

CITY OF NEWPORT NEWS, VIRGINIA
Combining Statement of Net Assets
Non-Major Component Units
June 30, 2007

Assets	Peninsula Airport Commission	Economic and Industrial Development Authorities	Totals
Current Assets:			
Cash and cash equivalents	\$ 3,136,594	8,389,119	11,525,713
Restricted cash and investments	-	21,679,241	21,679,241
Receivables:			
Accounts	1,629,335	231,319	1,860,654
Loans	-	99,257	99,257
Mortgages	-	383,151	383,151
Primary government Commonwealth of Virginia	250,000	-	250,000
Commonwealth of Virginia	-	4,370,000	4,370,000
Net investment in direct financing leases	-	1,354,619	1,354,619
Inventories	78,719	-	78,719
Other current assets	18,892	-	18,892
Total current assets	<u>5,113,540</u>	<u>36,506,706</u>	<u>41,620,246</u>
Restricted cash and investments	6,128,755	438,494	6,567,249
Receivables:			
Loans	-	397,170	397,170
Mortgages	-	551,982	551,982
Notes	-	3,037,590	3,037,590
Primary government Commonwealth of Virginia	4,875,000	-	4,875,000
Commonwealth of Virginia	-	14,640,000	14,640,000
Land held for lease or resale	-	17,739,612	17,739,612
Net investment in direct financing leases	-	13,433,043	13,433,043
Other noncurrent assets	182,605	1,088,353	1,270,958
Property, plant and equipment:			
Land	6,178,859	-	6,178,859
Construction in progress	15,286,730	29,497,405	44,784,135
Infrastructure	-	2,393,273	2,393,273
Buildings	-	143,292,937	143,292,937
Improvements	-	13,850,289	13,850,289
Airfield	62,782,714	-	62,782,714
Terminal	37,883,835	-	37,883,835
Trailer park and rental units	2,031,344	-	2,031,344
Machinery and equipment	3,370,658	84,674	3,455,332
Accumulated depreciation	(45,019,792)	(20,252,563)	(65,272,355)
Total assets	<u>\$ 98,814,248</u>	<u>256,698,965</u>	<u>355,513,213</u>
	Liabilities		
Current Liabilities			
Accounts payable	\$ 2,194,555	586,155	2,780,710
Accrued liabilities	505,299	439,624	944,923
Deposits/deferred revenue	368,063	33,855	401,918
Due to primary government	-	987,979	987,979
Bonds payable - due within one year	538,349	12,086,611	12,624,960
Total current liabilities	<u>3,606,266</u>	<u>14,134,224</u>	<u>17,740,490</u>
Due to primary government	-	15,517,143	15,517,143
Note payable	-	2,000,000	2,000,000
Due to Newport News Public Schools	-	325,144	325,144
Bonds payable	17,116,074	171,319,963	188,436,037
Total liabilities	<u>20,722,340</u>	<u>203,296,474</u>	<u>224,018,814</u>
	Net Assets		
Invested in capital assets, net of related debt	64,859,925	35,220,901	100,080,826
Restricted for:			
Capital projects	6,128,755	15,823,501	21,952,256
Capital loans	-	1,297,857	1,297,857
Unrestricted	7,103,228	1,060,232	8,163,460
Total net assets	<u>78,091,908</u>	<u>53,402,491</u>	<u>131,494,399</u>
Total liabilities and net assets	<u>\$ 98,814,248</u>	<u>256,698,965</u>	<u>355,513,213</u>

CITY OF NEWPORT NEWS, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Net Asset
Non-Major Component Units
Year ended June 30, 2007

	Peninsula Airport Commission	Economic and Industrial Development Authorities	Totals
Operating revenues:			
Charges for services	\$ 6,805,502	–	6,805,502
Parking contributions	–	1,811,980	1,811,980
Property rentals	–	10,992,497	10,992,497
Land sales	–	2,927,922	2,927,922
Intergovernmental-PAC	–	163,485	163,485
Intergovernmental-Parking Authority	–	245,665	245,665
Intergovernmental-primary government	–	6,063,081	6,063,081
Total operating revenues	<u>6,805,502</u>	<u>22,204,630</u>	<u>29,010,132</u>
Operating expenses:			
Cost of land sold	–	393,191	393,191
Personal services	3,490,311	313,356	3,803,667
Contractual services	1,899,847	3,347,395	5,247,242
Materials and supplies	762,798	474,558	1,237,356
Depreciation and amortization	3,535,104	2,654,516	6,189,620
Real estate commissions	–	125,200	125,200
Rental expenses	–	778,852	778,852
Miscellaneous	248,997	451,719	700,716
Total operating expenses	<u>9,937,057</u>	<u>8,538,787</u>	<u>18,475,844</u>
Operating income (loss)	<u>(3,131,555)</u>	<u>13,665,843</u>	<u>10,534,288</u>
Nonoperating revenues (expenses)			
Interest revenue	463,468	1,977,638	2,441,106
Bond and admin fee income	–	203,789	203,789
Interest expense	(401,197)	(5,900,887)	(6,302,084)
Letter of credit and trustee fee:	–	(115,301)	(115,301)
Amortization - bond costs	(12,318)	–	(12,318)
Other revenues (expenses)	468,793	644,523	1,113,316
Nonoperating expenses, net	518,746	(3,190,238)	(2,671,492)
Capital contributions, net	4,112,223	–	4,112,223
Change in net assets	<u>1,499,414</u>	<u>10,475,605</u>	<u>11,975,019</u>
Net assets at June 30, 2006	<u>76,592,494</u>	<u>42,926,886</u>	<u>119,519,380</u>
Net assets at June 30, 2007	<u>\$ 78,091,908</u>	<u>53,402,491</u>	<u>131,494,399</u>

CITY OF NEWPORT NEWS, VIRGINIA

Statement of Cash Flows
Non-Major Component Units
Year ended June 30, 2007

	Peninsula Airport Commission	Economic and Industrial Development Authorities	Totals
Cash flows from operating activities			
Receipts from customers	\$ 7,318,640	19,157,574	26,476,214
Receipts from land sales and new loans, net of settlement charges	-	3,150,085	3,150,085
Payments to suppliers	(2,489,618)	(6,928,365)	(9,417,983)
Payments to employees	(3,490,311)	(313,356)	(3,803,667)
Net cash provided by operating activities:	<u>1,338,711</u>	<u>15,065,938</u>	<u>16,404,649</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(12,171,398)	(34,260,656)	(46,432,054)
Capital contributions, net	3,502,292	-	3,502,292
Proceeds from issuance of bonds and industrial revenue bonds	-	6,264,489	6,264,489
Repayment and retirement of industrial revenue bonds and notes payable	(407,364)	(9,745,743)	(10,153,107)
Proceeds from Newport News Public School:	-	(22,733)	(22,733)
Proceeds from primary government	235,000	553,758	788,758
Payment to primary government	-	(977,707)	(977,707)
Bond costs	-	(17,200)	(17,200)
Interest paid	(401,197)	(5,889,181)	(6,290,378)
Other revenue (expenses), net	(1,032)	733,012	731,980
Net cash used in capital and related financing activities:	<u>(9,243,699)</u>	<u>(43,361,961)</u>	<u>(52,605,660)</u>
Cash flows from investing activities			
Net investment in direct financing leases:	-	1,306,877	1,306,877
Interest received	467,070	1,973,965	2,441,035
Increase in restricted investments, net	6,676,525	-	6,676,525
Other investments	-	662,410	662,410
Net cash provided by investing activities:	<u>7,143,595</u>	<u>3,943,252</u>	<u>11,086,847</u>
Increase (decrease) in cash and cash equivalents at beginning of year	(761,393)	(24,352,771)	(25,114,164)
Cash, cash equivalents and restricted cash at beginning of year:	<u>3,897,987</u>	<u>54,833,358</u>	<u>58,731,345</u>
Cash, cash equivalents and restricted cash at end of year:	\$ <u>3,136,594</u>	<u>30,480,587</u>	<u>33,617,181</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ (3,131,555)	13,665,843	10,534,288
Adjustment to reconcile operating income to cash provided by operating activities			
Depreciation	3,535,104	2,629,765	6,164,869
Write-off of construction in progress:	-	185,664	185,664
Passenger facility charges	553,506	-	553,506
Changes in assets and liabilities:			
Changes in land inventory	-	(484,892)	(484,892)
Mortgages receivable	-	222,163	222,163
Other receivables	44,345	(79,337)	(34,992)
Inventories	(11,321)	-	(11,321)
Other assets (expenses), net	(98,605)	(70,020)	(168,625)
Accounts payable and accrued liabilities:	116,050	(286,505)	(170,455)
Construction accounts payable	-	(676,946)	(676,946)
Deferred revenue	331,187	(39,797)	291,390
Net cash provided by operating activities	\$ <u>1,338,711</u>	<u>15,065,938</u>	<u>16,404,649</u>
Supplemental disclosure:			
Noncash capital activities:			
Payment by State on VASCIC bonds	\$ -	4,150,000	4,150,000
Noncash investing and financing activities:			
Construction costs financed by accounts payable	\$ 2,018,191	-	2,018,191
Contributed capital funded by accounts receivable	1,246,602	-	1,246,602