

JAMES CITY SERVICE AUTHORITY
(A Component Unit of the County of James City, Virginia)
Statements of Revenues, Expenses and Changes in Net Assets
Years ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Water and sewer services	\$ 8,027,991	7,596,532
Reimbursements for storm costs	371,538	—
Miscellaneous (note 10)	442,554	460,601
Total operating revenues	<u>8,842,083</u>	<u>8,057,133</u>
Operating expenses:		
Salaries (note 6)	687,155	607,509
Fringe benefits (note 6)	229,833	137,091
Operating supplies	271,026	265,937
Maintenance of buildings and equipment	690,678	714,515
Special services (notes 9 and 10)	4,212,422	3,860,843
Utilities	431,373	430,235
Water purchases	341,726	441,101
Storm costs	209,444	—
Other	54,965	130,420
Total operating expenses before depreciation and amortization	<u>7,128,622</u>	<u>6,587,651</u>
Operating income before depreciation and amortization	1,713,461	1,469,482
Depreciation and amortization	<u>4,119,963</u>	<u>3,856,524</u>
Operating loss	<u>(2,406,502)</u>	<u>(2,387,042)</u>
Nonoperating revenues (expenses):		
Water and sewer facility fees	4,914,512	4,030,744
Investment income	184,213	302,872
Gain (loss) on disposal of capital assets	1,869	(117,874)
Interest expense, net	(482,695)	(60,969)
Net nonoperating revenues	<u>4,617,899</u>	<u>4,154,773</u>
Income before contributions	2,211,397	1,767,731
Capital assets contributions	<u>5,233,761</u>	<u>5,696,575</u>
Changes in net assets	7,445,158	7,464,306
Net assets at beginning of year	<u>123,914,115</u>	<u>116,449,809</u>
Net assets at end of year	<u>\$ 131,359,273</u>	<u>123,914,115</u>

See accompanying notes to basic financial statements.