

CITY OF NEWPORT NEWS, VIRGINIA

Combining Statement of Net Assets

Non-Major Component Units

June 30, 2005

Assets	Peninsula Airport Commission	Economic and Industrial Development Authorities	Totals
Current Assets:			
Cash and cash equivalents	\$ 5,011,607	3,000,432	8,012,039
Restricted cash and investments	42	24,373,716	24,373,758
Receivables:			
Accounts	1,900,573	178,134	2,078,707
Loans	-	113,870	113,870
Mortgages	-	146,087	146,087
Primary government Commonwealth of Virginia	230,000	-	230,000
Net investment in direct financing leases	-	3,940,000	3,940,000
Inventories	53,928	-	53,928
Other current assets	17,582	-	17,582
Total current assets	<u>7,213,732</u>	<u>34,388,954</u>	<u>41,602,686</u>
Restricted cash and investments	2,120,635	393,293	2,513,928
Receivables:			
Loans	-	507,471	507,471
Mortgages	-	894,782	894,782
Notes	-	3,700,000	3,700,000
Primary government Commonwealth of Virginia	5,360,000	-	5,360,000
Land held for lease or resale	-	23,160,000	23,160,000
Net investment in direct financing leases	-	16,725,914	16,725,914
Other noncurrent assets	176,664	17,982,252	17,982,252
Property, plant and equipment:			
Land	5,712,070	-	5,712,070
Construction in progress	7,336,734	12,064,704	19,401,438
Infrastructure	-	1,521,049	1,521,049
Buildings	-	99,102,130	99,102,130
Improvements	-	9,931,878	9,931,878
Airfield	53,378,381	-	53,378,381
Terminal	35,009,799	-	35,009,799
Trailer park and rental units	2,031,344	-	2,031,344
Machinery and equipment	3,177,567	96,674	3,274,241
Accumulated depreciation	(38,171,783)	(13,143,294)	(51,315,077)
Total assets	<u>\$ 83,345,143</u>	<u>207,393,587</u>	<u>290,738,730</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 1,349,131	1,628,593	2,977,724
Accrued liabilities	452,754	393,994	846,748
Deposits/deferred revenue	39,400	-	39,400
Due to primary government	-	951,314	951,314
General obligation bonds payable - due within one year	293,728	10,145,669	10,439,397
Total current liabilities	<u>2,135,013</u>	<u>13,119,570</u>	<u>15,254,583</u>
Due to primary government	-	16,455,867	16,455,867
Due to Newport News Public Schools	-	316,523	316,523
General obligation bonds payable	8,061,553	141,840,666	149,902,219
Total liabilities	<u>10,196,566</u>	<u>171,732,626</u>	<u>181,929,192</u>
Net Assets			
Invested in capital assets, net of related debt	60,118,831	27,285,657	87,404,488
Restricted for:			
Capital projects	-	2,842,671	2,842,671
Capital loans	2,120,635	1,228,020	3,348,655
Unrestricted	10,909,111	4,304,613	15,213,724
Total net assets	<u>73,148,577</u>	<u>35,660,961</u>	<u>108,809,538</u>
Total liabilities and net assets	<u>\$ 83,345,143</u>	<u>207,393,587</u>	<u>290,738,730</u>

CITY OF NEWPORT NEWS, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Net Assets
Non-Major Component Units
Year ended June 30, 2005

	Peninsula Airport Commission	Economic and Industrial Development Authorities	Totals
Operating revenues:			
Charges for services	\$ 6,232,082	–	6,232,082
Parking contributions	–	763,212	763,212
Property rentals	–	9,519,295	9,519,295
Land sales	–	2,329,470	2,329,470
Intergovernmental-PAC	–	175,525	175,525
Intergovernmental-primary government	–	4,482,898	4,482,898
Total operating revenues	<u>6,232,082</u>	<u>17,270,400</u>	<u>23,502,482</u>
Operating expenses:			
Cost of land sold	–	1,556,496	1,556,496
Personal services	2,930,616	271,014	3,201,630
Contractual services	–	2,266,473	2,266,473
Materials and supplies	1,274,846	402,670	1,677,516
Depreciation and amortization	3,240,555	2,536,982	5,777,537
Real estate commissions	–	183,971	183,971
Rental expenses	–	371,724	371,724
Miscellaneous	747,537	134,029	881,566
Total operating expenses	<u>8,193,554</u>	<u>7,723,359</u>	<u>15,916,913</u>
Operating income (loss)	<u>(1,961,472)</u>	<u>9,547,041</u>	<u>7,585,569</u>
Nonoperating revenues (expenses):			
Interest revenue	410,193	468,369	878,562
Bond and admin fee income	–	341,999	341,999
Interest expense	(323,365)	(5,928,750)	(6,252,115)
Letter of credit and trustee fees	–	(117,974)	(117,974)
Amortization - bond costs	(11,164)	–	(11,164)
Other revenues (expenses)	24,180	526,997	551,177
Nonoperating expenses, net	99,844	(4,709,359)	(4,609,515)
Capital contributions, net	5,586,868	–	5,586,868
Change in net assets	<u>3,725,240</u>	<u>4,837,682</u>	<u>8,562,922</u>
Net assets at June 30, 2004	<u>69,423,337</u>	<u>30,823,279</u>	<u>100,246,616</u>
Net assets at June 30, 2005	<u>\$ 73,148,577</u>	<u>35,660,961</u>	<u>108,809,538</u>

CITY OF NEWPORT NEWS, VIRGINIA
Combining Statement of Cash Flows
Non-Major Component Units
Year ended June 30, 2005

	Peninsula Airport Commission	Economic and Industrial Development Authorities	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 6,273,938	14,407,499	20,681,437
Receipts from land sales, net of settlement charges	-	2,329,470	2,329,470
Payments to suppliers	(1,990,977)	(2,594,244)	(4,585,221)
Payments to employees	(2,937,801)	(271,014)	(3,208,815)
Net cash provided by operating activities	<u>1,345,160</u>	<u>13,871,711</u>	<u>15,216,871</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(8,300,748)	(10,453,595)	(18,754,343)
Capital contributions, net	5,560,952	-	5,560,952
Proceeds from industrial revenue bonds	-	31,388,028	31,388,028
Repayment and retirement of industrial revenue bonds and notes payable	(275,954)	(7,439,487)	(7,715,441)
Proceeds from Newport News Public Schools	-	30,843	30,843
Proceeds from primary government	-	553,758	553,758
Payment to primary government	-	(980,729)	(980,729)
Call premium and deferred bond costs	(13,201)	-	(13,201)
Interest paid	(323,365)	(5,928,750)	(6,252,115)
Other revenue, net	-	751,022	751,022
Net cash used in capital and related financing activities	<u>(3,352,316)</u>	<u>7,921,090</u>	<u>4,015,016</u>
Cash flows from investing activities:			
Net investment in direct financing leases	-	2,270,320	2,270,320
Interest received	409,080	468,369	877,449
Issuance of hotel gap loan	-	(3,700,000)	(3,700,000)
Increase in restricted investments, net	499,796	-	499,796
Net cash provided by investing activities	<u>908,876</u>	<u>(961,311)</u>	<u>(52,435)</u>
Increase (decrease) in cash and cash equivalents at beginning of year	(1,098,280)	20,831,490	19,179,452
Cash, cash equivalents and restricted cash at beginning of year	<u>6,109,887</u>	<u>6,924,264</u>	<u>13,034,151</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 5,011,607</u>	<u>27,755,754</u>	<u>32,213,603</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (1,961,472)	9,547,041	7,585,569
Adjustment to reconcile operating income to cash provided by operating activities:			
Depreciation	(3,240,555)	2,536,982	(703,573)
Write-off of construction in progress	-	202,958	202,958
Changes in assets and liabilities:			
Loans receivable	-	(138,372)	(138,372)
Mortgages receivable	-	49,406	49,406
Other receivables	17,676	(98,906)	(81,230)
Inventories	(4,713)	969,178	964,465
Other assets	22,587	-	22,587
Accounts payable and accrued liabilities	30,527	(322,476)	(291,949)
Construction accounts payable	-	1,165,697	1,165,697
Deferred revenue	-	(39,797)	(39,797)
Net cash provided by operating activities	<u>\$ (5,135,950)</u>	<u>13,871,711</u>	<u>8,735,761</u>
Supplemental disclosure:			
Noncash capital activities:			
Payment by State on VASCIC bonds	-	3,940,000	3,940,000
Sale of assets under direct financing leases	\$ -	2,099,660	2,099,660
Noncash investing and financing activities:			
Construction costs financed by accounts payable	\$ 1,232,796	-	1,232,796
Contributed capital funded by accounts receivable	1,548,260	-	1,548,260