

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

Statements of Cash Flows

Years ended June 30, 2007 and 2006

	2007	2006, as restated
Cash flows from operating activities:		
Cash received from customers	\$ 10,653,106	10,429,520
Other cash receipts	1,434,206	355,595
Cash payments to suppliers for goods and services	(8,004,227)	(7,083,664)
Cash payments for personnel services	(1,397,901)	(998,911)
Net cash provided by operating activities	2,685,184	2,702,540
Cash flows from capital and related financing activities:		
Connection fees	5,904,875	6,132,383
Payments of debt	(860,000)	(840,000)
Interest paid	(525,482)	(544,430)
Acquisition and construction of capital assets	(6,441,082)	(6,119,296)
Proceeds from sale of capital assets	—	24,124
Net cash used in capital and related financing activities	(1,921,689)	(1,347,219)
Cash flows from investing activities:		
Purchases of investments	(34,375,887)	(24,455,175)
Proceeds from sale of investments	32,088,164	22,507,774
Interest received	1,390,158	839,604
Net cash used in investing activities	(897,565)	(1,107,797)
Increase in cash and cash equivalents	(134,070)	247,524
Cash and cash equivalents at beginning of year	1,349,986	1,102,462
Cash and cash equivalents at end of year	\$ 1,215,916	1,349,986
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (1,640,768)	(2,414,718)
Adjustments to reconcile operating loss to cash provided by operating activities:		
Depreciation and amortization	5,594,153	5,330,865
Change in operating assets and liabilities:		
Accounts receivable, customers	(814,619)	(463,344)
Accounts receivable, other	(475,037)	46,166
Inventories	34,204	(48,331)
Accounts payable, trade	(104,720)	210,100
Accrued salaries and benefits	32,096	29,193
Due to James City County	56,610	10,174
Deposits	3,265	2,435
Total adjustments	4,325,952	5,117,258
Net cash provided by operating activities	\$ 2,685,184	2,702,540
Supplemental schedules:		
Noncash capital activities:		
Capital assets contributions	\$ 7,926,456	10,077,376
Transfer of capital assets to HRSD	(2,198,500)	—
Noncash investing activity:		
Unrealized gain from change in fair value of investments	228,355	16,397

See accompanying notes to basic financial statements.