

CITY OF PORTSMOUTH, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards of the City of Portsmouth, Virginia (the City). The City's reporting entity is defined in note 1 to the City's financial statements. All federal awards received directly from federal agencies as well as Federal awards passed through other government agencies are included in the schedule. The City reports federal grants for the School Board in its Schedule of Expenditures of Federal Awards because the City is the legal grantee of these funds.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the City's financial statements.

(3) Relationship to Financial Statements

Federal awards revenues are reported in the City's financial statements as follows:

Intergovernmental revenue:

City:

Governmental Fund		
General Fund	\$	1,606,171
Special Revenue Funds:		
Virginia Public Assistance		10,594,447
Mental Health Services		1,773,238
Donations		157,144
Grants		2,262,886
Stormwater Management		38,121
Capital Projects Funds -		
Capital Projects Funds		119,140
Community Development		3,041,315
Component Unit		
Parking Authority		52,157
Internal Service Funds:		
City Garage		47,918
Information Technology		4,425
Enterprise Funds -		
Public Utilities		144,660
Golf Fund		109,856
Waste Management		6,465,787
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Total City		26,417,265
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<u>Component Unit - School Board:</u>		
Operating		827,146
Grants		12,082,316
Cafeteria		4,233,551
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Total component unit - School Board		17,143,013
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Total federal expenditures from Intergovernmental Revenue		43,560,278
Add: Donations Fund expenditures in excess of revenues		(68,640)
Community development fund program and other income		566,442
Grants Revenues received but not spent		(516,979)
Total federal expenditures per Schedule of Expenditures of Federal Awards		43,541,101
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Add: Intergovernmental Revenue - State and other contractual revenue included in intergovernmental revenue but not in the Schedule of Expenditures of Federal Awards		46,246,705
Less: School Board intergovernmental revenues		(17,143,013)
Value of federal assistance not included in City's financial statements:		
Donations Fund expenditures in excess of revenues		68,640
Grants Revenues received but not spent		516,979
Community development fund program and other income		(566,442)
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Intergovernmental Revenue per basic financial statements - City	\$	72,663,970
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(continued)

CITY OF PORTSMOUTH, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards, Continued

(4) Subrecipients

Federal funds passed through to subrecipients for the year ended June 30, 2004 were as follows:

Federal Granting Agency/Grant Program		Amount
Department of Education -		
Special Education Grants for Infants and Families with Disabilities	\$	381,583
Department of Health and Human Services -		
Child Care and Development Fund		887,736
Department of Housing and Urban Development:		
Community Development Block Grant		3,018,162
HOME Investment Partnerships Program		2,083,130
Emergency Shelter Grants Program		79,000
Shelter Plus Care		117,907
Total federal funds passed through to subrecipients	\$	6,567,518