

## COUNTY OF JAMES CITY, VIRGINIA

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

Year ended June 30, 2005

	General	Capital projects	Debt service	Other governmental funds	Total governmental funds
<b>Revenues:</b>					
General property taxes	\$ 73,731,983	1,204	—	—	73,733,187
Other local taxes	17,955,400	—	—	—	17,955,400
Permits, privilege fees and regulatory licenses	7,746,142	—	—	—	7,746,142
Fines and forfeitures	301,204	—	—	—	301,204
Revenue from use of money and property	574,902	—	208,354	66,604	849,860
Charges for services	3,501,772	—	—	505,950	4,007,722
Miscellaneous	150,352	2,180,330	—	962,963	3,293,645
<b>Intergovernmental:</b>					
Local	—	—	—	282,560	282,560
Commonwealth	20,128,115	188,602	—	2,740,113	23,056,830
Federal	107,880	289,000	—	8,097,630	8,494,510
<b>Total revenues</b>	<b>124,197,750</b>	<b>2,659,136</b>	<b>208,354</b>	<b>12,655,820</b>	<b>139,721,060</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Storm costs	—	—	—	30,124	30,124
General government administration	7,101,022	—	—	—	7,101,022
Judicial administration	3,125,975	—	—	797,780	3,923,755
Public safety	16,271,208	—	—	1,255,554	17,526,762
Public works	4,210,327	—	—	8,304	4,218,631
Health and welfare	1,224,701	—	—	5,089,847	6,314,548
Education	55,459,098	—	—	—	55,459,098
Parks, recreation and cultural	8,258,524	—	—	80,390	8,338,914
Community development	6,263,004	—	116,544	8,390,977	14,770,525
Nondepartmental	785,865	—	211,716	—	997,581
<b>Debt service:</b>					
Principal retirement	—	—	6,286,051	125,000	6,411,051
Interest, other fiscal charges and early retirement	—	—	4,275,082	—	4,275,082
Capital outlay	—	12,611,144	—	—	12,611,144
<b>Total expenditures</b>	<b>102,699,724</b>	<b>12,611,144</b>	<b>10,889,393</b>	<b>15,777,976</b>	<b>141,978,237</b>
Excess (deficiency) of revenues over (under) expenditures	21,498,026	(9,952,008)	(10,681,039)	(3,122,156)	(2,257,177)
<b>Other financing sources (uses):</b>					
Transfers in (note 5)	—	2,347,460	10,855,242	2,136,155	15,338,857
Issuance of debt	—	39,820,000	—	—	39,820,000
Premium on bond issued	—	1,920,780	—	—	1,920,780
Underwriter's discount	—	—	(139,659)	—	(139,659)
Transfers out (note 5)	(15,213,857)	—	(125,000)	—	(15,338,857)
<b>Total other financing sources and uses</b>	<b>(15,213,857)</b>	<b>44,088,240</b>	<b>10,590,583</b>	<b>2,136,155</b>	<b>41,601,121</b>
<b>Net change in fund balances</b>	<b>6,284,169</b>	<b>34,136,232</b>	<b>(90,456)</b>	<b>(986,001)</b>	<b>39,343,944</b>
Fund balances – beginning of year	24,695,516	20,826,056	96,590	5,463,678	51,081,840
Fund balances – end of year	<b>\$ 30,979,685</b>	<b>54,962,288</b>	<b>6,134</b>	<b>4,477,677</b>	<b>90,425,784</b>

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Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities:

Net change in fund balances – total governmental funds \$ 39,343,944

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between depreciation expense and capital outlay expenditures. The details of this difference are as follows:

Depreciation expense	\$	(5,313,077)	
Capital outlay expenditures		15,412,183	
Cost of assets sold		<u>(53,727)</u>	
			10,045,379

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenue increased by this amount this year.

747,682

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, refunding costs, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts. The details of this difference are as follows:

Issuance of debt	(39,820,000)		
Premium on debt issuance	(1,785,364)		
Cost of issuance	316,659		
Amortization of issuance costs	(37,246)		
Principal payments	6,411,051		
Underwriters discount	139,659		
Deferred costs	<u>(285,413)</u>		
			(35,060,654)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This difference includes the increase in vested compensated absences of \$348,318 and decreases in landfill postclosure care cost of \$154,167 and accrued interest of \$10,875.

(183,276)

Change in net assets of governmental activities

\$ 14,893,075

See accompanying notes to basic financial statements.