

Williamsburg-James City County Public Schools



Comprehensive Annual Financial Report

(A Component Unit of James City County, Virginia)
For the Fiscal Year Ended June 30, 2010

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, 2010
(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, 2010

City of Williamsburg

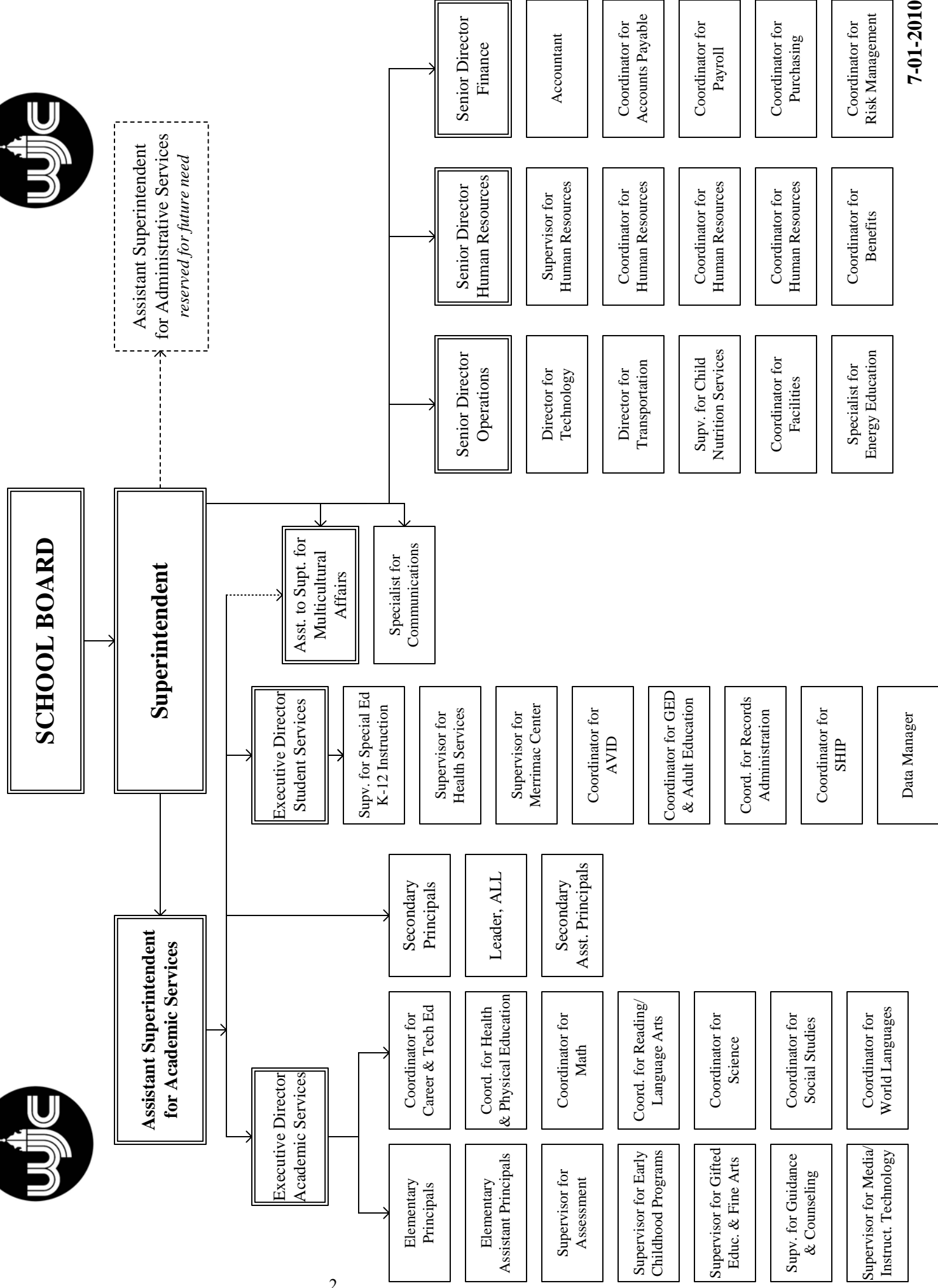
Ms. Elise EmanuelSchool Board Member
Dr. John Alewynse.....School Board Member

James City County

Mr. James P. Nickols Chair
Mr. Joseph FuentesSchool Board Member
Mr. James KellySchool Board Member
Ms. Denise W. Koch.....School Board Member
Ms. Ruth Larson..... Vice-Chair

Officials

Dr. Scott A. Burckbuchler Acting Superintendent of Schools
Ms. Janet L. Cerza Deputy Clerk
Ms. M. Ann Davis.....Treasurer
Ms. Y. Rene Ewing Senior Director for Finance





Williamsburg-James City County Public Schools

PO Box 8783, Williamsburg, Virginia 23187-8783

Telephone (757) 253-6777

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 PS, or the School Division), a component unit of James City County, Virginia, for the fiscal year that ended June 30, 2010, 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 Goodman & Company, L.L.P. performed the audit of Williamsburg-James City County Public Schools for the fourth time this year. They were awarded the contract to provide the annual financial audit through the year ended June 30, 2010, 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 Goodman & Company L.L.P., 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 2009-2010, the School Division operated three high schools (Grades 9-12), three middle schools (Grades 6-8), and eight elementary schools (Grades K-5). The School Division served 10,503 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 continued to see a slowdown in the economy during the current fiscal year. Overall, revenues decreased less than 1% from last year. Revenues are expected to have a modest decrease of 2.2% during fiscal year 2011. The real estate tax revenue is expected to decline during the next fiscal year due to a reduction in assessments. The Board of Supervisors changed the assessment date from annual to biennial and the next scheduled reassessment will be January 1, 2012.

In April 2010, Fitch and Moody's Investors Service recalibrated its long-term U.S. municipal bond ratings to its global market scale. As a result, the County was recalibrated and upgraded by Fitch from AA+ to AAA and by Moody's from Aa2 to Aa1. The County also has a bond rating of AA+ from Standard & Poor's. 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

Continued residential growth and economic expansion in the Williamsburg-James City County area are having their impact on the School Division. From September 2006 to September 2010, student enrollment increased from 9,820 to 10,503 or 683 students. This growth, and heavier past growth throughout the community, has added a strain on the space capacity of the Division's schools. Space capacity has been increased through specific building projects over the last few years but a strain, nevertheless, is occurring at several of the Division's schools. For the 2009-2010 school year, trailers were in use at 7 of 15 school sites. These trailers provided 42 classrooms. The additional space was needed to accommodate effective and/or programmatic capacity needs.

To meet enrollment growth, two new schools were under construction during the 2009-2010 school year, our ninth elementary school (J. Blaine Blayton Elementary School) and Lois Hornsby Middle School. James Blair is set to become home to the Academy for Life & Learning and is slated to house Central Office staff, to include Student Services and the Technology group.

Just as important, improvements in teaching and learning outcomes have continued. Each of our 14 schools earned "Fully Accredited" status for the past six (6) years.

In 2009-2010, WJCC PS has several accomplishments to celebrate on the division level: On the English Standards of Learning (SOL) each subgroup (All students +2, Blacks +3, Hispanics +4, Whites +2, Students with Disabilities +3, Economically Disadvantaged +7, and Limited English Proficient +15) increased their performance from the previous year. All WJCC PS subgroups exceeded the state's pass rate for the respective subgroups. SOL Math performance in WJCC PS also reflects increases in each subgroup (All Students +2, Blacks +3, Hispanics +4, Whites +2, Students with Disabilities +3, Economically Disadvantaged +7, and Limited English Proficient +15) from last year. All fourteen of WJCC PS schools have been awarded Fully Accredited status by the Virginia Department of Education. Nine of the fourteen schools made "Adequate Yearly Progress" under the federal No-Child Left Behind.

Virginia SOL test results also marked an all-time high for WJCC PS in every subject assessed by the state – English/Reading = 93%; Mathematics = 92%; Science = 92%; History = 91%; and, Writing = 93%.

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 function¹ 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 2009-2010 fiscal year.

Risk Management

The risk management program endeavors to minimize or eliminate, when possible, risks that endanger the safety and environmental health of the students, staff, property, and financial resources of WJCC PS. In our opinion, the School Division maintains a practical insurance program through a variety of vendors which affords adequate protection against loss and includes comprehensive public liability insurance for bodily injury and property damage.

Cash Management

The County is the custodian of all cash and investments of WJCC PS except for certain cash on hand and funds held in local student activity accounts. A conservative cash management system is carried out by the Treasurer

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

of James City County. Temporarily idle funds are automatically invested overnight in repurchase agreements that are secured or collateralized by government securities as required by the Code of Virginia.

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 PS had enough resources to cover its expenses;
- WJCC PS continues to rely on tax resources to fund its activities, which primarily are instructional;
- WJCC PS revenues decreased slightly from last year; while expenses increased slightly;
- WJCC PS “undesignated” fund balance remained constant;
- WJCC PS financial health is stable from last year.

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 2011-2012 and the next couple of years will see possible decreases given the continued economic downturn nationwide. Local and state revenue estimates are forecasted to decline and consequently school systems will be forced to reduce staffing (given that approximately 85% of operating costs are related to employee compensation) and other costs. This will be exacerbated when federal stimulus funds are exhausted. In 2010-2011, the Operating Budget was reduced by \$4.4 million or a decrease of 3.9% from the prior fiscal year. WJCC PS expects that this trend will continue for the next few years and WJCC PS will plan accordingly.

Long Term Financial Planning

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

- **WJCC PS’ 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 PS 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 PS 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 PS 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 PS.

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 Goodman & Company L.L.P., an independent audit firm, has been included in this report.

Single Audit Act

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

Awards

This past year, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Williamsburg-James City County Public Schools for its FY 2008-2009 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.

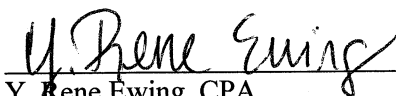
ACKNOWLEDGEMENTS

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,

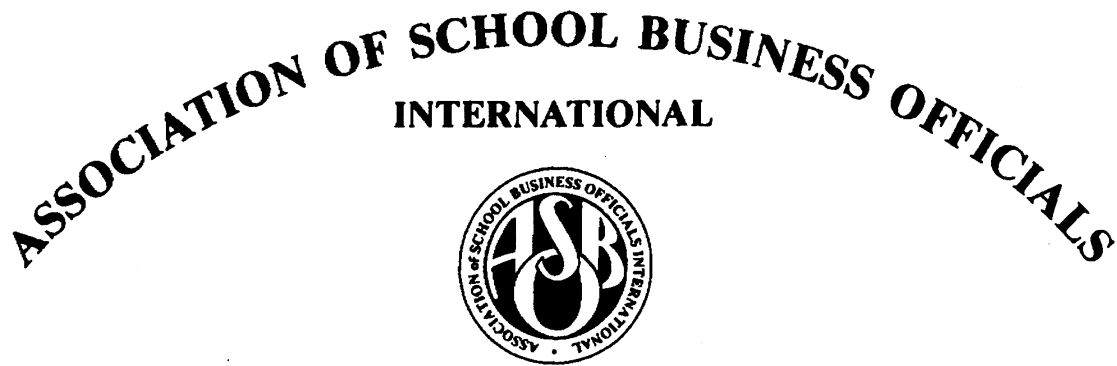


Scott A. Burckbuchler, Ph.D.
Acting Superintendent of Schools



Y. Rene Ewing, CPA
Senior Director for Finance

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This Certificate of Excellence in Financial Reporting is presented to

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

President

Executive Director

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, 2009

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.



President



Executive Director



Certified Public Accountants
Specialized Services
Business Solutions

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, 2010, 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 ***Williamsburg - James City County Public Schools'*** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 opinion.

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, 2010, 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 30, 2010, 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 15 through 24, the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual on page 53 and the Schedule of Funding Progress on page 54 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 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 it.



Newport News, Virginia
November 30, 2010



Certified Public Accountants
Specialized Services
Business Solutions

***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, 2010, which collectively comprise the **Williamsburg - James City County Public Schools'** basic financial statements and have issued our report thereon dated November 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **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.



Newport News, Virginia
November 30, 2010

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

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

The discussion and analysis of Williamsburg-James City County Public Schools' (the Schools) financial performance provides an overview of financial activities for fiscal years ended June 30, 2010 and 2009. 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 \$40.7 million at June 30, 2010, representing an increase of \$5.3 million or 15.1% over fiscal year 2009. Of the balance, \$2.9 million of net assets are unrestricted at June 30, 2010. 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 \$19.8 million at June 30, 2010. This represented a \$3.3 million increase or 19.8% when compared to the balance at June 30, 2009. This increase was the result of an increase in accrued benefits payable and other postemployment benefits at June 30, 2010. The current liabilities of \$17.0 million primarily relate to accounts payable, accrued payroll and benefits while the majority of noncurrent liabilities in the amount of \$2.8 million relates to other postemployment benefits and compensated absences at June 30, 2010.
- For fiscal year 2010, the Schools' governmental activities' expenses of \$121.5 million exceeded charges for services and operating grants and contributions of \$21.1 million by \$100.4 million. General revenues of \$105.7 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' revenues exceeded expenditures by \$0.8 million for the year ended June 30, 2010.
- Total intergovernmental revenue for the governmental funds was \$123.4 million for the year ended June 30, 2010, reflecting a decrease of 0.65% under 2009. Of that amount, \$86.0 million was revenue from the City and the County, \$28.4 million represented aid from the Commonwealth of Virginia (the Commonwealth), and \$9.0 million was revenue from the federal government.

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

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

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

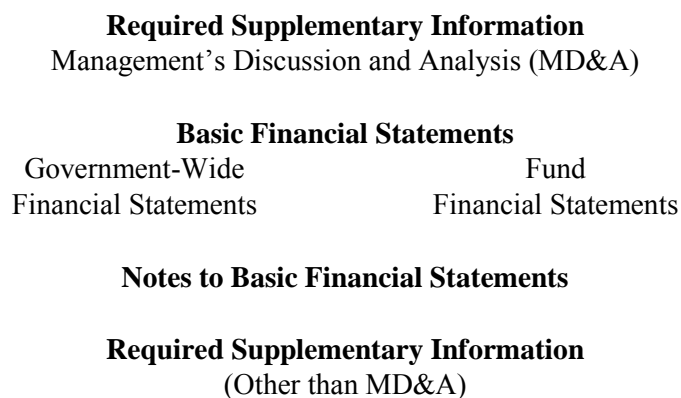
statements contain useful long-term information as well as information for the just-completed fiscal year.

- 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. 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.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

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, 2010 and 2009

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, 2010 and 2009.

Total net assets increased by \$5.3 million or 15.1% over fiscal year 2009. The increase in net assets is primarily attributable to the capitalization of ongoing and completed capital projects during the year. Unrestricted net assets totaled \$2.9 million, representing no change from 2009. These net assets are available; however, the Schools have designated a portion of these net assets for specific purposes.

Table 1
Condensed Summary of Net Assets at June 30, 2010 and 2009

	2010	2009	Variance
Current assets	\$ 22,650,649	19,465,415	3,185,234
Capital assets, net	37,866,251	32,421,545	5,444,706
Total assets	<u>\$ 60,516,900</u>	<u>51,886,960</u>	<u>8,629,940</u>
Current liabilities	\$ 16,952,033	14,467,046	2,484,987
Noncurrent liabilities	2,847,718	2,058,402	789,316
Total liabilities	<u>\$ 19,799,751</u>	<u>16,525,448</u>	<u>3,274,303</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 37,866,251	32,421,545	5,444,706
Unrestricted	2,850,898	2,939,967	(89,069)
Total net assets	<u>\$ 40,717,149</u>	<u>35,361,512</u>	<u>5,355,637</u>

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 increase in operating grants and contributions of \$3.2 million or 20.8% over fiscal year 2009 was the result of an increase in federal allocations. The majority of the charges for services revenue came from local lunch sales in the cafeterias (Schools' Food Services Fund).

In the area of general revenue, the majority of the funding came from the Commonwealth in the form of state basic aid and local funding from the City and the County. There was a decrease of \$4.1 million or 3.7% under fiscal year 2009 as a result of decreased allocations from the Commonwealth, the City, and the County.

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

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

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 2010, the majority of which were related to salary and benefit costs for instructional personnel.

Table 2
Condensed Changes in Net Assets – Governmental Activities
Years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2,504,799	2,354,593	150,206
Operating grants and contributions	18,623,895	15,430,743	3,193,152
General revenue:			
Interest	6,021	41,697	(35,676)
Grants and contributions not restricted	105,639,757	109,692,959	(4,053,202)
Miscellaneous	75,690	88,243	(12,553)
Total revenues	<u>126,850,162</u>	<u>127,608,235</u>	<u>(758,073)</u>
Program expenses:			
General and administrative	2,198,588	2,664,104	(465,516)
Instruction	87,194,611	88,965,658	(1,771,047)
Attendance and health services	4,392,898	4,442,265	(49,367)
Pupil transportation	7,030,487	6,733,896	296,591
Operations and maintenance	10,178,201	11,359,958	(1,181,757)
Technology	6,764,084	5,579,073	1,185,011
Food services	3,735,656	3,862,988	(127,332)
Interest on long-term liabilities	—	204	(204)
Total program expenses	<u>121,494,525</u>	<u>123,608,146</u>	<u>(2,113,621)</u>
Increase in net assets	<u>\$ 5,355,637</u>	<u>4,000,089</u>	<u>1,355,548</u>
Beginning Net Assets	35,361,512	31,361,423	4,000,089
Ending Net Assets	<u>\$ 40,717,149</u>	<u>35,361,512</u>	<u>5,355,637</u>

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

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

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, food services, and interest on long-term liabilities. The table also shows each activity's net cost (total cost less fees generated by the charges for services, operating grants and contributions, and capital grants and contributions). The net cost identifies the cost of services supported by City and County tax revenues and unrestricted state and federal entitlements.

Table 3
Total and Net Cost of Program Services
Years ended June 30, 2010 and 2009

	2010		2009	
	Total cost of service	Net cost of service	Total cost of service	Net cost of service
General and administrative	\$ 2,198,588	(2,198,588)	2,664,104	(2,664,104)
Instruction	87,194,611	(70,568,835)	88,965,658	(75,701,960)
Attendance and health services	4,392,898	(4,392,898)	4,442,265	(3,601,296)
Pupil transportation	7,030,487	(7,030,487)	6,733,896	(6,733,896)
Operations and maintenance	10,178,201	(9,774,638)	11,359,958	(11,299,714)
Technology	6,764,084	(6,350,084)	5,579,073	(5,579,073)
Food services	3,735,656	(50,301)	3,862,988	(242,563)
Interest on long-term liabilities	—	—	204	(204)
Total program expenses	\$ <u>121,494,525</u>	<u>(100,365,831)</u>	<u>123,608,146</u>	<u>(105,822,810)</u>

The net cost of all governmental activities in fiscal year 2010 was \$100.4 million, representing a 5.2% decrease under fiscal year 2009. The decrease in the net cost is the result of increases in federal grant allocations and decreases in overall expenses during the year. The amount that the citizens of the City and the County paid for these activities in fiscal year 2010 through taxes was \$86.0 million, representing a minimal increase of 0.08% over fiscal year 2009.

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

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

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, unreserved fund balance may serve as a useful measure of the Schools' net resources available for spending at the end of the fiscal year. As the Schools completed the year, its governmental funds reported combined fund balances of \$5.9 million. Approximately 11.8% of this amount (\$692,377) constitutes unreserved, undesignated fund balance, which is available for spending at the Schools' discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it is mostly reserved as follows: (1) to liquidate contracts and purchase orders of the prior period, (2) to account for reported inventories in the Schools' Food Service Fund, (3) to account for funding reserved for various grants as well as technology projects, (4) to fund capital projects, (5) to fund start up expenses for new facilities, and (6) to fund a compensation study. All of the governmental funds are accounted for using the modified accrual basis of accounting.

General Fund Highlights

Table 4
General Fund Revenue and Expenditures and Other Financing Uses
Years ended June 30, 2010 and 2009

	2010	2009	Variance
Revenues:			
City of Williamsburg and James City Co.	\$ 80,638,412	81,704,988	(1,066,576)
Commonwealth of Virginia	27,505,936	32,566,153	(5,060,217)
Federal government	2,604,812	48,915	2,555,897
Charges for services, interest, and miscellaneous	640,748	412,844	227,904
Total revenues	<u>\$ 111,389,908</u>	<u>114,732,900</u>	<u>(3,342,992)</u>
Expenditures and other financing uses:			
General and administrative	\$ 2,172,101	2,627,079	(454,978)
Instruction	81,117,920	83,610,823	(2,492,903)
Attendance and health services	3,440,973	3,552,281	(111,308)
Pupil transportation	6,232,341	5,972,410	259,931
Operation and maintenance	9,880,780	11,163,348	(1,282,568)
Technology	5,919,907	4,753,080	1,166,827
Debt service/capital outlay	2,070,127	1,032,682	1,037,445
Total expenditures and other financing uses	<u>\$ 110,834,149</u>	<u>112,711,703</u>	<u>(1,877,554)</u>

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

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 revenues (\$111.4 million) exceeded expenditures (\$110.8 million) by \$0.6 million.

As compared to the original budget, actual intergovernmental revenue was approximately \$2.6 million less at June 30, 2010. This was due primarily to a decrease in revenue from the Commonwealth. No amendments to the original revenue budget were made during the year. Regarding expenditures and other financing uses, the actual was approximately \$3.7 million less than the original budget. 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 2010 totaled \$6.4 million. The majority of the revenue, \$4.7 million, was from federal grants. Expenditures for fiscal year 2010 totaled \$6.4 million. As a result, the Grants Fund ended the year with a slight increase in fund balance of approximately \$88,000.

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 2010 totaled \$3.7 million, representing a 2.5% increase over fiscal year 2009. The majority of the revenue, \$1.9 million, was derived from lunch sales to students in the cafeterias. The other major source of revenue was aid from the federal government in the amount of \$1.7 million. Expenditures for the year totaled \$3.5 million in fiscal year 2010. As a result, the Schools' Food Services Fund ended the year with an increase in fund balance of approximately \$144,000.

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 2010, revenues and expenditures amounted to \$5.4 million. Of the \$5.4 million in revenues and expenditures during the year, \$62,654 was funded through a federal grant that Child Development Resources (CDR) received to renovate the 900 building at Lafayette High School to house CDR's full day, year round, center based Early Head Start program that assists low income families who are working, in school, or in job training to receive comprehensive early care and education services.

Capital Assets

At the end of fiscal year 2010, the Schools had \$37.9 million of capital assets (net of accumulated depreciation) invested in land, buildings, and furniture and equipment. This represented a 16.8% increase from fiscal year 2009 to fiscal year 2010. All capital assets are attributable to governmental activities. Total accumulated depreciation on these assets was approximately \$18.5 million at June 30, 2010.

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

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

Below is a summary of the Schools' net capital assets:

Table 5
Capital Assets, Net at June 30, 2010 and 2009

Capital Asset Category	2010	2009	Variance
Land	\$ 8,435,126	8,249,163	185,963
Buildings and building improvements	20,974,644	15,979,151	4,995,493
Furniture and equipment	6,693,176	5,029,977	1,663,199
Construction in progress	1,763,305	3,163,254	(1,399,949)
Total capital assets, net	<u>\$ 37,866,251</u>	<u>32,421,545</u>	<u>5,444,706</u>

Major capital asset events during fiscal year 2010 included the following:

- Construction continuing on J. Blaine Blayton Elementary School;
- Construction continuing on Lois S. Hornsby Middle School;
- Gym lighting at the middle schools;
- Fiber network at Stonehouse Elementary School;
- Refurbishment of Matthew Whaley Elementary School and Rawls Byrd Elementary School;
- Parking expansion, sprinkler replacement, and security card access at Norge Elementary School;
- Roof replacement and HVAC replacement at Clara Byrd Baker Elementary School;
- Freezer replacements at Clara Byrd Baker Elementary School and D J Montague Elementary School;
- Energy management system and cooling tower replacement at Berkeley Middle School; and,
- Sewer line replacement at Rawls Byrd Elementary School.

Capital outlay expenditures totaling \$33,220,625 relating to the construction of the new schools 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 2010 were \$2.8 million, with \$393,938 due within one year and \$2.5 million due in greater than one year consisting of \$481,480 in compensated absences and \$2.0 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.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2010 and 2009

Factors Influencing Future Budgets

- Possible 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
- No Child Left Behind (NCLB) Legislation
- Capital projects as a result of increasing enrollment
- Utility and fuel increases as a result of rapidly increasing prices
- Instructional improvement programs to address the "Achievement Gap" and other academic needs

Contacting the Williamsburg-James City County Public Schools Financial Management

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

BASIC FINANCIAL STATEMENTS

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WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Statement of Net Assets – Governmental Activities

June 30, 2010

Assets:

Cash and temporary investments (note 2)	\$ 16,152,387
Receivables	257,472
Due from federal government	1,159,907
Due from Commonwealth of Virginia	196,771
Due from the City of Williamsburg and James City County	4,844,337
Inventory	39,775
Capital assets, not being depreciated (note 4)	10,198,431
Capital assets, net of depreciation (note 4)	<u>27,667,820</u>
Total assets	<u>60,516,900</u>

Liabilities:

Accounts payable	4,751,498
Accrued payroll	7,007,186
Accrued benefits	5,025,079
Unearned revenue (note 10)	168,270
Noncurrent liabilities (notes 5 and 7):	
Due within one year	393,938
Due in more than one year	<u>2,453,780</u>
Total liabilities	<u>19,799,751</u>

Net assets:

Invested in capital assets	37,866,251
Unrestricted	<u>2,850,898</u>
Total net assets	<u>\$ 40,717,149</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, 2010

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	\$ 2,198,588	—	—	(2,198,588)
Instruction	87,194,611	240,971	16,384,805	(70,568,835)
Attendance and health services	4,392,898	—	—	(4,392,898)
Pupil transportation	7,030,487	—	—	(7,030,487)
Operations and maintenance	10,178,201	340,909	62,654	(9,774,638)
Technology	6,764,084	—	414,000	(6,350,084)
Food services	3,735,656	1,922,919	1,762,436	(50,301)
Total	\$ 121,494,525	2,504,799	18,623,895	(100,365,831)
General revenues:				
Interest				6,021
Grants and contributions not restricted to specific programs				105,639,757
Miscellaneous				75,690
Total				105,721,468
Change in net assets				5,355,637
Net assets at beginning of year				35,361,512
Net assets at end of year				\$ 40,717,149

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Balance Sheet – Governmental Funds

June 30, 2010

Assets	General	Grants	Schools' Food Services	Capital Projects	Total governmental funds
Cash and temporary investments (note 2)	\$ 15,674,055	203,600	274,732	—	16,152,387
Receivables	243,694	10,887	2,891	—	257,472
Due from other funds (note 3)	1,228,469	—	—	—	1,228,469
Due from federal government	217,879	586,009	293,365	62,654	1,159,907
Due from Commonwealth of Virginia	165,409	31,362	—	—	196,771
Due from the City of Williamsburg and James City County	85,549	—	—	4,758,788	4,844,337
Inventory	—	—	39,775	—	39,775
Total assets	\$ 17,615,055	831,858	610,763	4,821,442	23,879,118
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,075,703	81,000	69,696	3,525,099	4,751,498
Accrued payroll	6,527,276	350,333	129,577	—	7,007,186
Accrued benefits	4,713,486	232,255	79,338	—	5,025,079
Due to other funds (note 3)	—	—	—	1,228,469	1,228,469
Total liabilities	12,316,465	663,588	278,611	4,753,568	18,012,232
Fund balances:					
Reserved for:					
Capital projects	2,569,449	—	—	67,874	2,637,323
Encumbrances	960,195	—	—	—	960,195
Grants	—	168,270	—	—	168,270
Inventory	—	—	39,775	—	39,775
New facility start up expenses	768,946	—	—	—	768,946
Unreserved:					
Designated:					
Compensation study	100,000	—	—	—	100,000
Technology projects	500,000	—	—	—	500,000
Undesignated, reported in:					
General fund	400,000	—	—	—	400,000
Schools' food services fund	—	—	292,377	—	292,377
Total fund balances	5,298,590	168,270	332,152	67,874	5,866,886
Total liabilities and fund balances	\$ 17,615,055	831,858	610,763	4,821,442	
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.					37,866,251
Long-term liabilities are not reported as liabilities in the governmental funds.					
Compensated Absences		(875,418)			
Other post employment benefits		(1,972,300)			(2,847,718)
Unearned revenue is not reported as a liability in the governmental funds.					(168,270)
Net assets of governmental activities					\$ 40,717,149

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, 2010

	<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	\$ 80,638,412	—	—	5,354,042	85,992,454
From Commonwealth of Virginia	27,505,936	868,480	48,322	—	28,422,738
From federal government	2,604,812	4,655,271	1,714,114	62,654	9,036,851
Total intergovernmental	110,749,160	5,523,751	1,762,436	5,416,696	123,452,043
Charges for services	560,903	20,977	1,922,919	—	2,504,799
Interest	4,155	—	1,866	—	6,021
Miscellaneous	75,690	899,992	—	—	975,682
Total revenues	111,389,908	6,444,720	3,687,221	5,416,696	126,938,545
Expenditures:					
Current:					
General and administrative	2,172,101	—	—	—	2,172,101
Instruction	81,117,920	4,810,904	—	—	85,928,824
Attendance and health services	3,440,973	922,733	—	—	4,363,706
Pupil transportation	6,232,341	—	—	—	6,232,341
Operations and maintenance	9,880,780	—	—	—	9,880,780
Technology	5,919,907	456,633	—	—	6,376,540
Food services	—	142,074	3,542,733	—	3,684,807
Capital outlay	2,070,127	23,994	—	5,416,696	7,510,817
Total expenditures	110,834,149	6,356,338	3,542,733	5,416,696	126,149,916
Excess of revenues over expenditures	555,759	88,382	144,488	—	788,629
Net change in fund balances	555,759	88,382	144,488	—	788,629
Fund balances at beginning of year	4,742,831	79,888	187,664	67,874	5,078,257
Fund balances at end of year	\$ 5,298,590	168,270	332,152	67,874	5,866,886

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, 2010

(Continued)

Net change in fund balances		\$	788,629
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			7,510,817
Depreciation expense			<u>(2,046,508)</u>
			5,464,309
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.			(19,603)
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	(56,316)		
Change in net OPEB obligation	<u>(733,000)</u>		(789,316)
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.			<u>(88,382)</u>
Change in net assets of governmental activities		\$	<u><u>5,355,637</u></u>

See accompanying notes to basic financial statements.

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

Statement of Fiduciary Assets and Liabilities – Agency Funds

June 30, 2010

Assets:

Cash and temporary investments (note 2) \$ 820,812

Receivables:

Commonwealth of Virginia 237,923Total assets \$ 1,058,735

Liabilities:

Accrued payroll \$ 33,566

Accrued benefits 20,860

Due to students 1,004,309Total liabilities \$ 1,058,735

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, 2010, the apportionment of the Schools' costs to the County and the City was \$73,727,700, or 91.43%, and \$6,910,712, or 8.57%, 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 of the County consists of the County as the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either a) the ability to impose will by the primary government or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. Because of the significance of the Schools’ financial relationship with the County, the Schools are considered a component unit of the County and, accordingly, the financial position and results of operations of the Schools are reflected in the financial statements included in the Comprehensive Annual Financial Report of the County. The Schools have no component units for financial reporting purposes.

(b) Basis of Presentation

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

Government-Wide Financial Statements: The statement of net assets and the statement of activities display information about the Schools as a whole. These statements are reflected on a full accrual basis of accounting and economic 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 reserved.

(e) *Cash and Investments*

Cash and investments at June 30, 2010 are included in the various cash accounts reflected in the financial statements. Investments in the General Fund consist of investments in the State Treasurer's Local Government Investment Pool (LGIP), which is stated at fair value.

(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 a fund balance reserve, which indicates that the inventory does not constitute available, expendable resources.

(h) *Capital Assets*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets are recorded at estimated fair market value on the date received. The Schools maintain a capitalization threshold of \$5,000 for equipment, improvements and buildings. Land is capitalized regardless of value. The Schools have no infrastructure assets. Under Virginia law, certain property maintained by the Schools is subject to tenancy-in-common with the County, if the County incurred a financial obligation for the property, which is payable over more than one fiscal year. The Schools and the County have agreed that such property will be carried on the County's financial statements until the outstanding debt is repaid. At June 30, 2010 the County holds capital assets related to school property with a net book value of \$151,258,544.

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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, 2010 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.

(j) *Fund Balance Reserves*

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

(k) *Interfund Transactions*

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

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.

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(l) Subsequent Events

In preparing these financial statements, the Schools' have evaluated events and transactions for potential recognition or disclosure through November 30, 2010, 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	\$	16,611,053
Certificates of deposit		56,664
Money market funds		60,621
Investment in the Treasurer of the Commonwealth of Virginia's Local Government Investment Pool (LGIP)		244,861
	\$	<u>16,973,199</u>

The totals above include Agency Funds in the amount of \$820,812 which are not a part of the governmental fund financial statements.

Deposits

The carrying value of the Schools' deposits with banks and savings institutions, which is different from the bank balance because of reconciling items such as outstanding checks and deposits in transit, was \$16,973,199, and the bank balance was \$18,867,197. The entire bank balance was covered by the Federal Depositary 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, 2010, 100% of the Schools' portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, and money market accounts with several local banks.

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, 2010, 100% of the Schools' portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, and money market accounts with several local banks.

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, 2010, all of the Schools' deposits and investments are held in a bank's trust department in the Schools' name.

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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, 2010, the balances are as follows:

Fund:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 1,228,469	—
Capital Projects	—	1,228,469
Total	<u>\$ 1,228,469</u>	<u>1,228,469</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. At June 30, 2010, there were no interfund transfers.

4. Capital Assets, Net

A summary of changes in capital assets follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 8,249,163	185,963	—	8,435,126
Construction in progress	3,163,254	5,230,733	6,630,682	1,763,305
Total capital assets not being depreciated	<u>11,412,417</u>	<u>5,416,696</u>	<u>6,630,682</u>	<u>10,198,431</u>
Other capital assets:				
Buildings and building improvements	22,479,868	6,006,622	—	28,486,490
Furniture and equipment	15,024,432	2,718,181	20,411	17,722,202
Total other capital assets	<u>37,504,300</u>	<u>8,724,803</u>	<u>20,411</u>	<u>46,208,692</u>
Less accumulated depreciation for:				
Buildings and building improvements	6,500,717	1,011,129	—	7,511,846
Furniture and equipment	9,994,455	1,035,379	808	11,029,026
Total accumulated depreciation	<u>16,495,172</u>	<u>2,046,508</u>	<u>808</u>	<u>18,540,872</u>
Other capital assets, net	<u>21,009,128</u>	<u>6,678,295</u>	<u>19,603</u>	<u>27,667,820</u>
Totals	<u>\$ 32,421,545</u>	<u>12,094,991</u>	<u>6,650,285</u>	<u>37,866,251</u>

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Depreciation expense was charged to governmental functions as follows:

Instruction	\$	623,297
General and administrative		14,103
Pupil transportation		745,129
Operations and maintenance		259,678
Technology		365,604
Food services		38,697
Total governmental activities depreciation expense	\$	<u>2,046,508</u>

At June 30, 2010, the Schools had contractual commitments of approximately \$12.3 million for work remaining to be performed under capital projects.

5. Long-Term Liabilities

A summary of changes in long-term liabilities for the Schools follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2010	Amounts due in one year
Compensated absences	\$ 819,102	848,855	792,539	875,418	393,938
Other postemployment benefits	<u>1,239,300</u>	<u>998,000</u>	<u>265,000</u>	<u>1,972,300</u>	<u>—</u>
	<u>\$ 2,058,402</u>	<u>1,846,855</u>	<u>1,057,539</u>	<u>2,847,718</u>	<u>393,938</u>

Long-term liabilities, such as other postemployment benefit obligations, are normally paid 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 \$615,994 for the year ended June 30, 2010. The future minimum lease payments for these leases are as follows:

Years ending June 30:	
2011	294,545
2012	172,238
2013	<u>98,960</u>
	<u>\$565,743</u>

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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 employees of participating employers must participate in VRS. Benefits vest after five years of services. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service or at age 50 with 30 years of service for participating employees payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustments (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. The VRS also provides death and disability benefits. Title 51.14 of the *Code of Virginia* (1950) (the Code), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be 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>.

Funding Policy

Plan members are required by the Code, to contribute 5% of their annual salary to VRS. This 5% member contribution has been assumed by the employer. In addition, the Schools are required to contribute the remaining amounts necessary to fund its participation in VRS using the actuarial basis specified by the Code and approved by the VRS Board of Trustees. The Schools' contribution rate for nonprofessional employees for the fiscal year ended June 30, 2010 was 6.61% of annual covered payroll.

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

		Annual required contributions	Actual amount contributed	Amount contributed in percent
2010	\$	7,270,320	7,270,320	100%
2009		8,975,082	8,975,082	100%
2008		9,441,954	9,441,954	100%

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(b) Annual Pension Cost

For fiscal year 2010, the Schools' annual pension cost of \$568,724 for nonprofessional employees was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 3.75% to 5.6% per year, and (c) 2.5% per year COLA adjustments. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five year period. The Schools' unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of four years or less. The Schools did not have a net pension obligation as determined by GASB Statement No. 27, *Accounting for Pension by State and LOCAL Government Employers*. The trend information for the Schools' nonprofessional employees is as follows:

	Three-year trend information		
	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
Fiscal year ended:			
June 30, 2010	\$ 568,724	100%	—
June 30, 2009	556,172	100%	—
June 30, 2008	580,324	100%	—

(c) Funded Status and Funding Progress

As of December 18, 2009, the most recent actuarial valuation date for fiscal year ending June 30, 2009, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 12,381,835
Less actuarial value of plan assets	11,767,848
Unfunded actuarial accrued liability (UAAL)	613,987
Funded ratio (actuarial value of plan assets / AAL)	95.04%
Covered Payroll	4,819,099
UAAL as a percentage of covered payroll	12.74%

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.

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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 for a maximum health insurance credit of \$45 from the VRS. 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 financed by payments from Williamsburg – James City County Public Schools for all active employees to the VRS. For fiscal year ended June 30, 2010, the contribution made by WJCCPS was \$506,586 for both professional and nonprofessional employees, of which \$30,388 was for nonprofessional employees. The surplus funds are not considered advance funded because WJCCPS, 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.

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>.

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. WJCCPS has assumed this contribution. In addition, WJCCPS 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. WJCCPS' required contribution rate for the fiscal year ended June 30, 2010 was 0.62% of annual covered payroll (annual payroll of nonprofessional active employees covered by the plan).

(b) Annual Benefit Cost

For fiscal year 2010, the Schools' annual benefit cost of \$30,388 for nonprofessional employees was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included a 7.5% investment rate of return and projected salary increases of 3.0% per year. 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, 2009 was 27 years.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)
 Notes to Basic Financial Statements
 June 30, 2010

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

	Annual benefit cost (ABC)	Percentage of ABC contributed	Net benefit obligation
Fiscal year ended:			
June 30, 2010	\$ 30,388	100%	—
June 30, 2009	29,785	100%	—
June 30, 2008	31,815	100%	—

(c) Funded Status and Funding Progress

As of December 17, 2009, the most recent actuarial valuation date for fiscal year ending June 30, 2009, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 237,121
Less actuarial value of plan assets	140,771
Unfunded actuarial accrued liability (UAAL)	96,350
Funded ratio (actuarial value of plan assets/AAL)	59.37%
Covered Payroll	4,819,099
UAAL as a percentage of covered payroll	2%

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.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)
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 June 30, 2010

(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 WJCCPS 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 \$75 monthly contribution described below. Current membership is 35.

The Schools' retiree health insurance premium contribution plan allows eligible retirees to receive a \$75 contribution monthly 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 July 15, 2010, the most recent actuarial valuation date for fiscal year ending June 30, 2010, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 7,231,000
Less actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	7,231,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered Payroll	72,061,802
UAAL as a percentage of covered payroll	10.03%

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 Notes to Basic Financial Statements
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(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 not to exceed thirty (30) years. The current contribution rate for the Schools is 26.55%.

The Schools' annual OPEB cost and the net OPEB obligation based on a 4% discount rate, including an inflation component of 3.2%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for the year ending June 30, 2010 is as follows:

Discount Rate		4%
Annual Required Contribution (ARC)	\$	992,000
Interest on Net OPEB Obligation		50,000
Adjustment to Annual Required Contribution		(44,000)
Annual OPEB Cost (expense)	\$	998,000
Estimated Pay-As-You-Go Annual Employer Contribution		(265,000)
Net Cash Contribution		-
Increase in net OPEB obligation		733,000
Net OPEB Obligation, June 30, 2009		1,239,300
Net OPEB Obligation, June 30, 2010	\$	1,972,300
Actual Contribution rate		26.55%

(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, 2009 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 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 8% in 2010 to 7.2% in 2014. It is assumed that 60% of active school employees will elect coverage at retirement, 40% of retirees electing

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Notes to Basic Financial Statements
June 30, 2010

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, 2010

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, 2010 follow:

	<u>Grants Fund</u>
Unexpended grants	\$ <u>168,270</u>
Government-wide unearned revenue	\$ <u>168,270</u>

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Exhibit VII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

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

General Fund

Year ended June 30, 2010

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance from amended</u>
Revenues:				
Intergovernmental:				
Local sources	\$ 81,367,932	81,367,932	80,638,412	(729,520)
Commonwealth of Virginia	29,486,608	29,486,608	27,505,936	(1,980,672)
Federal government	2,514,170	2,514,170	2,604,812	90,642
Charges for services	448,000	448,000	560,903	112,903
Miscellaneous	117,000	117,000	79,845	(37,155)
Total revenues	<u>113,933,710</u>	<u>113,933,710</u>	<u>111,389,908</u>	<u>(2,543,802)</u>
Expenditures:				
Education:				
General and administrative	2,497,002	2,497,002	2,172,998	324,004
Instruction	84,323,132	84,323,132	81,261,484	3,061,648
Attendance and health services	3,517,829	3,517,829	3,440,973	76,856
Pupil transportation	6,856,952	6,856,952	6,349,759	507,193
Operations and maintenance	10,864,090	10,864,090	10,141,525	722,565
Technology	5,874,705	5,874,705	6,835,208	(960,503)
Total expenditures	<u>113,933,710</u>	<u>113,933,710</u>	<u>110,201,947</u>	<u>3,731,763</u>
Excess of revenues over expenditures	\$ <u>—</u>	<u>—</u>	<u>1,187,961</u>	<u>1,187,961</u>
Fund balance at the beginning of year			4,742,831	
Cancellation of unexpended prior year encumbrances			26,664	
Decrease in reserve for encumbrances			(658,866)	
Fund balance at end of year			<u>\$ 5,298,590</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, 2010

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, 2009	\$ 11,767,848	12,381,835	613,987	95.0%	\$ 4,819,099	12.7%
June 30, 2008	11,280,529	11,431,652	151,123	98.7%	4,500,204	3.4%
June 30, 2007	9,953,121	10,491,400	538,279	94.9%	3,911,323	13.8%

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, 2009	\$ 140,771	237,121	96,350	59.4%	\$ 4,819,099	2.0%
June 30, 2008	155,627	312,953	157,326	49.7%	4,500,204	3.5%
June 30, 2007	141,771	394,403	252,632	35.9%	3,911,323	6.5%

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, 2009	\$ —	7,231,000	7,231,000	—	\$ 72,061,802	10.0%
July 1, 2007	—	14,841,033	14,841,033	—	71,828,743	20.7%
*						

Note:

* Additional data is not available

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

Note to Required Supplementary Information

Year ended June 30, 2010

(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.

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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, 2010

	Balance at July 1, 2009	Additions	Deductions	Balance at June 30, 2010
State Operated Educational Program:				
Assets:				
Cash and temporary investments	\$ 50,975	661,656	896,128	(183,497)
Due from Commonwealth of Virginia	—	237,923	—	237,923
Total assets	<u>\$ 50,975</u>	<u>899,579</u>	<u>896,128</u>	<u>54,426</u>
Liabilities:				
Accounts payable	\$ 2,560	221,367	223,927	—
Accrued payroll	33,659	1,077,781	1,077,874	33,566
Accrued benefits	14,756	357,818	351,714	20,860
Total liabilities	<u>\$ 50,975</u>	<u>1,656,966</u>	<u>1,653,515</u>	<u>54,426</u>
School Activities Fund:				
Assets -				
Cash and temporary investments	\$ <u>922,837</u>	<u>1,746,238</u>	<u>1,664,766</u>	<u>1,004,309</u>
Liability -				
Due to students	\$ <u>922,837</u>	<u>1,746,238</u>	<u>1,664,766</u>	<u>1,004,309</u>
Total all agency funds:				
Assets:				
Cash and temporary investments	\$ 973,812	2,407,894	2,560,894	820,812
Due from Commonwealth of Virginia	—	237,923	—	237,923
Total assets	<u>\$ 973,812</u>	<u>2,645,817</u>	<u>2,560,894</u>	<u>1,058,735</u>
Liabilities:				
Accounts payable	\$ 2,560	221,367	223,927	—
Accrued payroll	33,659	1,077,781	1,077,874	33,566
Accrued benefits	14,756	357,818	351,714	20,860
Due to students	922,837	1,746,238	1,664,766	1,004,309
Total liabilities	<u>\$ 973,812</u>	<u>3,403,204</u>	<u>3,318,281</u>	<u>1,058,735</u>

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

Note to Statistical Tables

June 30, 2010

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 WJCC PS'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) 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 WJCCPS'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 Eight Fiscal Years

(accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities				
Invested in capital assets,				
net of related debt	\$ 37,866,251	\$ 32,421,545	\$ 28,987,868	\$ 28,358,026
Unrestricted	2,850,898	2,939,967	2,373,555	3,473,769
Total net assets	<u>\$ 40,717,149</u>	<u>\$ 35,361,512</u>	<u>\$ 31,361,423</u>	<u>\$ 31,831,795</u>

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

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

Table I

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

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 Eight Fiscal Years

(accrual basis of accounting)

	2010	2009	2008	2007
Expenses:				
Governmental activities:				
General and administrative	\$ 2,198,588	\$ 2,664,104	\$ 2,560,760	\$ 2,770,795
Instruction	87,194,611	88,965,658	85,970,956	76,988,775
Attendance and health services	4,392,898	4,442,265	4,079,417	3,544,904
Pupil transportation	7,030,487	6,733,896	6,938,199	5,810,148
Operations and maintenance	10,178,201	11,359,958	10,573,639	9,112,949
Technology	6,764,084	5,579,073	6,307,501	4,197,743
Food services	3,735,656	3,862,988	3,738,680	3,205,632
Interest on long-term liabilities	—	204	2,865	5,542
Total expenses	<u>121,494,525</u>	<u>123,608,146</u>	<u>120,172,017</u>	<u>105,636,488</u>
Program Revenues:				
Governmental activities:				
Charges for services				
Instruction	240,971	243,663	185,966	162,749
Operations and maintenance	340,909	60,244	51,341	116,770
Food services	1,922,919	2,050,686	2,055,487	2,039,364
Operating grants and contributions	<u>18,623,895</u>	<u>15,430,743</u>	<u>14,246,298</u>	<u>13,624,163</u>
Total program revenues	<u>21,128,694</u>	<u>17,785,336</u>	<u>16,539,092</u>	<u>15,943,046</u>
Net Expense	<u>(100,365,831)</u>	<u>(105,822,810)</u>	<u>(103,632,925)</u>	<u>(89,693,442)</u>
General Revenues and Other Changes in Net Assets:				
Governmental activities:				
Interest	6,021	41,697	279,854	281,474
Grants and contributions not restricted to specific programs	105,639,757	109,692,959	102,849,926	93,086,380
Miscellaneous	<u>75,690</u>	<u>88,243</u>	<u>32,773</u>	<u>29,030</u>
Total	<u>105,721,468</u>	<u>109,822,899</u>	<u>103,162,553</u>	<u>93,396,884</u>
Change in Net Assets	<u>\$ 5,355,637</u>	<u>\$ 4,000,089</u>	<u>\$ (470,372)</u>	<u>\$ 3,703,442</u>

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

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

Table II

	2006	2005	2004	2003
Expenses:				
Governmental activities:				
General and administrative	\$ 2,484,849	\$ 2,554,632	\$ 2,479,099	\$ 2,281,220
Instruction	69,419,420	63,463,208	57,634,478	53,216,714
Attendance and health services	2,956,395	2,502,571	2,211,991	2,168,679
Pupil transportation	5,637,041	5,257,276	4,506,629	4,049,874
Operations and maintenance	9,140,556	8,285,639	7,572,789	7,497,613
Technology	4,292,177	4,679,553	3,545,784	4,195,232
Food services	2,992,335	2,829,199	2,564,147	2,408,783
Interest on long-term liabilities	8,213	5,167	963	16,276
Total expenses	<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	184,847	168,772	175,365	166,857
Operations and maintenance	114,985	59,331	69,308	66,897
Food services	1,984,442	1,881,966	1,762,400	1,606,620
Operating grants and contributions	11,617,249	10,990,988	8,522,163	7,862,036
Total program revenues	<u>13,901,523</u>	<u>13,101,057</u>	<u>10,529,236</u>	<u>9,702,410</u>
Net Expense	<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	178,321	52,149	14,116	8,047
Grants and contributions not restricted to specific programs	82,800,634	77,346,943	71,137,422	67,330,197
Miscellaneous	10,126	4,158	2,641	1,833
Total	<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>\$ (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)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006⁽¹⁾</u>
General Fund					
Reserved	\$ 4,298,590	\$ 2,401,354	\$ 1,365,970	\$ 2,215,642	\$ 1,095,275
Unreserved	1,000,000	2,341,477	1,355,664	983,635	271,035
Total general fund	<u>5,298,590</u>	<u>4,742,831</u>	<u>2,721,634</u>	<u>3,199,277</u>	<u>1,366,310</u>
All other governmental funds					
Reserved	275,919	203,246	611,562	940,011	1,209,071
Unreserved, reported in:					
Special Revenue Fund	292,377	132,180	334,944	505,835	434,731
Capital Projects Fund	—	—	—	—	—
Total all other governmental funds	<u>568,296</u>	<u>335,426</u>	<u>946,506</u>	<u>1,445,846</u>	<u>1,643,802</u>
Total governmental funds	<u>\$ 5,866,886</u>	<u>\$ 5,078,257</u>	<u>\$ 3,668,140</u>	<u>\$ 4,645,123</u>	<u>\$ 3,010,112</u>

Source: FY 2001 - FY 2002 Amounts extracted from Exhibit 1 of the financial section of the respective Comprehensive Annual Financial Report.

FY 2003 - FY 2010 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.

Table III

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Fund					
Reserved	\$ 1,560,465	\$ 2,224,247	\$ 2,085,931	\$ 1,147,213	\$ 224,661
Unreserved	134,326	824,749	908,304	2,829,180	2,128,347
Total general fund	<u>1,694,791</u>	<u>3,048,996</u>	<u>2,994,235</u>	<u>3,976,393</u>	<u>2,353,008</u>
All other governmental funds					
Reserved	449,151	472,195	24,689	85,482	31,622
Unreserved, reported in:					
Special Revenue Fund	293,394	234,933	165,430	158,611	150,381
Capital Projects Fund	—	—	14,370	156,218	188,304
Total all other governmental funds	<u>742,545</u>	<u>707,128</u>	<u>204,489</u>	<u>400,311</u>	<u>370,307</u>
Total governmental funds	<u>\$ 2,437,336</u>	<u>\$ 3,756,124</u>	<u>\$ 3,198,724</u>	<u>\$ 4,376,704</u>	<u>\$ 2,723,315</u>

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)

	2010	2009	2008	2007	2006
Revenues:					
From City of Williamsburg and James City County	\$ 85,992,454	\$ 85,926,730	\$ 84,390,540	\$ 72,999,457	\$ 67,537,386
From Commonwealth of Virginia	28,422,738	33,447,751	29,024,778	28,605,876	22,099,388
From federal government	9,036,851	4,887,265	4,709,693	4,273,434	4,318,118
Charges for services	2,504,799	2,354,593	2,292,794	2,318,882	2,282,314
Interest	6,021	41,697	279,854	281,474	178,321
Miscellaneous	975,682	520,741	797,871	676,448	1,132,944
Total revenues	<u>126,938,545</u>	<u>127,178,777</u>	<u>121,495,530</u>	<u>109,155,571</u>	<u>97,548,471</u>
Expenditures:					
General and administrative	2,172,101	2,627,079	2,548,428	2,759,069	2,466,774
Instruction	85,928,824	87,250,725	85,262,896	76,390,533	68,830,436
Attendance and health services	4,363,706	4,393,181	4,079,417	3,544,904	2,956,395
Pupil transportation	6,232,341	5,972,410	6,265,167	5,162,378	4,927,245
Operations and maintenance	9,880,780	11,163,348	10,521,160	9,065,984	9,094,008
Technology	6,376,540	5,261,115	6,052,181	3,987,006	4,111,584
Food services	3,684,807	3,810,598	3,702,625	3,171,979	2,953,944
Capital outlay	7,510,817	5,265,395	3,960,011	3,364,281	1,560,883
Debt service:					
Principal	—	24,605	77,763	68,884	66,213
Interest	—	204	2,865	5,542	8,213
Total expenditures	<u>126,149,916</u>	<u>125,768,660</u>	<u>122,472,513</u>	<u>107,520,560</u>	<u>96,975,695</u>
Revenues over/(under) expenditures	<u>788,629</u>	<u>1,410,117</u>	<u>(976,983)</u>	<u>1,635,011</u>	<u>572,776</u>
Other Finance Sources (uses):					
Transfers in	—	—	—	200,000	600,000
Transfers out	—	—	—	(200,000)	(600,000)
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>788,629</u>	\$ <u>1,410,117</u>	\$ <u>(976,983)</u>	\$ <u>1,635,011</u>	\$ <u>572,776</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.02%	0.07%	0.07%	0.08%

Source: FY2001-FY2002 Amounts extracted from Exhibit 2 of the financial section of the respective Comprehensive Annual Financial Report.

FY2003-FY2010 Amounts extracted from Exhibit IV of the financial section of the respective Comprehensive Annual Financial Report.

Prior to FY2001, Technology and Debt Service expenditures were not presented as separate functional categories.

Prior to FY2002, Interest revenue was not presented as a separate revenue source, it was included in other revenue.

Table IV

	2005	2004	2003	2002	2001
Revenues:					
From City of Williamsburg and James City County	\$ 62,977,843	\$ 59,845,251	\$ 56,998,858	\$ 53,645,695	\$ 52,368,528
From Commonwealth of Virginia	20,855,843	15,750,002	14,741,768	13,793,399	13,788,896
From federal government	4,289,548	3,708,732	3,142,748	2,793,493	2,168,860
Charges for services	2,110,069	2,007,073	1,606,620	1,453,197	1,352,990
Interest	52,149	14,116	8,047	—	—
Miscellaneous	218,855	358,241	544,446	463,966	499,684
Total revenues	<u>90,504,307</u>	<u>81,683,415</u>	<u>77,042,487</u>	<u>72,149,750</u>	<u>70,178,958</u>
Expenditures:					
General and administrative	2,536,557	2,461,024	2,263,145	2,218,427	2,208,134
Instruction	62,947,047	56,996,248	52,969,479	49,121,020	48,884,704
Attendance and health services	2,502,571	2,211,991	2,168,679	2,004,815	1,959,092
Pupil transportation	4,635,963	3,939,360	3,464,292	3,873,057	3,379,588
Operations and maintenance	8,239,180	7,526,528	7,451,703	6,911,475	6,807,898
Technology	4,509,523	3,405,925	4,128,122	2,868,057	717,531
Food services	2,791,674	2,525,750	2,369,122	2,168,113	2,045,101
Capital outlay	3,892,878	1,883,915	2,881,844	839,611	4,177,809
Debt service:					
Principal	38,248	166,307	479,417	416,583	479,985
Interest	5,167	8,967	44,664	75,203	47,703
Total expenditures	<u>92,098,808</u>	<u>81,126,015</u>	<u>78,220,467</u>	<u>70,496,361</u>	<u>70,707,545</u>
Revenues over/(under) expenditures	<u>(1,594,501)</u>	<u>557,400</u>	<u>(1,177,980)</u>	<u>1,653,389</u>	<u>(528,587)</u>
Other Finance Sources:					
Transfers in	1,038,712	1,014,801	—	—	—
Transfers out	(1,038,712)	(1,014,801)	—	—	—
Proceeds from capital lease obligations	275,713	—	—	—	1,059,857
Total other financing sources (uses)	<u>275,713</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,059,857</u>
Net change in fund balances	\$ <u>(1,318,788)</u>	\$ <u>557,400</u>	\$ <u>(1,177,980)</u>	\$ <u>1,653,389</u>	\$ <u>531,270</u>
Debt service as a percentage of noncapital expenditures	0.05%	0.22%	0.70%	0.71%	0.80%

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

Government-Wide Expenditures by Function

Last Eight Fiscal Years

Fiscal Year		General and administrative	Instruction	Attendance and Health Services		Pupil transportation	Operations and maintenance
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

(*) 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.

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

Table V

Fiscal Year					March Average	
	Technology	Food services	Interest on long-term liabilities	Total expenditures (*)	Daily Membership (ADM) determining cost per pupil (*)	Per pupil expenditures
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

Fiscal year		General and administrative		Instruction		Attendance and health services		Pupil transportation		Operations and maintenance
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
2002		2,232,268		49,219,696		2,005,609		3,915,647		6,924,775
2001		2,208,134		49,196,385		1,959,092		3,523,386		6,910,787

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

Source: FY 2001 and FY 2002 amounts extracted from Exhibit A-2 of the financial section of the respective Comprehensive Annual Financial Report.

FY 2003 – FY 2010 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

Fiscal year		Technology		Total cost – regular day school (*)	March Average Daily membership for (ADM) determining cost per pupil (*)		Per pupil expenditures
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
2002		2,837,922		67,135,917	8,422		7,971
2001		720,726		64,518,510	8,156		7,911

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

General Fund Expenditures by Function

Last Ten Fiscal Years

Fiscal year		General and administrative		Instruction		Attendance and health services		Pupil transportation
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
2002		2,232,268		49,219,696		2,005,609		3,915,647
2001		2,208,134		49,196,385		1,959,092		3,523,386

Source: FY 2001 and FY 2002 amounts extracted from Exhibit A-2 of the financial section of the respective Comprehensive Annual Financial Report.

FY 2003 – FY 2010 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

Fiscal year		Operations and maintenance		Technology		Debt Service		Total expenditures
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
2002		6,924,775		2,837,922		491,786		67,627,703
2001		6,910,787		720,726		172,572		64,691,082

Table VIII

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

Government-Wide Revenue by Source

Last Eight 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.	
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.

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

Table IX

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

Charges for Services Revenue by Source

Last Ten Fiscal Years

Fiscal year		Tuition and fees	Percentage		Food Sales	Percentage		Total
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
2002		—	0.0		1,453,197	100.0		1,453,197
2001		—	0.0		1,352,990	100.0		1,352,990

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.

Source: FY 2001 - FY 2002 Amounts extracted from Exhibit 2 of the financial section of the respective Comprehensive Financial Report

FY 2003 - FY 2010 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:

Fiscal year		Real Estate Tax¹		Personal Property Tax¹	Room Tax²	Meal Tax²	Retail Sales Tax³
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%
2002		0.54		3.50	5%	5%	1%
2001		0.54		3.50	5%	5%	1%

1) per \$100 assessed value

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

3) Collected by the Commonwealth, remitted monthly to City

James City County:

Fiscal year		Real Estate Tax¹		Personal Property Tax¹	Room Tax	Meal Tax	Retail Sales Tax²
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%
2002		0.870		4.00	5%	4%	1%
2001		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

Fiscal year		State sales tax receipts		State funds		Federal funds		Local funds
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
2002		5,994,589		14,602,221		2,942,433		47,739,635
2001		5,897,551		14,506,972		2,328,317		46,470,977

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

Table XI

Fiscal year		Other funds		Total receipts		Beginning year balance		Total receipts and balances
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
2002		1,928,468		73,207,346		—		73,207,346
2001		1,868,542		71,072,359		1,587,410		72,659,769

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

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

Ten Fiscal Years

Fiscal year		Debt for education		Debt for all other uses or applications		Total debt		Debt interest for education
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
2001		4,829,277		788,000		5,617,277		4,962,200
2000		4,679,232		788,000		5,467,232		4,882,837

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 2011 for Fiscal Year 2010.

Table XII

Fiscal year		Debt interest for all other applications		Total debt interest		Total debt service for education		Total debt service
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
2001		323,094		5,285,294		9,791,477		10,902,571
2000		345,542		5,228,379		9,562,069		10,695,611

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

Fiscal year	Education	Other general government	Enterprise activities	Total debt	Per capita	Percent of debt for education
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%
2001	88,685,429	12,930,743	7,933,800	109,549,972	3,187	80.95%
2000	93,514,706	13,423,937	2,287,133	109,225,776	2,966	85.62%

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 2011 for Fiscal Year 2010.

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
2010	63,675	\$ 12,092,979,169	\$ 101,414,765	\$ 25,225,253	\$ 76,189,512	0.0063	1,197
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
2002	50,858	5,745,453,131	83,781,382	9,573,068	74,208,314	0.0129	1,459
2001	49,256	5,320,435,931	88,685,429	9,791,477	78,893,952	0.0148	1,602

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

(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 10A, 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

Fiscal year	Principal	(2) Interest	(4) Total debt service	(3) Total general governmental expenditures	Ratio of debt service to general debt to governmental expenditures
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
2002	4,904,047	4,669,021	9,573,068	126,110,078	7.59
2001	4,829,277	4,962,200	9,791,477	110,168,556	8.89

- (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 2009)	
Number of households	27,961	Unemployment rate	5.3%
Average household size	2.47	Civilian Labor Force	32,373
Household population	63,675	Employed	30,657
		Unemployed	1,716

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

AGE			ROADS	
0 to 14 years old	9,254	19.2%	Interstate	11.04 miles
15 to 19 years old	2,838	5.9%	Secondary	55.85 miles
20 to 34 years old	7,484	15.6%	Primary	242.73 miles
35 to 44 years old	7,866	16.4%		
45 to 64 years old	12,563	26.1%		
65 and older	8,097	16.8%		
Total population	48,102			

(Source: 2000 U.S. Census)

RACE			AREA	
White	39,444	82.0%	Land	144.1 square miles
Black	6,927	14.4%	(and inland water)	92,224 acres
Other	1,731	3.6%	Border Water	31.6 square miles
			Total Area	175.7 square miles

(Source: 2000 U.S. Census)

LOCAL COMPOSITE INDEX

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

(Source: Virginia Department of Education)

TAXABLE RETAIL SALES

James City County		
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		
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, 2010

Form of Governance: Fiscally Dependent School System with elected (5 members) and appointed (2 members) School BoardGeographic Area: 176 Square MilesPopulation 2000: 60,100 (Most recent statistics: 11,998 in Williamsburg as of 2000; and 48,102 in James City County as of 2000)Student Membership (March 2010 ADM): 10,486

	Original construction date	Date(s) of additions/renovations	Building area (in square feet)	Acreage
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
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
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

Fiscal year	Number of instructional personnel positions	End-of-year membership	Instructional personnel per 1,000 students
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
2001	877.79	8,158	107.60
2000	801.45	8,092	99.04

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

Note: Fiscal Year 2010 data will not be published by the Virginia Department of Education until 2011.

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

Fiscal year	Membership at September 30	Average daily membership at March 31	End-of-year membership	Percent of change	Annual retention rate
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%
2000	8,155	8,049	8,006	(1.83)%	98.17%

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 2010 data will not be published by the Virginia Department of Education until 2011.

Table XX

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

Enrollment Trends
Last Ten Fiscal Years

Fiscal Year	September 30th Enrollment	Elementary Grades K thru 5	Middle Grades 6 thru 8	High Grades 9 thru 12
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
2002	8,407	3,791	2,010	2,606
2001	8,191	3,780	1,898	2,513

September 30th Enrollment

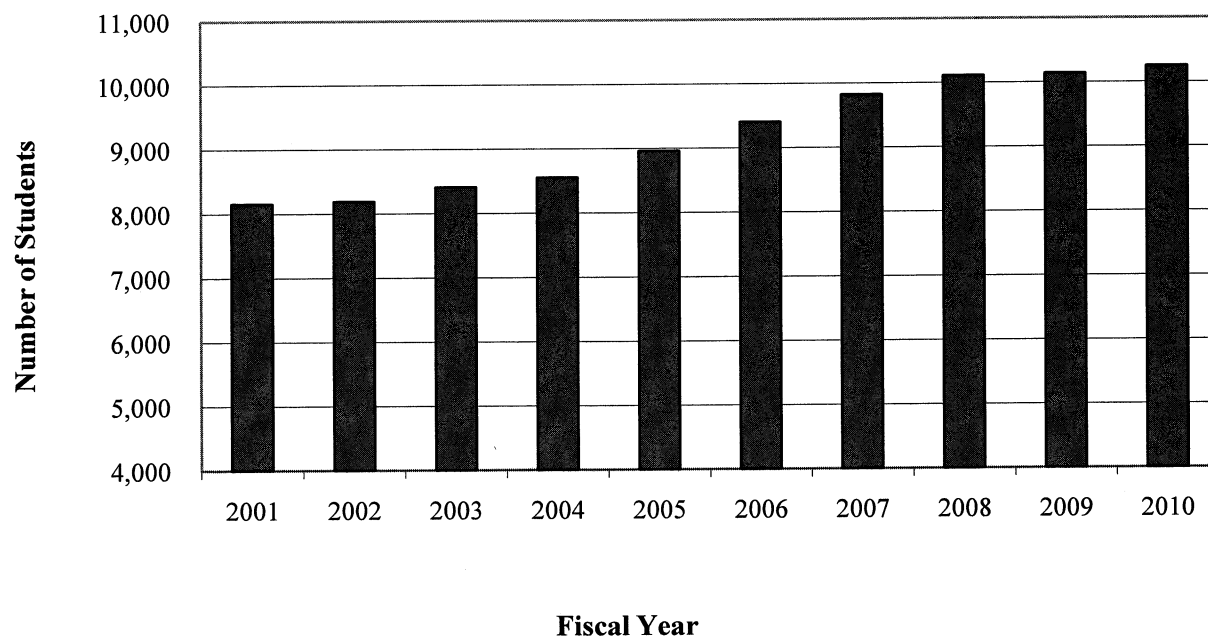


Table XXI

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, 2009

School	Free lunch	Reduced lunch	Total	September enrollment	Percentage of participants
Clara Byrd Baker	80	20	100	551	18.15%
Clara Byrd Baker Preschool	7	4	11	24	45.83%
Rawls Byrd	149	37	186	510	36.47%
Rawls Byrd Preschool	23	9	32	72	44.44%
D. J. Montague	166	40	206	581	35.46%
D. J. Montague Preschool	14	1	15	33	45.45%
Norge	142	32	174	592	29.39%
Norge Preschool	34	9	43	87	49.43%
Matthew Whaley	134	33	167	456	36.62%
James River	219	45	264	466	56.65%
James River Preschool	8	—	8	19	42.11%
Stonehouse	127	51	178	831	21.42%
Stonehouse Preschool	8	4	12	46	26.09%
Matoaka	109	19	128	688	18.60%
Berkeley Middle	144	36	180	848	21.23%
James Blair	182	37	219	643	34.06%
Toano	140	50	190	859	22.12%
Jamestown	133	21	154	1,232	12.50%
Lafayette	200	51	251	1,114	22.53%
Warhill	198	48	246	1,132	21.73%
	<u>2,217</u>	<u>547</u>	<u>2,764</u>	<u>10,784</u>	*

Source: September 30, 2009 enrollment report and Child Nutrition Services

* Note: Total does not match September 30, 2009 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)

Operating Statistics

Food Sales - Meals Served Annually

Last Ten Fiscal Years

Fiscal Year	Student			
	Breakfasts Served Annually	Lunches Served Annually	Free and Reduced Eligibility ¹	Free and Reduced Percentages ¹
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%
2002	105,858	464,837	1,419	23.64%
2001	99,251	441,339	1,434	24.51%

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)

Operating Statistics
 Food Service Sales Price Breakdown

Last Ten Fiscal Years

Fiscal year	Elementary		Middle		High		Adult
	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch	Breakfast/Lunch
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
2002	0.85	1.55	0.95	1.65	A-La-Carte	A-La-Carte	A-La-Carte
2001	0.85	1.45	0.95	1.55	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	2010			2001		
	Employees	Rank	Percentage of total County employment	Employees	Rank	Percentage of total County employment
Busch Gardens*	5,500	1	17.94%	4,300	1	17.19%
Williamsburg-James City County Public Schools	1,818	2	5.93%	1,230	2	4.92%
Eastern State Hospital	1,000	3	3.26%	800	4	3.20%
Lumber Liquidators	934	4	3.05%	—	—	—
Busch Properties, Inc.	825	5	2.69%	650	5	2.60%
James City County	720	6	2.35%	570	6	2.28%
Anheuser-Busch-In Bev	700	7	2.28%	1,100	3	4.40%
Wal-Mart Distribution Center	692	8	2.26%	230	7	0.92%
Avid Medical	492	9	1.60%	—	—	—
Jamestown-Yorktown Foundation	389	10	1.27%	—	—	—
Ball Metal	—	—	—	200	8	0.80%
Owens-Brockway	—	—	—	160	9	0.64%
Printpack	—	—	—	130	10	0.52%
Total	13,070		42.63%	9,370		37.47%

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

Employer	2010			2001		
	Employees ¹	Rank	Percentage of total City employment	Employees ¹	Rank	Percentage of total City employment
College of William & Mary	1,000+	1	14.46%	1,000+	1	20.29%
Colonial Williamsburg Foundation	1,000+	2	11.83%	1,000+	2	9.82%
Colonial Williamsburg Company	1,000+	3	9.01%	500 to 999	3	5.96%
Williamsburg Community Hospital ²	500 to 999	4	4.34%	—	—	—
Aramark	250 to 499	5	1.39%	250 to 499	4	1.39%
City of Williamsburg	100 to 249	6	1.11%	250 to 499	5	1.25%
Williamsburg Hospitality House	100 to 249	7	0.56%	—	—	—
Red Lobster & The Olive Garden	100 to 249	8	0.56%	100 to 249	6	0.56%
Walsingham Academy	—	—	—	100 to 249	7	0.56%
Patrick Henry Inn	100 to 249	9	0.56%	—	—	—
National Center for State Courts	100 to 249	10	0.56%	100 to 249	8	0.56%
Outback Steakhouse	—	—	—	50 to 99	9	0.28%
Yankee Candle	—	—	—	50 to 99	10	0.28%

¹ includes part-time and seasonal employees² 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

Calendar year	Population ¹	Personal income ²	Per Capita personal income ²	Unemployment Percentage
2010	**	\$ **	\$ **	**
2009	63,135	**	**	5.3%
2008	61,195	3,706,388,000	49,520	3.2%
2007	60,867	3,546,329,000	48,135	2.5%
2006	58,893	3,289,020,000	45,778	2.6%
2005	56,463	2,952,937,000	42,713	2.9%
2004	53,952	2,793,123,000	41,731	3.2%
2003	52,303	2,515,632,000	38,906	2.5%
2002	50,858	2,393,678,000	38,021	2.4%
2001	49,253	2,289,963,000	37,242	2.1%

(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				
2010	\$ 8,432,627	\$ —	\$ 9,808,700	\$	18,241,327	\$ 1,360	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	838	0.3%
2007	11,548,396	1,300,000	700,000		13,548,396	1,023	0.3%
2006	12,540,821	1,300,000	6,665,050		20,505,871	1,530	0.6%
2005	18,413,000	1,300,000	6,938,851		26,651,851	1,989	0.9%
2004	10,831,000	1,300,000	7,237,154		19,368,154	1,445	0.6%
2003	11,744,000	—	7,525,173		19,269,173	1,460	0.8%
2002	12,652,000	—	7,700,360		20,352,360	1,615	0.9%
2001	6,440,000	—	7,933,800		14,373,800	1,159	0.6%

James City County

Fiscal year	Governmental Activities		Business-type Activities		Total Primary Government	Net Bonded Debt per Capita	Debt as Percentage of Personal Income ¹
	General Obligation Bonds	Other Debt	Revenue Bonds				
2010	\$ 101,414,765	\$ 120,444,895	\$ 35,950,422	\$	257,810,082	\$ 1,197	25.3%
2009	109,974,105	112,765,533	37,386,546		260,126,184	1,346	28.2%
2008	118,369,735	119,326,298	11,212,670		248,908,703	1,518	26.6%
2007	126,590,560	125,943,190	12,133,794		264,667,544	1,680	27.0%
2006	106,062,319	36,757,257	13,034,918		155,854,494	1,578	21.4%
2005	109,814,071	14,248,900	13,961,041		138,024,012	1,749	21.1%
2004	73,636,054	15,086,850	14,782,165		103,505,069	1,222	13.4%
2003	78,746,889	740,800	15,258,289		94,745,978	1,355	14.9%
2002	83,636,632	1,154,577	—		84,791,209	1,459	**
2001	88,511,729	1,963,527	—		90,475,256	1,602	**

(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

Fiscal year	Number of school buses	Number of mechanics	Total miles driven
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
2002	137	6	2,103,869
2001	137	6	2,074,744

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 Nine Fiscal Years

	Full-Time Equivalent Employees as of June 30								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
General and Administrative									
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent/CFO	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Dir-Human Resources	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisors	1.00	—	—	—	—	—	—	—	—
Coordinators	5.50	6.00	5.00	5.00	5.00	6.00	5.00	5.00	4.00
Staff Accountant	1.00	1.00	1.00	1.00	—	—	—	—	—
Communications Specialist	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	1.00
Clerical	11.00	14.50	14.00	13.00	12.50	12.50	14.00	14.00	15.00
Total General and Administrative	22.00	25.50	25.00	24.00	22.50	23.50	24.00	24.00	24.00
Instruction									
Asst Superintendent-Academic Svcs	—	—	—	—	1.00	1.00	1.00	1.00	1.00
Executive Director, Student Svcs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Directors of Instruction	2.00	2.00	2.00	2.00	—	—	—	—	—
Dir-Accountability, Assessment	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	6.50	7.00	5.00	3.00	3.00	3.00	3.00	3.00	4.00
Supervisors of Instruction	4.00	5.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00
Instructional Specialist	3.00	3.00	2.00	2.00	2.00	1.00	—	—	—
Hearing Officer	—	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	—	—	—	—	—	—	—
Principals	16.00	15.00	15.00	14.50	13.00	13.00	13.00	13.00	13.00
Assistant Principals	17.00	17.00	17.00	16.00	16.00	16.00	15.00	14.00	15.00
Supervisor, Preschool Instruction	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Guidance Counselors	29.50	29.50	27.50	25.00	25.00	23.00	22.00	22.00	22.00
Librarians	17.00	17.00	17.00	14.00	14.00	14.00	14.00	14.00	14.00
Classroom Teachers	668.98	643.00	625.00	612.00	596.68	574.68	550.50	546.46	542.21
Preschool Teachers	31.00	31.00	30.00	23.00	21.00	20.00	20.00	18.00	17.00
Special Education Teachers	88.00	106.50	104.50	91.50	82.50	76.50	74.50	69.00	64.00
Career and Technical Teachers	28.02	32.50	39.00	29.00	29.00	29.00	29.00	29.00	29.00
Gifted and Talented Teachers	15.00	15.00	14.00	12.00	12.00	12.00	12.00	12.00	12.00
Adult Education Teachers	4.00	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Athletic Directors	3.00	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00
Teacher Assistants	226.86	222.72	220.72	187.49	179.77	173.77	156.85	144.43	142.93
Social Workers	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Caseworker	0.43	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Interpreters	5.00	5.00	5.00	4.00	5.00	5.00	3.00	3.00	3.00
Records Management Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Clerical	84.00	92.50	88.50	73.00	72.50	72.50	69.00	69.75	60.25
Total Instruction	1,260.79	1,264.72	1,234.22	1,129.99	1,093.45	1,054.45	1,003.85	979.64	946.39
Attendance and Health Services									
Supervisor, Health Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurses	14.54	14.75	14.75	12.80	12.00	12.00	12.00	12.00	12.00
Psychologists	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Occupational Therapists	7.50	7.50	6.00	6.00	6.00	4.00	3.00	3.00	6.00
Physical Therapists	2.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Speech Therapists	15.60	15.50	15.20	11.50	10.50	10.50	10.50	10.50	8.50
Other Professional Staff	5.57	4.00	4.00	5.00	1.00	0.50	—	—	—
Clinic Assistants	4.50	4.00	4.00	2.00	1.00	1.00	1.00	2.00	—
Clerical	1.50	1.43	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Total Attendance & Health Svcs	58.21	56.18	54.95	47.30	40.50	38.00	36.50	36.50	35.50

Table XXIX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Full-time-Equivalent District Employees by Type

Last Nine Fiscal Years

	Full-Time Equivalent Employees as of June 30								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Pupil Transportation									
Director of Transportation	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	1.00	1.00	1.00	1.00
Technicians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Clerical	4.00	4.00	3.00	4.00	3.25	3.00	3.00	2.00	2.00
Bus Drivers	96.60	87.63	89.66	89.66	89.66	89.66	71.63	63.48	63.48
Bus Aides	26.00	24.26	22.70	22.70	22.70	22.70	19.87	11.23	11.23
Shop Foreman	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	7.00	7.00
Total Pupil Transportation	140.60	129.89	129.36	130.36	129.61	128.36	107.50	88.71	88.71
Operations and Maintenance									
Asst Superintendent, Operations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisor, Maintenance	—	1.00	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	1.00
Facilities Coordinator	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00
Energy Manager	1.00	—	—	—	—	—	—	—	—
Trades	14.00	14.00	14.00	12.00	12.00	11.00	13.00	13.00	13.00
Security Guards	9.00	9.00	9.00	7.00	7.00	7.00	8.00	7.00	5.00
Grounds Workers	6.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Clerical	3.00	4.00	4.00	3.00	2.00	2.00	2.00	2.00	2.00
Custodians	81.75	89.75	89.75	73.25	73.25	73.25	73.25	73.25	73.25
Total Operations & Maintenance	117.75	127.75	128.25	106.75	105.75	104.75	108.25	107.25	104.25
Technology									
Director, Technology	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
ITRT Integration Specialist	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
Internetwork Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Network Specialists	1.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Programmer/Analyst	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
IFAS Support Technician	1.00	—	—	—	—	—	—	—	—
Webmaster	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Teachers	11.00	13.00	18.00	15.00	14.00	14.00	14.00	14.00	14.00
Technology Support	14.00	14.00	13.00	12.00	13.00	10.00	11.00	10.00	10.00
Clerical	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Total Technology	46.00	48.00	51.00	42.00	39.00	36.00	37.00	36.00	34.00
Food Services									
Supervisor	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	—	—	—	—	—	—
Clerical	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Cafeteria Managers	14.00	14.00	14.00	12.00	12.00	12.00	12.00	12.00	12.00
Cafeteria Workers	44.03	44.72	42.02	34.86	35.00	34.00	33.00	33.00	33.00
Total Food Services	61.03	61.72	59.02	48.86	50.00	49.00	48.00	48.00	48.00
Total	1,706.38	1,713.76	1,681.80	1,529.26	1,480.81	1,434.06	1,365.10	1,320.10	1,286.35

Source: Nonfinancial information from district records.

Note: Data prior to 2002 in this format is unavailable.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

Schedule of Insurance Program Coverages

For the Year ended June 30, 2010

Coverage	Insurance Company/ Carrier	Limits	Deductibles
Buildings and contents:	Virginia Municipal Liability Pool	\$ 290,220,602	\$10,000
No coinsurance		Included	
Replacement cost coverage		Included	
Special causes of loss:			
Flood		\$ 25,000,000	\$25,000
Earthquake		\$ 25,000,000	\$25,000
Extra expense/Business Income		\$ 8,100,000	
Computers/Electronic Data Proc.	Virginia Municipal Liability Pool	\$ 10,500,000	\$10,000
Breakdown deductible			\$10,000
Fine arts		\$ 10,000	\$10,000
While in transit		\$ 25,000	\$10,000
Valuable papers and records		\$ 5,000,000	\$10,000
Boilers and equipment	Virginia Municipal Liability Pool	\$ 5,000,000	various
Extra expense		100,000	12 Hours
Flood insurance			
(Lafayette High School):	The Hartford Fire Insurance Co.		
Building		\$ 500,000	\$1,000
Contents		\$ 500,000	\$1,000
General liability:	Virginia Municipal Liability Pool		
Each occurrence		\$ 1,000,000	
Fire damage legal liability		\$ 100,000	
Medical expenses		\$ 10,000 (excludes students)	
Defense of certain excluded occurrences		\$ 100,000	
Land use coverage		\$ 100,000	
Total aggregate limits		\$ 1,000,000	
CGL coverages include:			
Corporal punishment		Included in GL	
Medical professionals	Virginia Municipal Liability Pool	Included in GL	
Wrongful acts	Virginia Municipal Liability Pool	Included in GL	
Dishonesty bond:	Virginia Municipal Liability Pool		
Employee dishonesty		\$ 500,000	\$1,000
Forgery or alterations		\$ 500,000	\$1,000
Bond—Clerk of the School Board		\$ 10,000	
Bond—Deputy Clerk of the School Board		\$ 10,000	
Money and securities:	Virginia Municipal Liability Pool	\$ 250,000	

Table XXX

Coverage	Insurance Company/ Carrier	Limits	Deductibles
Auto and bus fleet:	Virginia Municipal Liability Pool		
Liability to others		\$ 1,000,000	
Medical payments		\$ 10,000	
Uninsured motorists:			
Bodily injury per person		\$ 50,000	
Bodily injury per accident		\$ 200,000	
Property damage		\$ 20,000	
Students on buses		\$ 1,000,000	
Nonowned or hired autos		\$ 1,000,000	
Comprehensive perils			\$1,000
Collision and upset	Virginia Municipal Liability Pool		\$1,000
Hired car physical damage			\$1,000
Garage liability:	Virginia Municipal Liability Pool		
Liability to others		\$ 1,000,000	
Damages to vehicles of others:	Virginia Municipal Liability Pool		
Comprehensive		Actual Cash Value	250 / 500
Collision and upset		Actual Cash Value	\$250
Workers' Compensation:	School Systems of Virginia Group Self-Insurance Association		
Experience modification		WC-Statutory	N/A
		Employers Liability	N/A
		\$100,000 Each Accident	
Excess liability limits	Virginia Municipal Liability Pool	\$ 5,000,000	
Retention*		—	
Excess over:			
General liability		Yes	
Auto and bus fleet		Yes	
Wrongful acts		Yes	
*The Retention applies if there is no primary coverage and the Excess Policy has to drop down and provide first dollar coverage.			
Health insurance	Commonwealth of Virginia's The Local Choice Program		
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

Fiscal year	March Average Daily Membership*	Operating Expenditures*	Cost per Pupil	Percentage Change	Expenses*
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
2002	8,422	69,164,964	8,212	4.79%	N/A
2001	8,156	66,002,048	8,092	2.87%	N/A

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:

FY 2001 - 2002 Operating expenditure amounts extracted from Exhibit 2 of the respective Comprehensive Annual Financial Report

FY 2003 - FY 2010, Operating expenditure amounts extracted from Exhibit IV and Expenses from Exhibit II of the respective Comprehensive Annual Financial Report.

Table XXXI

Fiscal Year	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio
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
2002	N/A	N/A	542.21	15.5
2001	N/A	N/A	N/A	N/A

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, 2010

Step	Bachelor's Degree	Bachelor's Plus 15	Master's Degree	Master's Plus 15	Master's Plus 30	Doctoral Degree
1	\$ 37,700	\$ 38,266	\$ 39,222	\$ 39,810	\$ 41,005	\$ 42,850
2	38,643	39,222	40,203	40,806	42,030	43,921
3	39,609	40,203	41,208	41,826	43,081	45,019
4	40,599	41,208	42,238	42,872	44,158	46,145
5	41,614	42,238	43,294	43,943	45,262	47,298
6	42,654	43,294	44,376	45,042	46,393	48,481
7	43,720	44,376	45,486	46,168	47,553	49,693
8	44,813	45,486	46,623	47,322	48,742	50,935
9	45,934	46,623	47,788	48,505	49,960	52,209
10	47,082	47,788	48,983	49,718	51,209	53,514
11	48,259	48,983	50,208	50,961	52,490	54,852
12	49,466	50,208	51,463	52,235	53,802	56,223
13		51,463	52,749	53,541	55,147	57,628
14		52,749	54,068	54,879	56,526	59,069
15		54,068	55,420	56,251	57,939	60,546
16		55,420	56,805	57,657	59,387	62,060
17			58,225	59,099	60,872	63,611
18			59,681	60,576	62,394	65,201
19			61,173	62,091	63,953	66,831
20				63,643	65,552	68,502
21				65,234	67,191	70,215
22					68,871	71,970
Number of Teachers:	208	129	329	83	164	10
% in each lane:	22.54%	13.98%	35.64%	8.99%	17.77%	1.08%

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