

**CITY OF PORTSMOUTH, VIRGINIA**  
**Statement of Net Assets**  
**June 30, 2008**

**Exhibit A**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current assets:				
Cash and temporary investments (note 3)	\$ 48,576,742	32,640,936	81,217,678	32,787,877
Cash with fiscal agent (note 3)	-	-	-	4,203,589
Restricted cash and temporary investments (note 3)	5,198,568	19,514,145	24,712,713	-
Receivables (net of allowance for uncollectibles of \$4,552,121):				
Taxes	10,217,693	-	10,217,693	-
Accounts	6,641,275	6,576,490	13,217,765	289,251
Other	-	-	-	11,478
Internal balances (note 10)	4,666,074	(4,666,074)	-	-
Due from primary government (note 10)	-	-	-	698,292
Due from component units (note 10)	35,873	-	35,873	-
Due from other governments (note 11)	16,350,892	-	16,350,892	6,765,676
Prepaid items	253,780	-	253,780	-
Inventory of supplies	1,070,053	650,185	1,720,238	1,091,180
Notes receivable (note 12)	4,152	-	4,152	-
<b>Total current assets</b>	<b>93,015,102</b>	<b>54,715,682</b>	<b>147,730,784</b>	<b>45,847,343</b>
Noncurrent assets:				
Other assets	2,097,079	943,518	3,040,597	371,495
Property held for resale	-	-	-	11,456,897
Capital assets (note 4):				
Land	17,430,801	15,348,574	32,779,375	7,352,453
Site improvements	2,239,871	-	2,239,871	-
Infrastructure	472,999,541	-	472,999,541	-
Buildings	182,752,188	25,469,577	208,221,765	65,697,075
Improvements other than buildings	-	172,050,978	172,050,978	-
Machinery, furniture, and equipment	42,014,984	19,359,082	61,374,066	17,793,868
Construction in progress	95,305,006	59,342,750	154,647,756	5,272,675
<b>Total capital assets</b>	<b>812,742,391</b>	<b>291,570,961</b>	<b>1,104,313,352</b>	<b>96,116,071</b>
<b>Less accumulated depreciation</b>	<b>(412,414,945)</b>	<b>(82,214,364)</b>	<b>(494,629,309)</b>	<b>(37,397,967)</b>
<b>Total capital assets, net</b>	<b>400,327,446</b>	<b>209,356,597</b>	<b>609,684,043</b>	<b>58,718,104</b>
<b>Total noncurrent assets</b>	<b>402,424,525</b>	<b>210,300,115</b>	<b>612,724,640</b>	<b>70,546,496</b>
<b>Total assets</b>	<b>\$ 495,439,627</b>	<b>265,015,797</b>	<b>760,455,424</b>	<b>116,393,839</b>

See accompanying notes to basic financial statements.

## CITY OF PORTSMOUTH, VIRGINIA

Exhibit A, Continued

Statement of Net Assets  
June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 7,602,929	887,058	8,489,987	17,295,744
Construction payable	-	1,032,959	1,032,959	-
Accrued interest payable	3,892,608	1,802,211	5,694,819	296,789
Deposits	215,509	615,284	830,793	3,525
Due to other governments (note 11)	18,504	-	18,504	-
Due to primary government (note 10)	-	-	-	35,351
Due to component units (note 10)	692,238	-	692,238	-
Unearned revenues (note 12)	8,152	51,905	60,057	-
Claims payable (note 15)	4,643,065	-	4,643,065	1,025,942
Compensated absences (note 5)	4,728,186	805,232	5,533,418	1,660,000
General obligation and revenue bonds, net (note 5)	14,619,499	4,504,121	19,123,620	-
Obligations under capital leases (notes 5 and 6)	3,264,449	650,472	3,914,921	525,848
Literary loans (note 5)	375,000	-	375,000	-
<b>Total current liabilities</b>	<b>40,060,139</b>	<b>10,349,242</b>	<b>50,409,381</b>	<b>20,843,199</b>
Noncurrent liabilities:				
Claims payable (note 15)	10,791,262	-	10,791,262	943,749
Arbitrage liability	378,745	313,834	692,579	-
Other post employment benefit obligation (note 8)	10,396,022	1,385,006	11,781,028	-
Compensated absences (note 5)	3,002,838	-	3,002,838	3,017,893
General obligation and revenue bonds, net (note 5)	188,879,556	103,123,654	292,003,210	-
Obligations under capital leases (notes 5 and 6)	14,851,525	1,581,663	16,433,188	7,074,565
General obligation notes payable (note 5)	6,796,146	-	6,796,146	-
Landfill closure and postclosure care (notes 5 and 13)	-	5,436,375	5,436,375	-
Literary loans (note 5)	2,625,000	-	2,625,000	-
Net pension obligation (notes 5 and 8)	-	-	-	112,948
<b>Total noncurrent liabilities</b>	<b>237,721,094</b>	<b>111,840,532</b>	<b>349,561,626</b>	<b>11,149,155</b>
<b>Total liabilities</b>	<b>277,781,233</b>	<b>122,189,774</b>	<b>399,971,007</b>	<b>31,992,354</b>
Net assets:				
Invested in capital assets, net of related debt	187,359,078	112,115,139	299,474,217	51,117,691
Restricted for:				
Capital projects	-	3,389,920	3,389,920	4,203,589
Behavioral health services	2,084,500	-	2,084,500	-
Grants and donations	2,503,006	-	2,503,006	-
Other purposes:				
Expendable	923	-	923	371,495
Nonexpendable	1,000,000	-	1,000,000	-
Unrestricted	24,710,887	27,320,964	52,031,851	28,708,710
<b>Total net assets</b>	<b>217,658,394</b>	<b>142,826,023</b>	<b>360,484,417</b>	<b>84,401,485</b>
<b>Total liabilities and net assets</b>	<b>\$ 495,439,627</b>	<b>265,015,797</b>	<b>760,455,424</b>	<b>116,393,839</b>

See accompanying notes to basic financial statements.