

**JAMES CITY SERVICE AUTHORITY**  
(A Component Unit of the County of James City, Virginia)

Notes to Basic Financial Statements

June 30, 2005 and 2004

**(1) Summary of Significant Accounting Policies**

The James City Service Authority (the Authority) was established on June 30, 1969, by resolution of the Board of Supervisors of James City County, Virginia (the County or Primary Government), and was chartered by the Commonwealth of Virginia, State Corporation Commission in July 1969 to provide water and sewer service to County residents as permitted under the Code of Virginia (1950), as amended (the Enabling Act).

The Enabling Act authorizes the Authority, among other things: a) to acquire, construct, improve, extend, operate and maintain any water, sewer, sewage disposal, or garbage/refuse collection and disposal system; b) to issue revenue bonds of the Authority, payable solely from revenues, to pay all or any part of the cost of such systems; c) to fix, revise, charge and collect rates, fees and charges for the use of and for the services furnished or to be furnished by any system operated by the Authority; and d) to enter into contracts with the Commonwealth of Virginia, or with any municipality, county, corporation, individual, or any public authority or unit thereof, relating to the services and facilities of any such system of the Authority. Further, the Enabling Act provides that the Authority is subject in all respects to the jurisdiction of the Department of Environmental Quality – Water Division (DEQ), formerly the State Water Control Board of the Commonwealth of Virginia, under the provision of the State Water Control Law.

The Authority's governing body is appointed by the County's board of supervisors, although the Authority is legally separate. The County's board of supervisors is the appointed board of directors of the Authority.

The County can impose its will over the Authority, significantly influencing the programs, projects, activities or levels of service. Although a financial benefit or burden relationship may not exist, the County is financially accountable. The Authority is accounted for as a proprietary fund and its financial statements have been blended with the County's financial statements for reporting purposes.

**(a) Basis of Accounting and Presentation**

The Authority prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority, which reports its financial statements similar to an enterprise fund, has elected to apply all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Authority uses the economic resources management focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Current assets include cash and amounts convertible to cash during the next normal operating cycle, or one year. Current liabilities include those obligations to be liquidated with current assets. The Authority generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Authority may defer the use of restricted assets based on a review of the specific transaction.

Effective July 1, 2004, the Authority adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement modifies, establishes, and rescinds certain financial

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statement disclosure requirements. Accordingly, certain footnote disclosures have been revised to conform to the provisions of GASB Statement No. 40.

**(b) Cash Equivalents**

For purposes of the statements of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash, and (b) so near the maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, the Authority considers investments with original maturities of three months or less to be cash equivalents.

**(c) Investments**

All investments of the Authority are stated at fair value as of June 30, 2005 and 2004, in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

**(d) Inventories**

Inventories are valued at cost and are charged against operations on an average cost basis. They consist of water meters, pipes and parts required to repair the utility systems.

**(e) Capital Assets**

All direct costs of water and sewer transmission facilities constructed are capitalized. In addition, interest amortization of bond and trustee expense, where applicable, are capitalized during the period of construction. Interest expense is reduced to the extent of any interest income earned on investment of bond proceeds. Nonutility property is capitalized at cost.

The Authority's policy is to capitalize capital assets with a cost or fair value at the date of donation of five thousand dollars (\$5,000) or greater. The cost of major improvements is capitalized, while the cost of maintenance and repairs, which does not improve or extend the life of an asset, is expensed. The Authority provides for depreciation of capital assets using the straight-line method at amounts estimated to amortize the cost or basis of the assets over their estimated useful lives, as follows:

Sewer systems	40 years
Water systems	30 years
Equipment and other	3-40 years

When capital assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the accompanying statements of revenues, expenses and changes in net assets.

**(f) Unbilled Revenue**

The Authority records the amount of accrued but unbilled revenue by prorating actual subsequent billings. Amounts accrued but unbilled were approximately \$376,000 and \$365,000 at June 30, 2005 and 2004, respectively.

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**(g) Allowance for Uncollectible Accounts**

The Authority has few uncollectible receivables and does not use allowance accounts. State law permits filing of liens against real property for unpaid utility charges. The write-off of bad debts occurs when the property is sold prior to the lien process being instituted.

**(h) Budgetary Policy**

Although a budget is not legally required to be adopted, a fiscal year budget is prepared on a modified accrual basis for management and fiscal planning purposes. Any changes to the adopted budget require Board approval. Appropriations lapse at the end of the fiscal year with the exception of capital projects which continue until completed. For the year ended June 30, 2005, a budget adjustment of \$400,000 was made due to a reduction in water services provided.

**(i) Risk Management**

The Authority is 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. Property and liability coverages are provided through third-party insurance. The Authority's retention is through deductibles on a per claim basis as follows:

Buildings/contents	\$	10,000
General liability/public officials' liability		100,000
Automobile liability		100,000
Blanket dishonesty bond		2,500
Employee benefit liability		1,000

		<b>Liability coverage limits</b>
Coverages:		
Property insurance:		
Blanket general property	\$	77,350,987
Boiler and machinery		10,000,000
Scheduled property		924,763
Umbrella policy		5,000,000
Workers' compensation		statutory
Public employees' blanket bond		1,000,000
General liability and public officials' liability		1,000,000
Automobile liability		1,000,000
Blanket dishonesty bond		1,000,000
Employee benefit liability		1,000,000

There have been no reductions in insurance coverages from the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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**(j) Bond Premiums, Discounts and Issuance Costs**

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the terms of the related issues on a straight-line basis, which approximates the interest method.

**(k) Operating and Nonoperating Revenue and Expenses Recognition**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing water and sewer services. Revenues and expenses not meeting the operating definition are reported as nonoperating. These consist mainly of water and sewer facility charges, investment income, interest expense and gain (loss) on disposal of capital assets.

**(2) Cash and Cash Equivalents and Investments**

**(a) Deposits**

At June 30, 2005 and 2004, the carrying values of the Authority's deposits with banks and savings institutions were \$1,102,462 and \$1,052,627, respectively, and the bank balances were \$1,678,403 and \$1,638,103, respectively. The differences between the carrying values of bank deposits and the bank balances are primarily due to outstanding checks and deposits in transit. The bank balance is fully covered by federal depository insurance (FDIC) or collateralized, in accordance with the Virginia Security for Public Deposits Act (the Act), which is considered to be insured. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of the 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 claims of the Authority. 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) of the pool. Therefore, these deposits are considered collateralized and as a result, are considered 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.

**(b) Investments**

As of June 30, 2005, the Authority had the following investments and maturities:

	Fair value	Investment maturity (in years)		
		Less than 1	1-2	2-3
Federal agency bonds/notes	\$ 20,395,775	5,765,367	7,813,196	6,817,210
Federal agency discount notes	3,762,969	3,762,969	—	—
U.S. Treasury notes	1,479,590	—	1,479,590	—
Total	\$ 25,638,334	9,528,336	9,292,786	6,817,210

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**(c) Investment Policy**

In accordance with the Code of Virginia and other applicable laws, including regulations, the Authority's Investment Policy (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).

The Policy establishes limitations on the holdings of non-U.S. Government obligations. 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
State of Virginia LGIP	50% 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

The combined amount of bankers' acceptances, commercial paper and corporate notes shall not exceed fifty percent (50%) of the total book value of the portfolio at the date of acquisition.

**(d) 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, Fitch Investor's Service, and Duff and Phelps. 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 Investors Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investors Service.

Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances or money market mutual funds, the Authority has established stringent credit standards for these investments to minimize portfolio risk.

**(e) 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 Authority's portfolio will be invested in the securities of any single issuer with following exceptions:

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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, 2005, the portion of the Authority's portfolio, excluding U.S. Treasury notes, that exceed 5% of the total portfolio are as follows:

Issuer	% of portfolio
Federal Home Loan Bank	31.9
Federal Home Loan Mortgage Corporation	25.6
Federal National Mortgage Association	34.7

**(f) Interest Rate Risk**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Authority's 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.

Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities, so long as the maturity does not exceed the expected disbursement date of those funds.

**(g) Custodial Credit Risk**

The Policy requires that all investment securities purchased by the Authority or held as collateral on deposits or investments shall be held by the Authority or by a third-party custodial agent who may not otherwise be a counterparty to the investment transaction. As of June 30, 2005, all of the Authority's investments are held in a bank's trust department in the name of James City Service Authority.

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**(3) Capital Assets**

The following is a summary of changes in capital assets for the fiscal years ended June 30, 2005 and 2004:

	<u>Balance July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2005</u>
Capital assets not being depreciated:				
Utility plant -				
Land and land rights	\$ 910,138	—	—	910,138
Nonutility property:				
Land	1,580,428	4,570	—	1,584,998
Land improvements	13,183	—	—	13,183
Construction in progress	<u>15,357,443</u>	<u>7,129,703</u>	<u>20,854,984</u>	<u>1,632,162</u>
Total capital assets not being depreciated	<u>17,861,192</u>	<u>7,134,273</u>	<u>20,854,984</u>	<u>4,140,481</u>
Other capital assets:				
Utility plant -				
Water and sewer systems	148,684,658	24,339,651	—	173,024,309
Nonutility property:				
Central shop	1,955,674	—	—	1,955,674
Office fixtures and equipment	761,881	106,654	—	868,535
Automotive equipment	<u>1,733,139</u>	<u>173,022</u>	<u>24,499</u>	<u>1,881,662</u>
Total other capital assets	<u>153,135,352</u>	<u>24,619,327</u>	<u>24,499</u>	<u>177,730,180</u>
Less accumulated depreciation for:				
Water and sewer systems	48,898,530	4,309,041	—	53,207,571
Central shop	627,568	56,492	—	684,060
Office fixtures and equipment	518,083	48,913	—	566,996
Automotive equipment	<u>1,388,372</u>	<u>118,943</u>	<u>24,499</u>	<u>1,482,816</u>
Total accumulated depreciation	<u>51,432,553</u>	<u>4,533,389</u>	<u>24,499</u>	<u>55,941,443</u>
Other capital assets, net	<u>101,702,799</u>	<u>20,085,938</u>	<u>—</u>	<u>121,788,737</u>
	<u>\$ 119,563,991</u>	<u>27,220,211</u>	<u>20,854,984</u>	<u>125,929,218</u>

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	<b>Balance July 1, 2003</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2004</b>
Capital assets not being depreciated:				
Utility plant -				
Land and land rights	\$ 887,638	22,500	—	910,138
Nonutility property:				
Land	1,580,428	—	—	1,580,428
Land improvements	13,183	—	—	13,183
Construction in progress	11,749,571	15,157,955	11,550,083	15,357,443
Total capital assets not being depreciated	14,230,820	15,180,455	11,550,083	17,861,192
Other capital assets:				
Utility plant -				
Water and sewer systems	132,987,980	15,696,678	—	148,684,658
Nonutility property:				
Central shop	1,955,674	—	—	1,955,674
Office fixtures and equipment	738,056	23,825	—	761,881
Automotive equipment	1,674,653	94,199	35,713	1,733,139
Total other capital assets	137,356,363	15,814,702	35,713	153,135,352
Less accumulated depreciation for:				
Water and sewer systems	45,018,548	3,879,982	—	48,898,530
Central shop	570,800	56,768	—	627,568
Office fixtures and equipment	472,341	45,742	—	518,083
Automotive equipment	1,301,156	122,929	35,713	1,388,372
Total accumulated depreciation	47,362,845	4,105,421	35,713	51,432,553
Other capital assets, net	89,993,518	11,709,281	—	101,702,799
	\$ 104,224,338	26,889,736	11,550,083	119,563,991

**(4) Advances for Construction**

Advances for construction consists of two separate agreement types. Funds were advanced by developers for the construction of specific facilities. These agreements call for rebates, up to the amount advanced, and have no expiration date. Developers can also construct a facility, dedicate it to the Authority, and receive rebates up to the cost of the facility for up to 10 years. As of June 30, 2005 and 2004, advances for construction consisted of:

Funds advanced	\$ 129,780
Facilities constructed	5,522
	\$ 135,302

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**(5) Long-Term Debt**

A summary of the Authority's long-term debt activity for the fiscal years ended June 30, 2005 and 2004 is presented as follows:

	<u>Amount payable at July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amount payable at June 30, 2005</u>	<u>Amounts due within one year</u>
Revenue bonds	\$ 14,215,000	—	(825,000)	13,390,000	840,000
Deferred amounts - Add bond premium	<u>567,165</u>	<u>—</u>	<u>(41,124)</u>	<u>526,041</u>	<u>—</u>
Total	<u>\$ 14,782,165</u>	<u>—</u>	<u>(866,124)</u>	<u>13,916,041</u>	<u>840,000</u>

  

	<u>Amount payable at July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amount payable at June 30, 2004</u>	<u>Amounts due within one year</u>
Revenue bonds	\$ 14,650,000	—	(435,000)	14,215,000	825,000
Deferred amounts - Add bond premium	<u>608,289</u>	<u>—</u>	<u>(41,124)</u>	<u>567,165</u>	<u>—</u>
Total	<u>\$ 15,258,289</u>	<u>—</u>	<u>(476,124)</u>	<u>14,782,165</u>	<u>825,000</u>

Details of long-term bonded indebtedness:

\$14,650,000 Revenue Bonds, Series 2003, issued April 2003,  
maturing in various annual installments through 2018,  
with interest payable semiannually at various interest rates \$ 13,390,000

Future maturities of the Authority's debt obligation with scheduled interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>
Fiscal year ending June 30:		
2006	\$ 840,000	541,881
2007	860,000	522,981
2008	880,000	503,631
2009	905,000	479,431
2010	935,000	450,019
2011-2015	3,000,000	1,149,019
2016-2018	<u>5,970,000</u>	<u>945,032</u>
	<u>\$ 13,390,000</u>	<u>4,591,994</u>

Total costs of issuance for the above bonds are \$218,133 and have been capitalized in the accompanying balance sheets. Accumulated amortization at June 30, 2005 was \$31,419. Bond issuance costs are amortized on a straight-line basis over the life of the related bonds. Amortization expense was \$14,542 for the years ended June 30, 2005 and 2004.

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**(6) Salaries and Fringe Benefits**

Salaries and fringe benefits, such as vacation, sick leave, hospitalization insurance and pension plan costs are paid and provided by the County. The costs attributable to Authority personnel are reimbursed to the County by the Authority. Any costs associated with earned but unused vacation and sick leave are reported in the financial statements.

At June 30, 2005 and 2004, employees' earned but unused vacation was \$225,411 and \$207,640, respectively, and unused sick leave was \$63,975 and \$40,705, respectively, and are included in accrued salaries and benefits in the accompanying balance sheets. Upon termination, employees are entitled to receive cash payments for sick leave at 25% of accumulated values up to a maximum of \$5,000. Employees are entitled to sick leave reimbursement only after having been employed by the Authority for a minimum of two years.

**(7) Defined Benefit Pension Plan**

**(a) Plan Description**

The Authority contributes to the Virginia Retirement System (VRS or the System), an agent multiple-employer, defined benefit pension plan administered by the Virginia Retirement System. All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service (age 60 for participating law enforcement officers and firefighters) and at age 50 with at least 30 years of service for participating employees (age 50 with 25 years for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. The VRS also provides death and disability benefits. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. 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. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P.O. Box 2500, Richmond, Virginia 23218-2500.

**(b) Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed by the employer. In addition, the Authority is required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the statute and approved by the VRS board of trustees. The employer contribution rates for the fiscal years ended June 30, 2005 and 2004, were 6.50% and 6.00% of annual covered payroll, respectively.

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**(c) Annual Pension Cost**

For the fiscal years ended June 30, 2005 and 2004, the annual pension cost of \$199,041 and \$171,692, respectively, was equal to the required and actual contributions. The required contributions for fiscal year 2005 were determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases between 4.25% and 6.10%, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of the Authority's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The remaining amortization period is 15 years. The amortization method is level percent, open.

The trend information for the Authority's employees is as follows:

<b>Three-year trend information</b>			
<b>Fiscal year ending</b>	<b>Annual pension cost (APC)</b>	<b>Percentage of APC contributed</b>	<b>Net pension obligation</b>
June 30, 2005	\$ 199,041	100	none
June 30, 2004	171,692	100	none
June 30, 2003	157,560	100	none

**(8) Deferred Compensation Plan**

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to permanent part-time and full-time Authority employees, permits them to defer 25% of their gross income up to a maximum of \$14,000 per year. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

As required by Internal Revenue Code Section 457, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the participants. The County acts as trustee for the plan with the choice of investment options being made by the participants.

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**(9) Special Services**

Special services are administrative and other operating charges incurred by the Authority. The components for the years ended June 30, 2005 and 2004 are as follows:

	<b>2005</b>	<b>2004</b>
Salaries	\$ 2,433,748	2,235,990
Fringe benefits	738,320	646,114
Special services	241,113	224,531
Other	313,457	405,478
Garage charges	122,954	139,973
Insurance	64,723	61,126
Computer services	99,275	95,275
Operating	52,101	52,787
Motor fuel and lubrication	100,139	96,547
Professional services	86,927	83,788
Utilities	29,803	36,436
Equipment maintenance	10,320	134,377
	\$ 4,292,880	4,212,422

**(10) Transactions with Related Parties**

Certain financial management, accounting and other services are provided to the Authority by the County. The charges for these services amounted to \$530,595 and \$636,947 for the years ended June 30, 2005 and 2004, respectively, and are included in operating expenses under special services.

In addition, the County leases space in the Authority's administration building under a 25-year noncancelable operating lease agreement with the County. Rent revenue was \$85,716 and \$77,589 for the years ended June 30, 2005 and 2004, respectively. Rent revenue included utilities, insurance, maintenance, housekeeping supplies and custodian services, which is included in miscellaneous operating revenues in the accompanying statements of revenues, expenses and changes in net assets. Future minimum lease payments for the next five fiscal years and thereafter are estimated as follows:

2006	\$ 85,716
2007	85,716
2008	85,716
2009	88,143
2010	95,424
Thereafter	355,707
	\$ 796,422

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**(11) Commitments**

*(a) Construction in Progress*

At June 30, 2005, the Authority had several major projects under construction which are presented in the financial statements as construction in progress. Presented below is a list of major projects, by budget, expenditures to date, balance of contract and budget balance.

<u>Project</u>	<u>Budget</u>	<u>Expenditures to date</u>	<u>Balance of contract</u>	<u>Budget balance</u>
Sewer improvements	\$ 4,601,780	778,527	1,406,290	2,416,963
Water supply	1,871,085	218,039	863,907	789,139
Water transmission	985,308	343,370	285,492	356,446
Water distribution	2,002,960	133,366	1,202,775	666,819
Water system acquisition	2,889,392	131,290	240,425	2,517,677
Other	1,487,781	27,570	30,238	1,429,973
	<u>\$ 13,838,306</u>	<u>1,632,162</u>	<u>4,029,127</u>	<u>8,177,017</u>

*(b) Other*

The Authority is not currently involved in any litigation which management feels could have a significant impact on the Authority's financial condition.