

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Richmond, Virginia)

Basic Financial Statements

June 30, 2005 and 2004

(With Independent Auditors' Report Thereon)



**KPMG LLP**  
Suite 2000  
1021 East Cary Street  
Richmond, VA 23219-4023

## **Independent Auditors' Report**

The Board of Directors  
Broad Street Community Development Authority:

We have audited the accompanying statements of net assets of the Broad Street Community Development Authority (the Authority), a component unit of the City of Richmond, Virginia, as of June 30, 2005 and 2004, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Broad Street Community Development Authority as of June 30, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis (MD&A) on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

**KPMG LLP**

November 11, 2005

## **BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**

(A Component Unit of the City of Richmond, Virginia)

### **Management's Discussion and Analysis**

June 30, 2005 and 2004

This section of the Broad Street Community Development Authority's (the Authority or CDA) annual financial report presents management's discussion and analysis (MD&A) of the Authority's financial performance during the fiscal years ended June 30, 2005 and 2004. Please read it in conjunction with your review of the Authority's financial statements.

#### **FINANCIAL HIGHLIGHTS FOR FISCAL YEARS 2005 and 2004**

- The Authority was established effective July 8, 2002 and issued \$66,740,000 in Series 2003 Revenue Bonds during the fiscal year. These bonds were issued to finance:
  - The construction of certain infrastructure within the Broad Street District, including certain streetscape and public utility improvements, demolition of the 6th Street Marketplace, and the acquisition, construction, and renovation of parking facilities;
  - The payment of interest accruing on the 2003 bonds through June 1, 2005;
  - The funding of a debt reserve fund for the 2003 bonds; and
  - The payment of any and all costs of issuing the 2003 bonds.
- The Authority used the 2003 bond proceeds to purchase parking facilities during fiscal year 2003 (\$23,830,231) and construction of certain streetscape, public utility improvements, and demolitions during fiscal year 2004 (\$13,769,237) and fiscal year 2005 (\$20,575,022).
- The balance of the funds is being used to finance other activities listed above. Besides punch list items and a section of streetscape improvements on areas adjacent to the Virginia Performing Arts Foundation, which could not be completed in time due to accessibility of the site, the project was completed as scheduled in the spring of 2005.
- Interest on the bonds was paid during fiscal year 2005 in accordance with the bond's official statement (\$4,971,856).

#### **USING THE FINANCIAL SECTION OF THIS COMPONENT UNIT ANNUAL FINANCIAL REPORT**

This annual report consists of two parts—management's discussion and analysis (this section) and the basic financial statements consisting of a statement of net assets; statement of revenues, expenses, and changes in net assets; statement of cash flows, and related footnotes. The Authority uses the accrual basis of accounting and the economic resources measurement focus. Under this method of accounting, revenues are recognized when earned, to include all parking rental receipts, which are restricted for payment of debt service, and expenses are recognized when incurred.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**

(A Component Unit of the City of Richmond, Virginia)

## Management's Discussion and Analysis

June 30, 2005 and 2004

**COMPARATIVE FINANCIAL ANALYSIS****Summary of Net Assets**

	<u>2005</u>	<u>2004</u>	<u>Percentage change</u>	<u>2003</u>
Other assets	\$ 11,483,953	28,314,593	(59.44%)	41,285,294
Capital assets	<u>55,916,529</u>	<u>36,707,563</u>	52.33%	<u>23,830,231</u>
Total assets	<u>67,400,482</u>	<u>65,022,156</u>		<u>65,115,525</u>
Long-term debt, net of discount	65,005,242	64,932,054	0.11%	64,858,866
Other liabilities	<u>3,896,421</u>	<u>788,298</u>	394.28%	<u>456,543</u>
Total liabilities	<u>68,901,663</u>	<u>65,720,352</u>		<u>65,315,409</u>
Net assets:				
Invested in capital assets, net of related debt	(2,075,705)	(173,620)	1095.54%	220,077
Unrestricted	<u>574,524</u>	<u>(524,576)</u>	(209.52%)	<u>(419,961)</u>
Total net assets	<u>\$ (1,501,181)</u>	<u>(698,196)</u>		<u>(199,884)</u>

**Comments**

- The other assets balance is made up almost entirely of invested bond proceeds. Most of these proceeds are invested in guaranteed investment contracts in order to maximize results until the funds are expended. The capital assets balance is the net balance (after depreciation) of parking facilities purchased.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Richmond, Virginia)

Management's Discussion and Analysis

June 30, 2005 and 2004

**Summary of Revenues, Expenses, and Changes in Net Assets**

	<u>2005</u>	<u>2004</u>	<u>Percentage change</u>	<u>2003</u>
Operating revenues	\$ 3,351,708	1,698,412	97.34%	132,415
Operating expenses:				
Parking operations management fee	690,313	415,199	66.26%	13,117
Professional services	448,071	348,665	28.51%	10,000
Insurance	126,025	113,047	11.48%	10,189
Depreciation	1,366,056	891,905	53.16%	66,379
Other	72,507	30,817	135.28%	8,916
Total operating expenses	<u>2,702,972</u>	<u>1,799,633</u>		<u>108,601</u>
Operating income (loss)	648,736	(101,221)		23,814
Nonoperating revenues	425,068	588,727	(27.80%)	196,722
Nonoperating expenses	<u>(1,876,789)</u>	<u>(985,818)</u>	90.38%	<u>(420,420)</u>
Change in net assets	(802,985)	(498,312)		(199,884)
Net assets at beginning of period	<u>(698,196)</u>	<u>(199,884)</u>		—
Net assets at end of period	\$ <u><u>(1,501,181)</u></u>	<u><u>(698,196)</u></u>		<u><u>(199,884)</u></u>

**Comments**

- Operating revenues represent rental revenue related to parking facilities owned by the Authority and special assessments due to the Authority from specific land owners.
- Operating expenses include depreciation of parking facilities using the straight-line method with an estimated life of 30 years. Insurance expense represents the cost of insuring the parking facilities.
- Nonoperating revenue represents interest revenue earned by the Authority on unspent debt proceeds.
- Nonoperating expense represents interest expense, net of amount capitalized, related to bonds.
- The loss reflected during the current fiscal year is in line with projections, as it was expected that parking facilities would not be in full operational capacity during the first two years of renovation and public improvements. Additionally, revenues to be derived from special assessments and payments in lieu of assessments that would also be a component of CDA revenues are also to commence upon the completion of public improvements.

**CAPITAL ASSETS**

As noted on page 2, the Authority's net capital assets balance at year end was made up entirely of parking facilities, including land purchased during the fiscal year. These parking facilities were purchased using the proceeds of the Series 2003 bonds.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
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Management's Discussion and Analysis

June 30, 2005 and 2004

**LONG-TERM DEBT AND DEBT SERVICE COVERAGE**

The Authority issued Revenue Bonds, Series 2003, dated May 15, 2003, with interest rates of 7.10% to 7.50%, and due in semi-annual installments with maturities ranging from 2015 to 2033, during the fiscal year ended June 30, 2004. This bond issuance represents 100% of the Authority's fiscal year end long-term debt balance.

The Authority's annual debt obligations are to be repaid from pledged revenues that are comprised primarily of parking revenues, special assessment revenues and payments in lieu of assessments. For fiscal year 2004 and 2005, each annual debt service payment of \$4,971,856 consisted of interest due on the Bonds. These debt service payments were capitalized and paid from Bond proceeds as it was expected that the parking facilities would not be fully operational during the construction period and not able to support debt service payments during this period. The Authority has been receiving parking revenues during the capitalized interest period, and these revenues, after payment of expenses, have been deposited to the supplemental reserve fund held by the trustee. The Authority begin to receive special assessment revenues and payments in lieu of assessment revenues in the Spring of 2005 with the completion of the streetscape improvements by the Authority, pursuant to the terms of agreements controlling the payment of these revenues.

Parking revenues, special assessment revenues and payments in lieu of assessments projected to be earned in fiscal year 2006 and 2007 are not expected to be sufficient to cover the annual debt service payments due during this period. Parking revenues previously deposited to the supplemental reserve fund will be withdrawn and applied to cover the deficiency in these revenues and debt service obligations. Net parking revenues in the amount of \$2,107,487 as of November 30, 2005, earned during the construction period have been placed in a supplemental reserve fund.

In the event the parking revenues, special assessment revenues, payment in-lieu of assessments, and supplemental reserve fund are not sufficient to cover debt service on the Bonds, the trustee for the Bonds would draw from the reserve funds established for repair and replacement and operating expenses, and then from the debt service reserve fund (which was funded in the amount of \$6,136,875 from bond proceeds) as necessary to cover the payments due on the Bonds. The amounts currently on deposit in the repair and replacement fund and operating reserve fund are \$103,500 and \$75,000, respectively. The City of Richmond has agreed to replenish the debt service reserve fund for any draws on this fund up to \$3.0 million a year, subject to appropriation by the City Council. It is expected that the projected parking revenues, special assessment revenues, payments in-lieu of assessments and the funds accumulated in the supplemental debt fund will be sufficient to pay debt service in fiscal years 2006 and 2007. The annual parking revenues, special assessment revenues and payments in-lieu of assessments are projected to be sufficient to pay debt service beginning with fiscal year 2008, although the margin is small. In order for the Authority to continue to meet its future annual debt service obligations, the parking facilities will need to attract additional customers in line with the current projections. The planned opening of the U.S. Federal Courthouse and the Miller & Rhoads Hotel are both expected to increase the customers using the Authority's parking facilities. The projections of parking revenues prepared by the Authority by its parking consultant have not been met in the past. As a result of the small margin in the ability of the Authority to meet its obligations on the Bonds and the uncertainty regarding future parking operations, the replenishment of debt service reserve fund by the city may become necessary in the future.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
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Management's Discussion and Analysis

June 30, 2005 and 2004

**ECONOMIC FACTORS**

The Authority's financial performance is dependent on the ability of the parking facilities to attract a sustained volume of customers, which is dependent on the following factors:

- Events and activities being held and hosted at the Convention Center, the Coliseum, the Marriott Hotel, and the Carpenter Center;
- Parking demand generated by existing retail and office land uses; and
- Parking demand to be generated by the proposed building projects of the Authority and other projects proposed such as the Miller & Rhoads Hotel, Marriott Hotel expansion, and the Federal Court House.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Mr. Keenan Rice, MuniCap, Inc., 8340 Governor Ridgely Lane, Ellicott City, Maryland 21043.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Richmond, Virginia)

Statements of Net Assets

June 30, 2005 and 2004

	<b>2005</b>	<b>2004</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Accounts receivable	\$ 483,926	263,722
Special assessment receivables	368,441	—
Payments in Lieu of Assessments receivables	190,440	—
Prepaid insurance	110,292	—
<b>Total current assets</b>	<b>1,153,099</b>	<b>263,722</b>
<b>Noncurrent assets:</b>		
Restricted assets – cash and cash equivalents (note 2)	10,330,854	28,050,871
<b>Capital assets (note 4):</b>		
Land	4,791,100	4,791,100
Parking facilities	53,449,769	32,874,747
Less accumulated depreciation	(2,324,340)	(958,284)
<b>Total capital assets, net</b>	<b>55,916,529</b>	<b>36,707,563</b>
<b>Total noncurrent assets</b>	<b>66,247,383</b>	<b>64,758,434</b>
<b>Total assets</b>	<b>67,400,482</b>	<b>65,022,156</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	164,254	373,977
Interest payable	414,321	414,321
<b>Total current liabilities</b>	<b>578,575</b>	<b>788,298</b>
<b>Noncurrent liabilities:</b>		
Liabilities to be paid from restricted assets	3,317,846	—
<b>Due in more than one year (note 3):</b>		
Long-term debt	66,740,000	66,740,000
Less discount on long-term debt	(1,734,758)	(1,807,946)
<b>Total long-term debt</b>	<b>65,005,242</b>	<b>64,932,054</b>
<b>Total noncurrent liabilities</b>	<b>68,323,088</b>	<b>64,932,054</b>
<b>Total liabilities</b>	<b>68,901,663</b>	<b>65,720,352</b>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	(2,075,705)	(173,620)
Unrestricted	574,524	(524,576)
<b>Total net assets</b>	<b>\$ (1,501,181)</b>	<b>(698,196)</b>

See accompanying notes to basic financial statements.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Richmond, Virginia)

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Rental revenue	\$ 2,792,827	1,698,412
Special assessments revenue	368,441	—
Payments in Lieu of Assessments	190,440	—
	<u>3,351,708</u>	<u>1,698,412</u>
Operating expenses:		
Parking operations management fee	690,313	415,199
Professional services	448,071	348,665
Insurance	126,025	113,047
Depreciation	1,366,056	891,905
Other	72,507	30,817
	<u>2,702,972</u>	<u>1,799,633</u>
Operating income (loss)	<u>648,736</u>	<u>(101,221)</u>
Nonoperating revenues (expenses):		
Interest revenue	425,068	588,727
Interest expense	(1,876,789)	(985,818)
	<u>(1,451,721)</u>	<u>(397,091)</u>
Change in net assets	(802,985)	(498,312)
Net assets at beginning of year	<u>(698,196)</u>	<u>(199,884)</u>
Net assets at end of year	<u><u>\$ (1,501,181)</u></u>	<u><u>(698,196)</u></u>

See accompanying notes to basic financial statements.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
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Statements of Cash Flows

Years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Receipts from rental properties	\$ 2,572,623	1,432,364
Payments to vendors	(1,656,931)	(533,751)
Other	—	(3,314)
Net cash provided by operating activities	<u>915,692</u>	<u>895,299</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets and capitalization of construction period interest	(17,257,176)	(13,769,237)
Non-capitalized interest paid on long-term debt	(1,803,601)	(912,630)
Net cash used in capital and related financing activities	<u>(19,060,777)</u>	<u>(14,681,867)</u>
Cash flows from investing activities:		
Interest received	425,068	588,727
Net decrease in cash and cash equivalents	(17,720,017)	(13,197,841)
Cash and cash equivalents at beginning of period	28,050,871	41,248,712
Cash and cash equivalents at end of period	<u>\$ 10,330,854</u>	<u>28,050,871</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 648,736	(101,221)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,366,056	891,905
Change in assets and liabilities:		
Increase in accounts receivable	(220,204)	(227,140)
Increase in special assessment receivable	(368,441)	—
Increase in payment in Lieu of Assessment receivable	(190,440)	—
Increase in prepaid expenses	(110,292)	—
(Decrease) increase in accounts payable	(209,723)	331,755
Total adjustments	<u>266,956</u>	<u>996,520</u>
Net cash provided by operating activities	<u>\$ 915,692</u>	<u>895,299</u>
Supplemental disclosure of cash flow information:		
Noncash transactions:		
Acquisition of capital assets	\$ 3,317,846	—
Amortization of bond discount	73,188	73,188
Cash paid on interest that has been capitalized and included in capital assets at fiscal year end	\$ 3,168,255	4,280,198

See accompanying notes to basic financial statements.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Richmond, Virginia)

Notes to Basic Financial Statements

June 30, 2005 and 2004

**(1) Summary of Significant Accounting Policies**

The Broad Street Community Development Authority (the Authority) was established effective July 8, 2002, pursuant to the provisions of Article 6 of Chapter 51 of Title 15.2 of the Code of Virginia of 1950 (the Act), as amended. The Authority is responsible for financing certain improvements in connection with the proposed development and redevelopment of the downtown area to benefit the citizens of the City of Richmond, Virginia (the City).

**(a) Financial Reporting Entity**

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Therefore, the Authority's financial statements are presented in accordance with GASB Statement No. 14, *The Financial Reporting Entity*. This statement defines the distinction between the Authority as a primary government and its related entities. The Authority has no related entities that require inclusion in the Authority's financial statements, but the Authority does meet the requirements for inclusion in the City's financial statements as a discretely presented component unit mainly due to the fact that the Authority is governed by a board of five voting directors and three ex-officio, nonvoting directors, all of whom are appointed by the Richmond City Council.

**(b) Financial Reporting Model**

GAAP sets the reporting model requirements for the annual financial reports of state and local governments. For entities like the Authority that are engaged solely in business-type activities, the annual report includes:

- **Management's Discussion and Analysis** – GAAP requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.
- **Statement of Net Assets** – The statement of net assets is designed to display the financial position of the entity. The net assets of the Authority are broken down into two categories – (1) invested in capital assets, net of related debt and (2) unrestricted.
- **Statement of Revenues, Expenses, and Changes in Net Assets** – The statement of revenues, expenses, and changes in net assets is designed to display the financial activities of the entity for the period under audit.
- **Statement of Cash Flows** – Prepared using the direct method.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
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Notes to Basic Financial Statements

June 30, 2005 and 2004

(c) ***Basis of Accounting***

The Authority uses the accrual basis of accounting and the economic resources measurement focus. Under this method of accounting, revenues are recognized when earned, to include all parking rental receipts which are restricted for payment of debt service, and expenses are recognized when incurred.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority follows all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements and predecessor, Accounting Practices Board Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989 to the extent they do not conflict with existing GASB pronouncements. Under paragraph 7 of GASB Statement No. 20, the Authority has elected not to apply FASB pronouncements issued after November 30, 1989.

(d) ***Cash and Cash Equivalents***

Include cash on hand, checking and savings accounts, and money market accounts, which generally have maturities of less than three months at the time of acquisition. Certain cash and cash equivalents are reported as restricted as they are required to only be used for the repayment of debt service.

(e) ***Depreciation***

Parking facilities are the only depreciable property owned by the Authority. This property is stated at cost and depreciation on the property is provided on a straight-line basis over a 30-year estimated life. Land associated with the parking facilities is recorded as a nondepreciable capital asset. Capitalized interest associated with these facilities approximated \$7,450,000 at June 30, 2005.

(f) ***Special Assessments***

The City Council adopted Ordinance No. 2002-253-250 on September 23, 2002 which established special assessments, in accordance with the Code of Virginia (1950), as amended, Section 15.2-5158(5) and Sections 15.2-2404 to 15.2-2413 and the Memorandum of Understanding, to be levied to pay for a portion of the costs of improvements to be provided by the Authority. According to the Ordinance, special assessments are apportioned in accordance to the Rate and Method of Apportionment and shall not be effective until the Effective Date, which is the later of (i) the first day of the month following the date on which streetscaping improvements are completed, or (ii) the first day of the month occurring two years after the 2003 Bonds are issued (June 1, 2005). On such date, the Authority will provide a notice of special assessment to the City's Director of Finance or other City Official responsible for collection of taxes. According to the Memorandum of Understanding, the City will assign and pledge all special assessments collected by it to the Authority. Subject to annual appropriation by City Council, all special assessments collected by the City will be remitted to the Authority or the Trustee. The special assessments when levied constitute a lien on parcels subject to such taxation.

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
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Notes to Basic Financial Statements

June 30, 2005 and 2004

**(g) Income Taxes**

The Authority is a governmental entity and, therefore, is exempt from federal and state income taxes.

**(2) Restricted Assets – Cash and Cash Equivalents**

The Authority follows a deposit and investment policy in accordance with statutes of the Commonwealth of Virginia. Accordingly, the Authority is authorized to hold cash and temporary investments, including checking and savings accounts, certificates of deposit, repurchase agreements, and banker's acceptances.

Deposits, primarily checking accounts, are placed with banks and are protected by federal depository insurance or collateral held under the provisions of the Virginia Security for Public Deposits Act (the Deposits Act), Section 2.1-359 et.seq. Under the Deposits Act, banks holding public deposits in excess of amounts insured by the FDIC Bank Insurance Fund must pledge collateral in the amount of 50% of the excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Deposits Act and for notifying the Authority of compliance by banks. At June 30, 2005 and 2004, the carrying amounts of the Authority's cash and cash equivalents balance agreed with the financial institution balance of \$10,330,854 and \$28,050,871, respectively. The entire financial institution balance at June 30, 2005 and 2004 was insured under the provisions of the Deposits Act or covered by federal depository insurance.

Cash equivalents include money market accounts, guaranteed investment contracts, and repurchase agreements. Repurchase agreements with carrying amounts (equal to fair values) of \$6,136,875 are 100% collateralized by U.S. Government securities at market values sufficient to cover the face value of the investments. Such underlying securities were held by financial institutions in their safekeeping departments or in their accounts at the Federal Reserve Bank of Richmond, in the Authority's name.

	<u>Fair value</u>
2005:	
Repurchase agreements (maturity date 6/2033)	\$ 6,136,875
Guaranteed investment contracts (maturity date 12/2005)	1,745,355
Cash and money market accounts	<u>2,448,624</u>
Total cash and cash equivalents	<u>\$ 10,330,854</u>
2004:	
Repurchase agreements (maturity date 6/2033)	\$ 6,136,875
Guaranteed investment contracts (maturity date 12/2005)	20,682,933
Cash and money market accounts	<u>1,231,063</u>
Total cash and cash equivalents	<u>\$ 28,050,871</u>

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
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Notes to Basic Financial Statements

June 30, 2005 and 2004

**(3) Long-Term Debt**

Revenue Bonds, Series 2003, dated May 15, 2003, with interest rates ranging from 7.10% to 7.50%, due in semi-annual installments beginning in 2009 as part of a mandatory sinking fund redemption, with maturities ranging from 2015 to 2033, were issued by the Authority during its initial operating years ended June 30, 2005 and 2004. Changes in the total long-term liabilities during this period are summarized below:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>	<u>Due within</u> <u>one year</u>
Revenue bonds	\$ 66,740,000	—	—	66,740,000	—
Less discount	(1,807,946)	—	73,188	(1,734,758)	—
Revenue bonds, net	\$ 64,932,054	—	73,188	65,005,242	—
	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>	<u>Due within</u> <u>one year</u>
Revenue bonds	\$ 66,740,000	—	—	66,740,000	—
Less discount	(1,881,134)	—	73,188	(1,807,946)	—
Revenue bonds, net	\$ 64,858,866	—	73,188	64,932,054	—

The debt service obligations to maturity related to these bonds at June 30, 2005 are as follows:

	<u>Principal</u> <u>amount</u>	<u>Interest</u> <u>amount</u>
Year ending June 30:		
2006	\$ —	4,971,856
2007	—	4,971,856
2008	—	4,971,856
2009	400,000	4,971,856
2010	600,000	4,943,356
2011-2015	6,185,000	23,763,455
2016-2020	9,705,000	20,975,925
2021-2025	13,915,000	16,757,250
2026-2030	19,980,000	10,695,375
2031-2034	15,955,000	2,450,625
Total	\$ 66,740,000	99,473,410

**BROAD STREET COMMUNITY DEVELOPMENT AUTHORITY**  
(A Component Unit of the City of Richmond, Virginia)

Notes to Basic Financial Statements

June 30, 2005 and 2004

**(4) Capital Assets**

Changes in capital assets during the fiscal period ended June 30, 2005 and 2004 are summarized below:

	<b>June 30, 2005</b>			<b>Balance June 30, 2005</b>
	<b>Balance July 1, 2004</b>	<b>Additions</b>	<b>Deletions</b>	
Capital assets:				
Nondepreciable – land	\$ 4,791,100	—	—	4,791,100
Depreciable – parking facilities and other public improvements	32,874,747	20,575,022	—	53,449,769
Less accumulated depreciation for:				
Parking facilities	<u>958,284</u>	<u>1,366,056</u>	<u>—</u>	<u>2,324,340</u>
Total capital assets, net	<u>\$ 36,707,563</u>	<u>19,208,966</u>	<u>—</u>	<u>55,916,529</u>
	<b>June 30, 2004</b>			<b>Balance June 30, 2004</b>
	<b>Balance July 1, 2003</b>	<b>Additions</b>	<b>Deletions</b>	
Capital assets:				
Nondepreciable – land	\$ 4,684,600	106,500	—	4,791,100
Depreciable – parking facilities and other public improvements	19,212,010	13,662,737	—	32,874,747
Less accumulated depreciation for:				
Parking facilities	<u>66,379</u>	<u>891,905</u>	<u>—</u>	<u>958,284</u>
Total capital assets, net	<u>\$ 23,830,231</u>	<u>12,877,332</u>	<u>—</u>	<u>36,707,563</u>

**(5) Contingent Liabilities**

***Litigation***

During the normal course of business, the Authority may be named as defendants in claims for personal injuries, property damage, or specific performances, which would be defended by counsel. It is the opinion of management and associated counsel that the resolution of any such litigation would not involve a substantial liability.