

**COUNTY OF JAMES CITY, VIRGINIA**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year ended June 30, 2007

	General	Capital projects	Debt service	Other governmental funds	Total governmental funds
<b>Revenues:</b>					
General property taxes	\$ 97,047,702	1,451	—	—	97,049,153
Other local taxes	21,273,019	—	—	—	21,273,019
Permits, privilege fees and regulatory licenses	9,255,185	—	—	—	9,255,185
Fines and forfeitures	321,443	—	—	—	321,443
Revenue from use of money and property	1,721,382	—	5,426,417	158,558	7,306,357
Charges for services	3,719,005	—	—	405,067	4,124,072
Miscellaneous	168,049	968,433	913,791	3,052,326	5,102,599
<b>Intergovernmental:</b>					
Local	—	—	—	830,800	830,800
Commonwealth	23,803,076	1,352,891	—	5,189,751	30,345,718
Federal	150,062	2,346,373	—	5,137,628	7,634,063
<b>Total revenues</b>	<b>157,458,923</b>	<b>4,669,148</b>	<b>6,340,208</b>	<b>14,774,130</b>	<b>183,242,409</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government administration	8,620,632	—	—	1,742,842	10,363,474
Judicial administration	3,818,579	—	—	1,018,454	4,837,033
Public safety	21,246,007	—	—	1,170,269	22,416,276
Public works	5,173,451	—	—	7,570	5,181,021
Health and welfare	1,453,072	—	—	5,309,132	6,762,204
Education	64,498,554	—	—	—	64,498,554
Parks, recreation and cultural	9,775,003	—	—	50,510	9,825,513
Community development	7,511,152	—	109,477	9,571,325	17,191,954
Storm costs	—	—	—	166,546	166,546
Nondepartmental	1,473,817	—	—	—	1,473,817
<b>Debt service:</b>					
Principal retirement	—	—	14,363,702	125,000	14,488,702
Interest, other fiscal charges and early retirement	—	—	9,857,524	—	9,857,524
Underwriter's discount	—	—	192,900	—	192,900
Capital outlay – governmental activities	—	30,775,156	—	—	30,775,156
Capital outlay – school activities	—	45,819,187	—	—	45,819,187
<b>Total expenditures</b>	<b>123,570,267</b>	<b>76,594,343</b>	<b>24,523,603</b>	<b>19,161,648</b>	<b>243,849,861</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>33,888,656</b>	<b>(71,925,195)</b>	<b>(18,183,395)</b>	<b>(4,387,518)</b>	<b>(60,607,452)</b>
<b>Other financing sources (uses):</b>					
Transfers in (note 5)	228,227	9,345,193	19,493,025	3,629,395	32,695,840
Issuance of debt	—	116,775,000	—	—	116,775,000
Premium on bond issued	—	7,830,141	—	—	7,830,141
Transfers out (note 5)	(30,966,353)	(419,857)	(1,309,630)	—	(32,695,840)
<b>Total other financing sources and uses</b>	<b>(30,738,126)</b>	<b>133,530,477</b>	<b>18,183,395</b>	<b>3,629,395</b>	<b>124,605,141</b>
<b>Net change in fund balances</b>	<b>3,150,530</b>	<b>61,605,282</b>	<b>—</b>	<b>(758,123)</b>	<b>63,997,689</b>
Fund balances at beginning of year	36,166,157	51,808,002	—	3,809,538	91,783,697
Fund balances at end of year	\$ <u>39,316,687</u>	<u>113,413,284</u>	<u>—</u>	<u>3,051,415</u>	<u>155,781,386</u>

COUNTY OF JAMES CITY, VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year ended June 30, 2007

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 \$ 63,997,689

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	\$ (8,359,167)	
Capital outlay expenditures	87,974,410	
Cost of assets sold	<u>(123,447)</u>	
		79,491,796

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.

(2,194,099)

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	(116,775,000)	
Premium on debt issuance	(7,830,141)	
Cost of issuance	930,455	
Amortization of issuance costs	(62,029)	
Principal payments	14,488,800	
Underwriters discount	192,900	
Deferred costs	<u>209,267</u>	
		(108,845,748)

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 \$245,072, decrease in landfill postclosure care cost of \$37,355 and decrease in accrued interest of \$48,817.

(158,900)

Change in net assets of governmental activities \$ 32,290,738

See accompanying notes to basic financial statements.