



City of Newport News

Virginia 23607

January 27, 2009

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Office Of The City Manager

The Honorable City Council
City of Newport News
Newport News, Virginia

The Honorable City Council:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Newport News, Virginia (the City or Newport News) as of and for the fiscal year (FY) ended June 30, 2008. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Cherry, Bekaert & Holland, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Newport News' financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Newport News, incorporated in 1896, is centrally located on the eastern coast of Virginia. It currently occupies 69 square miles and serves a population of 187,200. Newport News is the fourth largest city by acreage and the fifth largest city by population in the Commonwealth of Virginia.

The City of Newport News has a council-manager form of government. Policy-making and legislative authority are vested in a Council consisting of the mayor and six other members, all elected on a non-partisan basis. The mayor and council members serve four-year terms, with three members elected every two years. The mayor is elected at large and the six members of council are elected by voters of the districts in which they reside. The Council appoints the city manager who carries out its policies, directs daily operations and appoints the heads of various departments. The Council also appoints the City Attorney, who is the legal advisor to the Council, the City administration, boards, commissions and agencies of the City.

The City of Newport News provides a full range of services, including police and fire protection, juvenile detention, adult correction, sanitation and human services, the construction and maintenance of highways, streets and infrastructure, recreational activities and cultural events. In addition to general government activities, the City provides street lighting, water and wastewater services to its citizens. The City's Public Utility Department (Waterworks) also provides water to the cities of Hampton, Poquoson and parts of York and James City Counties.

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This report covers financial transactions of all services provided by the City. The City is also financially accountable for a legally separate school district which is reported separately within the financial statements.

We have also included, as component units, the Newport News Public Schools (Public Schools or School Board), the Peninsula Airport Commission (PAC), the Economic/Industrial Development Authorities (E/IDA) because of City Council financial accountability or significant financial ties with the City.

Those independent agencies that we excluded are Newport News Redevelopment and Housing Authority, Office of Human Affairs, Hampton-Newport News Community Services Board, Peninsula Transportation Commission, Peninsula Ports Authority of Virginia and Virginia Peninsula Economic Development Council.

The Council is required to adopt a final budget no later than the fifteenth day of the last month of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police).

Local economy

Newport News is centrally located to serve Eastern Virginia and the East Coast, with convenient access to both the industrial Midwest and the growing southeast Sunbelt. Newport News is part of the Hampton Roads Metropolitan Statistical Area (MSA), the 34th largest market in the U.S. and the largest between Washington and Atlanta. The City's location on the world's greatest natural harbor provides a window of opportunity onto the international marketplace. The City has a diverse economic base with manufacturing, corporate office, retail, services, distribution and one of the world's major shipbuilding centers, Northrop Grumman Shipbuilding.

Northrop Grumman Shipbuilding, the City's largest employer, continues to remain strong, employing almost 19,000 white collar and production workers. During FY 2008, the company nearly completed work on the last Nimitz-class nuclear aircraft carrier, the George H. Bush. Work on the \$13.9 billion Gerald R. Ford continued this year (more than 40% of this contract is for non-recurring design and engineering work). The Shipyard also continued work on the \$2.36 billion Virginia-class nuclear submarine, the New Mexico, and is almost two-thirds through the \$3.2 billion overhaul and refueling of the nuclear aircraft carrier, Carl Vinson. Other work includes upgrades to the nuclear submarine, Toledo, and overhaul and maintenance on the nuclear aircraft carrier, Enterprise.

During FY 2008 national unemployment increased from 4.7% to 5.7%, while the City's unemployment rate increased from 3.4% to 4.0%.

FY 2008 saw the largest economic development announcement in the City's history when Canon Virginia announced it had successfully competed within the Canon family for a project to robotically manufacture toner cartridges. The \$623.5 million project also includes the development of a new training center for Canon in Newport News, a new R&D initiative and an expansion of Canon Virginia's after-market care of Canon consumer imaging products. During the next four years, Canon Virginia will create at least 1,035 new jobs in Newport News, requiring a significant and sustained training program. Canon Virginia will build a new 700,000 square foot building to house the new project. Canon's decision was influenced by a local incentive package estimated at more than \$17 million delivered over 10 years and about four times that amount in state incentives. Also, in FY 2008, Jefferson Lab received approval for a \$400 million upgrade to its particle beam accelerator and experimental halls. The work, which will be taking place over the next eight years, will add up to 100 permanent jobs and attract another 200 to 400 visiting scientists to Newport News annually. Work is also continuing at Fort Eustis to prepare for the relocation of the Army's Training and Doctrine Command (TRADOC) to the military base by 2011.

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The City is now more than 92% developed, with most of its built environment oriented around automobile-dependent forms of development. New urbanism, sustainable development, which seeks to recreate more pedestrian-friendly neighborhoods, has been successfully implemented in Newport News with such projects as City Center at Oyster Point, Port Warwick, Patrick Henry Place and Huntington Pointe (now in its planning stage). Recreating the City in this mode will be increasingly important for enhancing the City's quality of life and, thus, making it globally competitive to attract and retain a skilled, educated and creative labor force to support continued economic development. Contributing to the sustainable development momentum in the City will be a proposed transformational, mixed-use development of the Southeast Commerce Center by Tidewater Partners Property Development, a group headed by NFL quarterback and Newport News native, Aaron Brooks. This is a first step toward implementing a plan to transform the entire Southeast Community by introducing a wider variety of new housing and commercial development, particularly along the Hampton Roads waterfront.

Long-term financial planning

The City Code requires the City Manager to submit to City Council, no later than November 1 of each year, a multi-year Capital Improvements Plan (CIP). The FY 2009 to FY 2013 CIP was approved by City Council on January 22, 2008. The CIP reflects the vision and priorities of the City Council in terms of the need for the construction and maintenance of those buildings, infrastructure improvements and services deemed to be capital expenditures of the City. Although intended to be a commitment to a multi-year capital needs program, the CIP is fundamentally a planning document and is therefore subject to annual modification and amendment as changing priorities, availability of revenues and other factors create the environment for such revisions. Most projects in the CIP are funded by General Obligation Bonds issued by the City for 20 years with level annual principal reductions. The annual principal and interest payments (debt service) are budgeted in the City's annual operating budget. The General, School, Wastewater, Stormwater, Solid Waste, and Marina Funds all pay their proportionate share of principal and interest payments. The FY 2009 Budget calls for the General Fund to pay 87%, or \$53,286,031, of the total debt service budget of \$61,135,485.

The City has adopted policies that guide capital improvement planning and the issuance of long-term debt. These policies are intended to (1) help the City maintain its "AA" bond rating, (2) to manage its capital investments in a manner that does not create an undue financial burden on its taxpayers, and (3) to keep annual changes in debt service obligations at levels that do not interfere with the City's ability to provide municipal and educational services to its citizens. The following are the City's Capital Financing and Debt Management Policies:

- It is the goal of the City to reduce its debt burden to 3.0% or less by FY 2012. Debt burden is defined as the ratio of outstanding general obligation debt and capital lease obligations divided by the value of the total taxable real and personal property in any given tax year.
- It is the goal of the City to finance 16.6% of its CIP spending with cash capital in FY 2009, and that this proportion is increased to no less than twenty percent (20%) by FY 2012. For FY 2008, it was 12.3%.
- Because debt service obligations are primarily funded from school and municipal revenues received through the Operating Budget, the City's intent is that the ratio of debt service obligations to General Fund revenue shall not exceed nine and one-half percent (9.5%) in any fiscal year.
- The City's intent is to structure principal payments when issuing new General Obligation debt, or refinancing existing debt, so that no less than thirty percent (30%) of the outstanding debt is

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scheduled to be repaid within five years, and that no less than sixty percent (60%) is scheduled to be repaid within ten years.

- So that the City may manage its debt capacity and remain within the parameters of its Capital Financing and Debt Management Policies, the City Manager shall provide the City Council with a thorough debt impact analysis on any proposed undertaking that requires financing through the issuance of short or long-term debt obligations, capital leases or debt guarantees.
- Recognizing that moral obligation debt entered into by the City may become a factor in the evaluation of the City's debt capacity, the City has established a moratorium on the issuance of additional moral obligation debt until such time that the City's debt burden is at or below three percent (3%). It is further the intent of the City that outstanding moral obligation debt shall not be more than one-half of one percent (0.5%) of the value of taxably property in Newport News.

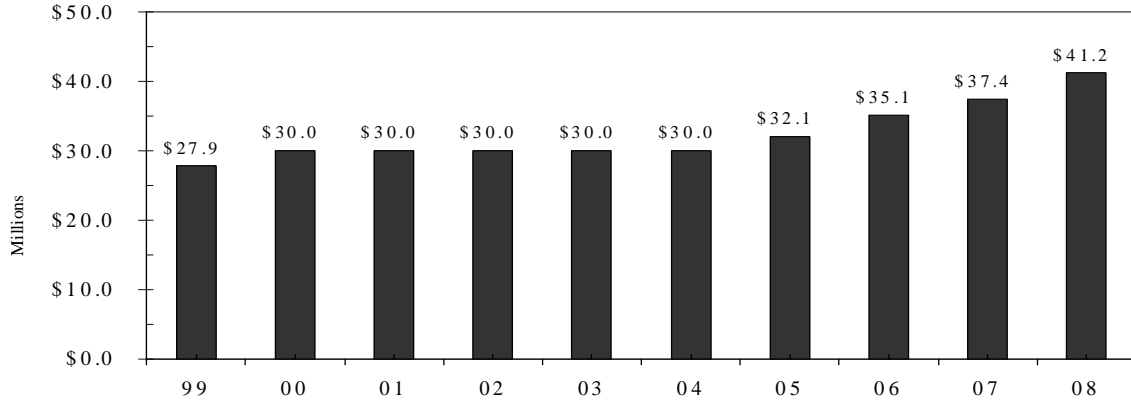
The City's credit ratings for general obligation bond issues have remained very good: Aa2 by Moody's and Aa by Standard and Poor's rating services. In June 2007, Public Utilities issued Water Revenue Bonds in the amount of \$40,000,000. This was the first issuance of water revenue bonds in Waterworks' history. Neither the faith nor credit of the City was pledged to the payment on these revenue bonds. Moody's and Standard and Poor's rating services have issued credit ratings of Aa3 and AA, respectively.

The General Fund fund balance is an important element in the financial position of the City. The Fund balance is divided into reserved and unreserved portions, and the unreserved fund balance is subdivided into designated and undesignated portions. Reserved fund balance is used to reserve assets that are not available for current spending, and designated fund balance represents planned uses of current resources. Fund balance is a positive factor when the rating agencies consider bond ratings for the City. At the end of the year, \$52.5 million has been set aside in various reserves and other designations.

The General Fund expenditures, including other financial sources, exceeded revenues during FY 2008 by \$11.9 million. The undesignated General Fund fund balance, which represents available current financial resources, totaled \$41.2 million at June 30, 2008, increasing from 9.42% of revenues at June 30, 2007 to 10% at June 30, 2008. Uses of the undesignated fund balance are carefully evaluated to ensure that the balance will be sufficient for future needs. A healthy undesignated fund balance allows the City to provide adequate services for the citizens, plan for future projects, and retain its sound financial position. City Council established a goal of maintaining an undesignated fund balance not less than 5% of actual general fund revenues for the year. The goal was reached in FY92, and the undesignated General Fund fund balance as a percentage of revenues continues to exceed our policy threshold of 5%.

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**Fund Balance of the General Fund
(Undesignated)**



Real estate property tax revenues continue to be the staple of the City's funding sources. Overall, the real estate tax base growth has averaged 17.13% annually for the past five years, including a 7.95% increase in 2008 – reflecting the recent appreciation increases in the market value of real estate.

Dependence on strong growth must be cautiously guarded as state and federal revenues continue to make up a smaller percentage of the City's revenue. On the expense side, we expect continuing increases in the cost of health care and pension contributions.

The City continues to guarantee the payment of principal and interest for the Peninsula Airport Commission Airport bonds, Series 2001, whose outstanding balance totaled \$5.3 million at June 30, 2008. Additional information regarding the City's debt outstanding and debt administration is provided in the notes to the financial statements and the statistical section contained in this report.

Major Initiatives

During FY 2008, positive steps were taken toward realizing economic and community development goals that serve to enhance Newport News' tax and job base and that provide the City with a sustainable fiscal and quality-of-life environment. Working in collaboration with local company officials, the Commonwealth of Virginia and the Virginia Community College System, the City and its Economic Development Authority (NNEDA) attracted a \$623 million, advanced manufacturing project to Canon Virginia. Canon's expansion will create more than 1,000 new jobs during the next 4 ½ years. Major developments at City Center include the completion of Two City Center—a five-story office/retail building—and the completion of The Point condominiums. City Center continues to be viewed by those within and beyond the region as one of the most successful new urbanist developments of its type. In the southern part of the City, the NNEDA announced the selection of Tidewater Partners Property Development, a firm headed by NFL quarterback Aaron Brooks, to pursue a mixed-use development of the Southeast Commerce Center. This transformative development will be at the gateway to the Southeast Community, for which extensive redevelopment and revitalization is planned over the coming years.

During FY 2008 the City successfully implemented an Enterprise Resource Planning (ERP) business software system. The new software replaced the city's COBOL legacy financial systems for Budget, Human

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Resources, Finance and Purchasing. A target date for Payroll, Benefits and Human Resources has been set for February 1, 2009. The total projected cost of the project is \$3.2 million.

Other Initiatives and Accomplishments

Children, Youth & Families – The department was successful in winning grant awards of \$1.2 million for Keeping Our Kids Safe Initiative projects and \$56,057 for programs for workforce readiness and parenting.

Development – Major initiative for FY 2008 include the following:

- A private developer began construction on a new housing complex for Naval enlisted personnel on land assembled and sold to the developer by the Newport News Economic Development Authority (NNEDA).
- The NNEDA and the Newport News Redevelopment and Housing Authority announced a plan to relocate the Hornsby Tire Company to a new facility on Jefferson Avenue in the Southeast Community, expanding the area available for development in the Southeast Commerce Center, retaining a valued business and improving the aesthetics of the Lower Jefferson Avenue commercial corridor.
- The Newport News Industrial Development Authority (NNIDA) sold parcels in Oakland Industrial Park allowing expansion of three local manufacturers and an international, high tech company. Coastal Forms & Products and PenSoft both occupied new buildings in Oakland in early FY 2009. Custom Vinyl Products and Muhlbauer Hi Tech International began construction of new facilities. Three of these expansions are the direct result of the Department's Business Visitation Program.

Engineering - Major initiatives for FY 2008 include the following:

- The Department worked with VDOT to determine if there were unallocated and available funds from urban funded projects for the twenty year period prior to 2004. Approximately \$3 million of urban funds was available and advanced into VDOT's Six Year Improvement Program for FY 2009 - 2014.
- To supplement the City's Capital Improvement Program financing, the Department applied for Highway Safety Improvement Program (HSIP) funds to be applied to transportation improvements in the Southeast Community and the Oyster Point area. The total application was for \$435,000, of which the City received approval for \$255,000 for the Southeast Community improvements along Madison Avenue and 25th Street.
- Engineering initiated a conversion of incandescent light bulbs to LED traffic signal displays to reduce the rising costs in monthly electrical usage in 2007. This program should be completed in FY 2009, with an average annual projected power savings of approximately \$120,000.
- In FY 2008 Engineering completed approximately \$3.2 million of sanitary sewer rehabilitation projects through the low-interest loan program administered by the Virginia Resources Loan Fund, including the replacement of radio monitoring units at sanitary sewage pump stations to provide real-time operations and maintenance information.
- Engineering completed its conversion to a digital leave and timesheet system that significantly reduced payroll processing time. This is part of an ongoing effort to consolidate and integrate information in simplified digital formats.

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Fire – The following major initiatives were in process or completed in FY 2008:

- The replacement of Fire Station #3, slated for construction in the Brentwood area on Jefferson Avenue is now at 95% in the design phase. Construction cost for the facility is budgeted at \$5.3 million. A contract is projected to be awarded in the third quarter of FY09.
- The City has contracted with the Peninsula Airport Commission to lease a facility located at the Newport News Williamsburg International Airport in order to provide better service to the Colony Pines/Denbigh Blvd. corridor. This facility, identified as station #11, is considered temporary and will be added to the CIP submission for construction of a permanent facility. It should be open in the third quarter of FY09.
- The Department recently underwent the Insurance Service Organization (ISO) audit to rate the City fire protection assets to include the Fire Department, Vehicle & Equipment Services and Waterworks. The rating that results from this review is provided to insurance underwriters to assist in setting the fire loss premium rates for all properties in the City. The results should be available in October 2008. The City is currently rated as a class 3. (The best rating is a 1 with the high at a 10).
- The Department submitted a proposal to the Department of Homeland Security requesting an Assistance to Firefighters Grant award for the purchase of a heavy apparatus driving simulator and specialized laundry equipment to clean personal protective equipment. The simulator will enable personnel to train on the operation of large vehicles in the safety of a simulated environment. The laundry equipment is required under the NFPA standard for maintenance of protective clothing. The project budget for the proposal was for \$605,000 and the City cost share, if successful, is 20%.

Juvenile Services – The following initiatives were in process or completed during FY 2008:

- Juvenile Services' staff, in partnership with the Department of Juvenile Justice, developed a training curriculum which is being used throughout the state to provide training on topics such as juvenile standards, the scope and responsibility of management, staff supervision, and effectively interacting with residents and families. Newport News facilitated December's training which included participants from detention centers all over the state.

Libraries and Information Services - The following initiatives were in process or completed during FY 2008:

- During FY 2008, the department was successful in receiving the following grant awards and donations:
 - \$143,450 Congressionally Directed grant that will be used to purchase 60 laptop computers loaded with extra hardware and software and additional equipment for a new program, "Learning on Laptops". This program will expand computer access for students, ages 8 to 17, doing schoolwork or for purposes related to work.
 - \$8,000 grant from the Public Library Association for its "Grow Your Own @ Your Library" institutional scholarship pilot program. The grant provided \$6,500 for tuition assistance to three library employees working toward a master's degree in library science. In addition, \$1,500 is provided for Association-approved training.

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- \$6,000 grant from the Virginia Foundation for the Humanities on behalf of the Virginia Peninsula Literary Consortium for the appearance of best-selling author Walter Mosley on Oct. 28, 2008, and to support book discussions at each of the partner libraries.
- \$1,500 grant from the Virginia Foundation for the Humanities, on behalf of the Virginia Peninsula Literary Consortium, for best-selling author Amy Tan's appearance. As the lead agency of the Consortium, the Library System receives and disperses grant funds on behalf of its library partners.

Police – The following projects and initiatives were in process or completed during FY 2008:

- Overall Crime Fighting - Major crime in Newport News decreased by 7% from 2006 to 2007. Through the comprehensive crime fighting efforts of the entire department, the City experienced decreases in rapes, aggravated assaults, burglary, larceny and auto thefts. The crime reduction was achieved through the use of community policing, problem solving, truancy patrols, removing guns from the streets, state and federal task forces, the use of intelligence in policing strategies, concentrated efforts on chronic or significant crime problems, and working in partnership with the citizens.
- Gun Buyback - A gun buyback initiative took place on 12/15/07. Citizens were encouraged to turn in their unwanted weapons for a \$100 gift card from Wal-Mart. The gift cards were gone in one hour. Citizens turned in 359 weapons and over 2,000 rounds of ammunition.
- Counterfeit Clothing Operation - Eleven stores were identified throughout the City as main targets which were selling clothing which was specifically designed to fraudulently mimic designer or name brand apparel and accessories. Approximately 82 law enforcement personnel assisted in the operation, including Newport News Police, Hampton Police, Secret Service, U.S. Postal Service, IRS, and State Police. Search warrants resulted in 18,540 counterfeit clothing items seized with a total retail value of \$2,000,000. Three store owners were arrested on state charges, eight owners on federal charges.
- Traffic Unit - The Community Operations (Patrol) Bureau was reorganized to form the Traffic Unit. All traffic-related functions and personnel are now centralized under one unit, which maximizes selective enforcement city-wide: motorcycles, taxi enforcement, towing enforcement, parking enforcement, and the Motor Carrier Unit.

Public Utilities (Waterworks) – The following are major initiatives and accomplishments for FY 2008:

- The King William County Board of Supervisors voted to endorse an Interim Project Financing Agreement that will allow the County to continue purchasing the 3,000 acres needed for the King William Reservoir site using funds provided by the City. Efforts continue to be focused on river monitoring, archaeological research, land acquisition, and wetland mitigation projects.
- A Customer Perception Survey was conducted to inform Waterworks of how its customers feel about their drinking water and the service provided to them. The survey resulted in Waterworks having a positive image overall. Most notably, Waterworks is perceived by its customers as being reliable, committed, and offering outstanding customer service.

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- Completed the design and construction of interim repairs to Walkers Dam to stabilize and restore normal reservoir levels (Phase I). Analysis reports are currently being reviewed for construction to replace the boat lock and further rehabilitate the dam structure to increase reliability and longevity (Phase II).
- Construction of a residuals treatment system to manage manganese waste from the water treatment plant residuals treatment processes began in February with completion expected in early 2009. These improvements will reduce the quantity of water currently wasted to sanitary sewer and should also improve raw water quality at the Harwood's Mill water treatment plant.
- The Environmental Management System (EMS) for a second Waterworks' facility, Lee Hall Water Treatment Plant, went live in the fall of 2007 and incorporated both the Lee Hall Plant and the Brackish Groundwater facility.

Public Works – The following are major initiatives and accomplishments for FY 2008:

- The Debris Management Plan received FEMA approval as part of a Pilot Program that makes the City eligible for additional 5% of reimbursement for debris operations.
- The new **Public Works Annex** was fully occupied in October 2007 by the **Wastewater and Stormwater Divisions** and the **Public Works Call Center**. This is a Category III rated hurricane resistant building, which will house Public Works first responders in the event of a hurricane.

Vehicle Services – The following are major initiatives and accomplishments for FY 2008:

- Vehicle Services the Fire Department worked together to consolidate the maintenance and repair of 71 pieces of fire equipment and apparatus. The consolidation resulted in the elimination of two positions.
- The Department continues to address vehicle under-utilization. With the cooperation of departments, 45 vehicles were either re-assigned (in lieu of planned purchases) or sold.
- The Department is piloting a cardboard recycling program that is expected to eliminate the current expense for container rental and hauling. The new program will generate 50" bales of cardboard that can be sold to produce new revenue for the City.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newport News for its comprehensive annual financial report (CAFR) for the year ended June 30, 2007. This was the 29th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual

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budget document dated July 1, 2007. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial, plan, an operations guide, and a communications device.

The Purchasing Department was awarded the Achievement of Excellence in Procurement Award by the National Purchasing Institute. The national award recognizes organizational superiority in public procurement.

Recognitions

- The City of Newport News was selected for the third time as one of the 100 Best Communities for Young People by America's Promise – The Alliance for Youth. Only 44 Communities have this distinction.
- The City of Newport News has been awarded the distinction of being a Playful City, USA by Kaboom.
- The Fire Department successfully met all requirements to receive Accredited Agency status from the Center for Public Safety Excellence. The award is presented through the Commission on Fire Accreditation International after months of self assessment and an arduous peer review. The Fire Department received the award in August of 2008.
- The Police Department successfully completed its seventh re-accreditation assessment by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). This international accreditation program provides law enforcement agencies an opportunity to voluntarily demonstrate that they meet an established set of professional standards. In addition to being re-accredited through 2010, the agency is now working towards gaining CALEA certification for the Communications Division.
- The Departments of Public Utilities and Public Works received a "Special Achievement in GIS" award at ESRI's 28th Annual User Conference. This award is given to user sites around the world in recognition of their outstanding work in the GIS field.
- The Purchasing Department achieved national certification of all their professional buying staff for the first time in the organization's existence.

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Acknowledgments

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Department of Finance. We would like to express our appreciation to all members of this Department, and to the many other City departments and agencies which have contributed to the completion of this report. We also acknowledge the members of City Council for their leadership, guidance, and establishment of policies for managing financial operations in a sound and progressive manner.

Respectfully submitted,



Randy Hildebrandt
City Manager



LaVerne Lovett
Director of Finance

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City Government Officials

Year Ended June 30, 2008

City Council

Joe Frank Mayor
Charles C. Allen Vice Mayor
Herbert H. Bateman, Jr. Member
William F. Haskins, Jr. Member
A. Madeline McMillan Member
Sharon P. Scott Member
Joseph C. Whitaker Member

Office of the City Manager

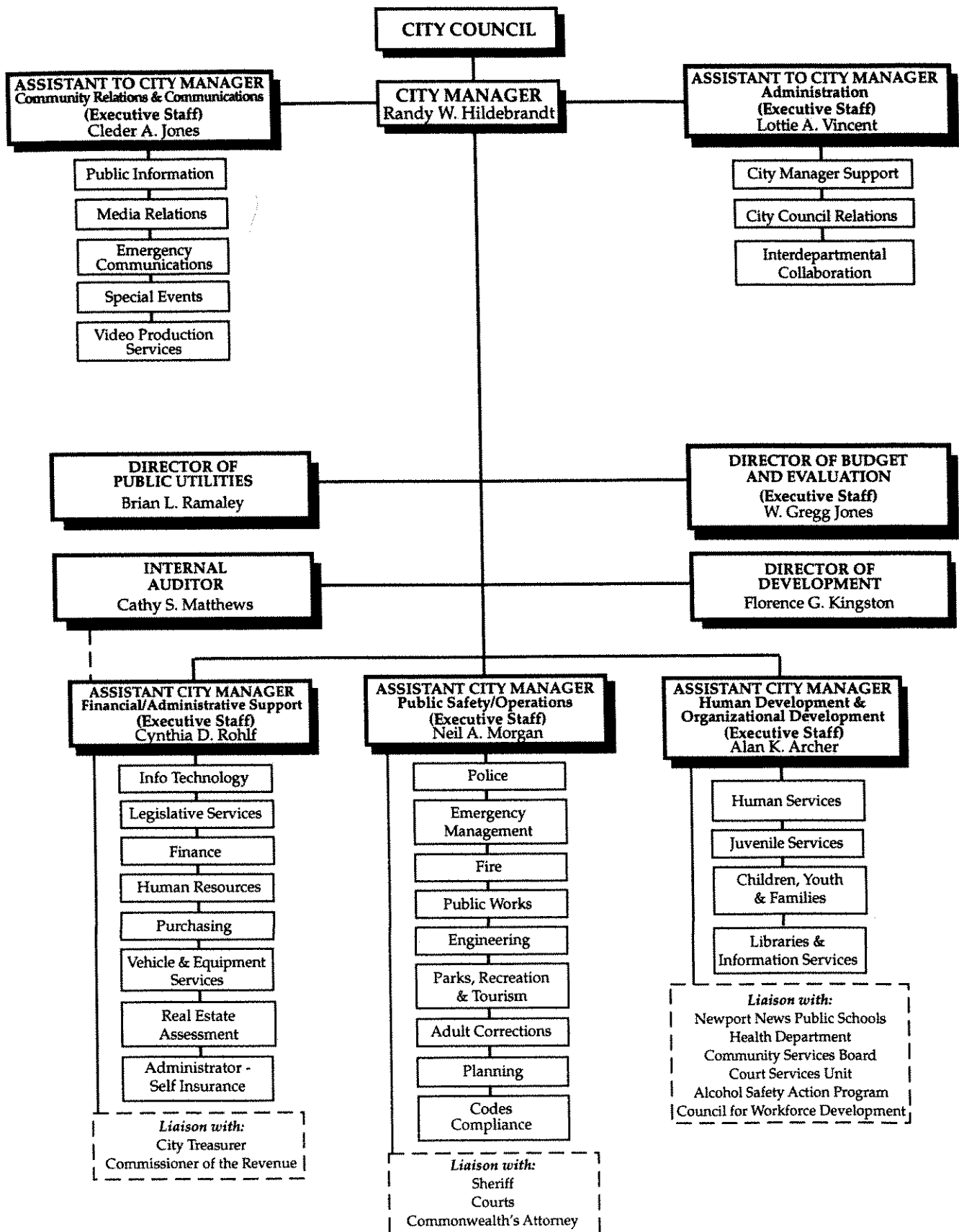
Randy W. Hildebrandt City Manager
Alan K. Archer Assistant City Manager
Neil A. Morgan Assistant City Manager
Cynthia D Rohlf Assistant City Manager

Department of Finance

LaVerne Lovett Director of Finance

Other Officials

Marty Eubank City Treasurer
Charles D. Crowson, Jr. Commissioner of the Revenue
Charles G. Young Acting Real Estate Assessor
W. Gregg Jones Director of Budget and Evaluation
Cathy S. Matthews Director of Internal Audit



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newport News
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director