

**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, 2007

(with comparative totals for year ended June 30, 2006)

	Water operations	Sewer operations	Totals	
			2007	2006, as restated
Operating revenues:				
Water and sewer services	\$ 6,055,748	5,408,712	11,464,460	10,269,798
Reimbursements for storm costs	—	161,573	161,573	—
Miscellaneous	1,629,992	117,678	1,747,670	930,060
Total operating revenues	<u>7,685,740</u>	<u>5,687,963</u>	<u>13,373,703</u>	<u>11,199,858</u>
Operating expenses:				
Salaries	599,554	420,499	1,020,053	762,584
Fringe benefits	262,442	147,505	409,947	265,520
Operating supplies	560,460	176,632	737,092	560,840
Maintenance of buildings and equipment	232,918	560,846	793,764	637,345
Special services	2,377,605	2,791,101	5,168,706	4,877,696
Utilities	452,447	188,443	640,890	651,820
Water purchases	285,190	—	285,190	320,509
Storm costs	21,446	139,903	161,349	—
Other	138,501	64,826	203,327	207,397
Total operating expenses	<u>4,930,563</u>	<u>4,489,755</u>	<u>9,420,318</u>	<u>8,283,711</u>
Operating income before depreciation and amortization	2,755,177	1,198,208	3,953,385	2,916,147
Depreciation and amortization	<u>3,267,203</u>	<u>2,326,950</u>	<u>5,594,153</u>	<u>5,330,865</u>
Operating income (loss)	<u>(512,026)</u>	<u>(1,128,742)</u>	<u>(1,640,768)</u>	<u>(2,414,718)</u>
Nonoperating revenues (expenses):				
Connection fees	2,978,175	2,926,700	5,904,875	6,132,383
Investment income	922,417	581,522	1,503,939	935,971
Loss on disposal of capital assets	(10,750)	(2,187,750)	(2,198,500)	(39,930)
Interest expense, net	(475,557)	—	(475,557)	(494,712)
Net nonoperating revenues	<u>3,414,285</u>	<u>1,320,472</u>	<u>4,734,757</u>	<u>6,533,712</u>
Income before contributions	2,902,259	191,730	3,093,989	4,118,994
Capital assets contributions	<u>2,753,331</u>	<u>5,173,125</u>	<u>7,926,456</u>	<u>10,077,376</u>
Changes in net assets	5,655,590	5,364,855	11,020,445	14,196,370
Net assets at beginning of year, as restated	<u>79,399,555</u>	<u>75,586,288</u>	<u>154,985,843</u>	<u>140,789,473</u>
Net assets at end of year	<u>\$ 85,055,145</u>	<u>80,951,143</u>	<u>166,006,288</u>	<u>154,985,843</u>

See accompanying independent auditors' report.