

## CITY OF PORTSMOUTH, VIRGINIA

Exhibit E-2

## Statement of Revenues, Expenses and Changes in Fund Net Assets

## Proprietary Funds

Year ended June 30, 2004

	Public Utility	Golf	Waste Management	Nonmajor Enterprise Fund - Port Facility and Economic Development	Total	Governmental Activities - Internal Service Funds
<b>Operating revenues:</b>						
Charges for services	\$ 23,269,694	1,330,115	7,342,536	544,836	32,487,181	27,706,641
Use of property	67,524	193,120	-	-	260,644	-
Other	1,811,960	-	498	21,670	1,834,128	117,377
<b>Total operating revenues</b>	<b>25,149,178</b>	<b>1,523,235</b>	<b>7,343,034</b>	<b>566,506</b>	<b>34,581,953</b>	<b>27,824,018</b>
<b>Operating expenses:</b>						
Personnel services	4,780,741	686,058	2,830,725	-	8,297,524	3,949,986
Contractual services	1,670,778	540,815	11,166,382	-	13,377,975	2,826,065
Supplies and materials	1,669,198	238,513	146,824	-	2,054,535	2,817,840
Utilities	780,084	79,292	2,756	-	862,132	148,195
Internal charges	703,019	21,318	1,234,935	-	1,959,272	140,115
Claims, settlements and refunds	-	-	-	-	-	10,914,774
Insurance premiums	-	-	-	-	-	748,705
Payments in lieu of taxes	870,000	-	-	-	870,000	-
Rent	58,678	71,918	1,713	-	132,309	88,164
Depreciation and amortization	3,125,468	217,869	489,356	86,921	3,919,614	1,495,472
Bad debt expense	272,557	-	208,014	-	480,571	-
Other	402,972	7,223	1,476	972	412,643	109,367
<b>Total operating expenses</b>	<b>14,333,495</b>	<b>1,863,006</b>	<b>16,082,181</b>	<b>87,893</b>	<b>32,366,575</b>	<b>23,238,683</b>
<b>Operating income (loss)</b>	<b>10,815,683</b>	<b>(339,771)</b>	<b>(8,739,147)</b>	<b>478,613</b>	<b>2,215,378</b>	<b>4,585,335</b>
<b>Nonoperating revenues (expenses):</b>						
Intergovernmental revenue	144,660	109,856	6,465,787	-	6,720,303	-
Investment income	100,887	7,805	284	16,718	125,694	-
Gain on disposal of capital assets	-	-	-	-	-	139,823
Interest expense and fiscal charges	(1,480,052)	(424,624)	(24,562)	(149,311)	(2,078,549)	(50,196)
<b>Net nonoperating revenues (expenses)</b>	<b>(1,234,505)</b>	<b>(306,963)</b>	<b>6,441,509</b>	<b>(132,593)</b>	<b>4,767,448</b>	<b>89,627</b>
<b>Net income (loss) before transfers</b>	<b>9,581,178</b>	<b>(646,734)</b>	<b>(2,297,638)</b>	<b>346,020</b>	<b>6,982,826</b>	<b>4,674,962</b>
Transfers from other funds (note 10)	2,000,000	122,192	1,035,994	-	3,158,186	-
Transfers to other funds (note 10)	(3,513,997)	-	-	-	(3,513,997)	-
<b>Change in net assets</b>	<b>8,067,181</b>	<b>(524,542)</b>	<b>(1,261,644)</b>	<b>346,020</b>	<b>6,627,015</b>	<b>4,674,962</b>
<b>Net assets, beginning of year</b>	<b>96,704,256</b>	<b>7,382,943</b>	<b>2,576,036</b>	<b>2,186,021</b>	<b>108,849,256</b>	<b>(21,781,766)</b>
<b>Net assets, end of year</b>	<b>\$ 104,771,437</b>	<b>6,858,401</b>	<b>1,314,392</b>	<b>2,532,041</b>	<b>115,476,271</b>	<b>(17,106,804)</b>
					6,627,015	-

See accompanying notes to basic financial statements.