

**CITY OF PORTSMOUTH, VIRGINIA**

**Notes to Schedule of Expenditures of Federal Awards**

Year ended June 30, 2007

**(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 Funds:

Special Revenue Funds:

Social Services	\$ 12,326,530
Behavioral Healthcare Services	1,749,989
Donations	182,641
Grants	2,256,164

Capital Projects Funds -

Community Development	3,714,142
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Proprietary Funds -

Enterprise Fund - Public Utility	246,200
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<b>Total City</b>	<b>20,475,666</b>
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Component Unit - School Board:

Operating	326,137
Grants	14,071,106
Cafeteria	4,354,447

<b>Total component unit - School Board</b>	<b>18,751,690</b>
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Total federal expenditures from intergovernmental revenue	39,227,356
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Add: Donations Fund expenditures in excess of revenues	71,067
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Less: Social Services unspent revenues	(75,312)
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Grants Fund unspent revenues	(266,552)
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<b>Total federal expenditures per Schedule of Expenditures of Federal Awards</b>	<b>38,956,559</b>
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Add: Grants Fund unspent revenues	266,552
Social Services unspent revenues	75,312

Less: School Board intergovernmental revenues	(18,751,690)
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Donations Fund expenditures in excess of revenues	(71,067)
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<b>Intergovernmental Revenue per basic financial statements - City</b>	<b>\$ 20,475,666</b>
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**(4) Subrecipients**

Federal funds passed through to subrecipients for the year ended June 30, 2007 were as follows:

<b>Federal Granting Agency/Grant Program</b>	<b>Amount</b>
<b>Department of Education -</b>	
Special Education Grants for Infants and Families with Disabilities	\$ 252,166
<b>Department of Health and Human Services -</b>	
Child Care and Development Fund	2,086,470
<b>Department of Housing and Urban Development:</b>	
Community Development Block Grant	2,031,884
HOME Investment Partnerships Program	794,870
Emergency Shelter Grants Program	1,442
Shelter Plus Care	309,520
<b>Total federal funds passed through to subrecipients</b>	<b>\$ 5,476,352</b>