

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

Schedule of Revenues, Expenses and Changes in Net Assets – by Activity

Year ended June 30, 2004

(with comparative totals for year ended June 30, 2003)

	<u>Water operations</u>	<u>Sewer operations</u>	<u>2004</u>	<u>2003</u>
Operating revenues:				
Water and sewer services	\$ 4,349,896	3,678,095	8,027,991	7,596,532
Reimbursements for storm costs	94,600	276,938	371,538	—
Miscellaneous	388,385	54,169	442,554	460,601
Total operating revenues	<u>4,832,881</u>	<u>4,009,202</u>	<u>8,842,083</u>	<u>8,057,133</u>
Operating expenses:				
Salaries	357,829	329,326	687,155	607,509
Fringe benefits	137,033	92,800	229,833	137,091
Operating supplies	148,963	122,063	271,026	265,937
Maintenance of buildings and equipment	264,491	426,187	690,678	714,515
Special services	1,769,217	2,443,205	4,212,422	3,860,843
Utilities	209,211	222,162	431,373	430,235
Water purchases	341,726	—	341,726	441,101
Storm costs	29,055	180,389	209,444	—
Other	17,711	37,254	54,965	130,420
Total operating expenses before depreciation and amortization	<u>3,275,236</u>	<u>3,853,386</u>	<u>7,128,622</u>	<u>6,587,651</u>
Operating income before depreciation and amortization	1,557,645	155,816	1,713,461	1,469,482
Depreciation and amortization	2,073,422	2,046,541	4,119,963	3,856,524
Operating loss	<u>(515,777)</u>	<u>(1,890,725)</u>	<u>(2,406,502)</u>	<u>(2,387,042)</u>
Nonoperating revenues (expenses):				
Water and sewer facility fees	2,764,572	2,149,940	4,914,512	4,030,744
Investment income	44,540	139,673	184,213	302,872
Gain (loss) on disposal of capital assets	1,869	—	1,869	(117,874)
Interest expense, net	(482,695)	—	(482,695)	(60,969)
Net nonoperating revenues	<u>2,328,286</u>	<u>2,289,613</u>	<u>4,617,899</u>	<u>4,154,773</u>
Income before contributions	1,812,509	398,888	2,211,397	1,767,731
Capital assets contributions	1,928,471	3,305,290	5,233,761	5,696,575
Changes in net assets	3,740,980	3,704,178	7,445,158	7,464,306
Net assets at beginning of year	<u>63,753,674</u>	<u>60,160,441</u>	<u>123,914,115</u>	<u>116,449,809</u>
Net assets at end of year	<u>\$ 67,494,654</u>	<u>63,864,619</u>	<u>131,359,273</u>	<u>123,914,115</u>

See accompanying independent auditors' report.