

CITY OF NEWPORT NEWS, VIRGINIA

Combining Statement of Net Assets

Other Discretely Presented Component Units

June 30, 2004

Assets	Peninsula Airport Commission	Economic and Industrial Development Authorities	Total
Cash and cash equivalents	\$ 6,109,887	1,260,935	7,370,822
Restricted cash	21	5,663,329	5,663,350
Accounts receivable, net	1,891,220	2,660,252	4,551,472
Receivables from other governments	5,805,000	30,845,000	36,650,000
Inventory, at cost	49,215	—	49,215
Land held for lease or resale	—	18,092,092	18,092,092
Net investment in direct financing leases	—	20,889,627	20,889,627
Capital assets, net	63,172,594	103,562,147	166,734,741
Other assets:			
Restricted investments	2,405,452	11,687	2,417,139
Other	203,816	—	203,816
Total assets	\$ 79,637,205	182,985,069	262,622,274
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 1,104,365	1,679,367	2,783,732
Accrued liabilities	425,667	—	425,667
Deposits	52,601	—	52,601
Deferred revenue	—	39,797	39,797
Other liabilities	—	285,680	285,680
Advances from City of Newport News	—	17,834,152	17,834,152
Long-term liabilities:			
Due within one year	275,954	11,149,396	11,425,350
Due in more than one year	8,355,281	120,633,398	128,988,679
Total liabilities	10,213,868	151,621,790	161,835,658
Net assets:			
Invested in capital assets, net of related debt	54,541,359	21,795,433	76,336,792
Restricted for:			
Capital loans	2,405,452	1,192,577	3,598,029
Capital projects	—	4,045,534	4,045,534
Unrestricted	12,476,526	4,329,735	16,806,261
Total net assets	69,423,337	31,363,279	100,786,616
Total liabilities and net assets	\$ 79,637,205	182,985,069	262,622,274

CITY OF NEWPORT NEWS, VIRGINIA

Combining Statement of Revenues, Expenses and Changes in Net Assets

Other Discretely Presented Component Units

Year ended June 30, 2004

	<u>Peninsula Airport Commission</u>	<u>Economic and Industrial Development Authorities</u>	<u>Total</u>
Operating revenues:			
Property rentals	\$ —	9,864,150	9,864,150
Charges for services	5,604,395	—	5,604,395
Land sales	—	24,500	24,500
Intergovernmental – City of Newport News	—	1,552,808	1,552,808
Total operating revenues	<u>5,604,395</u>	<u>11,441,458</u>	<u>17,045,853</u>
Operating expenses:			
Cost of land sold	—	249,180	249,180
Contractual services	—	1,859,808	1,859,808
Depreciation and amortization	1,624,722	2,463,849	4,088,571
Materials and supplies	1,093,385	420,547	1,513,932
Rental expenses	—	354,688	354,688
Commissions	—	11,255	11,255
Salaries and wages	2,728,547	280,371	3,008,918
Miscellaneous	992,394	125,881	1,118,275
Total operating expenses	<u>6,439,048</u>	<u>5,765,579</u>	<u>12,204,627</u>
Operating income (loss)	<u>(834,653)</u>	<u>5,675,879</u>	<u>4,841,226</u>
Nonoperating revenues (expenses):			
Interest income	348,517	121,251	469,768
Interest expense (note 8)	(334,005)	(6,380,587)	(6,714,592)
Bond and administrative fee income	—	194,202	194,202
Governor’s opportunity grants	—	(500,000)	(500,000)
Letter of credit and trustee fees	—	(114,210)	(114,210)
Other	(25,849)	414,629	388,780
Nonoperating expenses, net	<u>(11,337)</u>	<u>(6,264,715)</u>	<u>(6,276,052)</u>
Capital contributions, net	<u>2,843,115</u>	<u>—</u>	<u>2,843,115</u>
Change in net assets	1,997,125	(588,836)	1,408,289
Net assets at beginning of year	<u>67,426,212</u>	<u>31,952,115</u>	<u>99,378,327</u>
Net assets at end of year	<u>\$ 69,423,337</u>	<u>31,363,279</u>	<u>100,786,616</u>

CITY OF NEWPORT NEWS, VIRGINIA

Combining Statement of Cash Flows

Other Discretely Presented Component Units

Year ended June 30, 2004

	Peninsula Airport Commission	Economic and Industrial Development Authorities	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 5,817,672	10,994,855	16,812,527
Receipts from land sales, net of settlement charges	—	24,500	24,500
Payments to suppliers for goods and services	(2,030,117)	(2,917,018)	(4,947,135)
Payments to employees	(2,735,242)	(280,371)	(3,015,613)
Other	—	—	—
Net cash provided by operating activities	<u>1,052,313</u>	<u>7,821,966</u>	<u>8,874,279</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(4,087,521)	(332,640)	(4,420,161)
Capital contributions, net	4,016,902	—	4,016,902
Proceeds from industrial revenue bonds and long-term debt	—	13,696,249	13,696,249
Repayment and retirement of industrial revenue bonds	(263,301)	(18,455,965)	(18,719,266)
Call premium on long-term debt and payment of deferred bond costs	8,826	—	8,826
Proceeds from Newport News Public Schools	—	30,273	30,273
Proceeds from City of Newport News	—	901,207	901,207
Payments to City of Newport News	—	(651,577)	(651,577)
Interest paid	(334,005)	(6,380,587)	(6,714,592)
Other payments, net	—	(5,379)	(5,379)
Net cash used in capital and related financing activities	<u>(659,099)</u>	<u>(11,198,419)</u>	<u>(11,857,518)</u>
Cash flows from investing activities:			
Interest received	348,638	121,251	469,889
Net investment in direct financing leases	—	1,517,403	1,517,403
Change in restricted investments	214,254	—	214,254
Net cash provided by investing activities	<u>562,892</u>	<u>1,638,654</u>	<u>2,201,546</u>
Increase in cash and restricted cash and cash equivalents	956,106	(1,737,799)	(781,693)
Cash and restricted cash and cash equivalents at beginning of year	5,153,781	8,662,063	13,815,844
Cash and restricted cash and cash equivalents at end of year	<u>\$ 6,109,887</u>	<u>6,924,264</u>	<u>13,034,151</u>
Reported as:			
Cash	6,109,887	1,260,935	7,370,822
Restricted cash and cash equivalents, current	—	5,323,566	5,323,566
Restricted cash and cash equivalents, non-current	—	339,763	339,763
Cash and restricted cash and cash equivalents at end of year	<u>6,109,887</u>	<u>6,924,264</u>	<u>13,034,151</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (834,653)	5,675,879	4,841,226
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Depreciation and amortization	1,624,722	2,463,849	4,088,571
Cost of land sold	—	30,395	30,395
Changes in assets and liabilities:			
Loans receivable	—	(24,016)	(24,016)
Mortgages receivable	—	266,591	266,591
Other receivables	227,962	(446,418)	(218,456)
Other assets	(17,585)	—	(17,585)
Trade accounts payable and accrued liabilities	51,867	(547,381)	(495,514)
Construction accounts payable	—	402,542	402,542
Deferred revenue	—	525	525
Net cash provided by operating activities	<u>\$ 1,886,966</u>	<u>2,146,087</u>	<u>4,033,053</u>
Supplemental disclosure – noncash capital activity:			
Construction costs financed by accounts payable	\$ 991,470	—	991,470
Contributed capital funded by accounts receivable	1,522,344	—	1,522,344
Payment made by State on VASCIC bonds	—	3,565,000	3,565,000
Forgiveness of note payable	—	218,785	218,785