

**CITY OF PORTSMOUTH, VIRGINIA**  
**Statement of Net Assets**  
**June 30, 2005**

**Exhibit A**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current assets:				
Cash and temporary investments (note 3)	\$ 26,396,491	18,022,392	44,418,883	18,758,787
Restricted cash and temporary investments (note 3)	5,227,391	1,882,556	7,109,947	1,086,864
Receivables (net of allowance for uncollectibles of \$5,263,925):				
Taxes	4,727,681	-	4,727,681	-
Accounts	4,680,608	5,927,037	10,607,645	251,579
Internal balances (note 10)	56,463	(56,463)	-	-
Due from primary government (note 10)	-	-	-	22,565
Due from component units (note 10)	297,590	-	297,590	-
Due from other governments (note 11)	13,267,743	685,995	13,953,738	6,020,235
Deposits	167,400	-	167,400	-
Inventory of supplies	452,485	461,897	914,382	1,071,828
Notes receivable (notes 6, 7 and 12)	4,152	34,806	38,958	160,000
Capital lease receivable	-	-	-	170,000
Notes receivable from component unit (notes 5 and 12)	327,718	-	327,718	-
<b>Total current assets</b>	<b>55,605,722</b>	<b>26,958,220</b>	<b>82,563,942</b>	<b>27,541,858</b>
Noncurrent assets:				
Notes receivable (notes 6 and 7)	-	-	-	5,093,736
Notes receivable from component unit (notes 5 and 12)	4,177,442	-	4,177,442	-
Capital lease receivable	-	-	-	4,704,604
Other assets	1,581,392	255,657	1,837,049	205,772
Property held for resale	-	-	-	4,600,009
Capital assets (note 4):				
Land	23,500,434	14,531,594	38,032,028	8,384,805
Site improvements	1,436,092	-	1,436,092	-
Infrastructure	454,819,998	-	454,819,998	-
Buildings	171,055,454	3,629,804	174,685,258	70,894,966
Improvements other than buildings	-	143,647,210	143,647,210	242,609
Machinery, furniture and equipment	36,193,122	12,550,644	48,743,766	15,430,462
Construction in progress	62,399,076	63,138,498	125,537,574	5,059,835
<b>Total capital assets</b>	<b>749,404,176</b>	<b>237,497,750</b>	<b>986,901,926</b>	<b>100,012,677</b>
Less accumulated depreciation	(361,245,225)	(62,417,455)	(423,662,680)	(47,183,808)
<b>Total capital assets, net</b>	<b>388,158,951</b>	<b>175,080,295</b>	<b>563,239,246</b>	<b>52,828,869</b>
<b>Total noncurrent assets</b>	<b>393,917,785</b>	<b>175,335,952</b>	<b>569,253,737</b>	<b>67,432,990</b>
<b>Total assets</b>	<b>\$ 449,523,507</b>	<b>202,294,172</b>	<b>651,817,679</b>	<b>94,974,848</b>

See accompanying notes to basic financial statements.

Statement of Net Assets  
June 30, 2005

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 7,342,912	792,478	8,135,390	10,615,637
Construction payable	-	1,230,559	1,230,559	-
Accrued interest payable	2,657,455	966,026	3,623,481	163,191
Deposits	297,888	672,260	970,148	12,600
Due to other governments (note 11)	21,265	-	21,265	-
Due to primary government (note 10)	-	-	-	297,590
Due to component units (note 10)	22,565	-	22,565	-
Unearned revenues (notes 7 and 12)	4,532,155	203,283	4,735,438	248,291
Arbitrage payable	-	296,145	296,145	-
Claims payable (note 16)	4,891,333	-	4,891,333	1,268,568
Compensated absences (note 5)	4,278,204	707,945	4,986,149	1,707,433
General obligation and revenue bonds, net (note 5)	8,102,320	3,941,613	12,043,933	590,715
Obligations under capital leases (notes 5 and 7)	2,479,463	252,615	2,732,078	128,100
Obligations under cooperation agreements (notes 5 and 6)	2,240,000	-	2,240,000	-
Literary loans (note 5)	475,000	-	475,000	-
Bond anticipation notes (note 5)	11,642,000	6,158,000	17,800,000	-
Notes payable to primary government (note 5)	-	-	-	327,718
Total current liabilities	48,982,560	15,220,924	64,203,484	15,359,843
Noncurrent liabilities:				
Claims payable (note 16)	13,600,349	-	13,600,349	1,093,617
Compensated absences (note 5)	2,207,588	-	2,207,588	2,450,898
General obligation and revenue bonds, net (note 5)	112,281,959	60,777,704	173,059,663	19,127,862
Obligations under capital leases (notes 5 and 7)	20,104,840	717,390	20,822,230	33,038
Obligations under cooperation agreements (notes 5 and 6)	48,773,736	-	48,773,736	-
General obligation notes payable (note 5)	7,980,000	-	7,980,000	-
Landfill closure and postclosure care (notes 5 and 13)	-	5,436,375	5,436,375	-
Literary loans (note 5)	3,850,000	-	3,850,000	-
Net pension obligation (notes 5 and 8)	-	-	-	112,951
Notes payable to primary government (note 5)	-	-	-	4,177,442
Total noncurrent liabilities	208,798,472	66,931,469	275,729,941	26,995,808
Total liabilities	257,781,032	82,152,393	339,933,425	42,355,651
Net assets:				
Invested in capital assets, net of related debt	175,288,130	105,115,529	280,403,659	40,881,414
Restricted for:				
Debt service	644,071	-	644,071	-
Behavioral health services	2,045,843	-	2,045,843	-
Grants and donations	2,509,923	-	2,509,923	-
Other purposes:				
Expendable	142,003	-	142,003	2,267,374
Nonexpendable	1,000,000	-	1,000,000	-
Unrestricted	10,112,505	15,026,250	25,138,755	9,470,409
Total net assets	191,742,475	120,141,779	311,884,254	52,619,197
Total liabilities and net assets	\$ 449,523,507	202,294,172	651,817,679	94,974,848

See accompanying notes to basic financial statements.