

COUNTY OF JAMES CITY, VIRGINIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2006

	General	Capital projects	Debt service	Other governmental funds	Total governmental funds
Revenues:					
General property taxes	\$ 85,279,502	1,158	—	—	85,280,660
Other local taxes	20,366,681	—	—	—	20,366,681
Permits, privilege fees and regulatory licenses	8,877,130	—	—	—	8,877,130
Fines and forfeitures	290,714	—	—	—	290,714
Revenue from use of money and property	1,037,588	—	2,232,155	137,980	3,407,723
Charges for services	3,741,033	—	—	594,472	4,335,505
Miscellaneous	374,014	1,214,855	—	464,533	2,053,402
Intergovernmental:					
Local	—	—	—	423,919	423,919
Commonwealth	21,846,995	392,352	—	2,842,993	25,082,340
Federal	112,980	59,500	—	4,606,436	4,778,916
Total revenues	<u>141,926,637</u>	<u>1,667,865</u>	<u>2,232,155</u>	<u>9,070,333</u>	<u>154,896,990</u>
Expenditures:					
Current:					
General government administration	7,681,371	—	—	—	7,681,371
Judicial administration	3,371,852	—	—	816,328	4,188,180
Public safety	18,120,147	—	—	671,818	18,791,965
Public works	4,481,863	—	—	13,110	4,494,973
Health and welfare	1,322,742	—	—	5,517,594	6,840,336
Education	60,797,314	—	—	—	60,797,314
Parks, recreation and cultural	8,953,491	—	—	57,356	9,010,847
Community development	7,580,522	—	113,010	5,355,118	13,048,650
Nondepartmental	996,736	—	270,632	—	1,267,388
Debt service:					
Principal retirement	—	—	7,090,460	125,000	7,215,460
Interest, other fiscal charges and early retirement	—	—	5,962,561	—	5,962,561
Underwriter's discount	—	—	125,640	—	125,640
Capital outlay – governmental activities	—	18,752,594	—	—	18,752,594
Capital outlay – school activities	—	19,145,924	—	—	19,145,924
Total expenditures	<u>113,306,058</u>	<u>37,898,518</u>	<u>13,562,303</u>	<u>12,556,324</u>	<u>177,323,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,620,579</u>	<u>(36,230,653)</u>	<u>(11,330,148)</u>	<u>(3,485,991)</u>	<u>(22,426,213)</u>
Other financing sources (uses):					
Transfers in (note 5)	—	9,292,241	11,449,014	2,817,852	23,559,107
Issuance of debt	—	23,492,454	—	—	23,492,454
Premium on bond issued	—	291,672	—	—	291,672
Transfers out (note 5)	<u>(23,434,107)</u>	—	<u>(125,000)</u>	—	<u>(23,559,107)</u>
Total other financing sources and uses	<u>(23,434,107)</u>	<u>33,076,367</u>	<u>11,324,014</u>	<u>2,817,852</u>	<u>23,784,126</u>
Net change in fund balances	5,186,472	(3,154,286)	(6,134)	(668,139)	1,357,913
Fund balances at beginning of year	<u>30,979,685</u>	<u>54,962,288</u>	<u>6,134</u>	<u>4,477,677</u>	<u>90,425,784</u>
Fund balances at end of year	<u>\$ 36,166,157</u>	<u>51,808,002</u>	<u>—</u>	<u>3,809,538</u>	<u>91,783,697</u>

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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 \$ 1,357,913

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	\$	(6,668,243)	
Capital outlay expenditures		36,102,388	
Cost of assets sold		<u>(37,833)</u>	
			29,396,312

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.

923,690

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		(23,492,454)	
Premium on debt issuance		(76,222)	
Cost of issuance		231,772	
Amortization of issuance costs		(50,440)	
Principal payments		7,215,460	
Underwriters discount		125,640	
Deferred costs		<u>(2,529,029)</u>	
			(18,575,273)

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 \$162,712, decrease in landfill postclosure care cost of \$37,385 and increase in accrued interest of \$411,568.

(536,895)

Change in net assets of governmental activities

\$ 12,565,747

See accompanying notes to basic financial statements.