of service</b>	<b>Total cost of service</b>	<b>Net cost of service</b>
General and administrative	\$ 2,425,720	(2,425,720)	2,403,103	(2,403,103)
Instruction	87,034,927	(71,838,966)	86,617,095	(70,495,796)
Attendance and health services	4,309,939	(3,761,642)	4,096,464	(3,577,771)
Pupil transportation	8,130,530	(8,130,530)	7,506,922	(7,506,922)
Operations and maintenance	10,703,375	(10,435,288)	10,845,610	(9,994,572)
Technology	5,893,444	(5,453,444)	6,175,525	(5,705,643)
Food services	4,053,262	61,440	3,943,052	(7,362)
Total program expenses	\$ 122,551,197	(101,984,150)	121,587,771	(99,691,169)

The net cost of all governmental activities in fiscal year 2012 was \$102.0 million, representing a 2.3% increase over fiscal year 2011. The increase in the net cost is the result of decreases in federal grant allocations during the year. The amount that the citizens of the City and the County paid for these activities in fiscal year 2012 through taxes was \$84.7 million, representing a decrease of 1.8% under fiscal year 2011.

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

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

**Financial Analysis of the Schools in Parts**

**FUND STATEMENTS**

*(Breakdown of revenues and expenditures for the fiscal year by type and source)*

**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, unassigned 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 \$3.3 million. Approximately 15.2% of this amount (\$0.5 million) constitutes unassigned fund balance, which is available for spending at the Schools' discretion. The remainder of fund balance is nonspendable, restricted, committed or assigned 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 restricted for various grants and (4) committed to capital projects. All of the governmental funds are accounted for using the modified accrual basis of accounting.

**General Fund Highlights**

<b>Table 4</b>				
<b>General Fund Revenue and Expenditures and Other Financing Uses</b>				
<b>Years ended June 30, 2012 and 2011</b>				
		<b>2012</b>	<b>2011</b>	<b>Variance</b>
Revenues:				
City of Williamsburg and James City Co.	\$	81,575,478	80,779,332	796,146
Commonwealth of Virginia		26,496,038	26,107,540	388,498
Federal government		1,866,984	2,453,890	(586,906)
Charges for services, interest, and miscellaneous		546,579	502,100	44,479
Total revenues	\$	<u>110,485,079</u>	<u>109,842,862</u>	<u>642,217</u>
Expenditures and other financing uses:				
General and administrative	\$	2,399,471	2,375,576	23,895
Instruction		80,570,534	80,170,627	399,907
Attendance and health services		3,879,999	3,643,755	236,244
Pupil transportation		7,181,689	6,494,969	686,720
Operation and maintenance		10,074,061	10,352,143	(278,082)
Technology		4,904,576	5,196,232	(291,656)
Debt service/capital outlay		771,001	2,460,233	(1,689,232)
Transfers to other funds		1,140,227	2,569,449	(1,429,222)
Total expenditures and other financing uses	\$	<u>110,921,558</u>	<u>113,262,984</u>	<u>(2,341,426)</u>



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

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

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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 (\$110.9 million) exceeded revenues (\$110.5 million) by \$0.4 million. The primary reason for the decline in the fund balance is School Board approval of prior year fund balance to fund certain onetime operating costs and several capital projects during the fiscal year.

As compared to the original budget, actual intergovernmental revenue was approximately \$63,000 less at June 30, 2012. This was due primarily to a decrease in revenue received from the state government. No amendments to the original revenue budget were made during the year. Regarding expenditures and other financing uses, the actual was approximately \$0.5 million more than the original budget. As mentioned previously, the School Board authorized the use of fund balance reserves to fund several capital projects during fiscal year 2012. The other financing use represents a transfer of fund balance from the General Fund to the Capital Projects Fund in the amount of \$1.1 million. No amendments to the original expenditures budget were made during the year.

**Grants Fund Highlights**

The Grants Fund is used to record transactions related to the grants and self supporting programs that are not specifically accounted for in another fund. Revenues for fiscal year 2012 totaled \$6.4 million. The majority of the revenue, \$4.9 million, was from federal grants. Expenditures for fiscal year 2012 totaled \$6.4 million. As a result, the Grants Fund ended the year with no significant change in fund balance.

**The Schools' Food Services Fund Highlights**

The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias. Revenues for fiscal year 2012 totaled \$4.1 million, representing a 4.6% increase over fiscal year 2011. The majority of the revenue, \$2.0 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 \$2.0 million. Expenditures for the year totaled \$3.9 million in fiscal year 2012. As a result, the Schools' Food Services Fund ended the year with an increase in fund balance of approximately \$236,000.

**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 2012, revenues amounted to \$3.1 million while expenditures amounted to \$5.1 million. In fiscal year 2012, transfers from the General Fund for capital projects totaled \$1.1 million.

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

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

**Capital Assets**

At the end of fiscal year 2012, the Schools had \$48.0 million of capital assets (net of accumulated depreciation) invested in land, buildings, and furniture and equipment. This represented a 7.1% increase from fiscal year 2011 to fiscal year 2012. All capital assets are attributable to governmental activities. Total accumulated depreciation on these assets was approximately \$22.3 million at June 30, 2012. Below is a summary of the Schools' net capital assets:

<b>Table 5</b> <b>Capital Assets, Net at June 30, 2012 and 2011</b>			
<b>Capital Asset Category</b>	<b>2012</b>	<b>2011</b>	<b>Variance</b>
Land	\$ 8,435,126	8,435,126	—
Buildings and building improvements	31,605,563	23,206,269	8,399,294
Furniture and equipment	7,498,589	7,984,452	(485,863)
Construction in progress	418,043	5,141,861	(4,723,818)
Total capital assets, net	\$ <u>47,957,321</u>	<u>44,767,708</u>	<u>3,189,613</u>

Major capital asset events during fiscal year 2012 included the following:

- Replacement of the dry pipe sprinkler system at James River Elementary School;
- HVAC energy management system for James River Elementary School;
- Division wide telephone system replacement;
- Structural repairs on outside walls at Lafayette High School;
- Audio system replacement in auditorium at Lafayette High School;
- Exterior painting of Lafayette High School;
- HVAC energy management system for Lafayette High School;
- Crosswalk at Warhill High School;
- Field lighting at Lafayette and Warhill High Schools;
- Gas canopy replacement at the Operations Center;
- Conversion of James Blair Middle School into central office;
- Refurbishment of Berkeley Middle School;
- HVAC replacement at Berkeley Middle School;
- Refurbishment of DJ Montague Elementary School;
- Security card access at DJ Montague Elementary School;
- HVAC replacement at DJ Montague Elementary School;
- HVAC energy management system for Stonehouse Elementary School;
- HVAC energy management system for Rawls Byrd Elementary School.

## **WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)  
Years ended June 30, 2012 and 2011

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Capital outlay expenditures totaling \$1.8 million relating to the construction of the auxiliary gym at Jamestown High School are presented in James City County's construction in progress balance in order to match the corresponding debt. 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 2012 were \$4.3 million, with \$437,966 due within one year and \$3.8 million due in greater than one year consisting of \$973,257 in compensated absences and \$3.3 million in other post employment benefits.

Additional information on the Schools' long-term liabilities is presented in notes 1, 5 and 7 of this report.

### **Factors Influencing Future Budgets**

- Probable decreases in revenues due to the economic turndown
- Providing competitive salaries to attract and retain highly qualified staff
- Rising costs of employee health insurance premiums and VRS retirement contributions
- 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 Department at the Williamsburg-James City County Public Schools, 117 Ironbound Road, Williamsburg, Virginia 23185, and telephone 757-603-6400.

## **BASIC FINANCIAL STATEMENTS**



One Vision. **One Word.** *Premier*

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

## Statement of Net Assets – Governmental Activities

June 30, 2012

## Assets:

Cash and temporary investments (note 2)	\$ 13,501,406
Receivables	136,231
Due from federal government	1,198,113
Due from Commonwealth of Virginia	163,305
Due from the City of Williamsburg and James City County	1,140,863
Inventory	40,532
Capital assets, not being depreciated (note 4)	8,853,169
Capital assets, net of depreciation (note 4)	39,104,152
Total assets	<u>64,137,771</u>

## Liabilities:

Accounts payable	1,161,258
Accrued payroll	6,907,508
Accrued benefits	4,814,041
Unearned revenue (note 10)	224,282
Noncurrent liabilities (notes 5 and 7):	
Due within one year	437,966
Due in more than one year	3,837,591
Total liabilities	<u>17,382,646</u>

## Net assets:

Invested in capital assets	47,957,321
Unrestricted	(1,202,196)
Total net assets	<u>\$ 46,755,125</u>

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, 2012

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	\$ 2,425,720	—	—	(2,425,720)
Instruction	87,034,927	231,687	14,964,274	(71,838,966)
Attendance and health services	4,309,939	—	548,297	(3,761,642)
Pupil transportation	8,130,530	—	—	(8,130,530)
Operations and maintenance	10,703,375	268,087	—	(10,435,288)
Technology	5,893,444	—	440,000	(5,453,444)
Food services	4,053,262	2,068,379	2,046,323	61,440
Total	\$ 122,551,197	2,568,153	17,998,894	(101,984,150)
General revenues:				
Interest				8,454
Grants and contributions not restricted to specific programs				103,477,467
Miscellaneous				61,251
Total				103,547,172
Change in net assets				1,563,022
Net assets at beginning of year				45,192,103
Net assets at end of year				\$ 46,755,125

See accompanying notes to basic financial statements.

Exhibit III

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Balance Sheet – Governmental Funds

June 30, 2012

<b>Assets</b>	<b>General</b>	<b>Grants</b>	<b>Schools' Food Services</b>	<b>Capital Projects</b>	<b>Total governmental funds</b>
Cash and temporary investments (note 2)	\$ 12,614,865	45,511	625,967	215,063	13,501,406
Receivables	133,840	90	2,301	—	136,231
Due from federal government	180,806	703,858	313,449	—	1,198,113
Due from Commonwealth of Virginia	128,604	34,701	—	—	163,305
Due from the City of Williamsburg and James City County	56,523	—	—	1,084,340	1,140,863
Inventory	—	—	40,532	—	40,532
<b>Total assets</b>	<b>\$ 13,114,638</b>	<b>784,160</b>	<b>982,249</b>	<b>1,299,403</b>	<b>16,180,450</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 692,117	42,896	63,818	362,427	1,161,258
Accrued payroll	6,465,035	312,669	129,804	—	6,907,508
Accrued benefits	4,515,497	204,313	94,231	—	4,814,041
<b>Total liabilities</b>	<b>11,672,649</b>	<b>559,878</b>	<b>287,853</b>	<b>362,427</b>	<b>12,882,807</b>
Fund balances:					
Nonspendable:					
Inventory	—	—	40,532	—	40,532
Restricted to:					
Grants	—	224,282	—	—	224,282
Committed to:					
Capital projects	685,097	—	—	936,976	1,622,073
Assigned to:					
General	256,892	—	—	—	256,892
Schools' food services fund	—	—	653,864	—	653,864
Unassigned, reported in:					
General fund	500,000	—	—	—	500,000
<b>Total fund balances</b>	<b>1,441,989</b>	<b>224,282</b>	<b>694,396</b>	<b>936,976</b>	<b>3,297,643</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,114,638</b>	<b>784,160</b>	<b>982,249</b>	<b>1,299,403</b>	
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.					47,957,321
Long-term liabilities are not reported as liabilities in the governmental funds.					
Compensated Absences		(973,257)			
Other post employment benefits		<u>(3,302,300)</u>			(4,275,557)
Unearned revenue is not reported as a liability in the governmental funds.					<u>(224,282)</u>
<b>Net assets of governmental activities</b>					<b>\$ 46,755,125</b>

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, 2012

	<u>General</u>	<u>Grants</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	\$ 81,575,478	—	—	3,130,386	84,705,864
From Commonwealth of Virginia	26,496,038	855,843	58,425	—	27,410,306
From federal government	1,866,984	4,906,611	1,987,898	—	8,761,493
Total intergovernmental	109,938,500	5,762,454	2,046,323	3,130,386	120,877,663
Charges for services	479,217	20,557	2,068,379	—	2,568,153
Interest	6,111	—	2,343	—	8,454
Miscellaneous	61,251	605,217	—	—	666,468
Total revenues	110,485,079	6,388,228	4,117,045	3,130,386	124,120,738
Expenditures:					
Current:					
General and administrative	2,399,471	—	—	—	2,399,471
Instruction	80,570,534	5,277,365	—	—	85,847,899
Attendance and health services	3,879,999	405,962	—	—	4,285,961
Pupil transportation	7,181,689	—	—	—	7,181,689
Operations and maintenance	10,074,061	15,373	—	—	10,089,434
Technology	4,904,576	330,304	—	—	5,234,880
Food services	—	114,186	3,880,525	—	3,994,711
Capital outlay	771,001	238,519	—	5,114,442	6,123,962
Total expenditures	109,781,331	6,381,709	3,880,525	5,114,442	125,158,007
Excess (deficiency) of revenues over expenditures	703,748	6,519	236,520	(1,984,056)	(1,037,269)
Other financing sources (uses):					
Transfers in (note 3)	—	—	—	1,140,227	1,140,227
Transfers out (note 3)	(1,140,227)	—	—	—	(1,140,227)
Total other financing sources and uses	(1,140,227)	—	—	1,140,227	—
Net change in fund balances	(436,479)	6,519	236,520	(843,829)	(1,037,269)
Fund balances at beginning of year	1,878,468	217,763	457,876	1,780,805	4,334,912
Fund balances at end of year	\$ 1,441,989	224,282	694,396	936,976	3,297,643

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, 2012

(Continued)

Net change in fund balances		\$ (1,037,269)
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 capital expenditures exceeded capital assets in the current period:		
Capital outlay		6,123,962
Depreciation expense		<u>(2,818,749)</u>
		3,305,213
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.		(115,600)
Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are <i>not</i> reported as expenditures in the governmental funds.		
Change in compensated absences liability	(36,803)	
Change in net OPEB obligation	<u>(546,000)</u>	(582,803)
Governmental funds recognize revenues when they are both measurable and available, that is collected during the current period or within two months after year end. However, they are recognized in full for the period they are earned in the statement of activities.		(6,519)
Change in net assets of governmental activities		<u>\$ 1,563,022</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, 2012

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Assets:

Cash and temporary investments (note 2)	\$	935,872
Receivables:		
Commonwealth of Virginia		<u>251,665</u>
Total assets	\$	<u><u>1,187,537</u></u>

Liabilities:

Accounts payable	\$	233
Accrued payroll		36,388
Accrued benefits		23,169
Due to students		<u>1,127,747</u>
Total liabilities	\$	<u><u>1,187,537</u></u>

See accompanying notes to basic financial statements.

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**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 operations of the Schools are apportioned between the two localities in accordance with the Agreement, as amended. For the fiscal year ended June 30, 2012, the apportionment of the Schools' costs to the County and the City was \$74,250,000 or 91.02%, and \$7,325,478, or 8.98%, 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 \$500,000; 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 the 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 long-term liabilities (such as buildings and debt). Accrual accounting also reports all

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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 consists of 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 resource 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.

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

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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, 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 but interfund services provided and used are not eliminated in the process of consolidation.

*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.

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.
- *Grants Fund* – The Grants Fund is used to record transactions related to the grants and self supporting programs that are not specifically accounted for in another fund.
- *Schools' Food Services Fund* – The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias.

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- *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 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 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.

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***(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 assigned.

At June 30, 2012, encumbrances were \$256,892 and are included in the Assigned to: General fund balance classification on Exhibit III. The amount is allocated as follows:

	<u>Amount</u>
Encumbrances assigned to:	
General and administrative	\$62,015
Instruction	55,771
Operations and maintenance	84,196
Technology	54,910
Total	<u>\$256,892</u>

***(e) Cash and Investments***

Cash and investments at June 30, 2012 are included in the various cash accounts reflected in the financial statements. Investments are stated at fair value.

***(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 considered expended when used (consumption method). The inventory is offset by non spendable fund balance, which indicates that the inventory does not constitute available, expendable resources.



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**(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, 2012 the County holds capital assets related to school property with a net book value of \$203,549,650.

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

Description	Estimated 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 employees' 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, 2012 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 Balances**

**GASB Statement No. 54** – The School Board adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement also establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Fund balances are now classified as one of the following:

- Nonspendable – items that cannot be spent. This includes activity that is not in a spendable form like inventories.
- Restricted – balances which have constraints placed upon the use of the resources either by an external party, like grantors, or imposed by law through enabling legislation.
- Committed – balances that can only be used for specific purposes pursuant to constraints imposed by a formal action of the School Board, the School's highest level of decision-making authority prior to the close of the fiscal year. Any modifications or rescissions of fund balance commitments in this category also requires formal action of the School Board.
- Assigned – balances that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the School Board delegating this responsibility to the School's management through the budgetary process. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not nonspendable, restricted, or committed.
- Unassigned – all spendable amounts not contained in the four categories described above. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

The Schools will typically use Restricted fund balance first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserve the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**(k) Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it, which 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.

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All interfund transactions, except interfund services provided and used, 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.

**(l) Subsequent Events**

In preparing these financial statements, the Schools' have evaluated events and transactions for potential recognition or disclosure through November 13, 2012, the date the financial statements were available to be issued.

**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 are as follows:

Bank deposits	\$	14,143,029
Certificates of deposit		48,506
Investment in the Treasurer of the Commonwealth of Virginia's Local Government Investment Pool (LGIP)		245,743
	\$	<u>14,437,278</u>

The totals above include Agency Funds in the amount of \$935,872 which are not a part of the governmental fund financial statements.

**Deposits**

The bank balance of the Schools' deposits with banks and savings institutions, which is different from the carrying value because of reconciling items such as outstanding checks and deposits in transit, was \$17,141,868. The entire bank balance was covered by the Federal Depository 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 insured. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and 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.

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***Investments******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 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, rated 'AAAm' by Standard & Poor's rating service). Although the LGIP is not registered with the Securities and Exchange Commission (SEC) as an investment company, it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940 and in accordance with the Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, definition of "2a-7 like pools." 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
Commonwealth of Virginia LGIP	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

***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.

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As of June 30, 2012, 100% of the Schools' portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, money market accounts with several local banks, and a bank deposit with a local bank.

*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, 2012, 100% of the Schools' portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, money market accounts with several local banks, and a bank deposit with a local bank.

*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.

*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, 2012, all of the Schools' deposits and 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, 2012, there were no interfund receivables or payables.

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.

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At June 30, 2012, interfund transfers consisted of the following:

		<u>Transfer To</u>	<u>Transfer From</u>
Fund:			
General	\$	—	1,140,227
Capital Projects		1,140,227	—
Total	\$	<u>1,140,227</u>	<u>1,140,227</u>

**4. Capital Assets, Net**

A summary of changes in capital assets follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
Capital assets not being depreciated:				
Land	\$ 8,435,126	—	—	8,435,126
Construction in progress	<u>5,141,861</u>	<u>5,114,442</u>	<u>9,838,260</u>	<u>418,043</u>
Total capital assets not being depreciated	<u>13,576,987</u>	<u>5,114,442</u>	<u>9,838,260</u>	<u>8,853,169</u>
Other capital assets:				
Buildings and building improvements	31,945,050	10,027,444	258,527	41,713,967
Furniture and equipment	<u>18,971,278</u>	<u>820,336</u>	<u>63,069</u>	<u>19,728,545</u>
Total other capital assets	<u>50,916,328</u>	<u>10,847,780</u>	<u>321,596</u>	<u>61,442,512</u>
Less accumulated depreciation for:				
Buildings and building improvements	8,738,781	1,544,279	174,656	10,108,404
Furniture and equipment	<u>10,986,826</u>	<u>1,274,470</u>	<u>31,340</u>	<u>12,229,956</u>
Total accumulated depreciation	<u>19,725,607</u>	<u>2,818,749</u>	<u>205,996</u>	<u>22,338,360</u>
Other capital assets, net	<u>31,190,721</u>	<u>8,029,031</u>	<u>115,600</u>	<u>39,104,152</u>
Totals	\$ <u>44,767,708</u>	<u>13,143,473</u>	<u>9,953,860</u>	<u>47,957,321</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 685,498
General and administrative	13,523
Pupil transportation	923,577
Operations and maintenance	570,336
Technology	577,343
Food services	48,472
Total governmental activities depreciation expense	\$ <u>2,818,749</u>

At June 30, 2012, the Schools had contractual commitments of approximately \$1.7 million 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 follows:

	Balance			Balance	Amounts due
	July 1, 2011	Additions	Deletions	June 30, 2012	in one year
Compensated absences	\$ 936,454	902,092	865,289	973,257	437,966
Other postemployment benefits	2,756,300	748,000	202,000	3,302,300	—
	<u>\$ 3,692,754</u>	<u>1,650,092</u>	<u>1,067,289</u>	<u>4,275,557</u>	<u>437,966</u>

The liability for compensated absences is generally liquidated by the fund for which the employee works. The other postemployment benefit obligations are normally liquidated from the General Fund.

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

**(a) Operating Leases**

The Schools lease equipment and buildings under noncancelable operating leases. Total costs for such leases were approximately \$249,138 for the year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

## Years ending June 30:

2013	\$277,397
2014	183,903
2015	126,808
2016	31,917
2017	<u>15,407</u>
	<u>\$635,432</u>

**6. Defined Benefit Pension Plan****Virginia Retirement System:****(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 professional employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit.

Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

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VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), 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



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Notes to Basic Financial Statements

June 30, 2012

be obtained by writing to the System at P.O. Box 2500, Richmond, Virginia 23218-2500 or downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf>

***Funding Policy***

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. For the year ended June 30, 2012, this 5% member contribution has been assumed by the employer for Plan 1 members while the 5% member contribution is being contributed by the employee for Plan 2 members. 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 June 30, 2012 was 6.56% of annual covered payroll.

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>
2012	\$6,893,889	\$6,893,889	100.0%
2011	5,662,832	5,662,832	100.0%
2010	7,270,320	7,270,320	100.0%

***(b) Annual Pension Cost***

For fiscal year 2012, the Schools' annual pension cost of \$566,011 for nonprofessional employees was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 3.75% to 5.60% per year, (c) 2.5% per year COLA adjustment for Plan 1 members, and (d) 2.25% per year COLA for Plan 2 members. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the Schools' assets is equal to the five-year smoothed market value. 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 over 30 years, decreasing by one each year in subsequent valuations until reaching 20 years. 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*.

**WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS**

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The trend information for the Schools' nonprofessional employees is as follows:

<b>Three-year trend information</b>			
	<b>Annual pension cost (APC)</b>	<b>Percentage of APC contributed</b>	<b>Net pension obligation</b>
Fiscal year ended:			
June 30, 2012	\$566,011	100.0%	---
June 30, 2011	543,878	100.0%	---
June 30, 2010	568,724	100.0%	---

**(c) Funded Status and Funding Progress**

As of December 23, 2011, the most recent actuarial valuation date for fiscal year ending June 30, 2011, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 14,672,694
Less actuarial value of plan assets	(12,608,672)
Unfunded actuarial accrued liability (UAAL)	2,064,022
Funded ratio (actuarial value of plan assets/AAL)	85.93%
Covered Payroll	\$ 4,796,556
UAAL as a percentage of covered payroll	43.03%

The Schedule of Funding Progress, presented as Required Supplementary Information (RSI) following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**VRS Health Insurance Credit:****(a) Plan Description**

Retirees who have 15 or more years of creditable VRS service are granted the option to participate in the VRS Health Insurance Credit program by paying 100% of their monthly health insurance premium less a \$1.50 per month per year of service however, such credit shall not exceed the health insurance premium for retiree. Disabled retirees are eligible to received a maximum monthly credit of \$45. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend the benefit provisions to the General Assembly of Virginia. The health insurance credit program is an agent, multiple-employer plan and is financed by payments from Williamsburg – James City County Public Schools for all active employees to the VRS. For fiscal year ended June 30, 2012, the contribution made by WJCC PS was \$394,151 for both professional and nonprofessional employees, of which \$15,668 was for nonprofessional

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employees. The surplus funds are not considered advance funded because WJCC PS, its employees, and retirees have no vested rights to access the excess funds. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial valuations for the plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial calculations of the plan reflect a long-term perspective.

The VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the VRS. A copy of that report may be obtained by writing VRS at PO Box 2500, Richmond, Virginia 23218-2500 or by download from their website at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf>.

***Funding Policy***

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute an actuarial percentage of their annual reported compensation to the VRS for the retiree health insurance credit. WJCC PS has assumed this contribution. In addition, WJCC PS is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. WJCC PS' required contribution rate for the fiscal year ended June 30, 2012 was 0.32% of annual covered payroll (annual payroll of nonprofessional active employees covered by the plan).

***(b) Annual Benefit Cost***

For fiscal year 2012, the Schools' annual benefit cost of \$15,668 for nonprofessional employees was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included a 7.0% investment rate of return, projected salary increases of 3.0% per year, and a participation assumption that 85% of current employees will utilize the benefit program. The investment rate of return also included an inflation component of 2.5%. The actuarial value of the Schools' assets is equal to the 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. The remaining amortization period at June 30, 2012, was 30 years.

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The trend information for the Schools' nonprofessional employees is as follows:

	<b>Annual benefit cost (ABC)</b>	<b>Percentage of ABC contributed</b>	<b>Net benefit obligation</b>
Fiscal year ended:			
June 30, 2012	\$15,668	100.0%	---
June 30, 2011	15,071	100.0%	---
June 30, 2010	30,388	100.0%	---

**(c) Funded Status and Funding Progress**

As of December 23, 2011, the most recent actuarial valuation date for fiscal year ending June 30, 2011, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 278,954
Less actuarial value of plan assets	(217,501)
Unfunded actuarial accrued liability (UAAL)	61,453
Funded ratio (actuarial value of plan assets/AAL)	77.97%
Covered Payroll	\$ 4,796,556
UAAL as a percentage of covered payroll	1.28%

The Schedule of Funding Progress, presented as Required Supplementary Information (RSI) following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**7. Other Post Employment Benefit (OPEB) Plans****(a) Background**

Beginning in fiscal year 2009, the Williamsburg – James City County Public Schools implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other postemployment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post employment health care and other non-pension benefits. Historically the School's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the Schools accrue the cost of the retiree health subsidy and other postemployment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of postemployment benefits and the financial impact on the Schools. This funding methodology mirrors the funding approach used for pension benefits.

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***(b) Plan Description***

Other postemployment benefits provided by the Schools include a single-employer medical plan and a retiree health insurance premium contribution plan that cover retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they reach the age of 65 and are eligible for Medicare. Both plans were established under the authority of the Williamsburg – James City County School Board; any amendments to the plans must be approved by the School Board.

The Schools' single-employer medical plan allows retirees under the age of 65 to remain in the same medical and dental plan as active employees if they have at least five years of service with WJCC PS and are a covered member under the plan at retirement and for at least 24 months prior to retiring. Retirees pay 100% of the premium, minus any applicable \$62.50 monthly contribution described below. Current membership is 50.

The Schools' retiree health insurance premium contribution plan allows eligible retirees to receive a \$750 contribution annually toward their health insurance premium. The retiring employee must have a minimum of twelve (12) continuous years of service with Williamsburg – James City County Public Schools.

***(c) Funded Status and Funding Policy***

The School Board establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full rate for coverage under the medical plan. The School Board has chosen to fund the healthcare benefits on a pay as you go basis.

As of April 20, 2012, the most recent actuarial valuation date for fiscal year ending June 30, 2012, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$	5,803,000
Less actuarial value of plan assets		-
<hr/>		
Unfunded actuarial accrued liability (UAAL)		5,803,000
Funded ratio (actuarial value of plan assets/AAL)		0.00%
<hr/>		
Covered payroll	\$	71,381,094
UAAL as a percentage of covered payroll		8.13%

***(d) Annual OPEB Cost and Net OPEB Obligation***

The Schools are required to contribute the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period

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not to exceed thirty (30) years. The current contribution rate for the Schools is 27.0%. The remaining amortization period at June 30, 2012 was 27 years.

The Schools' annual OPEB cost and the net OPEB obligation based on a 4% discount rate, a 3.2% inflation rate, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for the year ending June 30, 2012 is as follows:

Discount Rate	4.0%
Annual Required Contribution (ARC)	\$ 744,000
Interest on Net OPEB Obligation	110,000
Adjustment to Annual Required Contribution	(106,000)
Annual OPEB Cost (expense)	\$ 748,000
Expected Pay-As-You-Go Annual Employer Contribution	(202,000)
Net Cash Contribution	-
Increase in net OPEB obligation	546,000
Net OPEB Obligation, June 30, 2011	2,756,300
Net OPEB Obligation, June 30, 2012	\$ 3,302,300
Actual Contribution rate	27.0%

The trend information for the Schools' OPEB plan is as follows:

Three-year trend information				
	Annual benefit cost (ABC)	Actual contribution <sup>1</sup>	Percentage of ABC contributed	Net benefit obligation
Fiscal year ended:				
June 30, 2012	\$ 748,000	\$ 202,000	27.0%	\$ 3,302,300
June 30, 2011	1,074,000	290,000	27.0%	2,756,300
June 30, 2010	998,000	265,000	26.6%	1,972,300

<sup>1</sup>Sum of estimated retiree payments plus scheduled trust contributions.

**(e) Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The valuation of the liabilities as of July 1, 2011 is based on a closed group. Current employees and retirees only are considered; no provision is made for future hires. Using the actuarial assumptions, the number of retired participants is projected each year in the future. Costs are projected for each future year at each age using the trend and aging assumptions. Retiree post

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June 30, 2012

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employment benefit expenses are determined under the Projected Unit Credit Actuarial Cost Method. Under this method, benefits are projected for life and their present value is determined.

The healthcare cost trend rate assumption used for this valuation was 8%; trend rates for medical benefits, including prescription drugs, range from 7.5% in 2013 to 6.6% in 2015. It is assumed that 60% of active school employees will elect coverage at retirement, 40% of retirees electing coverage will also elect coverage for their spouse, and husbands are assumed to be three years older than the wife.

The Schedule of Funding Progress, presented as Required Supplementary Information (RSI) following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**8. 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 A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, in conjunction with the audit of James City 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. A schedule of findings and questioned costs, if any, is included in a separately issued James City County and Williamsburg-James City County School Board combined single audit report in the Comprehensive Annual Financial Report of James City County.

**9. 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 the General Fund and pay all claims for retained 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 coverage 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)

Notes to Basic Financial Statements

June 30, 2012

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**10. Unearned Revenue**

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Details of unearned revenue as of June 30, 2012 follow:

		<b>Grants Fund</b>
Unexpended grants	\$	<u>224,282</u>
Government-wide unearned revenue	\$	<u><u>224,282</u></u>





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**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

Required supplementary information

Year ended June 30, 2012

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance from amended</u>
Revenues:				
Intergovernmental:				
Local sources	\$ 81,575,478	81,575,478	81,575,478	—
Commonwealth of Virginia	26,597,814	26,597,814	26,496,038	(101,776)
Federal government	1,828,782	1,828,782	1,866,984	38,202
Charges for services	494,000	494,000	479,217	(14,783)
Interest	5,000	5,000	6,111	1,111
Miscellaneous	56,000	56,000	61,251	5,251
Total revenues	<u>110,557,074</u>	<u>110,557,074</u>	<u>110,485,079</u>	<u>(71,995)</u>
Expenditures:				
Education:				
General and administrative	2,232,800	2,232,800	2,461,487	(228,687)
Instruction	82,133,425	82,133,425	80,617,816	1,515,609
Attendance and health services	3,849,748	3,849,748	3,879,999	(30,251)
Pupil transportation	7,163,725	7,163,725	7,689,497	(525,772)
Operations and maintenance	10,489,519	10,489,519	10,320,259	169,260
Technology	4,687,857	4,687,857	4,915,398	(227,541)
Total expenditures	<u>110,557,074</u>	<u>110,557,074</u>	<u>109,884,456</u>	<u>672,618</u>
Excess of revenues over expenditures	\$ <u>—</u>	<u>—</u>	<u>600,623</u>	<u>600,623</u>
Other financing use:				
Transfers out	<u>—</u>	<u>—</u>	<u>(1,140,227)</u>	<u>(1,140,227)</u>
Deficiency of revenues over expenditures and other financing uses	\$ <u>—</u>	<u>—</u>	<u>(539,604)</u>	<u>(539,604)</u>
Fund balance at the beginning of year			1,878,468	
Cancellation of unexpended prior year encumbrances			84,474	
Increase in reserve for encumbrances			18,651	
Fund balance at end of year			<u>\$ 1,441,989</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, 2012

Virginia Retirement System Schedule of Funding Progress - 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, 2011	\$ 12,608,672	14,672,694	2,064,022	85.93%	\$ 4,796,556	43.03%
June 30, 2010	12,134,124	14,053,571	1,919,447	86.34%	4,839,145	39.67%
June 30, 2009	11,767,848	12,381,835	613,987	95.04%	4,819,099	12.74%

Virginia Retirement System - Health Insurance Credit Program Schedule of Funding Progress - 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, 2011	\$ 217,501	278,954	61,453	77.97%	\$ 4,796,556	1.28%
June 30, 2010	179,876	266,251	86,375	67.56%	4,839,145	1.78%
June 30, 2009	140,771	237,121	96,350	59.37%	4,819,099	2.00%

Post Retirement Medical and Retiree Health Insurance Plan Schedule of Funding Progress						
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
July 1, 2011	\$ —	5,803,000	5,803,000	—	\$ 71,381,094	8.1%
July 1, 2010	—	7,988,000	7,988,000	—	69,697,225	11.5%
July 1, 2009	—	7,231,000	7,231,000	—	72,061,802	10.0%

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

Required Supplementary Information

Schedule of Employer Contributions (unaudited)

Year ended June 30, 2012

Virginia Retirement System - Nonprofessional Employees		
<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2012	\$ 566,011	100%
2011	543,878	100%
2010	568,724	100%

Virginia Retirement System - Health Insurance Credit Program		
<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2012	\$ 15,668	100%
2011	15,071	100%
2010	30,388	100%

Post Retirement Medical and Retiree Health Insurance Plan			
<b>Year Ended June 30</b>	<b>Annual Benefit Cost (ABC)</b>	<b>Actual Contribution<sup>1</sup></b>	<b>Percentage of ABC Contributed</b>
2012	\$ 748,000	202,000	27.0%
2011	1,074,000	290,000	27.0%
2010	998,000	265,000	26.6%

<sup>1</sup>Sum of estimated retiree payments plus scheduled trust contributions.

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of the James City County, Virginia)

## Note to Required Supplementary Information

Year ended June 30, 2012

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**(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. Expenditures may exceed budgeted levels when revenues exceed budgeted levels or the School Board authorizes use of prior year fund balance.
- (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.
- (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 Grants Fund, Schools' Food 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.

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

Component Unit of James City County, Virginia

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2012

	<b>Balance at July 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at June 30, 2012</b>
<b>State Operated Educational Program:</b>				
Assets:				
Cash and temporary investments	\$ (172,786)	876,405	895,494	(191,875)
Due from Commonwealth of Virginia	237,119	251,665	237,119	251,665
Total assets	<u>\$ 64,333</u>	<u>1,128,070</u>	<u>1,132,613</u>	<u>59,790</u>
Liabilities:				
Accounts payable	\$ 5,363	216,655	221,785	233
Accrued payroll	36,287	1,128,099	1,127,998	36,388
Accrued benefits	22,683	329,587	329,101	23,169
Total liabilities	<u>\$ 64,333</u>	<u>1,674,341</u>	<u>1,678,884</u>	<u>59,790</u>
<b>School Activities Fund:</b>				
Assets -				
Cash and temporary investments	\$ <u>1,022,992</u>	<u>1,895,799</u>	<u>1,791,044</u>	<u>1,127,747</u>
Liability -				
Due to students	\$ <u>1,022,992</u>	<u>1,895,799</u>	<u>1,791,044</u>	<u>1,127,747</u>
<b>Total all agency funds:</b>				
Assets:				
Cash and temporary investments	\$ 850,206	2,772,204	2,686,538	935,872
Due from Commonwealth of Virginia	237,119	251,665	237,119	251,665
Total assets	<u>\$ 1,087,325</u>	<u>3,023,869</u>	<u>2,923,657</u>	<u>1,187,537</u>
Liabilities:				
Accounts payable	\$ 5,363	216,655	221,785	233
Accrued payroll	36,287	1,128,099	1,127,998	36,388
Accrued benefits	22,683	329,587	329,101	23,169
Due to students	1,022,992	1,895,799	1,791,044	1,127,747
Total liabilities	<u>\$ 1,087,325</u>	<u>3,570,140</u>	<u>3,469,928</u>	<u>1,187,537</u>



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## **WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Notes to Statistical Tables

June 30, 2012

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### **Statistical Section**

The statistical section provides financial statement readers with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to understand and assess the School Division's economic condition. Information is presented in the following categories:

- Financial trends information is intended to assist readers in understanding and assessing how Williamsburg–James City County Public Schools' (WJCC PS's) financial position has changed over time.
- Revenue capacity information is intended to assist readers in understanding and assessing the School Division's ability to generate its own-source revenues.
- Debt capacity information is intended to assist readers in understanding and assessing WJCC PS's debt burden and its ability to issue additional debt.

Except for obligations under capital leases, WJCC PS do not have a liability for any long-term debt nor does the School Division have any legal debt margin. WJCC PS does not have the authority to levy taxes or issue bonded debt in its name. Therefore, information on debt capacity is presented for James City County, Virginia which the Schools are a component unit of.

- Demographic and economic information is intended to assist readers in understanding the School Division's socioeconomic environment and to facilitate comparisons of financial statement information over time and among other governments.
- Operating information is intended to provide contextual information about WJCC PS's operations and resources to assist readers in using financial statement information to understand and assess the School Division's economic condition.



**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Net Assets by Component

Last Ten Fiscal Years

*(accrual basis of accounting)*

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	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Governmental Activities					
Invested in capital assets,					
net of related debt	\$ 47,957,321	\$ 44,767,708	\$ 37,866,251	\$ 32,421,545	\$ 28,987,868
Unrestricted	(1,202,196)	424,395	2,850,898	2,939,967	2,373,555
Total net assets	<u>\$ 46,755,125</u>	<u>\$ 45,192,103</u>	<u>\$ 40,717,149</u>	<u>\$ 35,361,512</u>	<u>\$ 31,361,423</u>

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

**Table I**


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	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in capital assets,					
net of related debt	\$ 28,358,026	\$ 26,446,862	\$ 26,390,984	\$ 24,162,846	\$ 23,354,520
Unrestricted	3,473,769	1,681,491	1,777,751	3,078,827	2,719,618
Total net assets	<u>\$ 31,831,795</u>	<u>\$ 28,128,353</u>	<u>\$ 28,168,735</u>	<u>\$ 27,241,673</u>	<u>\$ 26,074,138</u>

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**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Expenses, Program Revenues, Net (Expense)/Revenue, General Revenues, and

Total Change in Net Assets

Last Ten Fiscal Years

*(accrual basis of accounting)*

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Expenses:					
Governmental activities:					
General and administrative	\$ 2,425,720	\$ 2,403,103	\$ 2,198,588	\$ 2,664,104	\$ 2,560,760
Instruction	87,034,927	86,617,095	87,194,611	88,965,658	85,970,956
Attendance and health services	4,309,939	4,096,464	4,392,898	4,442,265	4,079,417
Pupil transportation	8,130,530	7,506,922	7,030,487	6,733,896	6,938,199
Operations and maintenance	10,703,375	10,845,610	10,178,201	11,359,958	10,573,639
Technology	5,893,444	6,175,525	6,764,084	5,579,073	6,307,501
Food services	4,053,262	3,943,052	3,735,656	3,862,988	3,738,680
Interest on long-term liabilities	—	—	—	204	2,865
Total expenses	<u>122,551,197</u>	<u>121,587,771</u>	<u>121,494,525</u>	<u>123,608,146</u>	<u>120,172,017</u>
Program Revenues:					
Governmental activities:					
Charges for services					
Instruction	231,687	163,380	240,971	243,663	185,966
Operations and maintenance	268,087	300,248	340,909	60,244	51,341
Food services	2,068,379	1,995,521	1,922,919	2,050,686	2,055,487
Operating grants and contributions	<u>17,998,894</u>	<u>19,437,453</u>	<u>18,623,895</u>	<u>15,430,743</u>	<u>14,246,298</u>
Total program revenues	<u>20,567,047</u>	<u>21,896,602</u>	<u>21,128,694</u>	<u>17,785,336</u>	<u>16,539,092</u>
Net Expense	<u>(101,984,150)</u>	<u>(99,691,169)</u>	<u>(100,365,831)</u>	<u>(105,822,810)</u>	<u>(103,632,925)</u>
General Revenues and Other					
Changes in Net Assets:					
Governmental activities:					
Interest	8,454	3,661	6,021	41,697	279,854
Grants and contributions not restricted to specific programs	103,477,467	104,117,528	105,639,757	109,692,959	102,849,926
Miscellaneous	<u>61,251</u>	<u>44,934</u>	<u>75,690</u>	<u>88,243</u>	<u>32,773</u>
Total	<u>103,547,172</u>	<u>104,166,123</u>	<u>105,721,468</u>	<u>109,822,899</u>	<u>103,162,553</u>
Change in Net Assets	<u>\$ 1,563,022</u>	<u>\$ 4,474,954</u>	<u>\$ 5,355,637</u>	<u>\$ 4,000,089</u>	<u>\$ (470,372)</u>

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

Table II

	2007	2006	2005	2004	2003
Expenses:					
Governmental activities:					
General and administrative	\$ 2,770,795	\$ 2,484,849	\$ 2,554,632	\$ 2,479,099	\$ 2,281,220
Instruction	76,988,775	69,419,420	63,463,208	57,634,478	53,216,714
Attendance and health services	3,544,904	2,956,395	2,502,571	2,211,991	2,168,679
Pupil transportation	5,810,148	5,637,041	5,257,276	4,506,629	4,049,874
Operations and maintenance	9,112,949	9,140,556	8,285,639	7,572,789	7,497,613
Technology	4,197,743	4,292,177	4,679,553	3,545,784	4,195,232
Food services	3,205,632	2,992,335	2,829,199	2,564,147	2,408,783
Interest on long-term liabilities	5,542	8,213	5,167	963	16,276
Total expenses	<u>105,636,488</u>	<u>96,930,986</u>	<u>89,577,245</u>	<u>80,515,880</u>	<u>75,834,391</u>
Program Revenues:					
Governmental activities:					
Charges for services					
Instruction	162,749	184,847	168,772	175,365	166,857
Operations and maintenance	116,770	114,985	59,331	69,308	66,897
Food services	2,039,364	1,984,442	1,881,966	1,762,400	1,606,620
Operating grants and contributions	<u>13,624,163</u>	<u>11,617,249</u>	<u>10,990,988</u>	<u>8,522,163</u>	<u>7,862,036</u>
Total program revenues	<u>15,943,046</u>	<u>13,901,523</u>	<u>13,101,057</u>	<u>10,529,236</u>	<u>9,702,410</u>
Net Expense	<u>(89,693,442)</u>	<u>(83,029,463)</u>	<u>(76,476,188)</u>	<u>(69,986,644)</u>	<u>(66,131,981)</u>
General Revenues and Other					
Changes in Net Assets:					
Governmental activities:					
Interest	281,474	178,321	52,149	14,116	8,047
Grants and contributions not restricted to specific programs	93,086,380	82,800,634	77,346,943	71,137,422	67,330,197
Miscellaneous	<u>29,030</u>	<u>10,126</u>	<u>4,158</u>	<u>2,641</u>	<u>1,833</u>
Total	<u>93,396,884</u>	<u>82,989,081</u>	<u>77,403,250</u>	<u>71,154,179</u>	<u>67,340,077</u>
Change in Net Assets	<u>\$ 3,703,442</u>	<u>\$ (40,382)</u>	<u>\$ 927,062</u>	<u>\$ 1,167,535</u>	<u>\$ 1,208,096</u>

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

*(modified accrual basis of accounting)*


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	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund					
Committed	\$ 685,097	\$ 1,240,227	\$ 3,938,395	\$ 2,723,770	\$ 1,693,858
Assigned	256,892	238,241	960,195	1,619,061	527,776
Unassigned	500,000	400,000	400,000	400,000	500,000
Total general fund	<u>1,441,989</u>	<u>1,878,468</u>	<u>5,298,590</u>	<u>4,742,831</u>	<u>2,721,634</u>
 All other governmental funds					
Nonspendable	40,532	43,319	39,775	55,484	34,343
Restricted	224,282	217,763	168,270	79,888	509,345
Committed	936,976	1,780,805	67,874	67,874	67,874
Assigned	653,864	414,557	292,377	132,180	334,944
Total all other governmental funds	<u>1,855,654</u>	<u>2,456,444</u>	<u>568,296</u>	<u>335,426</u>	<u>946,506</u>
 Total governmental funds	\$ <u>3,297,643</u>	\$ <u>4,334,912</u>	\$ <u>5,866,886</u>	\$ <u>5,078,257</u>	\$ <u>3,668,140</u>

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

- (1) \*FY2006 fund balance for operating fund has been restated to reflect the presentation of the Grants fund separately.

FY2003-FY2010 amounts have been restated to comply with GASB 54.

**Table III**


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	<u>2007</u>	<u>2006<sup>(1)</sup></u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Committed	\$ 2,046,233	\$ 300,000	\$ 1,399,215	\$ 1,605,402	\$ 1,639,801
Assigned	915,642	795,275	161,250	618,845	446,130
Unassigned	237,402	271,035	134,326	824,749	908,304
Total general fund	<u>3,199,277</u>	<u>1,366,310</u>	<u>1,694,791</u>	<u>3,048,996</u>	<u>2,994,235</u>
All other governmental funds					
Nonspendable	63,893	36,758	20,909	22,435	24,689
Restricted	473,508	657,867	—	—	—
Committed	402,610	514,446	428,242	449,760	14,370
Assigned	505,835	434,731	293,394	234,933	165,430
Total all other governmental funds	<u>1,445,846</u>	<u>1,643,802</u>	<u>742,545</u>	<u>707,128</u>	<u>204,489</u>
Total governmental funds	<u>\$ 4,645,123</u>	<u>\$ 3,010,112</u>	<u>\$ 2,437,336</u>	<u>\$ 3,756,124</u>	<u>\$ 3,198,724</u>

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**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Revenues:					
From City of Williamsburg and James City County	\$ 84,705,864	\$ 86,245,980	\$ 85,992,454	\$ 85,926,730	\$ 84,390,540
From Commonwealth of Virginia	27,410,306	26,971,781	28,422,738	33,447,751	29,024,778
From federal government	8,761,493	9,807,806	9,036,851	4,887,265	4,709,693
Charges for services	2,568,153	2,409,113	2,504,799	2,354,593	2,292,794
Interest	8,454	3,661	6,021	41,697	279,854
Miscellaneous	666,468	673,877	975,682	520,741	797,871
Total revenues	<u>124,120,738</u>	<u>126,112,218</u>	<u>126,938,545</u>	<u>127,178,777</u>	<u>121,495,530</u>
Expenditures:					
General and administrative	2,399,471	2,375,576	2,172,101	2,627,079	2,548,428
Instruction	85,847,899	85,268,770	85,928,824	87,250,725	85,262,896
Attendance and health services	4,285,961	4,063,102	4,363,706	4,393,181	4,079,417
Pupil transportation	7,181,689	6,494,969	6,232,341	5,972,410	6,265,167
Operations and maintenance	10,089,434	10,352,343	9,880,780	11,163,348	10,521,160
Technology	5,234,880	5,628,007	6,376,540	5,261,115	6,052,181
Food services	3,994,711	3,879,924	3,684,807	3,810,598	3,702,625
Capital outlay	6,123,962	9,581,501	7,510,817	5,265,395	3,960,011
Debt service:					
Principal	—	—	—	24,605	77,763
Interest	—	—	—	204	2,865
Total expenditures	<u>125,158,007</u>	<u>127,644,192</u>	<u>126,149,916</u>	<u>125,768,660</u>	<u>122,472,513</u>
Revenues over/(under) expenditures	<u>(1,037,269)</u>	<u>(1,531,974)</u>	<u>788,629</u>	<u>1,410,117</u>	<u>(976,983)</u>
Other Finance Sources (uses):					
Transfers in	1,140,227	2,569,449	—	—	—
Transfers out	(1,140,227)	(2,569,449)	—	—	—
Proceeds from capital lease obligations	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ (1,037,269)</u>	<u>\$ (1,531,974)</u>	<u>\$ 788,629</u>	<u>\$ 1,410,117</u>	<u>\$ (976,983)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.02%	0.07%

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

Table IV

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues:					
From City of Williamsburg and James City County	\$ 72,999,457	\$ 67,537,386	\$ 62,977,843	\$ 59,845,251	\$ 56,998,858
From Commonwealth of Virginia	28,605,876	22,099,388	20,855,843	15,750,002	14,741,768
From federal government	4,273,434	4,318,118	4,289,548	3,708,732	3,142,748
Charges for services	2,318,882	2,282,314	2,110,069	2,007,073	1,606,620
Interest	281,474	178,321	52,149	14,116	8,047
Miscellaneous	676,448	1,132,944	218,855	358,241	544,446
Total revenues	<u>109,155,571</u>	<u>97,548,471</u>	<u>90,504,307</u>	<u>81,683,415</u>	<u>77,042,487</u>
Expenditures:					
General and administrative	2,759,069	2,466,774	2,536,557	2,461,024	2,263,145
Instruction	76,390,533	68,830,436	62,947,047	56,996,248	52,969,479
Attendance and health services	3,544,904	2,956,395	2,502,571	2,211,991	2,168,679
Pupil transportation	5,162,378	4,927,245	4,635,963	3,939,360	3,464,292
Operations and maintenance	9,065,984	9,094,008	8,239,180	7,526,528	7,451,703
Technology	3,987,006	4,111,584	4,509,523	3,405,925	4,128,122
Food services	3,171,979	2,953,944	2,791,674	2,525,750	2,369,122
Capital outlay	3,364,281	1,560,883	3,892,878	1,883,915	2,881,844
Debt service:					
Principal	68,884	66,213	38,248	166,307	479,417
Interest	5,542	8,213	5,167	8,967	44,664
Total expenditures	<u>107,520,560</u>	<u>96,975,695</u>	<u>92,098,808</u>	<u>81,126,015</u>	<u>78,220,467</u>
Revenues over/(under) expenditures	<u>1,635,011</u>	<u>572,776</u>	<u>(1,594,501)</u>	<u>557,400</u>	<u>(1,177,980)</u>
Other Finance Sources:					
Transfers in	200,000	600,000	1,038,712	1,014,801	—
Transfers out	(200,000)	(600,000)	(1,038,712)	(1,014,801)	—
Proceeds from capital lease obligations	—	—	275,713	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>275,713</u>	<u>—</u>	<u>—</u>
Net change in fund balances	\$ <u>1,635,011</u>	\$ <u>572,776</u>	\$ <u>(1,318,788)</u>	\$ <u>557,400</u>	\$ <u>(1,177,980)</u>
Debt service as a percentage of noncapital expenditures	0.07%	0.08%	0.05%	0.22%	0.70%



**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Government-Wide Expenditures by Function

Last Ten Fiscal Years

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<b>Fiscal Year</b>		<b>General and administrative</b>		<b>Instruction</b>		<b>Attendance and Health Services</b>		<b>Pupil transportation</b>		<b>Operations and maintenance</b>
2012	\$	2,425,720	\$	87,034,927	\$	4,309,939	\$	8,130,530	\$	10,703,375
2011		2,403,103		86,617,095		4,096,464		7,506,922		10,845,610
2010		2,198,588		87,194,611		4,392,898		7,030,487		10,178,201
2009		2,664,104		88,965,658		4,442,265		6,733,896		11,359,958
2008		2,560,760		85,970,956		4,079,417		6,938,199		10,573,639
2007		2,770,795		76,988,775		3,544,904		5,810,148		9,112,949
2006		2,484,849		69,419,420		2,956,395		5,637,041		9,140,556
2005		2,554,632		63,463,208		2,502,571		5,257,276		8,285,639
2004		2,479,099		57,634,478		2,211,991		4,506,629		7,572,789
2003		2,281,220		53,216,714		2,168,679		4,049,874		7,497,613

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(\*) Total Expenditures include expenditures for Pre-K education; March ADM does not include Pre-K students.

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

Table V

<b>Fiscal Year</b>					<b>March Average Daily Membership (ADM) determining cost per pupil (*)</b>	<b>Per pupil expenditures</b>
	<b>Technology</b>	<b>Food services</b>	<b>Interest on long-term liabilities</b>	<b>Total expenditures (*)</b>		
2012	\$ 5,893,444	\$ 4,053,262	\$ —	\$ 122,551,197	10,602	\$ 11,559
2011	6,175,525	3,943,052	—	121,587,771	10,488	11,593
2010	6,764,084	3,735,656	—	121,494,525	10,486	11,586
2009	5,579,073	3,862,988	204	123,608,146	10,236	12,076
2008	6,307,501	3,738,680	2,865	120,172,017	10,111	11,885
2007	4,197,743	3,205,632	5,542	105,636,488	10,050	10,511
2006	4,292,177	2,992,335	8,213	96,930,986	9,823	9,868
2005	4,679,553	2,829,199	5,167	89,577,245	9,403	9,527
2004	3,545,784	2,564,147	963	80,515,880	8,980	8,966
2003	4,195,232	2,408,783	16,276	75,834,391	8,550	8,870

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

**Expenditures by Function and Per Pupil Cost****Last Ten Fiscal Years**


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<b>Fiscal year</b>		<b>General and administrative</b>		<b>Instruction</b>		<b>Attendance and health services</b>		<b>Pupil transportation</b>		<b>Operations and maintenance</b>
2012	\$	2,461,487	\$	80,617,816	\$	3,879,999	\$	7,689,497	\$	10,320,259
2011		2,444,129		80,240,364		3,643,755		8,035,887		10,413,376
2010		2,172,998		81,261,484		3,440,973		6,349,759		10,141,525
2009		2,616,361		83,567,276		3,552,281		8,141,341		11,126,233
2008		2,559,129		81,322,409		3,342,063		6,299,564		10,785,264
2007		2,738,441		73,842,984		2,773,234		5,265,595		9,167,078
2006		2,566,810		69,035,783		2,956,395		5,848,345		9,061,053
2005		2,538,532		63,069,257		2,502,571		5,572,757		7,816,570
2004		2,465,790		56,988,429		2,210,883		4,297,263		7,924,173
2003		2,252,542		53,257,142		2,169,153		4,259,594		7,611,346

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(\*) Total cost-regular day school includes expenditures for Pre-K education; March ADM does not include pre-K students.

Source: 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.

Table VI

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<b>Fiscal year</b>		<b>Technology</b>		<b>Total cost – regular day school (*)</b>	<b>March Average Daily membership for (ADM) determining cost per pupil (*)</b>		<b>Per pupil expenditures</b>
2012	\$	4,915,398	\$	109,884,456	10,602	\$	10,365
2011		5,287,248		110,064,759	10,488		10,494
2010		6,835,208		110,201,947	10,486		10,509
2009		4,856,054		113,859,546	10,236		11,123
2008		5,956,180		110,264,609	10,111		10,905
2007		3,766,050		97,553,382	10,050		9,707
2006		4,243,034		93,711,420	9,823		9,540
2005		4,664,485		86,164,172	9,403		9,163
2004		3,696,795		77,583,333	8,980		8,640
2003		4,748,153		74,297,930	8,550		8,690

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**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

## General Fund Expenditures by Function

Last Ten Fiscal Years

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<b>Fiscal year</b>		<b>General and administrative</b>		<b>Instruction</b>		<b>Attendance and health services</b>		<b>Pupil transportation</b>
2012	\$	2,461,487	\$	80,617,816	\$	3,879,999	\$	7,689,497
2011		2,444,129		80,240,364		3,643,755		8,035,887
2010		2,172,998		81,261,484		3,440,973		6,349,759
2009		2,616,361		83,567,276		3,552,281		8,141,341
2008		2,559,129		81,322,409		3,342,063		6,299,564
2007		2,738,441		73,842,984		2,773,234		5,265,595
2006		2,566,810		69,035,783		2,956,395		5,848,345
2005		2,538,532		63,069,257		2,502,571		5,572,757
2004		2,465,790		56,988,429		2,210,883		4,297,263
2003		2,252,542		53,257,142		2,169,153		4,259,594

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Source: 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.

**Table VII**


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<b>Fiscal year</b>		<b>Operations and maintenance</b>		<b>Technology</b>		<b>Debt Service</b>		<b>Total expenditures</b>
2012	\$	10,320,259	\$	4,915,398	\$	—	\$	109,884,456
2011		10,413,376		5,287,248		—		110,064,759
2010		10,141,525		6,835,208		—		110,201,947
2009		11,126,233		4,856,054		24,809		113,884,355
2008		10,785,264		5,956,180		80,628		110,345,237
2007		9,167,078		3,766,050		74,426		97,627,808
2006		9,061,053		4,243,034		74,426		93,785,846
2005		7,816,570		4,664,485		43,415		86,207,587
2004		7,924,173		3,696,795		175,274		77,758,607
2003		7,611,346		4,748,153		524,081		74,822,011

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Table VIII

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

## Government-Wide Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Program revenues		General revenues			Total revenues
	Charges for services	Operating grants and contributions	Interest	Grant and contributions not restricted to specific programs	Misc.	
2012	\$ 2,568,153	\$ 17,998,894	\$ 8,454	\$ 103,477,467	\$ 61,251	\$ 124,114,219
2011	2,459,149	19,437,453	3,661	104,117,528	44,934	126,062,725
2010	2,504,799	18,623,895	6,021	105,639,757	75,690	126,850,162
2009	2,354,593	15,430,743	41,697	109,692,959	88,243	127,608,235
2008	2,292,794	14,246,298	279,854	102,849,926	32,773	119,701,645
2007	2,318,883	13,624,163	281,474	93,086,380	29,030	109,339,930
2006	2,284,274	11,617,249	178,321	82,800,634	10,126	96,890,604
2005	2,110,069	10,990,988	52,149	77,346,943	4,158	90,504,307
2004	2,007,073	8,522,163	14,116	71,137,422	2,641	81,683,415
2003	1,840,374	7,862,036	8,047	67,330,197	1,833	77,042,487

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

Table IX

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Charges for Services Revenue by Source

Last Ten Fiscal Years

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<b>Fiscal year</b>	<b>Tuition and fees</b>	<b>Percentage</b>	<b>Food Sales</b>	<b>Percentage</b>	<b>Total</b>
2012	\$ 499,774	19.5 %	\$ 2,068,379	80.5 %	\$ 2,568,153
2011	454,799	18.9	1,954,314	81.1	2,409,113
2010	581,880	23.2	1,922,919	76.8	2,504,799
2009	303,907	12.9	2,050,686	87.1	2,354,593
2008	237,307	10.4	2,055,487	89.6	2,292,794
2007	279,519	12.1	2,039,363	87.9	2,318,882
2006	297,872	13.1	1,984,442	86.9	2,282,314
2005	228,103	10.8	1,881,966	89.2	2,110,069
2004	244,673	12.2	1,762,400	87.8	2,007,073
2003	—	0.0	1,606,620	100.0	1,606,620

Williamsburg - James City County Public Schools' main revenue source is a transfer from James City County, the primary government.

Charges for Services is the primary own source revenue, which consists of tuition, fees and food sales.

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Source: Amounts extracted from Exhibit IV of the financial section of the respective Comprehensive Financial Report





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Table X

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Direct Tax Rates for James City County and the City of Williamsburg

Last Ten Fiscal Years

**City of Williamsburg:**

<b>Fiscal year</b>		<b>Real Estate Tax<sup>1</sup></b>		<b>Personal Property Tax<sup>1</sup></b>	<b>Room Tax<sup>2</sup></b>	<b>Meal Tax<sup>2</sup></b>	<b>Retail Sales Tax<sup>3</sup></b>
2012	\$	0.54	\$	3.50	5%	5%	1%
2011		0.54		3.50	5%	5%	1%
2010		0.54		3.50	5%	5%	1%
2009		0.54		3.50	5%	5%	1%
2008		0.54		3.50	5%	5%	1%
2007		0.54		3.50	5%	5%	1%
2006		0.54		3.50	5%	5%	1%
2005		0.54		3.50	5%	5%	1%
2004		0.54		3.50	5%	5%	1%
2003		0.54		3.50	5%	5%	1%

1) per \$100 assessed value

2) Room &amp; Meal tax rates increased to 5% January 1, 1999

3) Collected by the Commonwealth, remitted monthly to City

**James City County:**

<b>Fiscal year</b>		<b>Real Estate Tax<sup>1</sup></b>		<b>Personal Property Tax<sup>1</sup></b>	<b>Room Tax</b>	<b>Meal Tax</b>	<b>Retail Sales Tax<sup>2</sup></b>
2012	\$	0.770	\$	4.00	5%	4%	1%
2011		0.770		4.00	5%	4%	1%
2010		0.770		4.00	5%	4%	1%
2009		0.770		4.00	5%	4%	1%
2008		0.770		4.00	5%	4%	1%
2007		0.770		4.00	5%	4%	1%
2006		0.785		4.00	5%	4%	1%
2005		0.825		4.00	5%	4%	1%
2004		0.860		4.00	5%	4%	1%
2003		0.870		4.00	5%	4%	1%

1) per \$100 assessed value

2) Collected by the Commonwealth, remitted monthly to the County

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Source of Actual Receipts by Fiscal Year

Last Ten Fiscal Years

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<b>Fiscal year</b>	<b>State sales tax receipts</b>	<b>State funds</b>	<b>Federal funds</b>	<b>Local funds</b>
2012	\$ 10,338,116	\$ 28,296,917	\$ 8,564,922	\$ 76,138,098
2011	9,895,154	27,838,623	9,751,924	87,136,982
2010	9,524,388	29,364,506	9,055,054	110,753,024
2009	8,958,284	34,703,901	4,887,265	91,911,839
2008	9,351,386	30,214,812	4,709,710	90,830,982
2007	9,217,623	29,767,936	4,273,434	111,258,940
2006	8,786,919	23,187,732	4,318,168	78,323,754
2005	7,745,404	21,915,877	4,281,838	56,227,790
2004	6,586,531	16,647,163	3,716,322	53,612,967
2003	5,973,971	15,573,427	3,267,529	51,024,887

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

**Table XI**


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<b>Fiscal year</b>		<b>Other funds</b>		<b>Total receipts</b>		<b>Beginning year balance</b>		<b>Total receipts and balances</b>
2012	\$	3,254,176	\$	126,592,228	\$	5,328,843	\$	131,921,070
2011		3,298,942		137,921,625		6,467,802		144,389,427
2010		3,636,502		162,333,474		4,359,303		166,692,777
2009		3,057,031		143,518,320		3,668,140		147,186,460
2008		3,520,519		138,627,409		7,398,893		146,026,302
2007		3,418,067		157,936,000		5,724,188		163,660,188
2006		3,763,566		118,380,139		3,931,648		122,311,787
2005		2,563,262		92,734,171		3,975,657		96,709,828
2004		2,502,465		83,065,448		2,493,502		85,558,950
2003		2,196,885		78,036,699		3,144,009		81,180,708

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**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

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<b>Fiscal year</b>		<b>Debt for education</b>		<b>Debt for all other uses or applications</b>		<b>Total debt</b>		<b>Debt interest for education</b>
2011	\$	10,936,524	\$	6,418,694	\$	17,355,218	\$	7,139,441
2010		10,737,262		6,424,112		17,161,374		7,710,273
2009		11,543,170		4,001,011		15,544,181		8,314,606
2008		11,368,365		5,066,141		16,434,506		8,834,585
2007		11,668,683		3,687,444		15,356,127		6,764,961
2006		4,635,313		8,327,326		12,962,639		4,856,090
2005		3,607,051		3,597,000		7,204,051		3,457,243
2004		5,289,782		5,413,000		10,702,782		3,667,098
2003		6,165,629		28,043,000		34,208,629		4,290,629
2002		4,904,047		788,000		5,692,047		4,669,021

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

Note: Current year information is not available as the APA does not publish this report until 2013 for Fiscal Year 2012.

**Table XII**


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<b>Fiscal year</b>		<b>Debt interest for all other applications</b>		<b>Total debt interest</b>		<b>Total debt service for education</b>		<b>Total debt service</b>
2011	\$	2,989,372	\$	10,128,813	\$	18,075,965	\$	27,484,031
2010		2,774,701		10,484,974		18,447,535		27,646,348
2009		2,647,068		10,961,674		19,857,776		26,505,855
2008		2,856,913		11,691,498		20,202,950		28,126,004
2007		2,558,927		9,323,888		18,433,644		24,680,015
2006		1,611,803		6,467,893		9,491,403		19,430,532
2005		1,255,283		4,712,526		7,064,294		11,916,577
2004		571,356		4,238,454		8,956,880		14,941,236
2003		361,126		4,651,755		10,456,258		38,860,384
2002		290,907		4,959,928		9,573,068		10,651,975

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**Table XIII****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

<b>Fiscal year</b>		<b>Education</b>		<b>Other general government</b>		<b>Enterprise activities</b>		<b>Total debt</b>		<b>Per capita</b>	<b>Percent of debt for education</b>
2011	\$	144,964,345	\$	73,174,730	\$	43,704,844	\$	261,843,919	\$	4,897	55.36%
2010		153,713,333		75,661,910		45,590,434		274,965,677		5,435	55.90%
2009		165,219,279		63,586,289		47,600,643		276,406,211		5,553	59.77%
2008		176,753,192		67,248,335		11,498,915		255,500,442		4,811	69.18%
2007		188,111,926		72,235,935		12,509,584		272,857,445		5,273	68.94%
2006		104,047,401		54,866,748		19,324,186		178,238,335		4,254	58.38%
2005		108,737,758		39,582,014		20,418,613		168,738,385		4,541	64.44%
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%

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

Note: Current year information is not available as the APA does not publish this report until 2013 for Fiscal Year 2012.

Table XIV

## COUNTY OF JAMES CITY, 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
2012	68,971	\$ 12,341,704,734	\$ 86,134,103	\$ 24,172,765	\$ 61,961,338	0.0050	898
2011	68,500	12,152,483,497	93,283,624	24,683,989	68,599,635	0.0056	1,001
2010	67,745	12,092,979,169	101,414,765	25,225,253	76,189,512	0.0063	1,125
2009	63,135	11,941,060,226	109,974,105	24,988,945	84,985,160	0.0071	1,346
2008	61,195	11,610,152,643	118,369,735	25,499,192	92,870,543	0.0080	1,518
2007	60,867	10,704,264,557	126,590,560	24,346,226	102,244,334	0.0096	1,680
2006	58,893	9,049,255,396	106,091,269	13,178,021	92,913,248	0.0103	1,578
2005	56,463	7,545,410,210	109,465,708	10,686,133	98,779,575	0.0131	1,749
2004	53,952	6,802,790,128	75,247,759	9,300,903	65,946,856	0.0097	1,222
2003	52,303	6,225,817,244	80,537,541	9,686,080	70,851,461	0.0114	1,355

(1) Planning Division, James City County

(2) From Table 5, James City County Comprehensive Annual Financial Report

(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 11, James City County Comprehensive Annual Financial Report



Table XV

**COUNTY OF JAMES CITY, VIRGINIA**

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

Last Ten Fiscal Years

<b>Fiscal year</b>		<b>Principal</b>		<b>(2) Interest</b>		<b>(4) Total debt service</b>		<b>(3) Total general governmental expenditures</b>	<b>Ratio of debt service to general debt to governmental expenditures</b>
2012	\$	14,787,955	\$	9,384,810	\$	24,172,765	\$	201,078,316	12.02
2011		14,830,524		9,853,465		24,683,989		198,893,176	12.41
2010		15,077,900		10,147,353		25,225,253		198,552,653	12.70
2009		14,363,935		10,625,010		24,988,945		208,510,363	11.98
2008		14,245,257		11,253,935		25,499,192		212,383,260	12.01
2007		14,488,702		9,857,524		24,346,226		199,622,475	12.20
2006		7,215,460		5,962,561		13,178,021		171,917,860	7.67
2005		6,411,051		4,275,082		10,686,133		154,634,945	6.91
2004		5,414,782		3,886,121		9,300,903		142,379,879	6.53
2003		5,442,903		4,243,177		9,686,080		133,771,807	7.24

- (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) Reflects recurring expenditures included in the General Fund, Debt Service Fund, all Special Revenue funds, excluding Route 5 and Transportation District Funds, operating transfers to Capital Projects and the County's percentage of discretely presented Component Unit - Public Schools Operating Fund.
- (4) The County has no overlapping debt

Table XVI

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

General Statistical Data Encompassing School Division Area

POPULATION		EMPLOYMENT (for 2012)	
Number of households	27,707	Unemployment rate	5.1%
Average household size	2.45	Civilian Labor Force	35,884
Household population	67,882	Employed	34,063
		Unemployed	1,821

(Source: Planning Department, James City County, supplemented by data from the U.S. Bureau of the Census)

AGE			ROADS	
0 to 14 years old	11,608	17.3%	Interstate	11.04 miles
15 to 19 years old	4,120	6.1%	Secondary	55.85 miles
20 to 34 years old	9,741	14.5%	Primary	242.73 miles
35 to 44 years old	8,133	12.1%		
45 to 64 years old	19,537	29.2%		
65 and older	13,870	20.7%		
Total population	67,009			

(Source: 2010 U.S. Census)

**LOCAL COMPOSITE INDEX**

	JCC	City
2011	0.5668	0.8000
2009	0.5286	0.8000
2007	0.5499	0.8000
2005	0.5988	0.8000
2003	0.6228	0.8000
2001	0.6404	0.8000
1999	0.6088	0.8000
1997	0.5993	0.8000
1995	0.5924	0.8000

(Source: Virginia Department of Education)

**TAXABLE RETAIL SALES**

James City County			
2012	\$	932,214,200	
2011		892,445,000	
2010		842,195,600	
2009		861,852,500	
2008		892,444,900	
2007		882,593,500	
2006		832,202,200	
2005		763,697,400	
2004		679,508,600	
2003		678,016,200	

(Source: Treasurer, James City County)

**TRUE VALUE OF PROPERTY**

James City County			
2012	\$	12,341,704,734	
2011		12,152,483,497	
2010		12,092,979,169	
2009		11,941,060,226	
2008		11,610,152,643	
2007		10,704,264,557	
2006		9,049,255,396	
2005		7,575,410,210	
2004		6,802,790,128	
2003		6,225,817,244	

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

Table XVII

**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, 2012

Form of Governance: Fiscally Dependent School System with elected (5 members) and appointed (2 members) School BoardGeographic Area: 176 Square MilesPopulation 2010: 81,077 (Most recent statistics: 14,068 in Williamsburg as of 2010; and 67,009 in James City County as of 2010)Student Membership (March 2012 ADM): 10,602

	<b>Original construction date</b>	<b>Date(s) of additions/renovations</b>	<b>Building area (in square feet)</b>	<b>Acreage</b>
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, 2007	102,275	34.37
Lois Hornsby	2010	None	145,458	60.42
Jamestown	1997	None	193,094	80.01
Lafayette	1973	1990, 1993, 1997	202,500	50.00
Warhill	2007	None	240,750	54.50
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, 2007	99,378	20.02
Matthew Whaley	1931	1988, 1997, 1998	67,950	8.47
James River	1993	2002, 2007	71,739	24.19
Stonehouse	2000	2007	83,000	26.00
Matoaka	2007	None	92,119	40.20
J Blaine Blayton	2010	None	93,247	20.12
Operations Center	1992	None	26,000	7.60

**Table XVIII****WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Instructional Personnel Positions Per 1,000 Students in ADM

Ten Fiscal Years

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<b>Fiscal year</b>	<b>Number of instructional personnel positions</b>	<b>End-of-year membership</b>	<b>Instructional personnel per 1,000 students</b>
2011	1,172.04	10,708	109.45
2010	1,160.48	10,677	108.69
2009	1,138.83	10,457	108.90
2008	1,124.33	10,339	108.75
2007	1,047.71	10,272	102.00
2006	1,011.67	9,738	103.89
2005	976.70	9,345	104.52
2004	922.17	8,895	103.67
2003	903.54	8,535	105.86
2002	887.79	8,387	105.85

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Source: Data extracted from Table 17 of the *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education

Note: Fiscal Year 2012 data will not be published by the Virginia Department of Education until 2013.

**Table XIX****WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Changes in Student Membership Throughout School Year

Ten Fiscal Years

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<b>Fiscal year</b>	<b>Membership at September 30</b>	<b>Average daily membership at March 31</b>	<b>End-of-year membership</b>	<b>Percent of change</b>	<b>Annual retention rate</b>
2011	10,549	10,488	10,410	(1.32)%	98.68%
2010	10,503	10,486	10,390	(1.08)%	98.92%
2009	10,249	10,236	10,174	(0.73)%	99.27%
2008	10,137	10,111	10,002	(1.33)%	98.67%
2007	10,107	10,050	9,919	(1.86)%	98.14%
2006	9,820	9,823	9,810	(0.10)%	99.90%
2005	9,402	9,403	9,363	(0.41)%	99.59%
2004	8,961	8,980	8,942	(0.21)%	99.79%
2003	8,553	8,550	8,478	(0.88)%	99.12%
2002	8,407	8,422	8,353	(0.64)%	99.36%
2001	8,191	8,156	8,115	(0.93)%	99.07%

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Source: Data extracted from Table 1 of the *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia

Note: Fiscal Year 2012 data will not be published by the Virginia Department of Education until 2013.

Table XX

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Enrollment Trends

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>September 30<sup>th</sup> Enrollment</b>	<b>Elementary</b>	<b>Middle</b>	<b>High</b>
		<b>Grades K thru 5</b>	<b>Grades 6 thru 8</b>	<b>Grades 9 thru 12</b>
2012	10,671	4,712	2,560	3,399
2011	10,549	4,621	2,454	3,474
2010	10,503	4,675	2,350	3,478
2009	10,249	4,569	2,283	3,397
2008	10,137	4,444	2,327	3,366
2007	10,107	4,472	2,381	3,254
2006	9,820	4,337	2,335	3,148
2005	9,402	4,170	2,245	2,987
2004	8,961	3,946	2,206	2,809
2003	8,553	3,792	2,087	2,674

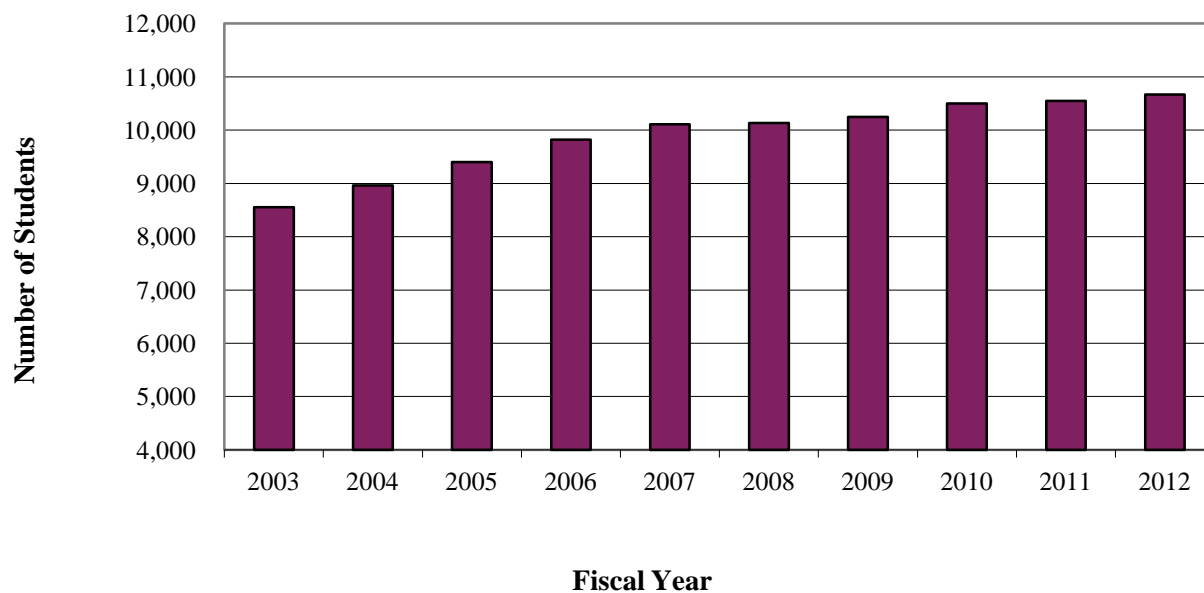
**September 30th Enrollment**

Table XXI

**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, 2011

<b>School</b>	<b>Free lunch</b>	<b>Reduced lunch</b>	<b>Total</b>	<b>September enrollment</b>	<b>Percentage of participants</b>
Clara Byrd Baker	123	29	152	508	29.92%
Clara Byrd Baker Preschool	29	—	29	53	54.72%
Rawls Byrd	168	28	196	460	42.61%
Rawls Byrd Preschool	34	5	39	67	58.21%
D. J. Montague	131	32	163	432	37.73%
Norge	149	44	193	533	36.21%
Norge Preschool	42	11	53	87	60.92%
Matthew Whaley	170	27	197	471	41.83%
James River	261	43	304	493	61.66%
Stonehouse	143	42	185	645	28.68%
Matoaka	124	16	140	733	19.10%
J Blaine Blayton	110	25	135	432	31.25%
J Blaine Blayton Preschool	31	7	38	83	45.78%
Berkeley Middle	351	82	433	936	46.26%
Toano	130	49	179	698	25.64%
Hornsby	143	37	180	917	19.63%
Lafayette	250	59	309	1,075	28.74%
Jamestown	166	42	208	1,184	17.57%
Warhill	239	75	314	1,133	27.71%
	<u>2,794</u>	<u>653</u>	<u>3,447</u>	<u>10,940</u>	*

Source: September 30, 2011 enrollment report and Child Nutrition Services

\* Note: Total does not match September 30, 2011 enrollment report due to preschool being included in this table.

Table XXII

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Food Sales - Meals Served Annually

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Student</b>			
	<b>Breakfasts Served Annually</b>	<b>Lunches Served Annually</b>	<b>Free and Reduced Eligibility<sup>1</sup></b>	<b>Free and Reduced Percentages<sup>1</sup></b>
2012	253,682	855,869	3,447	31.51%
2011	230,123	847,797	3,199	29.47%
2010	198,375	818,447	2,764	25.62%
2009	186,582	799,454	2,439	23.17%
2008	170,026	758,943	2,230	21.48%
2007	183,128	741,302	2,152	20.79%
2006	177,647	689,315	2,203	21.84%
2005	144,274	551,767	1,558	23.42%
2004	120,563	499,710	1,481	23.25%
2003	125,779	489,361	1,490	24.40%

Source: Office of Child Nutrition Services

- 1) The high schools began participating in the National School Breakfast and Lunch Programs again in 2006. Free and Reduced eligibility numbers prior to 2006 did not include the high schools.



Table XXIII

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

## Food Service Sales Price Breakdown

Last Ten Fiscal Years

Fiscal year	Elementary		Middle		High		Adult
	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch	Breakfast/Lunch
2012	\$ 1.25	2.15	1.35	2.25	1.45	2.40-3.15	A-La-Carte
2011	1.25	2.05	1.35	2.15	1.45	2.30-3.05	A-La-Carte
2010	1.25	2.00	1.35	2.10	1.45	2.25-3.00	A-La-Carte
2009	1.25	2.00	1.35	2.10	1.45	2.25-2.75	A-La-Carte
2008	1.05	1.90	1.15	2.00	1.25	2.15-2.65	A-La-Carte
2007	1.05	1.85	1.15	1.95	1.25	2.10-2.60	A-La-Carte
2006	1.05	1.75	1.15	1.85	1.25	2.00-2.50	A-La-Carte
2005	0.95	1.65	1.05	1.75	A-La-Carte	A-La-Carte	A-La-Carte
2004	0.95	1.65	1.05	1.75	A-La-Carte	A-La-Carte	A-La-Carte
2003	0.85	1.55	0.95	1.65	A-La-Carte	A-La-Carte	A-La-Carte

Note: These prices are based on the normal cost of the meals and do not include the cost charged students who qualify for reduced price meals.

Source: Office of Child Nutrition Services

Table XXIV

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Principal Employers in James City County

Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	Percentage of total County employment	Employees	Rank	Percentage of total County employment
Busch Gardens*	4,005	1	11.76%	4,300	1	16.77%
Williamsburg-James City County Public Schools	2,206	2	6.48%	1,843	2	7.19%
Eastern State Hospital	940	3	2.76%	800	4	3.12%
James City County	745	4	2.19%	689	5	2.69%
Wal-Mart Distribution Center	604	5	1.77%	450	7	1.75%
Kingsmill Resort and Spa	533	6	1.56%	—	—	—
Anheuser-Busch, Inc.	508	7	1.49%	1,100	3	4.29%
Avid Medical	431	8	1.27%	150	10	0.58%
Jamestown-Yorktown Foundation	395	9	1.16%	—	—	—
Williamsburg Landing	321	10	0.94%	—	—	—
Busch Properties, Inc.	—	—	—	650	6	2.53%
Ball Metal Container	—	—	—	200	8	0.78%
Owens-Brockway	—	—	—	160	9	0.62%
Total	<b>10,688</b>		<b>31.38%</b>	<b>10,342</b>		<b>40.32%</b>

Source: Economic Development, James City County and Virginia Employment Commission

\* Seasonal Employer

Table XXV

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

Principal Employers in the City of Williamsburg  
Current Year and Nine Years Ago

<b>Employer</b>	<b>2012</b>			<b>2003</b>		
	Employees <sup>1</sup>	Rank	Percentage of total City employment	Employees <sup>1</sup>	Rank	Percentage of total City employment
College of William & Mary	1,000+	1	22.56%	1,000+	1	16.25%
Colonial Williamsburg Foundation	1,000+	2	9.70%	1,000+	2	12.58%
Colonial Williamsburg Company	1,000+	3	6.56%	1,000+	3	6.63%
Williamsburg Community Hospital <sup>2</sup>				500 to 999	4	4.88%
Williamsburg-James City County Schools	250 to 499	4	1.93%			
Aramark	250 to 499	5	1.67%	250 to 499	5	1.56%
City of Williamsburg	250 to 499	6	1.61%	100 to 249	6	1.25%
Williamsburg Hospitality House				100 to 249	7	0.63%
Red Lobster & The Olive Garden	100 to 249	7	0.62%	100 to 249	8	0.63%
Walsingham Academy	100 to 249	8	0.62%			
Patrick Henry Inn				100 to 249	9	0.63%
National Center for State Courts	100 to 249	9	0.62%	100 to 249	10	0.63%
Outback Steakhouse	50 to 99	10	0.31%			

<sup>1</sup> includes part-time and seasonal employees

<sup>2</sup> now Sentara Healthcare-relocated to neighboring York County in August 2006

Table XXVI

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

Population and Personal Income for James City County

Last Ten Calendar Years

<b>Calendar year</b>	<b>Population <sup>1</sup></b>	<b>Personal income <sup>2</sup></b>	<b>Per Capita personal income <sup>2</sup></b>	<b>Unemployment Percentage</b>
2012	68,971 \$	**	\$ **	5.1%
2011	68,500	**	**	5.3%
2010	67,745	4,037,513,000	49,563	5.5%
2009	63,135	3,840,912,000	48,129	5.3%
2008	61,195	3,985,612,000	51,274	3.2%
2007	60,867	3,641,841,000	47,825	2.5%
2006	58,893	3,289,020,000	44,480	2.6%
2005	56,463	2,952,937,000	41,692	2.9%
2004	53,952	2,793,123,000	40,974	3.2%
2003	52,303	2,515,632,000	38,389	2.5%

(1) Planning Division, supplemented by data from Virginia Employment Commission

(2) Data from the Bureau of Economic Analysis, and has combined data for James City County  
 and the City of Williamsburg

\*\* Statistics not yet available

Table XXVII

**WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS**

(Component Unit of James City County, Virginia)

Ratios of Outstanding Debt by Type for James City County and the City of Williamsburg

Last Ten Fiscal Years

**City of Williamsburg:**

Fiscal year	Governmental Activities		Business-type Activities		Total Primary Government	Debt per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds	Notes Payable	General Obligation Bonds				
2012	\$ 6,745,036	\$ —	\$ 8,653,784	\$	15,398,820	\$ 1,080	0.4%
2011	7,306,844	—	9,231,593		16,538,437	1,160	0.4%
2010	8,432,627	—	9,808,700		18,241,327	1,297	0.5%
2009	9,497,443	—	10,433,333		19,930,776	1,492	0.5%
2008	10,534,146	—	566,666		11,100,812	836	0.3%
2007	11,548,396	1,300,000	700,000		13,548,396	925	0.3%
2006	12,540,821	1,300,000	6,665,050		20,505,871	1,433	0.6%
2005	18,413,000	1,300,000	6,938,851		26,651,851	1,892	0.9%
2004	10,831,000	1,300,000	7,237,154		19,368,154	1,348	0.6%
2003	11,744,000	—	7,525,173		19,269,173	1,460	0.8%

**James City County**

Fiscal year	Governmental Activities		Business-type Activities		Total Primary Government	Net Bonded Debt per Capita	Debt as Percentage of Personal Income <sup>1</sup>
	General Obligation Bonds	Other Debt	Revenue Bonds				
2012	\$ 86,134,103	\$ 113,707,074	\$ 32,938,174	\$	232,779,351	\$ 898	**
2011	93,283,624	114,340,522	34,469,298		242,093,444	1,001	**
2010	101,414,765	120,444,895	35,950,422		257,810,082	1,125	15.7%
2009	109,974,105	112,765,533	37,386,546		260,126,184	1,346	14.8%
2008	118,369,735	119,326,298	11,212,670		248,908,703	1,518	16.0%
2007	126,590,560	125,943,190	12,133,794		264,667,544	1,680	13.8%
2006	106,062,319	36,757,257	13,034,918		155,854,494	1,578	21.1%
2005	109,814,071	14,248,900	13,961,041		138,024,012	1,749	21.4%
2004	73,636,054	15,086,850	14,782,165		103,505,069	1,222	27.0%
2003	78,746,889	740,800	15,258,289		94,745,978	1,355	26.6%

(1) Based on personal income from Table XXVI

\*\* Income statistics not yet available

**Table XXVIII**

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

General Statistical Information on the Transportation Program

Last Ten Fiscal Years

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<b>Fiscal year</b>	<b>Number of school buses</b>	<b>Number of mechanics</b>	<b>Total miles driven</b>
2012	155	6	2,607,890
2011	155	6	2,595,706
2010	145	6	2,654,309
2009	145	6	2,613,200
2008	144	6	2,634,487
2007	152	6	2,123,622
2006	134	6	2,205,932
2005	139	6	2,180,282
2004	135	6	2,189,720
2003	137	6	1,992,061

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

Table XXIX

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

Full-time-Equivalent District Employees by Type

Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General and Administrative</b>										
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	1.00	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Director, Finance	1.00	1.00	—	—	—	—	—	—	—	—
Senior Director, Human Resources	1.00	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisors	1.00	1.00	1.00	—	—	—	—	—	—	—
Coordinators	3.00	4.00	5.50	6.00	5.00	5.00	5.00	6.00	5.00	5.00
Staff Accountant	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—	—
Human Resources Specialist	1.00	—	—	—	—	—	—	—	—	—
Communications Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Systems Specialist	—	—	—	—	1.00	1.00	1.00	1.00	1.00	1.00
Clerical	9.50	10.00	11.00	14.50	14.00	13.00	12.50	12.50	14.00	14.00
<b>Total General and Administrative</b>	<b>20.50</b>	<b>21.00</b>	<b>22.00</b>	<b>25.50</b>	<b>25.00</b>	<b>24.00</b>	<b>22.50</b>	<b>23.50</b>	<b>24.00</b>	<b>24.00</b>
<b>Instruction</b>										
Asst Superintendent-Academic Svcs	1.00	1.00	—	—	—	—	1.00	1.00	1.00	1.00
Senior Director, Student Svcs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Director, Academic Svcs	1.00	1.00	2.00	2.00	2.00	2.00	—	—	—	—
Senior Director, Multicultural Services	1.00	—	—	—	—	—	—	—	—	—
Supervisor-Accountability, Assessment	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Director of Staff Development	—	—	—	—	—	—	1.00	1.00	1.00	1.00
Curriculum Coordinators	5.25	6.50	6.50	7.00	5.00	3.00	3.00	3.00	3.00	3.00
Supervisors of Instruction	5.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	5.00	5.00
Instructional Specialist	3.00	3.00	3.00	3.00	2.00	2.00	2.00	1.00	—	—
Hearing Officer	1.00	1.00	—	1.00	1.00	1.00	1.00	—	—	—
Student Services Data Manager	—	—	1.00	1.00	—	—	—	—	—	—
Spec Educ Parent Resource Coord	1.00	1.00	1.00	1.00	—	—	—	—	—	—
Principals	15.00	16.00	16.00	15.00	15.00	14.50	13.00	13.00	13.00	13.00
Assistant Principals	18.00	18.00	17.00	17.00	17.00	16.00	16.00	16.00	15.00	14.00
Supervisor, Preschool Instruction	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Guidance Counselors	28.00	28.00	29.50	29.50	27.50	25.00	25.00	23.00	22.00	22.00
Librarians	18.00	18.00	17.00	17.00	17.00	14.00	14.00	14.00	14.00	14.00
Classroom Teachers	658.59	673.91	668.98	643.00	625.00	612.00	596.68	574.68	550.50	546.46
Preschool Teachers	32.57	31.00	31.00	31.00	30.00	23.00	21.00	20.00	20.00	18.00
Special Education Teachers	99.00	89.00	88.00	106.50	104.50	91.50	82.50	76.50	74.50	69.00
Career and Technical Teachers	17.66	23.34	28.02	32.50	39.00	29.00	29.00	29.00	29.00	29.00
Gifted and Talented Teachers	16.00	16.00	15.00	15.00	14.00	12.00	12.00	12.00	12.00	12.00
Adult Education Teachers	4.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00	2.00	2.00
Athletic Directors	3.00	3.00	3.00	3.00	3.00	2.50	2.00	2.00	2.00	2.00
Teacher Assistants	239.04	235.86	226.86	222.72	220.72	187.49	179.77	173.77	156.85	144.43
Social Workers	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Caseworker	0.57	0.43	0.43	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Interpreters	4.00	2.00	5.00	5.00	5.00	4.00	5.00	5.00	3.00	3.00
Records Management Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerical	84.50	84.62	84.00	92.50	88.50	73.00	72.50	72.50	69.00	69.75
<b>Total Instruction</b>	<b>1,266.68</b>	<b>1,270.16</b>	<b>1,260.79</b>	<b>1,264.72</b>	<b>1,234.22</b>	<b>1,129.99</b>	<b>1,093.45</b>	<b>1,054.45</b>	<b>1,003.85</b>	<b>979.64</b>
<b>Attendance and Health Services</b>										
Supervisor, Health Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurses	17.00	16.00	14.54	14.75	14.75	12.80	12.00	12.00	12.00	12.00
Psychologists	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Occupational Therapists	9.00	8.00	7.50	7.50	6.00	6.00	6.00	4.00	3.00	3.00
Physical Therapists	2.00	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00
Speech Therapists	17.22	16.60	15.60	15.50	15.20	11.50	10.50	10.50	10.50	10.50
Other Professional Staff	4.57	11.57	5.57	4.00	4.00	5.00	1.00	0.50	—	—
Clinic Assistants	5.00	4.50	4.50	4.00	4.00	2.00	1.00	1.00	1.00	2.00
Clerical	1.00	1.00	1.50	1.43	1.00	1.00	1.00	1.00	1.00	0.00
<b>Total Attendance &amp; Health Svcs</b>	<b>63.79</b>	<b>66.67</b>	<b>58.21</b>	<b>56.18</b>	<b>54.95</b>	<b>47.30</b>	<b>40.50</b>	<b>38.00</b>	<b>36.50</b>	<b>36.50</b>

Table XXIX

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

Full-time-Equivalent District Employees by Type

Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Pupil Transportation</b>										
Director of Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinators	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Technicians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Clerical	4.00	4.00	4.00	4.00	3.00	4.00	3.25	3.00	3.00	2.00
Bus Drivers	99.60	99.60	96.60	87.63	89.66	89.66	89.66	89.66	71.63	63.48
Bus Aides	29.00	29.00	26.00	24.26	22.70	22.70	22.70	22.70	19.87	11.23
Shop Foreman	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Mechanics	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
<b>Total Pupil Transportation</b>	<b>146.60</b>	<b>146.60</b>	<b>140.60</b>	<b>129.89</b>	<b>129.36</b>	<b>130.36</b>	<b>129.61</b>	<b>128.36</b>	<b>107.50</b>	<b>88.71</b>
<b>Operations and Maintenance</b>										
Asst Superintendent, Operations	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Director, Operations	1.00	1.00	—	—	—	—	—	—	—	—
Supervisor, Maintenance	—	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodial Services Coordinator	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Facilities Coordinator	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00
Energy Manager	1.00	1.00	1.00	—	—	—	—	—	—	—
Trades	14.00	14.00	14.00	14.00	14.00	12.00	12.00	11.00	13.00	13.00
Security Guards	9.00	9.00	9.00	9.00	9.00	7.00	7.00	7.00	8.00	7.00
Grounds Workers	5.00	6.00	6.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Clerical	3.00	3.00	3.00	4.00	4.00	3.00	2.00	2.00	2.00	2.00
Custodians	84.81	81.75	81.75	89.75	89.75	73.25	73.25	73.25	73.25	73.25
<b>Total Operations &amp; Maintenance</b>	<b>118.81</b>	<b>116.75</b>	<b>117.75</b>	<b>127.75</b>	<b>128.25</b>	<b>106.75</b>	<b>105.75</b>	<b>104.75</b>	<b>108.25</b>	<b>107.25</b>
<b>Technology</b>										
Director, Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisor, Media/Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ITRT Integration Specialist	12.00	12.00	12.00	9.00	8.00	3.00	1.00	1.00	1.00	1.00
LAN Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Internetwork Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Network Specialists	1.00	1.00	1.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Programmer/Analyst	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
IFAS Support Technician	1.00	1.00	1.00	—	—	—	—	—	—	—
Webmaster	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Teachers	9.00	9.00	11.00	13.00	18.00	15.00	14.00	14.00	14.00	14.00
Technology Support	14.00	14.00	14.00	14.00	13.00	12.00	13.00	10.00	11.00	10.00
Clerical	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total Technology</b>	<b>44.00</b>	<b>44.00</b>	<b>46.00</b>	<b>48.00</b>	<b>51.00</b>	<b>42.00</b>	<b>39.00</b>	<b>36.00</b>	<b>37.00</b>	<b>36.00</b>
<b>Food Services</b>										
Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Professional	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Clerical	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Cafeteria Managers	15.00	15.00	14.00	14.00	14.00	12.00	12.00	12.00	12.00	12.00
Cafeteria Workers	44.44	44.44	44.03	44.72	42.02	34.86	35.00	34.00	33.00	33.00
<b>Total Food Services</b>	<b>62.44</b>	<b>62.44</b>	<b>61.03</b>	<b>61.72</b>	<b>59.02</b>	<b>48.86</b>	<b>50.00</b>	<b>49.00</b>	<b>48.00</b>	<b>48.00</b>
<b>Total</b>	<b>1,722.82</b>	<b>1,727.62</b>	<b>1,706.38</b>	<b>1,713.76</b>	<b>1,681.80</b>	<b>1,529.26</b>	<b>1,480.81</b>	<b>1,434.06</b>	<b>1,365.10</b>	<b>1,320.10</b>

Source: Nonfinancial information from district records.



# WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

## Schedule of Insurance Program Coverages

For the Year ended June 30, 2012

Coverage	Insurance Company/ Carrier	Limits	Deductibles
<b>Buildings and contents:</b>	Virginia Association of Counties (VaCo)	\$ 328,373,536	\$5,000
No coinsurance		Included	
Replacement cost coverage		Included	
<b>Special causes of loss:</b>			
Flood and/or Earthquake		\$ 50,250,000	\$25,000
Extra expense/Business Income		\$ 8,100,000	
Computers/Electronic Data Proc.	Virginia Association of Counties (VaCo)	\$ 10,500,000	\$5,000
Breakdown deductible			\$5,000
Fine arts		\$ 10,000	\$5,000
While in transit		\$ 25,000	\$5,000
Valuable papers and records		\$ 5,000,000	\$5,000
Boilers and equipment	Virginia Association of Counties (VaCo)	\$ 5,000,000	\$5,000
Extra expense		100,000	12 Hours
Flood insurance			
(Lafayette High School):	The Hartford Fire Insurance Co.		
Building and Contents		\$ 500,000	\$1,000
<b>General liability:</b>	Virginia Association of Counties (VaCo)		none
Each occurrence		\$ 2,000,000	
Fire damage legal liability		varies	
Medical expenses		\$ 10,000 (excludes students)	
Defense of certain excluded occurrences		\$ 100,000	
Land use coverage		\$ 100,000	
<b>Medical professionals</b>	Virginia Association of Counties (VaCo)	Included in Wrongful Acts	
<b>Wrongful acts</b>	Virginia Association of Counties (VaCo)	\$ 2,000,000	
<b>Dishonesty bond:</b>	Virginia Association of Counties (VaCo)		
Employee dishonesty		\$ 500,000	\$250
Forgery or alterations		\$ 500,000	\$250
Bond—Clerk of the School Board		\$ 10,000	None
Bond—Deputy Clerk of the School Board		\$ 10,000	None
Money and securities:	Virginia Association of Counties (VaCo)	\$ 250,000	\$250

Table XXX

<b>Coverage</b>	<b>Insurance Company/ Carrier</b>	<b>Limits</b>	<b>Deductibles</b>
<b>Auto and bus fleet:</b>	Virginia Association of Counties (VaCo)		
Liability to others		\$ 2,000,000	
Medical payments		\$ 5,000	
Uninsured motorists		\$ 1,000,000	
Nonowned or hired autos		\$ 2,000,000	
Comprehensive perils	Virginia Association of Counties (VaCo)		\$1,000
Collision and upset			\$1,000
Hired car physical damage			\$1,000
Garage liability:	Virginia Association of Counties (VaCo)		
Liability to others		\$ 2,000,000	
Damages to vehicles of others:	Virginia Association of Counties (VaCo)		
Comprehensive		Actual Cash Value	\$1,000
Collision and upset		Actual Cash Value	\$1,000
<b>Workers' Compensation:</b>			
	Virginia Association of Counties (VaCo)	WC-Statutory	N/A
Experience modification		Employers Liability	N/A
		\$1,000,000 Each Accident	
<b>Excess liability limits</b>	Virginia Association of Counties (VaCo)	\$ 4,000,000	
Excess over:			
General liability		Yes	
Auto and bus fleet		Yes	
Wrongful acts		Yes	
Health insurance	Commonwealth of Virginia's The Local Choice Program		
Dental insurance (stand-alone)	Delta Dental of Virginia		

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

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

Operating Statistics

Last Ten Fiscal Years

<b>Fiscal year</b>	<b>March Average Daily Membership*</b>	<b>Operating Expenditures*</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses*</b>
2012	10,602	\$ 119,034,045	\$ 11,228	0.82%	\$ 122,551,197
2011	10,488	118,062,691	11,257	-0.49%	121,587,771
2010	10,486	118,639,099	11,314	-1.53%	121,494,525
2009	10,236	120,478,456	11,770	1.73%	123,608,146
2008	10,111	118,431,874	11,713	13.79%	120,172,017
2007	10,050	104,081,853	10,356	9.17%	105,636,488
2006	9,823	95,340,386	9,706	8.14%	96,930,986
2005	9,403	88,162,515	9,376	11.50%	89,577,245
2004	8,980	79,066,826	8,805	5.68%	80,515,880
2003	8,550	74,814,542	8,750	8.17%	75,834,391

Notes:

N/A - not available. Operating expenditures are total expenditures less debt service and capital outlays.

(\*) Operating expenditures and expenses includes pre-K expenditures/expenses; March average daily membership does not include pre-K students.

Source:

Operating expenditure amounts extracted from Exhibit IV and Expenses from Exhibit II of the respective Comprehensive Annual Financial Report.

**Table XXXI**

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<b>Fiscal Year</b>		<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>
2012	\$	11,559	0.79%	658.59	16.1
2011		11,593	0.08%	673.91	15.6
2010		11,586	-1.71%	668.98	15.7
2009		12,076	2.86%	643.00	15.9
2008		11,885	13.76%	625.00	16.2
2007		10,511	8.98%	612.00	16.4
2006		9,868	8.21%	596.68	16.5
2005		9,526	11.25%	574.68	16.4
2004		8,966	6.17%	550.50	16.3
2003		8,870	N/A	546.46	15.6

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Table XXXII

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

Adopted Teacher Salary Schedule  
For the Year ended June 30, 2012

Step	Bachelor's Degree	Bachelor's Plus 15	Master's Degree	Master's Plus 15	Master's Plus 30	Doctoral Degree
1	\$ 38,077	\$ 38,649	\$ 39,614	\$ 40,208	\$ 41,415	\$ 43,279
2	39,029	39,614	40,605	41,214	42,450	44,360
3	40,005	40,605	41,620	42,244	43,512	45,469
4	41,005	41,620	42,660	43,301	44,600	46,606
5	42,030	42,660	43,727	44,382	45,715	47,771
6	43,081	43,727	44,820	45,492	46,857	48,966
7	44,157	44,820	45,941	46,630	48,029	50,190
8	45,261	45,941	47,089	47,795	49,229	51,444
9	46,393	47,089	48,266	48,990	50,460	52,731
10	47,553	48,266	49,473	50,215	51,721	54,049
11	48,742	49,473	50,710	51,471	53,015	55,401
12	49,961	50,710	51,978	52,757	54,340	56,785
13		51,978	53,276	54,076	55,698	58,204
14		53,276	54,609	55,428	57,091	59,660
15		54,609	55,974	56,814	58,518	61,151
16		55,974	57,373	58,234	59,981	62,681
17			58,807	59,690	61,481	64,247
18			60,278	61,182	63,018	65,853
19			61,785	62,712	64,593	67,499
20				64,279	66,208	69,187
21				65,886	67,863	70,917
22					69,560	72,690
Number of Teachers:	193	115	348	79	149	12
% in each lane:	21.54%	12.82%	38.91%	8.78%	16.66%	1.29%

\* Positions included on this schedule are teachers, librarians, guidance counselors, and social workers.



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

***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, each major fund and the aggregate remaining fund information of the **Williamsburg - James City County Public Schools**, a component unit of the County of James City, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the **Williamsburg - James City County Public Schools'** basic financial statements and have issued our report thereon dated November 13, 2012. 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**

Management of the **Williamsburg - James City County Public Schools** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **Williamsburg - James City County Public Schools'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Williamsburg - James City County Public Schools'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Williamsburg - James City County Public Schools'** internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the ***Williamsburg - James City County Public 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 under *Government Auditing Standards*.

This report is intended solely for the information and use of members of the School Board, management, others within the entity, 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.

*Dixon Hughes Goodman LLP*

Newport News, Virginia  
November 13, 2012