

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

Statements of Cash Flows
Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from customers	\$ 10,070,311	10,653,106
Other cash receipts	1,770,419	1,434,206
Cash payments to suppliers for goods and services	(8,841,702)	(8,004,227)
Cash payments for personnel services	(1,399,470)	(1,397,901)
Net cash provided by operating activities	<u>1,599,558</u>	<u>2,685,184</u>
Cash flows from capital and related financing activities:		
Facility charges	3,428,121	5,904,875
Payments of debt	(880,000)	(860,000)
Interest paid	(506,131)	(525,482)
Acquisition and construction of capital assets	(3,552,649)	(6,441,082)
Proceeds from sale of capital assets	190,986	—
Net cash used in capital and related financing activities	<u>(1,319,673)</u>	<u>(1,921,689)</u>
Cash flows from investing activities:		
Purchases of investments	(22,213,079)	(34,375,887)
Proceeds from sale of investments	20,592,087	32,088,164
Interest received	1,998,092	1,390,158
Net cash provided by (used in) investing activities	<u>377,100</u>	<u>(897,565)</u>
Increase (decrease) in cash and cash equivalents	656,985	(134,070)
Cash and cash equivalents at beginning of year	1,215,916	1,349,986
Cash and cash equivalents at end of year	<u>\$ 1,872,901</u>	<u>1,215,916</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (3,559,585)	(1,640,768)
Adjustments to reconcile operating loss to cash provided by operating activities:		
Depreciation and amortization	5,864,920	5,594,153
Change in operating assets and liabilities:		
Accounts receivable, customers	(1,121,391)	(814,619)
Accounts receivable, other	471,063	(475,037)
Inventories	(84,777)	34,204
Accounts payable, trade	(7,715)	(104,720)
Accrued salaries	13,306	32,096
Due to James City County	43,613	56,610
Deposits	(19,876)	3,265
Total adjustments	<u>5,159,143</u>	<u>4,325,952</u>
Net cash provided by operating activities	<u>\$ 1,599,558</u>	<u>2,685,184</u>
Supplemental schedules:		
Noncash capital activities:		
Capital asset contributions	\$ 3,154,158	7,926,456
Transfer of capital assets to HRSD	\$ —	(2,198,500)
Noncash investing activity:		
Unrealized gain from change in fair value of investments	\$ 307,196	228,355

See accompanying notes to basic financial statements.