



**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, 2013



**Williamsburg–James City County
Public Schools**

(Serving the City of Williamsburg and the County of James City)

**Comprehensive
Annual
Financial
Report**

*A Component Unit of
James City County, Virginia*



For the Fiscal Year Ended June 30, 2013
(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 James City County, Virginia)

Members of the School Board and School Board Officials as of July 1, 2013

City of Williamsburg

Ms. Elise EmanuelSchool Board Member
Dr. Oscar PraterSchool Board Member

James City County

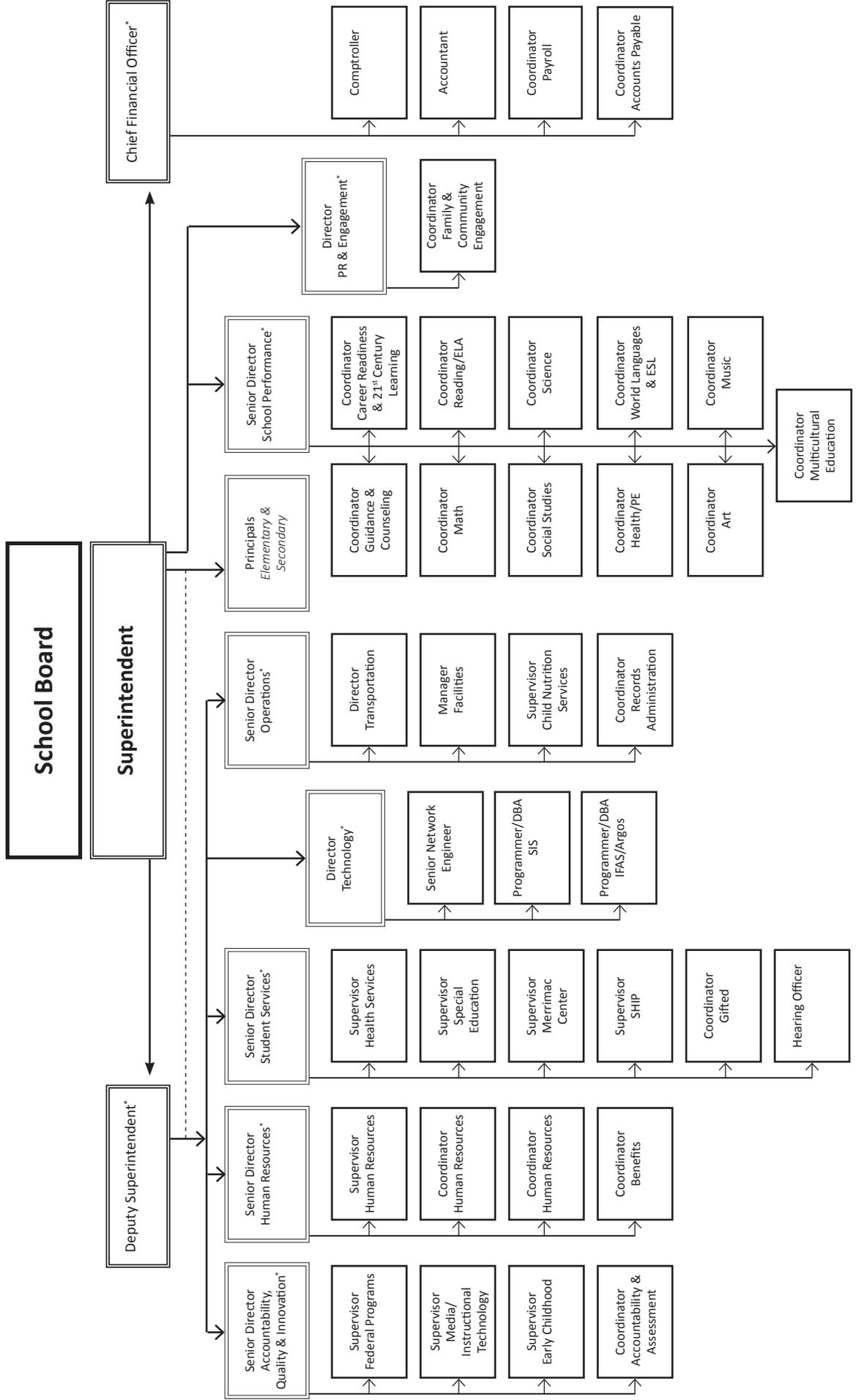
Ms. Ruth Larson..... Chair
Mr. Joseph Fuentes Vice-Chair
Ms. Heather Cordasco.....School Board Member
Mr. James KellySchool Board Member
Mr. James P. NickolsSchool Board Member

Officials

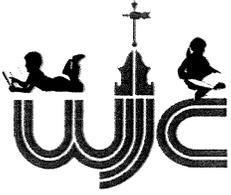
Dr. Steven M. Constantino.....Superintendent of Schools
Ms. Terry S. StoneChief Financial Officer
Ms. Janet L. Cerza Clerk
Ms. M. Ann Davis.....Treasurer
Ms. Y. Rene Ewing Comptroller



Williamsburg-James City County Public Schools



*Denotes Member of Superintendent's Cabinet
Revised 9-16-2013



Williamsburg – James City County Public Schools

School Board & Central Office at James Blair

PO Box 8783 | Williamsburg, VA 23187

Phone: (757) 603-6400 | www.wjccschools.org

WJCC School Board

November 21, 2013

Ruth Larson
Chair
Berkeley District

To Citizens
of James City County, Virginia:

Joe Fuentes
Vice Chair
Powhatan District

To Citizens
of the City of Williamsburg, Virginia:

Heather Cordasco
Roberts District

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

Elise Emanuel
City of Williamsburg

The Comprehensive Annual Financial Report (CAFR) of Williamsburg-James City County Public Schools (WJCC, or the School Division), a component unit of James City County, Virginia, for the fiscal year that ended June 30, 2013, 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.

James P. Nickols
Stonehouse District

Dr. Oscar Prater
Parliamentarian
City of Williamsburg

Jim Kelly
Jamestown District

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 and accompany the required MD&A. The MD&A can be found immediately following the independent auditor’s report.

The firm of Dixon Hughes Goodman LLP performed the audit of Williamsburg-James City County Public Schools for the seventh time this year. They were awarded the contract to provide the annual financial audit through the year ended June 30, 2017, with an opportunity for one five year renewal, 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 unmodified report of Dixon Hughes Goodman LLP, the highest possible result of the audit process, accompanies the financial statements in this report.

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

Steven M. Constantino, Ed. D.
Superintendent

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 2012-2013, the School Division operated three high schools (Grades 9-12), three middle schools (Grades 6-8), and nine elementary schools (Grades K-5). The School Division served 10,795 K-12 students and 240 Pre-K students and provided a full range of educational services appropriate to grades Pre-K through 12, including regular and enriched academic education, specialized education, occupational education, and programs for those with limited English proficiency. These programs are supplemented by a wide variety of offerings in fine arts and athletics.

ECONOMIC OUTLOOK AND CONDITION

James City County has seen a gradual increase in economic activity during the current fiscal year. Overall, revenues increased 0.1% from last year. Real estate revenue decreased as a result of reductions in real estate assessments of approximately 3.7%, but was offset by increases in personal property and sales tax revenue. Revenues are projected to increase 3.1% during fiscal year 2014. The real estate tax revenue is expected to increase next fiscal year, which is attributed solely to new development as there is no general reassessment or an increase in the tax rate.

In August 2012, the County retained the rating of AAA by Standard & Poor's and Fitch Ratings, which is the highest rating possible. Also, Moody's Investors Service affirmed its Aa1 rating and revised its outlook to positive. The positive outlook represents an improvement in Moody's rating from its previous Aa1 which had no comment relating to their outlook. 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

The School Division continues to rely upon the adopted Strategic Plan as a guiding document. The Plan's vision is "pursuing excellence and championing the success of all students." The direction and activities of WJCC are aligned with the Plan and the following five priorities:

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

Student learning outcomes as represented by the SOL scores remained strong, as WJCC students continued to outperform the state averages. This past school year 2012-13 saw the implementation of three new SOL tests in Reading, Writing, and Science. WJCC students exceeded the state averages in all grade level reading tests in 3rd, 5th, 8th, and 11th grade by 4 to 9 points, and produced an overall division score of 82%, exceeding the overall state average (75%) in Reading by 7 points. WJCC students matched or surpassed the state average on each of the new grade level writing tests and outscored the overall state average of 76% with an overall division score of 80%. The new science SOL test allowed WJCC students to show their strength by matching or surpassing the state score of 81% with an overall science SOL score of 83%. WJCC student performance on the SOL history tests (88%) continued to be a solid area of strength for the division as various test scores averaged in the high 80th to low 90th percentiles and achieved a 3 point advantage over the state average of 85%. The SOL math exams – now in their second

year of the more rigorous test, saw WJCC students achieve a slightly higher growth of 1 percent from last year (79%), with WJCC students outperforming the state average by 8 points (71%).

All fifteen WJCC schools were awarded “Fully Accredited” status by the Virginia Department of Education. In light of the new rules applied to the math targets for annual measurable objectives (AMO), five of the fifteen schools met all federal annual measurable objectives (FAMO).

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 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. Beginning with the 1996-1997 fiscal year, a contractual agreement exists with the City and County that documents the required disposition of unexpended appropriated School funds at year-end. The most recent amendment to the agreement was in April 2012.

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

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 revenues increased by approximately \$1.3 million from the prior year; while expenses decreased by approximately \$690,000;
- WJCC “unassigned” fund balance remained constant at \$500,000;
- WJCC met its expense obligations and returned a total of \$868,339 in unexpended appropriations to the City and County;
- local tax resources from the City and County continue to be a major funding source for the division;
- WJCC financial health remains stable and there is measured optimism that the economic recovery will continue to strengthen.

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, there is a high level of anticipation in regard to the State funding of K-12 education in the first year of the 2014-16 biennial budget. Additionally, we expect increases in the Virginia Retirement System retirement rates as a result of pension reform. Increased costs for fuel, utilities, and health insurance will also put greater strain on the budget. Developing a balanced budget that continues to provide for our number one priority of teaching and learning will remain a challenge.

Long-Term Financial Planning

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

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

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

Relevant Financial Policies

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

Independent Audit

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

Single Audit Act

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

Awards

This past year, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Williamsburg-James City County Public Schools for its FY 2011-2012 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.

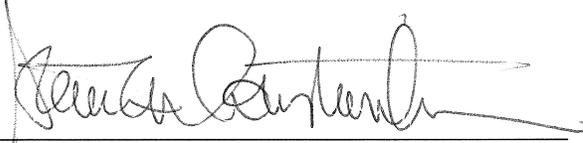
In order to be awarded a certificate, a reporting unit must publish an easily readable and efficiently organized comprehensive annual financial report, which generally conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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 dedication in providing fiscal responsibility and accurate reporting of financial data to the students, parents, staff, and general community of the School Division. We also would like to thank the members of the Department of Finance, who devote so many hours each year to the preparation of accurate payrolls, payables, financial reports, and statistical data.

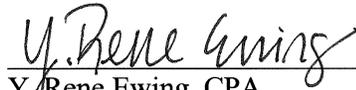
Respectfully submitted,



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



Terry S. Stone, CPA
Chief Financial Officer



Y. Rene Ewing, CPA
Comptroller

Association of School Business Officials International



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

Williamsburg-James City County Public Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**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, 2012

Executive Director/CEO



Independent Auditor's Report

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the ***Williamsburg - James City County Public Schools*** basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the ***Williamsburg - James City County Public Schools***, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *Williamsburg - James City County Public Schools'* basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information on page 57 is presented for purposes of additional analysis and is also not a required part of the financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report November 21, 2013, 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* in considering *Williamsburg - James City County Public Schools'* internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Newport News, Virginia
November 21, 2013

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

This discussion and analysis of Williamsburg-James City County Public Schools' (the Schools) financial performance provides an overview of financial activities for fiscal years ended June 30, 2013 and 2012. 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 position (assets less liabilities) on a government-wide basis were \$49.1 million at June 30, 2013, representing an increase of \$2.4 million or 5.0% over fiscal year 2012. Of the balance, a \$773,763 deficit for the unrestricted component of net position exists at June 30, 2013, from the recognition of unfunded liabilities related to other post employment benefits (OPEB) and \$49.9 million is invested in capital assets. The increase in net position is primarily attributable to the capitalization of ongoing and completed capital projects.
- The Schools' liabilities on a government-wide basis totaled \$19.4 million at June 30, 2013. This represented a \$2.1 million increase or 11.9% when compared to the balance at June 30, 2012. This increase was the result of an increase in accounts payable and noncurrent liabilities at June 30, 2013. The current liabilities of \$15.0 million primarily relate to accounts payable and accrued payroll and benefits; while the majority of noncurrent liabilities in the amount of \$4.4 million relates to other postemployment benefits and compensated absences at June 30, 2013.
- For fiscal year 2013, the Schools' governmental activities' expenses of \$123.0 million exceeded charges for services and operating grants and contributions of \$18.5 million by \$104.5 million. General revenues of \$106.9 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 \$932,545 for the year ended June 30, 2013.
- Total intergovernmental revenue for the governmental funds was \$122.0 million for the year ended June 30, 2013, reflecting an increase of 0.9% over 2012. Of that amount, \$87.5 million was revenue from the City and the County, \$28.3 million represented aid from the Commonwealth of Virginia (the Commonwealth), and \$6.2 million was revenue from the federal government.

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

Overview of the Financial Statements

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

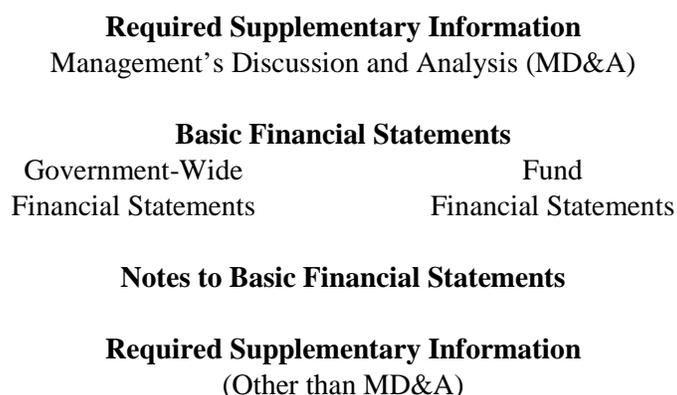
The basic financial statements consist of two kinds of statements that present different views of the Schools' financial activities.

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

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

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

FINANCIAL SECTION



Government-Wide Financial Statements

The government-wide financial statements report information about the Schools as a whole using accounting methods similar to those used by private-sector companies. The two statements—Statement of Net Position and Statement of Activities—report the Schools' net position and how they have changed.

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

Net position, 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 position are one indicator of whether its financial position is improving or worsening, respectively.
- To assess the overall financial position of the Schools, additional nonfinancial factors, such as changes in the City and the County's property tax base and the condition of school buildings and other facilities, should be considered.

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

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

Fund Financial Statements

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

The Schools utilize two types of funds:

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

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

Financial Analysis of the Schools as a Whole

STATEMENT OF NET POSITION

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

Table 1 (from Exhibit I – Statement of Net Position - Governmental Activities) below shows total net position for governmental activities at June 30, 2013 and 2012.

Total net position increased by \$2.4 million or 5.0% over fiscal year 2012. The increase in net position is primarily attributable to the capitalization of ongoing and completed capital projects during the year. Unrestricted net position totaled a deficit of \$773,763.

Table 1				
Condensed Summary of Net Position at June 30, 2013 and 2012				
		<u>2013</u>	<u>2012</u>	Variance
Current assets	\$	18,671,435	16,180,450	2,490,985
Capital assets, net		<u>49,897,556</u>	<u>47,957,321</u>	<u>1,940,235</u>
Total assets	\$	<u>68,568,991</u>	<u>64,137,771</u>	<u>4,431,220</u>
Current liabilities	\$	15,052,755	13,545,055	1,507,700
Noncurrent liabilities		<u>4,392,443</u>	<u>3,837,591</u>	<u>554,852</u>
Total liabilities	\$	<u>19,445,198</u>	<u>17,382,646</u>	<u>2,062,552</u>
Net position:				
Invested in capital assets, net of related debt	\$	49,897,556	47,957,321	1,940,235
Unrestricted		<u>(773,763)</u>	<u>(1,202,196)</u>	<u>428,433</u>
Total net position	\$	<u>49,123,793</u>	<u>46,755,125</u>	<u>2,368,668</u>

Table 2 (from Exhibit II – Statement of Activities - Governmental Activities) below shows the change in net position.

In the area of program revenues, the bulk of the funding was from operating grants and contributions. The majority of that funding was categorical revenue from the state and federal governments. The decrease in operating grants and contributions of \$2.0 million or 11.1% under fiscal year 2012 was the result of a decrease in federal grant allocations. The majority of the charges for services revenue came from local lunch sales in the cafeterias (Schools' Food Services Fund).

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

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 an increase in grants and contributions not restricted of \$3.2 million or 3.1% over fiscal year 2012 as a result of increased allocations from the City and County.

School divisions are by nature a people intensive operation. 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 2013, the majority of which were related to salary and benefit costs for instructional personnel.

Table 2			
Condensed Changes in Net Position – Governmental Activities			
Years ended June 30, 2013 and 2012			
	<u>2013</u>	<u>2012</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2,530,375	2,568,153	(37,778)
Operating grants and contributions	16,006,571	17,998,894	(1,992,323)
General revenue:			
Interest	2,568	8,454	(5,886)
Grants and contributions not restricted	106,692,704	103,477,467	3,215,237
Miscellaneous	201,167	61,251	139,916
Total revenues	<u>125,433,385</u>	<u>124,114,219</u>	<u>1,319,166</u>
Program expenses:			
General and administrative	2,437,168	2,425,720	11,448
Instruction	87,380,735	87,034,927	345,808
Attendance and health services	4,115,553	4,309,939	(194,386)
Pupil transportation	7,978,013	8,130,530	(152,517)
Operations and maintenance	10,945,546	10,703,375	242,171
Technology	5,962,934	5,893,444	69,490
Food services	4,244,768	4,053,262	191,506
Total program expenses	<u>123,064,717</u>	<u>122,551,197</u>	<u>513,520</u>
Increase in net position	\$ <u>2,368,668</u>	<u>1,563,022</u>	<u>805,646</u>
Beginning Net Position	\$ <u>46,755,125</u>	<u>45,192,103</u>	<u>1,563,022</u>
Ending Net Position	\$ <u><u>49,123,793</u></u>	<u><u>46,755,125</u></u>	<u><u>2,368,668</u></u>

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

STATEMENT OF ACTIVITIES

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

Governmental Activities

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

Table 3				
Total and Net Cost of Program Services				
Years ended June 30, 2013 and 2012				
	2013		2012	
	Total cost of service	Net cost of service	Total cost of service	Net cost of service
General and administrative	\$ 2,437,168	(2,404,733)	2,425,720	(2,425,720)
Instruction	87,380,735	(74,212,321)	87,034,927	(71,838,966)
Attendance and health services	4,115,553	(3,556,285)	4,309,939	(3,761,642)
Pupil transportation	7,978,013	(7,978,013)	8,130,530	(8,130,530)
Operations and maintenance	10,945,546	(10,629,869)	10,703,375	(10,435,288)
Technology	5,962,934	(5,522,934)	5,893,444	(5,453,444)
Food services	4,244,768	(223,616)	4,053,262	61,440
Total program expenses	\$ <u>123,064,717</u>	<u>(104,527,771)</u>	<u>122,551,197</u>	<u>(101,984,150)</u>

The net cost of all governmental activities in fiscal year 2013 was \$104.5 million, representing a 2.5% increase over fiscal year 2012. The increase in the net cost is the result of decreases in federal grant allocations and the depletion of federal stimulus funds during the year. The amount that the citizens of the City and the County paid for these activities in fiscal year 2013 through taxes was \$87.5 million, representing an increase of 3.3% over fiscal year 2012.

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

Financial Analysis of the Schools in Parts

FUND STATEMENTS

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

Financial Analysis of the Schools' Funds

The focus of the Schools' governmental funds is on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of the Schools' net resources available for spending at the end of the fiscal year. As the Schools completed the year, its governmental funds reported combined fund balances of \$4.2 million. Approximately 11.8% of this amount (\$0.5 million) constitutes unassigned fund balance, which is available for spending at the Schools' discretion. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it is mostly reserved as follows: (1) to liquidate contracts and purchase orders of the prior period, (2) to account for reported inventories in the Schools' Food Service Fund, (3) to account for funding restricted for various grants and (4) to account for funding committed to capital projects. 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, 2013 and 2012			
	2013	2012	Variance
Revenues:			
City of Williamsburg and James City Co.	\$ 83,562,280	81,575,478	1,986,802
Commonwealth of Virginia	27,402,913	26,496,038	906,875
Federal government	152,615	1,866,984	(1,714,369)
Charges for services, interest, and miscellaneous	847,299	546,579	300,720
Total revenues	<u>\$ 111,965,107</u>	<u>110,485,079</u>	<u>1,480,028</u>
Expenditures and other financing uses:			
General and administrative	\$ 2,380,943	2,399,471	(18,528)
Instruction	81,519,349	80,570,534	948,815
Attendance and health services	3,868,988	3,879,999	(11,011)
Pupil transportation	7,033,259	7,181,689	(148,430)
Operation and maintenance	10,148,277	10,074,061	74,216
Technology	4,973,281	4,904,576	68,705
Debt service/capital outlay	967,889	771,001	196,888
Transfers to other funds	685,097	1,140,227	(455,130)
Total expenditures and other financing uses	<u>\$ 111,577,083</u>	<u>110,921,558</u>	<u>(655,525)</u>

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

Management's Discussion and Analysis (Unaudited)
Years ended June 30, 2013 and 2012

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 (\$112.0 million) exceeded expenditures and other financing uses (\$111.6 million) by \$0.4 million.

As compared to the original budget, actual intergovernmental revenue was approximately \$0.8 million less at June 30, 2013. This was due primarily to a decrease in revenue required from the City and County. No amendments to the original revenue budget were made during the year. Regarding expenditures and other financing uses, the actual was approximately \$1.1 million less than the original budget. The other financing use represents a transfer of fund balance from the General Fund to the Capital Projects Fund in the amount of \$685,097. 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 2013 totaled \$5.5 million. The majority of the revenue, \$4.0 million, was from federal grants. Expenditures for fiscal year 2013 totaled \$5.5 million. As a result, the Grants Fund ended the year with no significant change in fund balance.

The Schools' Food Services Fund Highlights

The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias. Revenues for fiscal year 2013 totaled \$4.0 million, representing a 2.3% decrease under fiscal year 2012. Revenue in the amount of \$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 \$2.1 million. Expenditures for the year totaled \$4.0 million in fiscal year 2013. As a result, the Schools' Food Services Fund ended the year with an increase in fund balance of approximately \$55,000.

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 2013, revenues totaled \$3.9 million while expenditures amounted to \$4.1 million. In fiscal year 2013, transfers from the General Fund for capital projects totaled \$0.7 million.

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

Management's Discussion and Analysis (Unaudited)
 Years ended June 30, 2013 and 2012

Capital Assets

At the end of fiscal year 2013, the Schools had \$49.9 million of capital assets (net of accumulated depreciation) invested in land, buildings, and furniture and equipment. This represented a 4.0% increase from fiscal year 2012 to fiscal year 2013. All capital assets are attributable to governmental activities. Total accumulated depreciation on these assets was approximately \$24.1 million at June 30, 2013. Below is a summary of the Schools' net capital assets:

Table 5				
Capital Assets, Net at June 30, 2013 and 2012				
Capital Asset Category		2013	2012	Variance
Land	\$	8,435,126	8,435,126	—
Buildings and building improvements		30,986,621	31,605,563	(618,942)
Furniture and equipment		7,385,987	7,498,589	(112,602)
Construction in progress		3,089,822	418,043	2,671,779
Total capital assets, net	\$	<u>49,897,556</u>	<u>47,957,321</u>	<u>1,940,235</u>

Major capital asset events during fiscal year 2013 included the following:

- Security card access at Lafayette High School;
- Security card access at Norge Elementary School;
- Security card access at Berkeley Middle School;
- Energy efficient gym lighting at Matoaka Elementary School;
- Energy efficient gym lighting at Matthew Whaley Elementary School;
- Digital cameras for use on school buses;
- Technology refresh at all middle schools;
- Parking lot repairs at Berkeley Middle School;
- Parking lot repairs at Lafayette High School;
- Parking lot repairs at Clara Byrd Baker Elementary School;
- Parking lot repairs at Toano Middle School.

Long-Term Liabilities

Long-term liabilities at the end of fiscal year 2013 were \$4.8 million, with \$420,663 due within one year and \$4.4 million due in greater than one year consisting of \$934,806 in compensated absences and \$3.9 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, 2013 and 2012

Factors Influencing Future Budgets

The economy continues to show signs of a measured recovery after the national recession. With the current economic condition in mind, below is a list of factors that will likely influence future budgets:

- State funding as established by the Governor and the General Assembly in the first year of the 2015-2017 biennium budget
- Needed capital projects as a result of increasing enrollment
- Instructional program enhancements to address the achievement gap and in response to more rigorous State Standards
- Implementation of programs and initiatives that align and advance the WJCC Strategic Plan
- Increasing VRS retirement contributions in response to pension reform and rising employee health insurance cost
- Restoration of previously reduced funding for equipment, professional development, and operating expenditures

Contacting the Williamsburg-James City County Public Schools Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Schools' finances and to show the Schools' accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department at the Williamsburg-James City County Public Schools, 117 Ironbound Road, Williamsburg, Virginia 23185, and telephone 757-603-6400.

BASIC FINANCIAL STATEMENTS



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

Statement of Net Position – Governmental Activities

June 30, 2013

Assets:	
Cash and temporary investments (note 2)	\$ 15,802,511
Receivables	47,059
Due from federal government	978,419
Due from Commonwealth of Virginia	175,528
Due from the City of Williamsburg and James City County	1,591,674
Inventory	76,244
Capital assets, not being depreciated (note 4)	11,524,948
Capital assets, net of depreciation (note 4)	38,372,608
Total assets	<u>68,568,991</u>
Liabilities:	
Accounts payable	2,887,499
Accrued payroll	6,585,252
Accrued benefits	4,968,496
Unearned revenue (note 10)	190,845
Noncurrent liabilities (notes 5 and 7):	
Due within one year	420,663
Due in more than one year	4,392,443
Total liabilities	<u>19,445,198</u>
Net position:	
Invested in capital assets	49,897,556
Unrestricted	(773,763)
Total net position	<u>\$ 49,123,793</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, 2013

Functions/programs	Expenses	Program revenues		Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	
Governmental activities:				
General and administrative	\$ 2,437,168	—	32,435	(2,404,733)
Instruction	87,380,735	343,800	12,824,614	(74,212,321)
Attendance and health services	4,115,553	—	559,268	(3,556,285)
Pupil transportation	7,978,013	—	—	(7,978,013)
Operations and maintenance	10,945,546	315,677	—	(10,629,869)
Technology	5,962,934	—	440,000	(5,522,934)
Food services	4,244,768	1,870,898	2,150,254	(223,616)
Total	\$ 123,064,717	2,530,375	16,006,571	(104,527,771)
General revenues:				
Interest				2,568
Grants and contributions not restricted to specific programs				106,692,704
Miscellaneous				201,167
Total				106,896,439
Change in net position				2,368,668
Net position at beginning of year				46,755,125
Net position at end of year				\$ 49,123,793

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, 2013

Assets	General	Grants	Schools' Food Services	Capital Projects	Total governmental funds
Cash and temporary investments (note 2)	\$ 14,076,155	76,706	576,219	1,073,431	15,802,511
Receivables	36,840	4,732	5,487	—	47,059
Due from federal government	16,363	635,606	326,450	—	978,419
Due from Commonwealth of Virginia	150,719	24,809	—	—	175,528
Due from the City of Williamsburg and James City County	36,895	—	—	2,423,118	2,460,013
Inventory	—	—	76,244	—	76,244
Total assets	<u>\$ 14,316,972</u>	<u>741,853</u>	<u>984,400</u>	<u>3,496,549</u>	<u>19,539,774</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 788,192	62,740	298	2,036,269	2,887,499
Accrued payroll	6,178,163	281,459	125,630	—	6,585,252
Accrued benefits	4,652,265	206,809	109,422	—	4,968,496
Due to the City of Williamsburg and James City County	868,339	—	—	—	868,339
Total liabilities	<u>12,486,959</u>	<u>551,008</u>	<u>235,350</u>	<u>2,036,269</u>	<u>15,309,586</u>
Fund balances:					
Nonspendable:					
Inventory	—	—	76,244	—	76,244
Restricted	—	190,845	—	—	190,845
Committed	—	—	—	1,460,280	1,460,280
Assigned (note 1)	1,330,013	—	672,806	—	2,002,819
Unassigned	500,000	—	—	—	500,000
Total fund balances	<u>1,830,013</u>	<u>190,845</u>	<u>749,050</u>	<u>1,460,280</u>	<u>4,230,188</u>
Total liabilities and fund balances	<u>\$ 14,316,972</u>	<u>741,853</u>	<u>984,400</u>	<u>3,496,549</u>	
Adjustments for the statement of net position:					
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.					49,897,556
Long-term liabilities are not reported as liabilities in the governmental funds.					
Compensated Absences		(934,806)			
Other post employment benefits		<u>(3,878,300)</u>			
Unearned revenue is not reported as a liability in the governmental funds.					(190,845)
Net position of governmental activities				\$	<u>49,123,793</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

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

Year ended June 30, 2013

	<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	\$ 83,562,280	—	—	3,901,956	87,464,236
From Commonwealth of Virginia	27,402,913	856,245	63,750	—	28,322,908
From federal government	152,615	4,006,696	2,086,504	—	6,245,815
Total intergovernmental	<u>111,117,808</u>	<u>4,862,941</u>	<u>2,150,254</u>	<u>3,901,956</u>	<u>122,032,959</u>
Charges for services	644,360	15,117	1,870,898	—	2,530,375
Interest	1,772	—	796	—	2,568
Miscellaneous	201,167	632,879	—	—	834,046
Total revenues	<u>111,965,107</u>	<u>5,510,937</u>	<u>4,021,948</u>	<u>3,901,956</u>	<u>125,399,948</u>
Expenditures:					
Current:					
General and administrative	2,380,943	32,435	—	—	2,413,378
Instruction	81,519,349	4,469,500	—	—	85,988,849
Attendance and health services	3,868,988	224,345	—	—	4,093,333
Pupil transportation	7,033,259	—	—	—	7,033,259
Operations and maintenance	10,148,277	504	—	—	10,148,781
Technology	4,973,281	342,956	—	—	5,316,237
Food services	—	240,562	3,953,183	—	4,193,745
Capital outlay	967,889	234,072	14,111	4,063,749	5,279,821
Total expenditures	<u>110,891,986</u>	<u>5,544,374</u>	<u>3,967,294</u>	<u>4,063,749</u>	<u>124,467,403</u>
Excess (deficiency) of revenues over expenditures	<u>1,073,121</u>	<u>(33,437)</u>	<u>54,654</u>	<u>(161,793)</u>	<u>932,545</u>
Other financing sources (uses):					
Transfers in (note 3)	—	—	—	685,097	685,097
Transfers out (note 3)	(685,097)	—	—	—	(685,097)
Total other financing sources and uses	<u>(685,097)</u>	<u>—</u>	<u>—</u>	<u>685,097</u>	<u>—</u>
Net change in fund balances	388,024	(33,437)	54,654	523,304	932,545
Fund balances at beginning of year	<u>1,441,989</u>	<u>224,282</u>	<u>694,396</u>	<u>936,976</u>	<u>3,297,643</u>
Fund balances at end of year	<u>\$ 1,830,013</u>	<u>190,845</u>	<u>749,050</u>	<u>1,460,280</u>	<u>4,230,188</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

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

Year ended June 30, 2013

(Continued)

Net change in fund balances		\$ 932,545
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		5,279,821
Depreciation expense		<u>(3,169,260)</u>
		2,110,561
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 position differs from the change in fund balances by the cost of the equipment sold.		(170,326)
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	38,451	
Change in net OPEB obligation	<u>(576,000)</u>	(537,549)
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>33,437</u>
Change in net position of governmental activities		<u>\$ 2,368,668</u>

See accompanying notes to basic financial statements.

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

Statement of Fiduciary Assets and Liabilities – Agency Funds

June 30, 2013

Assets:

Cash and temporary investments (note 2)	\$ 1,103,573
Receivables:	
Commonwealth of Virginia	<u>268,889</u>
Total assets	<u>\$ 1,372,462</u>

Liabilities:

Accrued payroll	\$ 37,596
Accrued benefits	28,843
Due to students	<u>1,306,023</u>
Total liabilities	<u>\$ 1,372,462</u>

See accompanying notes to basic financial statements.

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1. Summary of Significant Accounting Policies**Narrative Profile**

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

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

Local 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, 2013, the apportionment of the Schools' costs to the County and the City was \$75,900,793 or 90.83%, and \$7,661,487, or 9.17%, respectively. According to the Agreement, as amended, a spending plan may be developed by the Schools if there are any unexpended appropriated funds. The spending plan must be approved by the governing bodies of both the City and the County.

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.

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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 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 Position– The statement of net position is designed to display the financial position of the Schools. Governments report all capital assets in the government-wide statement of net position and report depreciation expense – the cost of “using up” capital assets—in the statement of activities. The net position 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 position.

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.

GASB Statement No. 63 – The School Board adopted the provisions of GASB Statement No, 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This updated was effective for financial statement periods beginning after December 15, 2011, and required the use of new terminology to describe various aspects of the financial statements. Specifically to the Public Schools, this required the use of “Net Position” as opposed to “Net Assets.”

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

(b) Basis of Presentation

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

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

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The Schools report the following major governmental funds:

- *General Fund* – The General Fund is the general operating fund of the Schools. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are primarily from intergovernmental revenues.
- *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. Revenues are primarily from intergovernmental revenues for Federal and State grants.
- *Schools' Food Services Fund* – The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias. Revenues are primarily from food sales and the Federal government for the National School Lunch program.
- *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.

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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.

(d) Encumbrances

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

At June 30, 2013, encumbrances were \$91,920 and are included in the Assigned fund balance classification on Exhibit III for the General Fund. The amount is allocated as follows:

	<u>Amount</u>
Encumbrances assigned to:	
General and administrative	\$20,293
Instruction	40,732
Operations and maintenance	1,384
Technology	3,936
Transportation	<u>25,575</u>
Total	<u>\$91,920</u>

(e) Cash and Investments

Cash and investments at June 30, 2013 are included in the various cash accounts reflected in the financial statements. Investments are stated at fair value.

(f) Receivables and Due from Other Governments

Amounts due from the Commonwealth of Virginia consist primarily of receivables from state entitlements and reimbursement of grants expenditures. Amounts due from the federal government are for reimbursement of grants expenditures. Amounts due from the City and the

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County are primarily related to reimbursement of capital project expenditures. Receivables consist primarily of amounts due from students and other customers of the Schools. All receivables are expected to be collected within one year from the end of the fiscal year.

(g) Inventory

All inventory reported in the Schools’ Food Services Fund is stated at cost using the first-in, first-out inventory method. Inventory consists principally of food and other items held for resale and is considered expended when used (consumption method). The inventory is offset by non spendable fund balance, which indicates that the inventory does not constitute available, expendable resources.

(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, 2013, the County holds capital assets related to school property with a net book value of \$200,535,537.

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:

<u>Description</u>	<u>Estimated lives</u>
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

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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. At June 30, 2013, the 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 Balances

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

Fund balances are now classified as one of the following:

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

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

For the fiscal year ended June 30, 2013, the General Fund has the following amounts assigned:

<u>Description</u>	<u>Amount</u>
Capital Projects: Technology refresh	\$ 164,000
Capital Projects: Energy efficient lighting	32,200
Email server replacement	120,000
One to one technology advancement	219,693
School buses	500,000
Student information system-year 2	202,200
Encumbrances	91,920
Total	<u>\$1,330,013</u>

(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.

(l) Subsequent Events

In preparing these financial statements, the Schools' have evaluated events and transactions for potential recognition or disclosure through November 21, 2013, 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	\$ 16,610,365
Certificates of deposit	48,869
Investment in the Treasurer of the Commonwealth of Virginia's Local Government Investment Pool (LGIP)	246,850
	<u>\$ 16,906,084</u>

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The totals above include Agency Funds in the amount of \$1,103,573 which are not a part of the governmental fund financial statements.

Deposits

The bank balance of the Schools' deposits with banks and savings institutions, which is different from the carrying value because of reconciling items such as outstanding checks and deposits in transit, was \$18,742,796. The entire bank balance was covered by the Federal Depository Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. If any member financial institution fails, the entire collateral becomes available to satisfy the claims of the Schools. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members (banks and savings and loans) of the pool; therefore, these deposits are considered collateralized and as a result are insured. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Therefore, these deposits are considered collateralized and as a result, are considered insured.

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.

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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.

As of June 30, 2013, 100% of the Schools' portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, money market accounts with several local banks, and a bank deposit with a local bank.

Concentration of Credit Risk

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

U.S. Treasury	100% maximum
Each money market mutual fund	50% maximum
Each federal agency	35% maximum
Each repurchase agreement counterparty	25% maximum

As of June 30, 2013, 100% of the Schools' portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, money market accounts with several local banks, and a bank deposit with a local bank.

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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, 2013, all of the Schools’ deposits and investments are held in a bank’s trust department in the Schools’ name.

3. Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances are considered short-term in nature. All other balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2013, there were no interfund receivables or payables.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

At June 30, 2013, interfund transfers consisted of the following:

Fund:	<u>Transfer To</u>	<u>Transfer From</u>
General	\$ —	685,097
Capital Projects	685,097	—
Total	<u>\$ 685,097</u>	<u>685,097</u>

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4. Capital Assets, Net

A summary of changes in capital assets follows:

	Balance			Balance
	July 1, 2012	Additions	Deletions	June 30, 2013
Capital assets not being depreciated:				
Land	\$ 8,435,126	—	—	8,435,126
Construction in progress	418,043	4,063,749	1,391,970	3,089,822
Total capital assets not being depreciated	<u>8,853,169</u>	<u>4,063,749</u>	<u>1,391,970</u>	<u>11,524,948</u>
Other capital assets:				
Buildings and building improvements	41,713,967	1,301,358	—	43,015,325
Furniture and equipment	19,728,545	1,152,317	1,429,125	19,451,737
Total other capital assets	<u>61,442,512</u>	<u>2,453,675</u>	<u>1,429,125</u>	<u>62,467,062</u>
Less accumulated depreciation for:				
Buildings and building improvements	10,108,404	1,920,300	—	12,028,704
Furniture and equipment	12,229,956	1,248,960	1,413,166	12,065,750
Total accumulated depreciation	<u>22,338,360</u>	<u>3,169,260</u>	<u>1,413,166</u>	<u>24,094,454</u>
Other capital assets, net	<u>39,104,152</u>	<u>(715,585)</u>	<u>15,959</u>	<u>38,372,608</u>
Totals	<u>\$ 47,957,321</u>	<u>3,348,164</u>	<u>1,407,929</u>	<u>49,897,556</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 964,817
General and administrative	13,689
Pupil transportation	907,012
Operations and maintenance	612,546
Technology	629,645
Food services	41,551
Total governmental activities depreciation expense	<u>\$ 3,169,260</u>

At June 30, 2013, the Schools had contractual commitments of approximately \$10.9 million for work remaining to be performed under capital projects.

During the year ended June 30, 2013, one project shown as part of construction in progress at June 30, 2012, for approximately \$154,000 will not be pursued. This amount has been recorded as additional loss on disposal on Exhibit II, the statement of activities, and has been removed from capital assets, not being depreciated on Exhibit I, the statement of net position.

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5. Long-Term Liabilities

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

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amounts due in one year
Compensated absences	\$ 973,257	897,176	935,627	934,806	420,663
Other postemployment benefits	3,302,300	815,000	239,000	3,878,300	—
	<u>\$ 4,275,557</u>	<u>1,712,176</u>	<u>1,174,627</u>	<u>4,813,106</u>	<u>420,663</u>

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

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

(a) Operating Leases

The Schools lease equipment and buildings under noncancelable operating leases. Total costs for such leases were approximately \$244,354 for the year ended June 30, 2013. The future minimum lease payments for these leases are as follows:

Years ending June 30:	
2014	\$ 205,037
2015	153,956
2016	111,316
2017	<u>27,655</u>
	<u>\$ 497,964</u>

6. Defined Benefit Pension Plan**Virginia Retirement System:****(a) Plan Description**

The Schools contribute to the Virginia Retirement System (VRS or the System), an agent and cost-sharing multiple employer, defined benefit pension plan administered by the System. All full-time, salaried permanent professional employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit.

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

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

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.
- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 3.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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The System issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by 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/Pdf/Publications/2012-annual-report.pdf>

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period of up to five years and the employer is required to provide a salary increase equal to the amount of the increase in the employee paid member contribution. 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 of Virginia and approved by the VRS Board of Trustees. The Schools' contribution rate for nonprofessional and professional employees for the fiscal year ended June 30, 2013 was 9.05% and 11.66%, respectively, of annual covered payroll.

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

	<u>Annual required contributions</u>	<u>Actual amount contributed</u>	<u>Amount contributed in percent</u>
2013	\$9,435,099	\$9,435,099	100.0%
2012	6,893,889	6,893,889	100.0%
2011	5,662,832	5,662,832	100.0%

(b) Annual Pension Cost

For fiscal year 2013, the Schools' annual pension cost of \$554,483 for nonprofessional employees to VRS was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 3.75% to 5.60% per year for general government employees and 3.75% to 6.2% per year for teachers, (c) 2.5% per year COLA adjustment for Plan 1 members, and (d) 2.25% per year COLA for Plan 2 members. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the Schools' assets is equal to the modified market value. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five year period. The Schools' unfunded

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actuarial accrued liability is being amortized as a level percentage of payroll on an open basis over 30 years, decreasing by one each year in subsequent valuations until reaching 20 years. The Schools did not have a net pension obligation as determined by GASB Statement No. 27, *Accounting for Pension by State and Local Government Employers*.

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, 2013	\$554,483	100.0%	---
June 30, 2012	566,011	100.0%	---
June 30, 2011	543,878	100.0%	---

(c) Funded Status and Funding Progress

As of December 19, 2012, the most recent actuarial valuation date for fiscal year ending June 30, 2012, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 15,103,163
Less actuarial value of plan assets	(12,876,349)
Unfunded actuarial accrued liability (UAAL)	2,226,814
Funded ratio (actuarial value of plan assets/AAL)	85.26%
Covered Payroll	\$ 4,730,105
UAAL as a percentage of covered payroll	47.08%

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

VRS Health Insurance Credit:

(a) Plan Description

Retirees who have 15 or more years of creditable VRS service are granted the option to participate in the VRS Health Insurance Credit program by paying 100% of their monthly health insurance premium less a \$1.50 per month per year of service however, such credit shall not exceed the health insurance premium for retiree. Disabled retirees are eligible to received a maximum monthly credit of \$45. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns

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the authority to establish and amend the benefit provisions to the General Assembly of Virginia. The health insurance credit program is an agent, multiple-employer plan and is financed by payments from Williamsburg – James City County Public Schools for all active employees to the VRS. For fiscal year ended June 30, 2013, the contribution made by WJCC PS was \$702,886 for both professional and nonprofessional employees, of which \$12,958 was for nonprofessional employees. The surplus funds are not considered advance funded because WJCC PS, its employees, and retirees have no vested rights to access the excess funds. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

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

The VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the VRS. A copy of that report may be obtained by writing VRS at PO Box 2500, Richmond, Virginia 23218-2500 or by download from their website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf>.

Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute an actuarial percentage of their annual reported compensation to the VRS for the retiree health insurance credit. WJCC PS has assumed this contribution. In addition, WJCC PS is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. WJCC PS' required contribution rate for the fiscal year ended June 30, 2013 was 0.29% of annual covered payroll (annual payroll of nonprofessional active employees covered by the plan).

(b) Annual Benefit Cost

For fiscal year 2013, the Schools' annual benefit cost of \$12,958 for nonprofessional employees was equal to the Schools' required and actual contributions. The required contributions were determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included a 7.0% investment rate of return, projected salary increases of 3.0% per year, and a participation assumption that 85% of current employees will utilize the benefit program. The investment rate of return also included an inflation component of 2.5%. The actuarial value of the Schools' assets is equal to the market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five year period. The Schools' unfunded actuarial

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accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2012, was 29 years.

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, 2013	\$12,958	100.0%	---
June 30, 2012	15,668	100.0%	---
June 30, 2011	15,071	100.0%	---

(c) Funded Status and Funding Progress

As of December 21, 2012, the most recent actuarial valuation date for fiscal year ending June 30, 2012, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 280,038
Less actuarial value of plan assets	(220,170)
<u>Unfunded actuarial accrued liability (UAAL)</u>	<u>59,868</u>
<u>Funded ratio (actuarial value of plan assets/AAL)</u>	<u>78.62%</u>
Covered Payroll	\$ 4,730,105
UAAL as a percentage of covered payroll	1.27%

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

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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.

(b) Plan Description

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

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

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

(c) Funded Status and Funding Policy

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

As of April 20, 2012, the most recent actuarial valuation date for fiscal year ending June 30, 2013, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 6,349,000
Less actuarial value of plan assets	-
<hr/>	
Unfunded actuarial accrued liability (UAAL)	6,349,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%
<hr/>	
Covered payroll	\$ 70,133,265
UAAL as a percentage of covered payroll	9.1%

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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 29.3%. The remaining amortization period at June 30, 2013 was 26 years.

The Schools' annual OPEB cost and the net OPEB obligation based on a 4% discount rate, a 3.2% inflation rate, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for the year ending June 30, 2013 is as follows:

Discount Rate	4.0%
Annual Required Contribution (ARC)	\$ 815,000
Interest on Net OPEB Obligation	132,000
Adjustment to Annual Required Contribution	(132,000)
Annual OPEB Cost (expense)	\$ 815,000
Expected Pay-As-You-Go Annual Employer Contribution	(239,000)
Net Cash Contribution	-
Increase in net OPEB obligation	576,000
Net OPEB Obligation, June 30, 2012	3,302,300
Net OPEB Obligation, June 30, 2013	\$ 3,878,300
Actual Contribution rate	29.3%

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

	Three-year trend information			
	Annual benefit cost (ABC)	Actual contribution¹	Percentage of ABC contributed	Net benefit obligation
Fiscal year ended:				
June 30, 2013	\$ 815,000	\$ 239,000	29.3%	\$ 3,878,300
June 30, 2012	748,000	202,000	27.0%	3,302,300
June 30, 2011	1,074,000	290,000	27.0%	2,756,300

¹Sum of estimated retiree payments plus scheduled trust contributions.

(e) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used

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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, 2012 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 7.5%; trend rates for medical benefits, including prescription drugs, range from 7.0% in 2014 to 6.6% in 2016. It is assumed that 60% of active school employees will elect coverage at retirement, 40% of retirees electing coverage will also elect coverage for their spouse, and husbands are assumed to be three years older than the wife.

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

8. Contingent Liabilities**(a) Litigation**

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

(b) Federal Award Programs

The Schools participate in a number of federal award programs. Although the Schools were audited in accordance with the provisions of the U. S. Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, in conjunction with the audit of James City County, these programs are still subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Based on prior experience, the Schools' management believes such disallowances, if any, will not be significant. A schedule of findings and questioned costs, if any, is included in a separately issued James City County and Williamsburg-James City County School Board combined single audit report in the Comprehensive Annual Financial Report of James City County.

9. Risk Management

The Schools are exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Schools report all of its risk management activities in the General Fund and pay all claims for retained risks with commercial insurance companies. All premiums are budgeted for and paid with General Fund resources. All unemployment and health care claims are paid through a third-party administrator with resources

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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.

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, 2013 follow:

	Grants Fund
Unexpended grants	\$ <u>190,845</u>
Government-wide unearned revenue	\$ <u>190,845</u>

11. Subsequent Event

On September 3, 2013, the Schools executed a lease-purchase agreement to purchase GPS units for school buses. This lease agreement utilizes a national financial institution as the escrow agent, who is responsible for receiving money from the Schools based on the lease payment schedule and for making payments to the GPS vendor based on the services rendered as evidenced by invoices sent to the Schools. The first payment was due in September 2013 after installation of the GPS units. The lease agreement will be accounted for as a capital lease and has a term of five years with a total financed amount of \$255,285.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
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Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)
(unaudited)

General Fund
Required supplementary information

Year ended June 30, 2013

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance from amended</u>
Revenues:				
Intergovernmental:				
Local sources	\$ 84,430,619	84,430,619	83,562,280	(868,339)
Commonwealth of Virginia	27,371,795	27,371,795	27,402,913	31,118
Federal government	80,000	80,000	152,615	72,615
Charges for services	573,000	573,000	644,360	71,360
Interest	3,000	3,000	1,772	(1,228)
Miscellaneous	106,000	106,000	201,167	95,167
Total revenues	<u>112,564,414</u>	<u>112,564,414</u>	<u>111,965,107</u>	<u>(599,307)</u>
Expenditures:				
Education:				
General and administrative	2,500,125	2,500,125	2,338,775	161,350
Instruction	83,056,145	83,056,145	81,505,993	1,550,152
Attendance and health services	4,057,996	4,057,996	3,868,988	189,008
Pupil transportation	7,445,071	7,445,071	7,553,582	(108,511)
Operations and maintenance	10,786,983	10,786,983	10,222,502	564,481
Technology	4,718,094	4,718,094	5,274,557	(556,463)
Total expenditures	<u>112,564,414</u>	<u>112,564,414</u>	<u>110,764,397</u>	<u>1,800,017</u>
Excess of revenues over expenditures	\$ <u>—</u>	<u>—</u>	<u>1,200,710</u>	<u>1,200,710</u>
Other financing use:				
Transfers out	<u>—</u>	<u>—</u>	<u>(685,097)</u>	<u>(685,097)</u>
Excess of revenues over expenditures and other financing uses	\$ <u>—</u>	<u>—</u>	<u>515,613</u>	<u>515,613</u>
Fund balance at the beginning of year			1,441,989	
Cancellation of unexpended prior year encumbrances			37,383	
Decrease in reserve for encumbrances			<u>(164,972)</u>	
Fund balance at end of year			\$ <u>1,830,013</u>	

See accompanying note to required supplementary information.

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Required Supplementary Information

Schedule of Funding Progress (unaudited)

Year ended June 30, 2013

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, 2012	\$ 12,876,349	15,103,163	2,226,814	85.26%	\$ 4,730,105	47.08%
June 30, 2011	12,608,672	14,672,694	2,064,022	85.93%	4,796,556	43.03%
June 30, 2010	12,134,124	14,053,571	1,919,447	86.34%	4,839,145	39.67%

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, 2012	\$ 220,170	280,038	59,868	78.62%	\$ 4,730,105	1.27%
June 30, 2011	217,501	278,954	61,453	77.97%	4,796,556	1.28%
June 30, 2010	179,876	266,251	86,375	67.56%	4,839,145	1.78%

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, 2012	\$ —	6,349,000	6,349,000	—	\$ 70,133,265	9.1%
July 1, 2011	—	5,803,000	5,803,000	—	71,381,094	8.1%
July 1, 2010	—	7,988,000	7,988,000	—	69,697,225	11.5%

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Required Supplementary Information

Schedule of Employer Contributions (unaudited)

Year ended June 30, 2013

Virginia Retirement System - Nonprofessional Employees			
Year Ended		Annual Required	Percentage
June 30		Contribution	Contributed
2013	\$	554,483	100%
2012		566,011	100%
2011		543,878	100%

Virginia Retirement System - Health Insurance Credit Program			
Year Ended		Annual Required	Percentage
June 30		Contribution	Contributed
2013	\$	12,958	100%
2012		15,668	100%
2011		15,071	100%

Post Retirement Medical and Retiree Health Insurance Plan				
Year Ended		Annual Benefit	Actual	Percentage
June 30		Cost (ABC)	Contribution¹	of ABC
				Contributed
2013	\$	815,000	239,000	29.3%
2012		748,000	202,000	27.0%
2011		1,074,000	290,000	27.0%

¹Sum of estimated retiree payments plus scheduled trust contributions.

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(Component Unit of the James City County, Virginia)

Note to Required Supplementary Information

Year ended June 30, 2013

(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, as amended, for funding with the County and the City permits the Schools to develop a spending if there are any unexpended appropriated funds. The spending plan must be approved by the governing bodies of both the City and the County.
- (g) The General Fund is the only governmental fund that has a legally adopted annual budget. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except that encumbrances are included as budgetary expenditures.
- (h) Program and project budgets are adopted for the Grants Fund, Schools' Food Services Fund and the Capital Projects fund. The Capital Projects budget is adopted on a project basis by the Board of Supervisors and the City Council upon the School Board's recommendation. The accounting, encumbering and controlling of funds for capital projects are based on the project length of each individual project which may be over several years. Since the budgets are not legally adopted, they are not included in the budget to actual comparisons.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

Component Unit of James City County, Virginia

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2013

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2013</u>
State Operated Educational Program:				
Assets:				
Cash and temporary investments	\$ (191,875)	1,018,235	1,028,810	(202,450)
Due from Commonwealth of Virginia	251,665	268,889	251,665	268,889
Total assets	<u>\$ 59,790</u>	<u>1,287,124</u>	<u>1,280,475</u>	<u>66,439</u>
Liabilities:				
Accounts payable	\$ 233	221,505	221,738	—
Accrued payroll	36,388	1,201,064	1,199,856	37,596
Accrued benefits	23,169	521,396	515,722	28,843
Total liabilities	<u>\$ 59,790</u>	<u>1,943,965</u>	<u>1,937,316</u>	<u>66,439</u>
School Activities Fund:				
Assets -				
Cash and temporary investments	\$ 1,127,747	2,181,267	2,002,991	1,306,023
Liability -				
Due to students	\$ 1,127,747	2,181,267	2,002,991	1,306,023
Total all agency funds:				
Assets:				
Cash and temporary investments	\$ 935,872	3,199,502	3,031,801	1,103,573
Due from Commonwealth of Virginia	251,665	268,889	251,665	268,889
Total assets	<u>\$ 1,187,537</u>	<u>3,468,391</u>	<u>3,283,466</u>	<u>1,372,462</u>
Liabilities:				
Accounts payable	\$ 233	221,505	221,738	—
Accrued payroll	36,388	1,201,064	1,199,856	37,596
Accrued benefits	23,169	521,396	515,722	28,843
Due to students	1,127,747	2,181,267	2,002,991	1,306,023
Total liabilities	<u>\$ 1,187,537</u>	<u>4,125,232</u>	<u>3,940,307</u>	<u>1,372,462</u>



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WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Notes to Statistical Tables

June 30, 2013

Statistical Section

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

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

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

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>
Governmental Activities									
Invested in capital assets, net of related debt	\$ 49,897,556	\$	47,957,321	\$	44,767,708	\$	37,866,251	\$	32,421,545
Unrestricted	(773,763)		(1,202,196)		424,395		2,850,898		2,939,967
Total net position	<u>\$ 49,123,793</u>	<u>\$</u>	<u>46,755,125</u>	<u>\$</u>	<u>45,192,103</u>	<u>\$</u>	<u>40,717,149</u>	<u>\$</u>	<u>35,361,512</u>

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

Table I

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 28,987,868	\$ 28,358,026	\$ 26,446,862	\$ 26,390,984	\$ 24,162,846
Unrestricted	2,373,555	3,473,769	1,681,491	1,777,751	3,078,827
Total net position	<u>\$ 31,361,423</u>	<u>\$ 31,831,795</u>	<u>\$ 28,128,353</u>	<u>\$ 28,168,735</u>	<u>\$ 27,241,673</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 Position

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses:					
Governmental activities:					
General and administrative	\$ 2,437,168	\$ 2,425,720	\$ 2,403,103	\$ 2,198,588	\$ 2,664,104
Instruction	87,380,735	87,034,927	86,617,095	87,194,611	88,965,658
Attendance and health services	4,115,553	4,309,939	4,096,464	4,392,898	4,442,265
Pupil transportation	7,978,013	8,130,530	7,506,922	7,030,487	6,733,896
Operations and maintenance	10,945,546	10,703,375	10,845,610	10,178,201	11,359,958
Technology	5,962,934	5,893,444	6,175,525	6,764,084	5,579,073
Food services	4,244,768	4,053,262	3,943,052	3,735,656	3,862,988
Interest on long-term liabilities	—	—	—	—	204
Total expenses	<u>123,064,717</u>	<u>122,551,197</u>	<u>121,587,771</u>	<u>121,494,525</u>	<u>123,608,146</u>
Program Revenues:					
Governmental activities:					
Charges for services					
Instruction	343,800	231,687	163,380	240,971	243,663
Operations and maintenance	315,677	268,087	300,248	340,909	60,244
Food services	1,870,898	2,068,379	1,995,521	1,922,919	2,050,686
Operating grants and contributions	16,006,571	17,998,894	19,437,453	18,623,895	15,430,743
Total program revenues	<u>18,536,946</u>	<u>20,567,047</u>	<u>21,896,602</u>	<u>21,128,694</u>	<u>17,785,336</u>
Net Expense	<u>(104,527,771)</u>	<u>(101,984,150)</u>	<u>(99,691,169)</u>	<u>(100,365,831)</u>	<u>(105,822,810)</u>
General Revenues and Other					
Changes in Net Position:					
Governmental activities:					
Interest	2,568	8,454	3,661	6,021	41,697
Grants and contributions not restricted to specific programs	106,692,704	103,477,467	104,117,528	105,639,757	109,692,959
Miscellaneous	201,167	61,251	44,934	75,690	88,243
Total	<u>106,896,439</u>	<u>103,547,172</u>	<u>104,166,123</u>	<u>105,721,468</u>	<u>109,822,899</u>
Change in Net Position	<u>\$ 2,368,668</u>	<u>\$ 1,563,022</u>	<u>\$ 4,474,954</u>	<u>\$ 5,355,637</u>	<u>\$ 4,000,089</u>

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

Table II

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses:					
Governmental activities:					
General and administrative	\$ 2,560,760	\$ 2,770,795	\$ 2,484,849	\$ 2,554,632	\$ 2,479,099
Instruction	85,970,956	76,988,775	69,419,420	63,463,208	57,634,478
Attendance and health services	4,079,417	3,544,904	2,956,395	2,502,571	2,211,991
Pupil transportation	6,938,199	5,810,148	5,637,041	5,257,276	4,506,629
Operations and maintenance	10,573,639	9,112,949	9,140,556	8,285,639	7,572,789
Technology	6,307,501	4,197,743	4,292,177	4,679,553	3,545,784
Food services	3,738,680	3,205,632	2,992,335	2,829,199	2,564,147
Interest on long-term liabilities	2,865	5,542	8,213	5,167	963
Total expenses	<u>120,172,017</u>	<u>105,636,488</u>	<u>96,930,986</u>	<u>89,577,245</u>	<u>80,515,880</u>
Program Revenues:					
Governmental activities:					
Charges for services					
Instruction	185,966	162,749	184,847	168,772	175,365
Operations and maintenance	51,341	116,770	114,985	59,331	69,308
Food services	2,055,487	2,039,364	1,984,442	1,881,966	1,762,400
Operating grants and contributions	14,246,298	13,624,163	11,617,249	10,990,988	8,522,163
Total program revenues	<u>16,539,092</u>	<u>15,943,046</u>	<u>13,901,523</u>	<u>13,101,057</u>	<u>10,529,236</u>
Net Expense	<u>(103,632,925)</u>	<u>(89,693,442)</u>	<u>(83,029,463)</u>	<u>(76,476,188)</u>	<u>(69,986,644)</u>
General Revenues and Other					
Changes in Net Position:					
Governmental activities:					
Interest	279,854	281,474	178,321	52,149	14,116
Grants and contributions not restricted to specific programs	102,849,926	93,086,380	82,800,634	77,346,943	71,137,422
Miscellaneous	32,773	29,030	10,126	4,158	2,641
Total	<u>103,162,553</u>	<u>93,396,884</u>	<u>82,989,081</u>	<u>77,403,250</u>	<u>71,154,179</u>
Change in Net Position	<u>\$ (470,372)</u>	<u>\$ 3,703,442</u>	<u>\$ (40,382)</u>	<u>\$ 927,062</u>	<u>\$ 1,167,535</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund					
Committed	\$ —	\$ 685,097	\$ 1,240,227	\$ 3,938,395	\$ 2,723,770
Assigned	1,330,013	256,892	238,241	960,195	1,619,061
Unassigned	500,000	500,000	400,000	400,000	400,000
Total general fund	<u>1,830,013</u>	<u>1,441,989</u>	<u>1,878,468</u>	<u>5,298,590</u>	<u>4,742,831</u>
All other governmental funds					
Nonspendable	76,244	40,532	43,319	39,775	55,484
Restricted	190,845	224,282	217,763	168,270	79,888
Committed	1,460,280	936,976	1,780,805	67,874	67,874
Assigned	<u>672,806</u>	<u>653,864</u>	<u>414,557</u>	<u>292,377</u>	<u>132,180</u>
Total all other governmental funds	<u>2,400,175</u>	<u>1,855,654</u>	<u>2,456,444</u>	<u>568,296</u>	<u>335,426</u>
Total governmental funds	<u>\$ 4,230,188</u>	<u>\$ 3,297,643</u>	<u>\$ 4,334,912</u>	<u>\$ 5,866,886</u>	<u>\$ 5,078,257</u>

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

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

FY2004-FY2010 amounts have been restated to comply with GASB 54.

Table III

	<u>2008</u>	<u>2007</u>	<u>2006⁽¹⁾</u>	<u>2005</u>	<u>2004</u>
General Fund					
Committed	\$ 1,693,858	\$ 2,046,233	\$ 300,000	\$ 1,399,215	\$ 1,605,402
Assigned	527,776	915,642	795,275	161,250	618,845
Unassigned	500,000	237,402	271,035	134,326	824,749
Total general fund	<u>2,721,634</u>	<u>3,199,277</u>	<u>1,366,310</u>	<u>1,694,791</u>	<u>3,048,996</u>
All other governmental funds					
Nonspendable	34,343	63,893	36,758	20,909	22,435
Restricted	509,345	473,508	657,867	—	—
Committed	67,874	402,610	514,446	428,242	449,760
Assigned	<u>334,944</u>	<u>505,835</u>	<u>434,731</u>	<u>293,394</u>	<u>234,933</u>
Total all other governmental funds	<u>946,506</u>	<u>1,445,846</u>	<u>1,643,802</u>	<u>742,545</u>	<u>707,128</u>
Total governmental funds	<u>\$ 3,668,140</u>	<u>\$ 4,645,123</u>	<u>\$ 3,010,112</u>	<u>\$ 2,437,336</u>	<u>\$ 3,756,124</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)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:					
From City of Williamsburg and James City County	\$ 87,464,236	\$ 84,705,864	\$ 86,245,980	\$ 85,992,454	\$ 85,926,730
From Commonwealth of Virginia	28,322,908	27,410,306	26,971,781	28,422,738	33,447,751
From federal government	6,245,815	8,761,493	9,807,806	9,036,851	4,887,265
Charges for services	2,530,375	2,568,153	2,409,113	2,504,799	2,354,593
Interest	2,568	8,454	3,661	6,021	41,697
Miscellaneous	834,046	666,468	673,877	975,682	520,741
Total revenues	<u>125,399,948</u>	<u>124,120,738</u>	<u>126,112,218</u>	<u>126,938,545</u>	<u>127,178,777</u>
Expenditures:					
General and administrative	2,413,378	2,399,471	2,375,576	2,172,101	2,627,079
Instruction	85,988,849	85,847,899	85,268,770	85,928,824	87,250,725
Attendance and health services	4,093,333	4,285,961	4,063,102	4,363,706	4,393,181
Pupil transportation	7,033,259	7,181,689	6,494,969	6,232,341	5,972,410
Operations and maintenance	10,148,781	10,089,434	10,352,343	9,880,780	11,163,348
Technology	5,316,237	5,234,880	5,628,007	6,376,540	5,261,115
Food services	4,193,745	3,994,711	3,879,924	3,684,807	3,810,598
Capital outlay	5,279,821	6,123,962	9,581,501	7,510,817	5,265,395
Debt service:					
Principal	—	—	—	—	24,605
Interest	—	—	—	—	204
Total expenditures	<u>124,467,403</u>	<u>125,158,007</u>	<u>127,644,192</u>	<u>126,149,916</u>	<u>125,768,660</u>
Revenues over/(under) expenditures	<u>932,545</u>	<u>(1,037,269)</u>	<u>(1,531,974)</u>	<u>788,629</u>	<u>1,410,117</u>
Other Finance Sources (uses):					
Transfers in	685,097	1,140,227	2,569,449	—	—
Transfers out	(685,097)	(1,140,227)	(2,569,449)	—	—
Proceeds from capital lease obligations	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ 932,545</u>	<u>\$ (1,037,269)</u>	<u>\$ (1,531,974)</u>	<u>\$ 788,629</u>	<u>\$ 1,410,117</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.02%

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

Table IV

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:					
From City of Williamsburg and James City County	\$ 84,390,540	\$ 72,999,457	\$ 67,537,386	\$ 62,977,843	\$ 59,845,251
From Commonwealth of Virginia	29,024,778	28,605,876	22,099,388	20,855,843	15,750,002
From federal government	4,709,693	4,273,434	4,318,118	4,289,548	3,708,732
Charges for services	2,292,794	2,318,882	2,282,314	2,110,069	2,007,073
Interest	279,854	281,474	178,321	52,149	14,116
Miscellaneous	797,871	676,448	1,132,944	218,855	358,241
Total revenues	<u>121,495,530</u>	<u>109,155,571</u>	<u>97,548,471</u>	<u>90,504,307</u>	<u>81,683,415</u>
Expenditures:					
General and administrative	2,548,428	2,759,069	2,466,774	2,536,557	2,461,024
Instruction	85,262,896	76,390,533	68,830,436	62,947,047	56,996,248
Attendance and health services	4,079,417	3,544,904	2,956,395	2,502,571	2,211,991
Pupil transportation	6,265,167	5,162,378	4,927,245	4,635,963	3,939,360
Operations and maintenance	10,521,160	9,065,984	9,094,008	8,239,180	7,526,528
Technology	6,052,181	3,987,006	4,111,584	4,509,523	3,405,925
Food services	3,702,625	3,171,979	2,953,944	2,791,674	2,525,750
Capital outlay	3,960,011	3,364,281	1,560,883	3,892,878	1,883,915
Debt service:					
Principal	77,763	68,884	66,213	38,248	166,307
Interest	2,865	5,542	8,213	5,167	8,967
Total expenditures	<u>122,472,513</u>	<u>107,520,560</u>	<u>96,975,695</u>	<u>92,098,808</u>	<u>81,126,015</u>
Revenues over/(under) expenditures	<u>(976,983)</u>	<u>1,635,011</u>	<u>572,776</u>	<u>(1,594,501)</u>	<u>557,400</u>
Other Finance Sources (uses):					
Transfers in	—	200,000	600,000	1,038,712	1,014,801
Transfers out	—	(200,000)	(600,000)	(1,038,712)	(1,014,801)
Proceeds from capital lease obligations	—	—	—	275,713	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>275,713</u>	<u>—</u>
Net change in fund balances	<u>\$ (976,983)</u>	<u>\$ 1,635,011</u>	<u>\$ 572,776</u>	<u>\$ (1,318,788)</u>	<u>\$ 557,400</u>
Debt service as a percentage of noncapital expenditures	0.07%	0.07%	0.08%	0.05%	0.22%

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Government-Wide Expenditures by Function

Last Ten Fiscal Years

Fiscal Year	General and administrative	Instruction	Attendance and health services	Pupil transportation	Operations and maintenance
2013	\$ 2,437,168	\$ 87,380,735	\$ 4,115,553	\$ 7,978,013	\$ 10,945,546
2012	2,425,720	87,034,927	4,309,939	8,130,530	10,703,375
2011	2,403,103	86,617,095	4,096,464	7,506,922	10,845,610
2010	2,198,588	87,194,611	4,392,898	7,030,487	10,178,201
2009	2,664,104	88,965,658	4,442,265	6,733,896	11,359,958
2008	2,560,760	85,970,956	4,079,417	6,938,199	10,573,639
2007	2,770,795	76,988,775	3,544,904	5,810,148	9,112,949
2006	2,484,849	69,419,420	2,956,395	5,637,041	9,140,556
2005	2,554,632	63,463,208	2,502,571	5,257,276	8,285,639
2004	2,479,099	57,634,478	2,211,991	4,506,629	7,572,789

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

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

Table V

Fiscal Year	Technology	Food services	Interest on long-term liabilities	Total expenditures (*)	March Average Daily Membership (ADM) determining cost per pupil (*)	Per pupil expenditures
2013	\$ 5,962,934	\$ 4,244,768	\$ —	\$ 123,064,717	10,715	\$ 11,485
2012	5,893,444	4,053,262	—	122,551,197	10,602	11,559
2011	6,175,525	3,943,052	—	121,587,771	10,488	11,593
2010	6,764,084	3,735,656	—	121,494,525	10,486	11,586
2009	5,579,073	3,862,988	204	123,608,146	10,236	12,076
2008	6,307,501	3,738,680	2,865	120,172,017	10,111	11,885
2007	4,197,743	3,205,632	5,542	105,636,488	10,050	10,511
2006	4,292,177	2,992,335	8,213	96,930,986	9,823	9,868
2005	4,679,553	2,829,199	5,167	89,577,245	9,403	9,527
2004	3,545,784	2,564,147	963	80,515,880	8,980	8,966

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
2013	\$ 2,338,775	\$ 81,505,993	\$ 3,868,988	\$ 7,553,582	\$ 10,222,502
2012	2,461,487	80,617,816	3,879,999	7,689,497	10,320,259
2011	2,444,129	80,240,364	3,643,755	8,035,887	10,413,376
2010	2,172,998	81,261,484	3,440,973	6,349,759	10,141,525
2009	2,616,361	83,567,276	3,552,281	8,141,341	11,126,233
2008	2,559,129	81,322,409	3,342,063	6,299,564	10,785,264
2007	2,738,441	73,842,984	2,773,234	5,265,595	9,167,078
2006	2,566,810	69,035,783	2,956,395	5,848,345	9,061,053
2005	2,538,532	63,069,257	2,502,571	5,572,757	7,816,570
2004	2,465,790	56,988,429	2,210,883	4,297,263	7,924,173

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

Source: Amounts extracted from Exhibit VII in the required supplementary information section of the Comprehensive Annual Financial Report.

The amounts represent data of the General Fund and are presented on the budgetary basis.

Table VI

Fiscal year	Technology	Total cost – regular day school (*)	March Average Daily membership for (ADM) determining cost per pupil (*)	Per pupil expenditures
2013	\$ 5,274,557	\$ 110,764,397	10,715	\$ 10,337
2012	4,915,398	109,884,456	10,602	10,365
2011	5,287,248	110,064,759	10,488	10,494
2010	6,835,208	110,201,947	10,486	10,509
2009	4,856,054	113,859,546	10,236	11,123
2008	5,956,180	110,264,609	10,111	10,905
2007	3,766,050	97,553,382	10,050	9,707
2006	4,243,034	93,711,420	9,823	9,540
2005	4,664,485	86,164,172	9,403	9,163
2004	3,696,795	77,583,333	8,980	8,640

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
2013	\$ 2,338,775	\$ 81,505,993	\$ 3,868,988	\$ 7,553,582
2012	2,461,487	80,617,816	3,879,999	7,689,497
2011	2,444,129	80,240,364	3,643,755	8,035,887
2010	2,172,998	81,261,484	3,440,973	6,349,759
2009	2,616,361	83,567,276	3,552,281	8,141,341
2008	2,559,129	81,322,409	3,342,063	6,299,564
2007	2,738,441	73,842,984	2,773,234	5,265,595
2006	2,566,810	69,035,783	2,956,395	5,848,345
2005	2,538,532	63,069,257	2,502,571	5,572,757
2004	2,465,790	56,988,429	2,210,883	4,297,263

Source: Amounts extracted from Exhibit VII in the required supplementary information section of the Comprehensive Annual Financial Report.

The amounts represent data of the General Fund and are presented on the budgetary basis.

Table VII

Fiscal year		Operations and maintenance		Technology		Debt Service		Total expenditures
2013	\$	10,222,502	\$	5,274,557	\$	—	\$	110,764,397
2012		10,320,259		4,915,398		—		109,884,456
2011		10,413,376		5,287,248		—		110,064,759
2010		10,141,525		6,835,208		—		110,201,947
2009		11,126,233		4,856,054		24,809		113,884,355
2008		10,785,264		5,956,180		80,628		110,345,237
2007		9,167,078		3,766,050		74,426		97,627,808
2006		9,061,053		4,243,034		74,426		93,785,846
2005		7,816,570		4,664,485		43,415		86,207,587
2004		7,924,173		3,696,795		175,274		77,758,607

Table VIII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Government-Wide Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Program revenues		General revenues				Total revenues
	Charges for services	Operating grants and contributions	Interest	Grant and contributions not restricted to specific programs	Misc.		
2013	\$ 2,530,375	\$ 16,006,571	\$ 2,568	\$ 106,692,704	\$ 201,167	\$ 125,433,385	
2012	2,568,153	17,998,894	8,454	103,477,467	61,251	124,114,219	
2011	2,459,149	19,437,453	3,661	104,117,528	44,934	126,062,725	
2010	2,504,799	18,623,895	6,021	105,639,757	75,690	126,850,162	
2009	2,354,593	15,430,743	41,697	109,692,959	88,243	127,608,235	
2008	2,292,794	14,246,298	279,854	102,849,926	32,773	119,701,645	
2007	2,318,883	13,624,163	281,474	93,086,380	29,030	109,339,930	
2006	2,284,274	11,617,249	178,321	82,800,634	10,126	96,890,604	
2005	2,110,069	10,990,988	52,149	77,346,943	4,158	90,504,307	
2004	2,007,073	8,522,163	14,116	71,137,422	2,641	81,683,415	

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

Table IX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Charges for Services Revenue by Source

Last Ten Fiscal Years

Fiscal year	Tuition and fees	Percentage	Food Sales	Percentage	Total
2013	\$ 659,477	26.1 %	\$ 1,870,898	73.9 %	\$ 2,530,375
2012	499,774	19.5	2,068,379	80.5	2,568,153
2011	454,799	18.9	1,954,314	81.1	2,409,113
2010	581,880	23.2	1,922,919	76.8	2,504,799
2009	303,907	12.9	2,050,686	87.1	2,354,593
2008	237,307	10.4	2,055,487	89.6	2,292,794
2007	279,519	12.1	2,039,363	87.9	2,318,882
2006	297,872	13.1	1,984,442	86.9	2,282,314
2005	228,103	10.8	1,881,966	89.2	2,110,069
2004	244,673	12.2	1,762,400	87.8	2,007,073

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: Amounts extracted from Exhibit IV of the financial section of the respective Comprehensive Annual 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
2013	\$ 0.57	\$ 3.50	5%	5%	1%
2012	0.54	3.50	5%	5%	1%
2011	0.54	3.50	5%	5%	1%
2010	0.54	3.50	5%	5%	1%
2009	0.54	3.50	5%	5%	1%
2008	0.54	3.50	5%	5%	1%
2007	0.54	3.50	5%	5%	1%
2006	0.54	3.50	5%	5%	1%
2005	0.54	3.50	5%	5%	1%
2004	0.54	3.50	5%	5%	1%

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
2013	\$ 0.770	\$ 4.00	5%	4%	1%
2012	0.770	4.00	5%	4%	1%
2011	0.770	4.00	5%	4%	1%
2010	0.770	4.00	5%	4%	1%
2009	0.770	4.00	5%	4%	1%
2008	0.770	4.00	5%	4%	1%
2007	0.770	4.00	5%	4%	1%
2006	0.785	4.00	5%	4%	1%
2005	0.825	4.00	5%	4%	1%
2004	0.860	4.00	5%	4%	1%

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
2013	\$ 10,635,953	\$ 29,317,038	\$ 6,027,531	\$ 79,033,063
2012	10,338,116	28,296,917	8,564,922	76,138,098
2011	9,895,154	27,838,623	9,751,924	87,136,982
2010	9,524,388	29,364,506	9,055,054	110,753,024
2009	8,958,284	34,703,901	4,887,265	91,911,839
2008	9,351,386	30,214,812	4,709,710	90,830,982
2007	9,217,623	29,767,936	4,273,434	111,258,940
2006	8,786,919	23,187,732	4,318,168	78,323,754
2005	7,745,404	21,915,877	4,281,838	56,227,790
2004	6,586,531	16,647,163	3,716,322	53,612,967

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
2013	\$ 3,400,446	\$ 128,414,031	\$ 4,390,128	\$ 132,804,159
2012	3,254,176	126,592,228	5,328,843	131,921,070
2011	3,298,942	137,921,625	6,467,802	144,389,427
2010	3,636,502	162,333,474	4,359,303	166,692,777
2009	3,057,031	143,518,320	3,668,140	147,186,460
2008	3,520,519	138,627,409	7,398,893	146,026,302
2007	3,418,067	157,936,000	5,724,188	163,660,188
2006	3,763,566	118,380,139	3,931,648	122,311,787
2005	2,563,262	92,734,171	3,975,657	96,709,828
2004	2,502,465	83,065,448	2,493,502	85,558,950

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
2012	\$	10,982,506	\$	10,315,505	\$	21,298,011	\$	6,727,441
2011		10,936,524		6,418,694		17,355,218		7,139,441
2010		10,737,262		6,424,112		17,161,374		7,710,273
2009		11,543,170		4,001,011		15,544,181		8,314,606
2008		11,368,365		5,066,141		16,434,506		8,834,585
2007		11,668,683		3,687,444		15,356,127		6,764,961
2006		4,635,313		8,327,326		12,962,639		4,856,090
2005		3,607,051		3,597,000		7,204,051		3,457,243
2004		5,289,782		5,413,000		10,702,782		3,667,098
2003		6,165,629		28,043,000		34,208,629		4,290,629

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 2014 for Fiscal Year 2013.

Table XII

Fiscal year	Debt interest for all other applications	Total debt interest	Total debt service for education	Total debt service
2012	\$ 2,907,653	\$ 9,635,094	\$ 17,709,947	\$ 30,933,105
2011	2,989,372	10,128,813	18,075,965	27,484,031
2010	2,774,701	10,484,974	18,447,535	27,646,348
2009	2,647,068	10,961,674	19,857,776	26,505,855
2008	2,856,913	11,691,498	20,202,950	28,126,004
2007	2,558,927	9,323,888	18,433,644	24,680,015
2006	1,611,803	6,467,893	9,491,403	19,430,532
2005	1,255,283	4,712,526	7,064,294	11,916,577
2004	571,356	4,238,454	8,956,880	14,941,236
2003	361,126	4,651,755	10,456,258	38,860,384

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
2012	\$ 142,952,330	\$ 68,277,829	\$ 41,634,806	\$ 252,864,965	\$ 4,584	56.53%
2011	144,964,345	73,174,730	43,704,844	261,843,919	4,897	55.36%
2010	153,713,333	75,661,910	45,590,434	274,965,677	5,435	55.90%
2009	165,219,279	63,586,289	47,600,643	276,406,211	5,553	59.77%
2008	176,753,192	67,248,335	11,498,915	255,500,442	4,811	69.18%
2007	188,111,926	72,235,935	12,509,584	272,857,445	5,273	68.94%
2006	104,047,401	54,866,748	19,324,186	178,238,335	4,254	58.38%
2005	108,737,758	39,582,014	20,418,613	168,738,385	4,541	64.44%
2004	75,925,056	30,909,604	21,531,342	128,366,002	3,432	59.15%
2003	81,174,950	15,926,598	22,246,639	119,348,187	3,422	68.02%

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 2014 for Fiscal Year 2013.

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
2013	69,945	\$ 11,991,913,497	\$ 80,004,294	\$ 2,920,538	\$ 77,083,756	0.0064	1,102
2012	68,971	12,341,704,734	86,134,103	24,172,765	61,961,338	0.0050	898
2011	68,500	12,152,483,497	93,283,624	24,683,989	68,599,635	0.0056	1,001
2010	67,745	12,092,979,169	101,414,765	25,225,253	76,189,512	0.0063	1,125
2009	63,135	11,941,060,226	109,974,105	24,988,945	84,985,160	0.0071	1,346
2008	61,195	11,610,152,643	118,369,735	25,499,192	92,870,543	0.0080	1,518
2007	60,867	10,704,264,557	126,590,560	24,346,226	102,244,334	0.0096	1,680
2006	58,893	9,049,255,396	106,091,269	13,178,021	92,913,248	0.0103	1,578
2005	56,463	7,545,410,210	109,465,708	10,686,133	98,779,575	0.0131	1,749
2004	53,952	6,802,790,128	75,247,759	9,300,903	65,946,856	0.0097	1,222

(1) Planning Division, James City County

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

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

(4) Includes General Obligation Debt payable from enterprise revenues

(5) From Table 11, James City County Comprehensive Annual Financial Report

Table XV

COUNTY OF JAMES CITY, VIRGINIA

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

Last Ten Fiscal Years

Fiscal year	Principal	(2) Interest	(4) Total debt service	(3) Total general governmental expenditures	Ratio of debt service to general debt to governmental expenditures
2013	\$ 23,473,305	\$ 9,522,081	\$ 32,995,386	\$ 215,304,486	15.32
2012	14,787,955	9,384,810	24,172,765	201,078,316	12.02
2011	14,830,524	9,853,465	24,683,989	198,893,176	12.41
2010	15,077,900	10,147,353	25,225,253	198,552,653	12.70
2009	14,363,935	10,625,010	24,988,945	208,510,363	11.98
2008	14,245,257	11,253,935	25,499,192	212,383,260	12.01
2007	14,488,702	9,857,524	24,346,226	199,622,475	12.20
2006	7,215,460	5,962,561	13,178,021	171,917,860	7.67
2005	6,411,051	4,275,082	10,686,133	154,634,945	6.91
2004	5,414,782	3,886,121	9,300,903	142,379,879	6.53

- (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 2013)	
Number of households	27,707	Unemployment rate	4.7%
Average household size	2.45	Civilian Labor Force	35,303
Household population	67,882	Employed	33,642
		Unemployed	1,661

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

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

(Source: 2010 U.S. Census)

LOCAL COMPOSITE INDEX			TAXABLE RETAIL SALES	
	JCC	City	James City County	
2013	0.5628	0.8000	2013 \$	992,914,200
2011	0.5668	0.8000	2012	932,214,200
2009	0.5286	0.8000	2011	892,445,000
2007	0.5499	0.8000	2010	842,195,600
2005	0.5988	0.8000	2009	861,852,500
2003	0.6228	0.8000	2008	892,444,900
2001	0.6404	0.8000	2007	882,593,500
1999	0.6088	0.8000	2006	832,202,200
1997	0.5993	0.8000	2005	763,697,400
1995	0.5924	0.8000	2004	679,508,600

(Source: Virginia Department of Education)

(Source: Treasurer, James City County)

TRUE VALUE OF PROPERTY	
James City County	
2013 \$	11,991,913,497
2012	12,341,704,734
2011	12,152,483,497
2010	12,092,979,169
2009	11,941,060,226
2008	11,610,152,643
2007	10,704,264,557
2006	9,049,255,396
2005	7,575,410,210
2004	6,802,790,128

(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, 2013

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

Geographic Area: 176 Square Miles

Population 2010: 81,077 (Most recent statistics: 14,068 in Williamsburg as of 2010; and 67,009 in James City County as of 2010)

Student Membership (March 2013 ADM): 10,715

	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
Lois Hornsby	2010	None	145,458	60.42
Jamestown	1997	None	193,094	80.01
Lafayette	1973	1990, 1993, 1997	202,500	50.00
Warhill	2007	None	240,750	54.50
Elementary schools:				
Clara Byrd Baker	1989	1992, 1999, 2000	78,840	23.60
Rawls Byrd	1966	1987, 1988, 1990, 1998	95,109	12.63
D. J. Montague	1989	1997, 1999, 2000	74,500	21.00
Norge	1967	1994, 1995, 1996, 2004, 2007	99,378	20.02
Matthew Whaley	1931	1988, 1997, 1998	67,950	8.47
James River	1993	2002, 2007	71,739	24.19
Stonehouse	2000	2007	83,000	26.00
Matoaka	2007	None	92,119	40.20
J Blaine Blayton	2010	None	93,247	20.12
Operations Center	1992	None	26,000	7.60

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

(Component Unit of James City County, Virginia)

Instructional Personnel Positions Per 1,000 Students in ADM

Ten Fiscal Years

Fiscal year	Number of instructional personnel positions	End-of-year membership	Instructional personnel per 1,000 students
2012	1,167.64	10,820	107.92
2011	1,172.04	10,708	109.45
2010	1,160.48	10,677	108.69
2009	1,138.83	10,457	108.90
2008	1,124.33	10,339	108.75
2007	1,047.71	10,272	102.00
2006	1,011.67	9,738	103.89
2005	976.70	9,345	104.52
2004	922.17	8,895	103.67
2003	903.54	8,535	105.86

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

Note: Fiscal Year 2013 data will not be published by the Virginia Department of Education until 2014.

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
2012	10,671	10,602	10,553	(1.11)%	98.89%
2011	10,549	10,488	10,410	(1.32)%	98.68%
2010	10,503	10,486	10,390	(1.08)%	98.92%
2009	10,249	10,236	10,174	(0.73)%	99.27%
2008	10,137	10,111	10,002	(1.33)%	98.67%
2007	10,107	10,050	9,919	(1.86)%	98.14%
2006	9,820	9,823	9,810	(0.10)%	99.90%
2005	9,402	9,403	9,363	(0.41)%	99.59%
2004	8,961	8,980	8,942	(0.21)%	99.79%
2003	8,553	8,550	8,478	(0.88)%	99.12%

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 2013 data will not be published by the Virginia Department of Education until 2014.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Enrollment Trends

Last Ten Fiscal Years

Fiscal Year	September 30 th Enrollment	Elementary	Middle	High
		Grades K thru 5	Grades 6 thru 8	Grades 9 thru 12
2013	10,795	4,791	2,552	3,452
2012	10,671	4,712	2,560	3,399
2011	10,549	4,621	2,454	3,474
2010	10,503	4,675	2,350	3,478
2009	10,249	4,569	2,283	3,397
2008	10,137	4,444	2,327	3,366
2007	10,107	4,472	2,381	3,254
2006	9,820	4,337	2,335	3,148
2005	9,402	4,170	2,245	2,987
2004	8,961	3,946	2,206	2,809

September 30th Enrollment

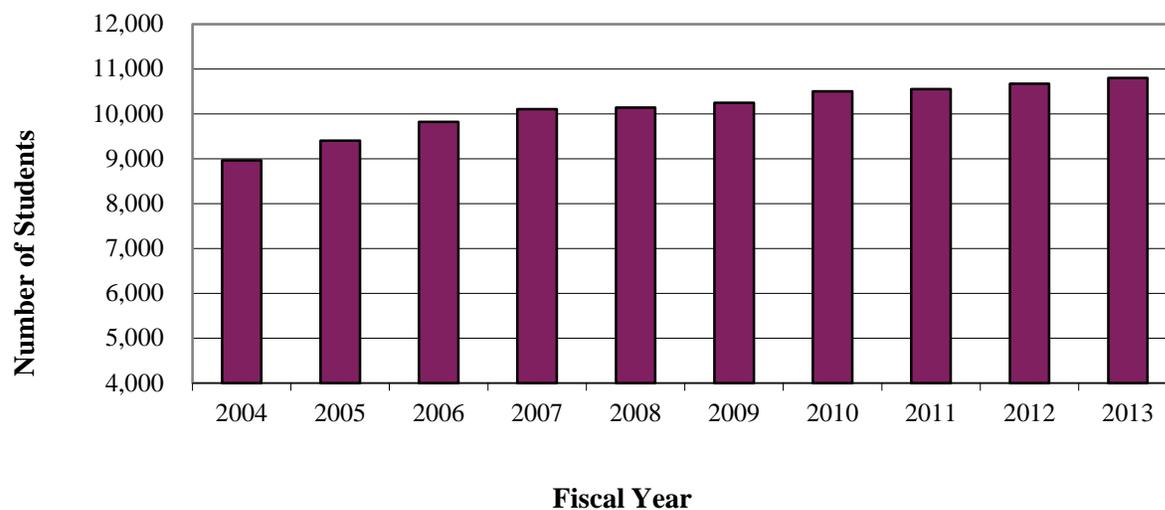


Table XXI

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, 2012

School	Free lunch	Reduced lunch	Total	September enrollment	Percentage of participants
Clara Byrd Baker	149	31	180	501	35.93%
Clara Byrd Baker Preschool	31	3	34	47	72.34%
Rawls Byrd	162	33	195	450	43.33%
Rawls Byrd Preschool	27	5	32	47	68.09%
D. J. Montague	129	26	155	427	36.30%
Norge	161	52	213	566	37.63%
Norge Preschool	46	10	56	88	63.64%
Matthew Whaley	160	29	189	472	40.04%
James River	284	54	338	551	61.34%
Stonehouse	127	49	176	666	26.43%
Matoaka	111	5	116	714	16.25%
J Blaine Blayton	128	26	154	453	34.00%
J Blaine Blayton Preschool	40	7	47	82	57.32%
Berkeley Middle	345	85	430	941	45.70%
Toano	145	51	196	693	28.28%
Hornsby	125	38	163	918	17.76%
Lafayette	264	63	327	1,100	29.73%
Jamestown	163	52	215	1,210	17.77%
Warhill	255	78	333	1,109	30.03%
	<u>2,852</u>	<u>697</u>	<u>3,549</u>	<u>11,035</u>	*

Source: September 30, 2012 enrollment report and Child Nutrition Services

* Note: Total does not match September 30, 2012 enrollment report due to preschool being included in this table.

Table XXII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Food Sales - Meals Served Annually

Last Ten Fiscal Years

Fiscal Year	Student			
	Breakfasts Served Annually	Lunches Served Annually	Free and Reduced Eligibility¹	Free and Reduced Percentages¹
2013	240,718	732,939	3,549	32.16%
2012	253,682	855,869	3,447	31.51%
2011	230,123	847,797	3,199	29.47%
2010	198,375	818,447	2,764	25.62%
2009	186,582	799,454	2,439	23.17%
2008	170,026	758,943	2,230	21.48%
2007	183,128	741,302	2,152	20.79%
2006	177,647	689,315	2,203	21.84%
2005	144,274	551,767	1,558	23.42%
2004	120,563	499,710	1,481	23.25%

Source: Office of Child Nutrition Services

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

Table XXIII

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Food Service Sales Price Breakdown

Last Ten Fiscal Years

Fiscal year	Elementary		Middle		High		Adult
	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch	Breakfast/Lunch
2013	\$ 1.25	2.20	1.35	2.30	1.45	2.45-3.20	A-La-Carte
2012	1.25	2.15	1.35	2.25	1.45	2.40-3.15	A-La-Carte
2011	1.25	2.05	1.35	2.15	1.45	2.30-3.05	A-La-Carte
2010	1.25	2.00	1.35	2.10	1.45	2.25-3.00	A-La-Carte
2009	1.25	2.00	1.35	2.10	1.45	2.25-2.75	A-La-Carte
2008	1.05	1.90	1.15	2.00	1.25	2.15-2.65	A-La-Carte
2007	1.05	1.85	1.15	1.95	1.25	2.10-2.60	A-La-Carte
2006	1.05	1.75	1.15	1.85	1.25	2.00-2.50	A-La-Carte
2005	0.95	1.65	1.05	1.75	A-La-Carte	A-La-Carte	A-La-Carte
2004	0.95	1.65	1.05	1.75	A-La-Carte	A-La-Carte	A-La-Carte

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	2013			2004 (1)		
	Employees	Rank	Percentage of total County employment	Employees	Rank	Percentage of total County employment
Principal Public/Private Employers:						
Busch Gardens (2)	**		**	1,000+	**	**
Williamsburg-James City County						
Public Schools	1,750	1	6.82%	1,000+	**	**
Eastern State Hospital	875	2	2.57%	1,000+	**	**
James City County	707	3	2.08%	**	**	**
Wal-Mart Distribution Center	612	4	1.80%	250 to 499	**	**
Anheuser-Busch, Inc.	575	5	1.69%	500 to 999	**	**
Avid Medical	502	6	1.47%	**	**	**
Kingsmill Resort and Spa	434	7	1.27%	**	**	**
Busch Properties	**		**	500 to 999	**	**
Jamestown-Yorktown Foundation	421	8	1.24%	250 to 499	**	**
Williamsburg Plantation, Inc	**		**	250 to 499	**	**
Williamsburg Landing	332	9	0.97%	250 to 499	**	**
Lumber Liquidators	249	10	0.81%	**	**	**
Total	6,457		20.72%	—		—

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

(1) Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*, was adopted by James City County as of July 1, 2005. Hence, some of the information for fiscal year 2004 is not available.

(2) Busch Gardens became publicly traded during Fiscal Year 2013, and information is not available.

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	2013			2004		
	Employees ¹	Rank	Percentage of total City employment	Employees ¹	Rank	Percentage of total City employment
College of William & Mary	1,000+	1	22.99%	1,000+	1	16.25%
Colonial Williamsburg Foundation	1,000+	2	11.38%	1,000+	2	12.58%
Colonial Williamsburg Company	1,000+	3	7.62%	1,000+	3	6.63%
Williamsburg Community Hospital ²				500 to 999	4	4.88%
Williamsburg-James City County Schools	250 to 499	4	2.21%			
Aramark	250 to 499	5	1.91%	250 to 499	5	1.56%
City of Williamsburg	250 to 499	6	1.84%	100 to 249	6	1.25%
Williamsburg Hospitality House				100 to 249	7	0.63%
Red Lobster & The Olive Garden	100 to 249	7	0.71%	100 to 249	8	0.63%
Walsingham Academy	100 to 249	8	0.71%			
Patrick Henry Inn				100 to 249	9	0.63%
National Center for State Courts	100 to 249	9	0.71%	100 to 249	10	0.63%
Outback Steakhouse	50 to 99	10	0.35%			

¹ includes part-time and seasonal employees

² 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
2013	69,945 \$	**	\$ **	**
2012	68,971	**	**	5.1%
2011	68,500	4,316,358,000	52,228	5.3%
2010	67,745	4,037,513,000	49,563	5.5%
2009	63,135	3,840,912,000	48,129	5.3%
2008	61,195	3,985,612,000	51,274	3.2%
2007	60,867	3,641,841,000	47,825	2.5%
2006	58,893	3,289,020,000	44,480	2.6%
2005	56,463	2,952,937,000	41,692	2.9%
2004	53,952	2,793,123,000	40,974	3.2%

(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		Debt per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Total Primary Government		
2013	\$ 5,997,389	\$ —	\$ 8,051,980	\$ 14,049,369	\$ 969	0.3%
2012	6,796,767	—	8,643,971	15,440,738	1,080	0.4%
2011	7,306,844	—	9,231,593	16,538,437	1,160	0.4%
2010	8,432,627	—	9,808,700	18,241,327	1,297	0.5%
2009	9,497,443	—	10,433,333	19,930,776	1,492	0.5%
2008	10,534,146	—	566,666	11,100,812	836	0.3%
2007	11,548,396	1,300,000	700,000	13,548,396	925	0.3%
2006	12,540,821	1,300,000	6,665,050	20,505,871	1,433	0.6%
2005	18,413,000	1,300,000	6,938,851	26,651,851	1,892	0.9%
2004	10,831,000	1,300,000	7,237,154	19,368,154	1,348	0.6%

James City County

Fiscal year	Governmental Activities		Business-type Activities		Net Bonded Debt per Capita	Debt as Percentage of Personal Income ¹
	General Obligation Bonds	Other Debt	Revenue Bonds	Total Primary Government		
2013	\$ 80,004,294	\$ 124,132,854	\$ 25,185,000	\$ 229,322,148	\$ 1,102	**
2012	86,134,103	113,707,074	32,938,174	232,779,351	1,209	**
2011	93,283,624	114,340,522	34,469,298	242,093,444	1,319	17.8%
2010	101,414,765	120,444,895	35,950,422	257,810,082	1,454	15.7%
2009	109,974,105	112,765,533	37,386,546	260,126,184	1,715	14.8%
2008	118,369,735	119,326,298	11,212,670	248,908,703	1,903	16.0%
2007	126,590,560	125,943,190	12,133,794	264,667,544	2,050	13.8%
2006	106,062,319	36,757,257	13,034,918	155,854,494	1,772	21.1%
2005	109,814,071	14,248,900	13,961,041	138,024,012	1,939	21.4%
2004	73,636,054	15,086,850	14,782,165	103,505,069	1,395	27.0%

(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
2013	155	6	2,530,583
2012	155	6	2,607,890
2011	155	6	2,595,706
2010	145	6	2,654,309
2009	145	6	2,613,200
2008	144	6	2,634,487
2007	152	6	2,123,622
2006	134	6	2,205,932
2005	139	6	2,180,282
2004	135	6	2,189,720

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

Table XXIX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Full-time-Equivalent District Employees by Type

Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General and Administrative										
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	—	1.00	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00
Chief Financial Officer	1.00	—	—	—	—	—	—	—	—	—
Senior Director, Finance	—	1.00	1.00	—	—	—	—	—	—	—
Comptroller	1.00	—	—	—	—	—	—	—	—	—
Senior Director, Human Resources	1.00	1.00	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00
Supervisors	1.00	1.00	1.00	1.00	—	—	—	—	—	—
Coordinators	3.00	3.00	4.00	5.50	6.00	5.00	5.00	5.00	6.00	5.00
Staff Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—
Human Resources Specialist	1.00	1.00	—	—	—	—	—	—	—	—
Director of Public Relations	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
Clerical	9.50	9.50	10.00	11.00	14.50	14.00	13.00	12.50	12.50	14.00
Total General and Administrative	20.50	20.50	21.00	22.00	25.50	25.00	24.00	22.50	23.50	24.00
Instruction										
Asst Superintendent-Academic Svcs	—	1.00	1.00	—	—	—	—	1.00	1.00	1.00
Deputy Superintendent	1.00	—	—	—	—	—	—	—	—	—
Senior Director, Student Svcs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Director, Academic Svcs	—	1.00	1.00	2.00	2.00	2.00	2.00	—	—	—
Senior Director, School Performance	1.00	—	—	—	—	—	—	—	—	—
Senior Director, AQI	1.00	—	—	—	—	—	—	—	—	—
Senior Director, Multicultural Services	—	1.00	—	—	—	—	—	—	—	—
Coordinator, Multicultural Services	1.00	—	—	—	—	—	—	—	—	—
Supervisor-Accountability, Assessment	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Director of Staff Development	—	—	—	—	—	—	—	1.00	1.00	1.00
Curriculum Coordinators	4.75	5.25	6.50	6.50	7.00	5.00	3.00	3.00	3.00	3.00
Supervisors of Instruction	5.00	5.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	5.00
Instructional Specialist	5.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	1.00	—
Hearing Officer	1.00	1.00	1.00	—	1.00	1.00	1.00	1.00	—	—
Student Services Data Manager	—	—	—	1.00	1.00	—	—	—	—	—
Spec Educ Parent Resource Coord	—	1.00	1.00	1.00	1.00	—	—	—	—	—
Coordinator, Family Engagement	1.00	—	—	—	—	—	—	—	—	—
Principals	15.00	15.00	16.00	16.00	15.00	15.00	14.50	13.00	13.00	13.00
Assistant Principals	18.00	18.00	18.00	17.00	17.00	17.00	16.00	16.00	16.00	15.00
Supervisor, Preschool Instruction	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Guidance Counselors	28.00	28.00	28.00	29.50	29.50	27.50	25.00	25.00	23.00	22.00
Librarians	18.00	18.00	18.00	17.00	17.00	17.00	14.00	14.00	14.00	14.00
Classroom Teachers	648.10	658.59	673.91	668.98	643.00	625.00	612.00	596.68	574.68	550.50
Preschool Teachers	30.00	32.57	31.00	31.00	31.00	30.00	23.00	21.00	20.00	20.00
Special Education Teachers	96.00	99.00	89.00	88.00	106.50	104.50	91.50	82.50	76.50	74.50
Career and Technical Teachers	20.00	17.66	23.34	28.02	32.50	39.00	29.00	29.00	29.00	29.00
Gifted and Talented Teachers	16.00	16.00	16.00	15.00	15.00	14.00	12.00	12.00	12.00	12.00
Adult Education Teachers	4.00	4.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00	2.00
Athletic Directors	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.00	2.00	2.00
Teacher Assistants	219.74	239.04	235.86	226.86	222.72	220.72	187.49	179.77	173.77	156.85
Social Workers	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Caseworker	0.00	0.57	0.43	0.43	1.00	1.00	1.00	1.00	1.00	1.00
Interpreters	3.00	4.00	2.00	5.00	5.00	5.00	4.00	5.00	5.00	3.00
Records Management Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerical	81.00	84.50	84.62	84.00	92.50	88.50	73.00	72.50	72.50	69.00
Total Instruction	1,231.09	1,266.68	1,270.16	1,260.79	1,264.72	1,234.22	1,129.99	1,093.45	1,054.45	1,003.85

Table XXIX

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Full-time-Equivalent District Employees by Type

Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	1.00
Nurses	17.00	17.00	16.00	14.54	14.75	14.75	12.80	12.00	12.00	12.00
Psychologists	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Occupational Therapists	9.50	9.00	8.00	7.50	7.50	6.00	6.00	6.00	4.00	3.00
Physical Therapists	3.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00
Speech Therapists	18.55	17.22	16.60	15.60	15.50	15.20	11.50	10.50	10.50	10.50
Other Professional Staff	4.57	4.57	11.57	5.57	4.00	4.00	5.00	1.00	0.50	—
Clinic Assistants	—	5.00	4.50	4.50	4.00	4.00	2.00	1.00	1.00	1.00
Clerical	1.00	1.00	1.00	1.50	1.43	1.00	1.00	1.00	1.00	1.00
Total Attendance & Health Svcs	61.62	63.79	66.67	58.21	56.18	54.95	47.30	40.50	38.00	36.50
Pupil Transportation										
Director of Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinators	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Technicians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Clerical	3.00	4.00	4.00	4.00	4.00	3.00	4.00	3.25	3.00	3.00
Bus Drivers	97.80	99.60	99.60	96.60	87.63	89.66	89.66	89.66	89.66	71.63
Bus Aides	28.00	29.00	29.00	26.00	24.26	22.70	22.70	22.70	22.70	19.87
Shop Foreman	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mechanics	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Total Pupil Transportation	142.80	146.60	146.60	140.60	129.89	129.36	130.36	129.61	128.36	107.50
Operations and Maintenance										
Asst Superintendent, Operations	—	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Director, Operations	1.00	1.00	1.00	—	—	—	—	—	—	—
Supervisor, Maintenance	—	—	—	—	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
Facilities Coordinator	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00
Energy Manager	1.00	1.00	1.00	1.00	—	—	—	—	—	—
Trades	15.00	14.00	14.00	14.00	14.00	14.00	12.00	12.00	11.00	13.00
Security Guards	9.00	9.00	9.00	9.00	9.00	9.00	7.00	7.00	7.00	8.00
Grounds Workers	5.00	5.00	6.00	6.00	7.00	8.00	8.00	8.00	8.00	8.00
Clerical	3.00	3.00	3.00	3.00	4.00	4.00	3.00	2.00	2.00	2.00
Custodians	84.81	84.81	81.75	81.75	89.75	89.75	73.25	73.25	73.25	73.25
Total Operations & Maintenance	119.81	118.81	116.75	117.75	127.75	128.25	106.75	105.75	104.75	108.25
Technology										
Director, Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisor, Media/Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ITRT Integration Specialist	12.00	12.00	12.00	12.00	9.00	8.00	3.00	1.00	1.00	1.00
LAN Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Internetwork Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Network Specialists	1.00	1.00	1.00	1.00	4.00	4.00	4.00	3.00	3.00	3.00
Programmer/Analyst	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00
IFAS Support Technician	—	—	1.00	1.00	—	—	—	—	—	—
Webmaster	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Communications & Design Specialist	1.00	—	—	—	—	—	—	—	—	—
Technology Teachers	9.00	9.00	9.00	11.00	13.00	18.00	15.00	14.00	14.00	14.00
Technology Support	16.00	15.00	14.00	14.00	14.00	13.00	12.00	13.00	10.00	11.00
Clerical	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Total Technology	45.00	44.00	44.00	46.00	48.00	51.00	42.00	39.00	36.00	37.00
Food Services										
Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Professional	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—	—
Clerical	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Cafeteria Managers	15.00	15.00	15.00	14.00	14.00	14.00	12.00	12.00	12.00	12.00
Cafeteria Workers	44.44	44.44	44.44	44.03	44.72	42.02	34.86	35.00	34.00	33.00
Total Food Services	62.44	62.44	62.44	61.03	61.72	59.02	48.86	50.00	49.00	48.00
Total	1,683.26	1,722.82	1,727.62	1,706.38	1,713.76	1,681.80	1,529.26	1,480.81	1,434.06	1,365.10

Source: Nonfinancial information from district records.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

Schedule of Insurance Program Coverages

For the Year ended June 30, 2013

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

Table XXX

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

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

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

Operating Statistics

Last Ten Fiscal Years

Fiscal year	March Average Daily Membership*	Operating Expenditures*	Cost per Pupil	Percentage Change	Expenses*
2013	10,715	\$ 119,187,582	\$ 11,123	0.13%	\$ 123,064,717
2012	10,602	119,034,045	11,228	0.82%	122,551,197
2011	10,488	118,062,691	11,257	-0.49%	121,587,771
2010	10,486	118,639,099	11,314	-1.53%	121,494,525
2009	10,236	120,478,456	11,770	1.73%	123,608,146
2008	10,111	118,431,874	11,713	13.79%	120,172,017
2007	10,050	104,081,853	10,356	9.17%	105,636,488
2006	9,823	95,340,386	9,706	8.14%	96,930,986
2005	9,403	88,162,515	9,376	11.50%	89,577,245
2004	8,980	79,066,826	8,805	5.68%	80,515,880

Notes:

Operating expenditures are total expenditures less debt service and capital outlays.

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

Source:

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

Table XXXI

Fiscal Year	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2013	\$ 11,485	0.42%	648.10	16.5
2012	11,559	0.79%	658.59	16.1
2011	11,593	0.08%	673.91	15.6
2010	11,586	-1.71%	668.98	15.7
2009	12,076	2.86%	643.00	15.9
2008	11,885	13.76%	625.00	16.2
2007	10,511	8.98%	612.00	16.4
2006	9,868	8.21%	596.68	16.5
2005	9,526	11.25%	574.68	16.4
2004	8,966	6.17%	550.50	16.3

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, 2013

Step	Bachelor's Degree	Bachelor's Plus 15	Master's Degree	Master's Plus 15	Master's Plus 30	Doctoral Degree
1	\$ 38,511	\$ 39,090	\$ 40,066	\$ 40,666	\$ 41,887	\$ 43,772
2	39,474	40,066	41,068	41,684	42,934	44,866
3	40,461	41,068	42,094	42,726	44,008	45,987
4	41,472	42,094	43,146	43,795	45,108	47,137
5	42,509	43,146	44,225	44,888	46,236	48,316
6	43,572	44,225	45,331	46,011	47,391	49,524
7	44,660	45,331	46,465	47,162	48,577	50,762
8	45,777	46,465	47,626	48,340	49,790	52,030
9	46,922	47,626	48,816	49,548	51,035	53,332
10	48,095	48,816	50,037	50,787	52,311	54,665
11	49,298	50,037	51,288	52,058	53,619	56,033
12	50,531	51,288	52,571	53,358	54,959	57,432
13		52,571	53,883	54,692	56,333	58,868
14		53,883	55,232	56,060	57,742	60,340
15		55,232	56,612	57,462	59,185	61,848
16		56,612	58,027	58,898	60,665	63,396
17			59,477	60,370	62,182	64,979
18			60,965	61,879	63,736	66,604
19			62,489	63,427	65,329	68,268
20				65,012	66,963	69,976
21				66,637	68,637	71,725
22					70,353	73,519
Number of Teachers:	194	106	360	72	144	12
% in each lane:	21.85%	11.94%	40.54%	8.11%	16.22%	1.35%

* Positions included on this schedule are teachers, librarians, guidance counselors, social workers, instructional technology resource teachers, math specialists, reading specialists, and grandfathered position(s) converted to student advancement coach.



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

***Independent Auditor's 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the ***Williamsburg - James City County Public Schools'*** basic financial statements, and have issued our report thereon dated November 21, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ***Williamsburg - James City County Public Schools'*** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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. Accordingly, we do not express an opinion on the effectiveness of the ***Williamsburg - James City County Public Schools'*** internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *Williamsburg - James City County Public Schools'* financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dixon Hughes Goodman LLP

Newport News, Virginia
November 21, 2013