

CITY OF PORTSMOUTH, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

(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 \$ 11,907,154

Behavioral Healthcare Services 1,713,258

Donations 175,976

Grants 1,799,695

Capital Projects Funds -

Community Development 2,789,912

Proprietary Funds -

Enterprise Fund - Public Utility 50,150

Total City 18,436,145

Component Unit - School Board:

Operating 950,777

Grants 12,019,935

Cafeteria 4,263,572

Total component unit - School Board 17,234,284

Total federal expenditures from intergovernmental revenue 35,670,429

Less: CDBG unspent revenues (491,104)

Grants Fund unspent revenues 73,398

Total federal expenditures per Schedule of Expenditures of Federal Awards 35,252,723

Add: Grants Fund unspent revenues (73,398)

Less: School Board intergovernmental revenues (17,234,284)

CDBG Fund expenditures in excess of revenues 491,104

Intergovernmental Revenue per basic financial statements - City \$ 18,436,145

(4) Subrecipients

Federal funds passed through to subrecipients for the year ended June 30, 2008 were as follows:

Federal Granting Agency/Grant Program **Amount**

Department of Education -

Special Education Grants for Infants and Families with Disabilities \$ 151,385

Department of Health and Human Services -

Child Care and Development Fund 1,642,134

Department of Housing and Urban Development:

Community Development Block Grant 1,414,971

HOME Investment Partnerships Program 387,893

Shelter Plus Care 335,876

Total federal funds passed through to subrecipients \$ 3,932,259