

**CITY OF PORTSMOUTH, VIRGINIA**

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

Year ended June 30, 2005

**(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:**

<u>City:</u>	
Governmental Fund -	
General Fund	\$ 614,238
Special Revenue Funds:	
Social Services	11,084,056
Behavioral Health Services	1,496,762
Donations	376,163
Grants	2,627,649
Capital Projects Fund -	
Community Development	3,262,897
Enterprise Funds:	
Public Utilities	191,386
Waste Management	435,000
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Total City	20,088,151
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<u>Component Unit - School Board:</u>	
Operating	712,852
Grants	12,621,449
Cafeteria	4,195,283
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Total component unit - School Board	17,529,584
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Total federal expenditures from Intergovernmental Revenue	37,617,735
Add: Donations Fund expenditures in excess of revenues	(168,032)
General Fund expenditures in excess of revenues	(614,238)
Community development fund program and other income	2,417,418
Grants expenditures not reimbursed	187,552
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Total federal expenditures per Schedule of Expenditures of Federal Awards	39,440,435
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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	47,889,503
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Less: School Board intergovernmental revenues	(17,529,584)
Value of federal assistance not included in City's financial statements:	
Donations Fund expenditures in excess of revenues	168,032
General Fund expenditures in excess of revenues	614,238
Grants expenditures not reimbursed	(187,552)
Community development fund program and other income	(2,417,418)
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Intergovernmental Revenue per basic financial statements - City	\$ 67,977,654

(continued)

**CITY OF PORTSMOUTH, VIRGINIA**

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

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**(4) Subrecipients**

Federal funds passed through to subrecipients for the year ended June 30, 2005 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	\$	184,836
<b>Department of Health and Human Services -</b>		
Child Care and Development Fund		1,379,331
<b>Department of Housing and Urban Development:</b>		
Community Development Block Grant		2,842,326
HOME Investment Partnerships Program		760,216
Emergency Shelter Grants Program		79,926
Shelter Plus Care		207,636
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Total federal funds passed through to subrecipients	\$	5,454,271