Exhibit 1

COUNTY OF JAMES CITY, VIRGINIA

Statement of Net Assets

June 30, 2007

Assets	Primary government: Governmental activities	Primary government: Business-type activity	Primary government: Total	Discretely presented component units: Public schools	Discretely presented component units: Economic Development Authority
Cash and cash equivalents (note 2)	$ 14,126,899	1,215,916	15,342,815	13,572,419	2,116,119
Cash and cash equivalents and investments - restricted (notes 2 and 3)	108,428,480	709,584	109,138,064	—	700,000
Investments (note 2)	25,626,186	29,163,873	54,790,059	—	—
Receivables, net of allowance for uncollectibles:					
Taxes, including penalties	19,720,459	—	19,720,459	—	—
Accounts	—	3,291,745	3,291,745	—	—
Interest	162,531	354,225	516,756	—	—
Loans	170,886	—	170,886	—	—
Notes	—	500,000	500,000	—	771,841
Miscellaneous	3,914,286	631,745	4,546,031	403,918	11,194
Internal balances (note 5)	553,142	(553,142)	—	—	—
Due from primary government (note 8)	—	—	—	2,996,290	614,671
Due from other governments, net (note 6)	8,365,502	—	8,365,502	1,223,846	—
Inventory	291,364	592,997	884,361	63,893	—
Prepaid items	7,746	—	7,746	—	—
Other assets	1,720,252	157,629	1,877,881	—	—
Capital assets (note 7):					
Land	31,391,710	2,717,699	34,109,409	8,249,163	2,483,106
Construction in progress (note 17)	94,166,863	8,913,781	103,080,644	3,208,270	151,090
Buildings, improvements and equipment	214,061,425	197,757,519	411,818,944	30,447,625	—
Less accumulated depreciation	(59,643,807)	(65,110,056)	(124,753,863)	(13,444,664)	—
Net capital assets	279,976,191	144,278,943	424,255,134	28,460,394	2,634,196
Total assets	$ 463,063,924	180,343,515	643,407,439	46,720,760	6,848,021
Liabilities and Net Assets					
Liabilities:					
Accounts payable (note 4)	$ 5,825,465	963,131	6,788,596	4,833,324	729,480
Accrued liabilities (note 4)	2,100,819	486,137	2,586,956	8,781,919	—
Liabilities payable from restricted assets	1,480,488	—	1,480,488	—	—
Due to component units (note 8)	3,591,721	—	3,591,721	—	—
Advances for construction (note 16)	—	135,302	135,302	—	—
Amounts held for others	—	118,863	118,863	—	—
Unearned revenue (note 9)	744,460	500,000	1,244,460	473,508	—
Long-term liabilities (notes 10 and 11):					
Due within one year	17,543,746	880,000	18,423,746	385,694	60,000
Due in more than one year	238,738,736	11,253,794	249,992,530	414,520	720,000
Total liabilities	270,025,435	14,337,227	284,362,662	14,888,965	1,509,480
Net assets:					
Invested in capital assets, net of related debt	25,413,961	132,145,149	157,559,110	28,358,026	1,854,196
Restricted net assets:					
Capital projects	124,329,355	709,584	125,038,939	—	—
Encumbrances	5,751,922	—	5,751,922	—	—
Inventory	291,364	—	291,364	—	—
Loans	170,886	—	170,886	—	—
Unrestricted net assets	37,081,001	33,151,555	70,232,556	3,473,769	3,484,345
Total net assets	193,038,489	166,006,288	359,044,777	31,831,795	5,338,541
Total liabilities and net assets	$ 463,063,924	180,343,515	643,407,439	46,720,760	6,848,021

See accompanying notes to basic financial statements.