

**CITY OF NEWPORT NEWS, VIRGINIA**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2006

Assets	Special Revenue						
	Community development	Street maintenance	Economic development	Law library	Stormwater	Solid waste	Wastewater
Cash and cash equivalents	\$ —	—	787,973	96,519	3,836,168	2,350,047	—
Accounts receivable, ne	—	—	—	1,587	378,476	627,188	389,187
Receivable from other governments							
State	—	—	—	—	50,945	—	—
Federal	79,006	—	—	—	196,792	—	—
Advances to (from) other funds	—	—	—	—	—	—	—
Total assets	\$ 79,006	—	787,973	98,106	4,462,381	2,977,235	389,187
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 49,607	—	6,967	1,064	106,527	628,533	139,773
Accrued liabilities:	—	—	—	—	90,420	32,211	26,474
Deferred revenue	—	—	—	—	287,885	—	—
Advances from major governmental fund	29,399	—	—	—	—	—	225,865
Total liabilities	79,006	—	6,967	1,064	484,832	660,744	392,112
Fund balances:							
Reserved for encumbrances:	—	—	—	—	246,041	85,136	—
Unreserved:							
Designated:							
Imprest funds	—	—	—	25	—	—	—
Capital improvements	—	—	—	—	—	—	—
Specific projects	—	—	—	—	2,273,877	1,336,607	872,512
Undesignated	—	—	781,006	97,017	1,457,631	894,748	(875,437)
Total fund balances	—	—	781,006	97,042	3,977,549	2,316,491	(2,925)
Total liabilities and fund balances	\$ 79,006	—	787,973	98,106	4,462,381	2,977,235	389,187

(continued)

**CITY OF NEWPORT NEWS, VIRGINIA**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2006

	<u>Special Revenue</u>		<u>Capital Projects</u>			<u>Total nonmajor</u>
	<u>Comprehensive Services Act</u>	<u>Other federal and state</u>	<u>General capital improvements</u>	<u>Revenue sharing</u>	<u>Other federal and state</u>	
<b>Assets</b>						
Cash and cash equivalents	\$ —	1,521,091	4,182,329	4,861	102,796	12,881,784
Accounts receivable, net	—	493	—	—	—	1,396,931
Receivable from other governments						
Local	—	—	—	—	28,819	28,819
State	2,826,649	205,203	—	—	288,766	3,371,563
Federal	—	513,790	—	—	20,000	809,588
Advances to (from) other funds	—	—	278,741	—	(278,741)	—
Total assets	<u>\$ 2,826,649</u>	<u>2,240,577</u>	<u>4,461,070</u>	<u>4,861</u>	<u>161,640</u>	<u>18,488,685</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 1,889,303	205,332	596,495	—	87,434	3,711,035
Accrued liabilities:	—	25,699	820	—	—	175,624
Deferred revenue	—	—	129,318	—	—	417,203
Advances from major governmental fund	937,346	—	—	—	—	1,192,610
Total liabilities	<u>2,826,649</u>	<u>231,031</u>	<u>726,633</u>	<u>—</u>	<u>87,434</u>	<u>5,496,472</u>
Fund balances:						
Reserved for encumbrances	—	2,294	1,063,656	—	—	1,397,127
Unreserved:						
Designated:						
Imprest funds	—	—	—	—	—	25
Capital improvements	—	—	2,527,608	—	—	2,527,608
Specific projects	—	2,007,252	143,173	—	74,206	6,707,627
Undesignated	—	—	—	4,861	—	2,359,826
Total fund balances	<u>—</u>	<u>2,009,546</u>	<u>3,734,437</u>	<u>4,861</u>	<u>74,206</u>	<u>12,992,213</u>
Total liabilities and fund balances	<u>\$ 2,826,649</u>	<u>2,240,577</u>	<u>4,461,070</u>	<u>4,861</u>	<u>161,640</u>	<u>18,488,685</u>

**CITY OF NEWPORT NEWS, VIRGINIA**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended June 30, 2006

	<b>Special Revenue</b>						
	<b>Community development</b>	<b>Street maintenance</b>	<b>Economic development</b>	<b>Law library</b>	<b>Stormwater</b>	<b>Solid waste</b>	<b>Wastewater</b>
<b>Revenues:</b>							
Intergovernmental							
Local	\$ —	—	—	—	23,519	—	—
State	—	12,073,525	—	—	50,945	26,760	—
Federal	2,993,006	—	—	—	196,792	—	—
Charges for services	—	—	—	110,495	6,957,015	10,382,311	8,628,539
Interest and rents	—	—	112,376	—	89,923	57,122	14,244
Miscellaneous	—	—	22,900	—	—	60,133	53,209
<b>Total revenues</b>	<b>2,993,006</b>	<b>12,073,525</b>	<b>135,276</b>	<b>110,495</b>	<b>7,318,194</b>	<b>10,526,326</b>	<b>8,695,992</b>
<b>Expenditures:</b>							
Current operating:							
General government	—	—	—	105,142	—	—	—
Public safety	—	—	—	—	—	—	—
Public works	—	12,073,525	—	—	5,985,038	9,678,708	6,854,777
Health and welfare	—	—	—	—	—	—	—
Parks, recreation, and culture	—	—	—	—	—	—	—
Community development	2,993,006	—	67,643	—	—	—	—
Capital outlay	—	—	—	—	—	—	—
<b>Total expenditures</b>	<b>2,993,006</b>	<b>12,073,525</b>	<b>67,643</b>	<b>105,142</b>	<b>5,985,038</b>	<b>9,678,708</b>	<b>6,854,777</b>
<b>Excess (deficiency) of revenues     over (under) expenditures:</b>	<b>—</b>	<b>—</b>	<b>67,633</b>	<b>5,353</b>	<b>1,333,156</b>	<b>847,618</b>	<b>1,841,215</b>
<b>Other financing sources (uses):</b>							
Transfers in	—	—	—	—	—	—	—
Transfers out	—	—	—	—	(1,280,502)	(706,180)	(2,992,467)
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,280,502)</b>	<b>(706,180)</b>	<b>(2,992,467)</b>
<b>Net changes in fund balances</b>	<b>—</b>	<b>—</b>	<b>67,633</b>	<b>5,353</b>	<b>52,654</b>	<b>141,438</b>	<b>(1,151,252)</b>
Fund balances at June 30, 2005, as restated	—	—	713,373	91,689	3,924,895	2,175,055	1,148,327
Fund balances at June 30, 2006	\$ —	—	781,006	97,042	3,977,549	2,316,493	(2,925)

(continued)

**CITY OF NEWPORT NEWS, VIRGINIA**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended June 30, 2006

	<u>Special Revenue</u>		<u>Capital Projects</u>			<u>Total nonmajor</u>
	<u>Comprehensive Services Act</u>	<u>Other federal and state</u>	<u>General capital improvements</u>	<u>Revenue sharing</u>	<u>Other federal and state</u>	
Revenues:						
Intergovernmental						
Local	\$ —	473,698	682,317	—	37,099	1,216,633
State	7,290,524	1,017,920	—	—	32,040	20,491,714
Federal	—	3,298,802	—	—	111,807	6,600,407
Charges for services	—	—	—	—	—	26,078,360
Interest and rents	—	31,627	—	—	—	305,292
Miscellaneous	—	—	—	—	—	136,242
Total revenues	<u>7,290,524</u>	<u>4,822,047</u>	<u>682,317</u>	<u>—</u>	<u>180,946</u>	<u>54,828,648</u>
Expenditures:						
Current operating:						
General government	—	—	—	—	—	105,142
Public safety	—	4,893,304	—	—	—	4,893,304
Public works	—	—	—	—	—	34,592,048
Health and welfare	12,629,973	231,094	—	—	—	12,861,067
Parks, recreation, and culture	—	162,396	—	—	—	162,396
Community development	—	—	—	—	—	3,060,649
Capital outlay	—	—	2,190,793	—	106,740	2,297,533
Total expenditures	<u>12,629,973</u>	<u>5,286,794</u>	<u>2,190,793</u>	<u>—</u>	<u>106,740</u>	<u>57,972,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,339,449)</u>	<u>(464,747)</u>	<u>(1,508,476)</u>	<u>—</u>	<u>74,206</u>	<u>(3,143,491)</u>
Other financing sources (uses):						
Transfers in	5,339,449	73,905	4,505,908	—	—	9,919,262
Transfers out	—	—	(750,000)	—	—	(5,729,149)
Total other financing sources (uses)	<u>5,339,449</u>	<u>73,905</u>	<u>3,755,908</u>	<u>—</u>	<u>—</u>	<u>4,190,113</u>
Net changes in fund balances	—	(390,842)	2,247,432	—	74,206	1,046,622
Fund balances at June 30, 2005	—	2,400,386	1,487,005	4,861	—	11,945,591
Fund balances at June 30, 2006	<u>\$ —</u>	<u>2,009,544</u>	<u>3,734,437</u>	<u>4,861</u>	<u>74,206</u>	<u>12,992,213</u>

**CITY OF NEWPORT NEWS, VIRGINIA**  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP Basis)  
 Special Revenue Funds  
 Year ended June 30, 2006

	Street Maintenance				Economic Development				Law Library				Stormwater				
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	
<b>Revenues:</b>																	
Intergovernmental																	
Local	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	16,581	23,519	6,938	
State	11,679,396	12,073,525	12,073,525	-	-	-	-	-	-	-	-	-	-	64,122	50,945	(13,177)	
Federal	-	-	-	-	-	-	-	-	-	-	-	-	-	239,904	196,792	(43,112)	
Charges for services	-	-	-	-	-	-	-	-	111,000	111,000	110,495	(505)	6,877,904	6,892,904	6,957,015	64,111	
Interest and rents	-	-	-	-	57,298	57,298	112,376	55,078	-	-	-	-	-	72,275	72,275	89,923	17,648
Miscellaneous	-	-	-	-	95,000	95,000	22,900	(72,100)	-	-	-	-	994,821	1,524,821	-	(1,524,821)	
<b>Total revenues</b>	<b>\$ 11,679,396</b>	<b>12,073,525</b>	<b>12,073,525</b>	<b>-</b>	<b>152,298</b>	<b>152,298</b>	<b>135,276</b>	<b>(17,022)</b>	<b>111,000</b>	<b>111,000</b>	<b>110,495</b>	<b>(505)</b>	<b>7,945,000</b>	<b>8,810,607</b>	<b>7,318,194</b>	<b>(1,492,413)</b>	
<b>Expenditures:</b>																	
Current:																	
General government	-	-	-	-	-	-	-	-	111,000	111,000	105,142	5,858	-	-	-	-	
Public works	11,679,396	12,073,525	12,073,525	-	-	-	-	-	-	-	-	-	7,945,000	8,810,607	7,506,207	1,304,400	
Community developmen	-	-	-	-	153,000	153,000	67,643	85,357	-	-	-	-	-	-	-	-	
<b>Total expenditures</b>	<b>\$ 11,679,396</b>	<b>12,073,525</b>	<b>12,073,525</b>	<b>-</b>	<b>153,000</b>	<b>153,000</b>	<b>67,643</b>	<b>85,357</b>	<b>111,000</b>	<b>111,000</b>	<b>105,142</b>	<b>5,858</b>	<b>7,945,000</b>	<b>8,810,607</b>	<b>7,506,207</b>	<b>1,304,400</b>	
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124,047	-	
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Excess (deficiency) of revenues over expenditures	\$ -	-	-	-	(702)	(702)	67,633	68,335	-	-	5,353	5,353	-	-	(63,966)	(188,013)	
Less encumbrances outstanding at June 30, 2005, expended as of June 30, 2006															(129,421)		
Add encumbrances outstanding at June 30, 2006															246,041		
Excess (deficiency) of revenue: over expenditures - GAAP basis:							67,633					5,353			52,654		
Fund balances at June 30, 2005							713,373				91,689				3,924,895		
Fund balances at June 30, 2006							<u>781,006</u>				<u>97,042</u>				<u>3,977,549</u>		

See accompanying notes to combined financial statements

**CITY OF NEWPORT NEWS, VIRGINIA**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
Special Revenue Funds  
Year ended June 30, 2006

	Solid Waste				Wastewater				Totals, Pages 1 & 2			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:												
Intergovernmental:												
Local	-	-	-	-	-	-	-	-	-	16,581	23,519	6,938
State	\$ 17,688	17,688	26,760	9,072	-	-	-	-	11,697,084	12,155,335	12,151,230	(4,105)
Federal	-	-	-	-	-	-	-	-	-	239,904	196,792	(43,112)
Charges for services	10,677,744	10,677,744	10,355,633	(322,111)	8,540,889	8,540,889	8,628,539	87,650	26,207,537	26,222,537	26,051,682	(170,855)
Interest and rents	4,999	4,999	57,122	52,123	1	1	14,244	14,243	134,573	134,573	273,665	139,092
Miscellaneous	323,669	323,669	97,701	(225,968)	366,510	366,510	53,209	(313,301)	1,780,000	2,310,000	173,810	(2,136,190)
<b>Total revenues</b>	<b>\$ 11,024,100</b>	<b>11,024,100</b>	<b>10,537,216</b>	<b>(486,884)</b>	<b>8,907,400</b>	<b>8,907,400</b>	<b>8,695,992</b>	<b>(211,408)</b>	<b>39,819,194</b>	<b>41,078,930</b>	<b>38,870,698</b>	<b>(2,208,232)</b>
Expenditures:												
Current:												
General government	-	-	-	-	-	-	-	-	111,000	111,000	105,142	5,858
Public works	11,024,100	11,024,100	10,465,334	(558,766)	8,907,400	8,907,400	9,519,707	(612,307)	39,555,896	40,815,632	39,564,773	1,250,859
Community development	-	-	-	-	-	-	-	-	153,000	153,000	67,643	85,357
<b>Total expenditures</b>	<b>\$ 11,024,100</b>	<b>11,024,100</b>	<b>10,465,334</b>	<b>(558,766)</b>	<b>8,907,400</b>	<b>8,907,400</b>	<b>9,519,707</b>	<b>(612,307)</b>	<b>39,819,896</b>	<b>41,079,632</b>	<b>39,737,558</b>	<b>1,342,074</b>
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	124,047	124,047
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	\$ -	-	71,882	71,882	-	-	(823,715)	(823,715)	(702)	(702)	(742,813)	(742,111)
Less encumbrances outstanding at June 30, 2005, expended as of June 30, 2006			(4,690)				(327,537)				(461,648)	
Add encumbrances outstanding at June 30, 2006			85,136				-				331,177	
Excess (deficiency) of revenues over expenditures - GAAP basis			152,328				(1,151,252)				(873,284)	
Fund balances at June 30, 2005			2,823,826				1,148,327				8,702,110	
Fund balances at June 30, 2006			2,976,154				(2,925)				7,828,826	

See accompanying notes to combined financial statements.

**CITY OF NEWPORT NEWS, VIRGINIA**  
Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Budget Basis)  
Year ended June 30, 2006

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues:				
Intergovernmental - Local	\$ 51,509,155	51,509,155	16,415,709	(35,093,446)
Miscellaneous	-	-	38,786	38,786
Total revenues	<u>\$ 51,509,155</u>	<u>51,509,155</u>	<u>16,454,495</u>	<u>(35,054,660)</u>
Expenditures:				
General government	547,105	547,105	547,105	-
Debt service payments	50,962,050	50,962,050	48,437,165	2,524,885
Total expenditures	<u>\$ 51,509,155</u>	<u>51,509,155</u>	<u>48,984,270</u>	<u>2,524,885</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>(32,529,775)</u>	<u>(32,529,775)</u>
Transfers in (out)			<u>31,711,939</u>	
Net changes in fund balances			(817,836)	
Fund balances at June 30, 2005			<u>1,137,289</u>	
Fund balances at June 30, 2006			<u><u>319,453</u></u>	

**CITY OF NEWPORT NEWS, VIRGINIA**  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2006

<b>GPWDC</b>	<b>Balance June 30, 2005</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2006</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ -	4,518,072	4,518,072	-
Accounts receivable	433,424	4,195,645	3,883,129	745,940
Total assets	<u>\$ 433,424</u>	<u>8,713,717</u>	<u>8,401,201</u>	<u>745,940</u>
<b>Liabilities:</b>				
Accounts payable	\$ 193,252	198,414	193,252	198,414
Due to other agencies	348,604	925,813	726,891	547,526
Total assets	<u>\$ 541,856</u>	<u>1,124,227</u>	<u>920,143</u>	<u>745,940</u>
<b>Other Agency Funds</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,315,533	28,900,119	28,702,886	1,512,766
Accounts receivable	2,426,033	14,772,877	14,814,412	2,384,498
Inventory	5,839	-	3,254	2,585
Total assets	<u>\$ 3,747,405</u>	<u>43,672,996</u>	<u>43,520,552</u>	<u>3,899,849</u>
<b>Liabilities:</b>				
Accounts payable	\$ 74,290	291,380	340,919	24,751
Due to other governments	2,325,252	-	292	2,324,960
Due to other agencies	1,347,863	880,267	677,992	1,550,138
Total liabilities	<u>\$ 3,747,405</u>	<u>1,171,647</u>	<u>1,019,203</u>	<u>3,899,849</u>
<b>Total - Agency Funds</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,315,533	33,418,191	33,220,958	1,512,766
Accounts receivable	2,859,457	18,968,522	18,697,541	3,130,438
Inventory	5,839	-	3,254	2,585
Total assets	<u>\$ 4,180,829</u>	<u>52,386,713</u>	<u>51,921,753</u>	<u>4,645,789</u>
<b>Liabilities:</b>				
Accounts payable	\$ 267,542	489,794	534,171	223,165
Due to other governments	2,325,252	-	292	2,324,960
Due to other agencies	1,696,467	1,806,080	1,404,883	2,097,664
Total liabilities	<u>\$ 4,289,261</u>	<u>2,295,874</u>	<u>1,939,346</u>	<u>4,645,789</u>