

## CITY OF PORTSMOUTH, VIRGINIA

Exhibit C

## Balance Sheet

## Governmental Funds

June 30, 2008

	General	Capital Improvements	Other Governmental Funds	Total
<b>Assets:</b>				
Cash and temporary investments (note 3)	\$ 7,236,493	12,825,713	7,749,994	27,812,200
Restricted cash and temporary investments (note 3)	-	5,198,568	-	5,198,568
Receivables (net of allowance for uncollectibles of \$3,293,157):				
Taxes	10,217,693	-	-	10,217,693
Accounts	6,058,650	-	270,629	6,329,279
Due from other funds (note 10)	2,949,354	-	-	2,949,354
Due from component units (note 10)	35,873	-	-	35,873
Due from other governments (note 11)	12,145,964	-	4,204,928	16,350,892
Prepaid items	251,557	-	2,223	253,780
Inventory of supplies	78,847	-	-	78,847
Advances receivable	3,505,772	-	-	3,505,772
Notes receivable (note 12)	-	4,152	-	4,152
<b>Total assets</b>	<b>\$ 42,480,203</b>	<b>18,028,433</b>	<b>12,227,774</b>	<b>72,736,410</b>
<b>Liabilities:</b>				
Accounts payable	\$ 2,879,878	2,054,425	2,035,385	6,969,688
Deposits	13,033	202,476	-	215,509
Due to other governments (note 11)	-	-	18,504	18,504
Due to other funds (note 10)	-	-	1,789,052	1,789,052
Due to component units (note 10)	-	602,758	89,480	692,238
Deferred revenues (note 12)	7,550,365	4,152	41,749	7,596,266
<b>Total liabilities</b>	<b>10,443,276</b>	<b>2,863,811</b>	<b>3,974,170</b>	<b>17,281,257</b>
<b>Fund balances:</b>				
Reserved for encumbrances (notes 2 and 4)	2,123,355	9,295,463	1,890,319	13,309,137
Reserved for advances (note 2)	3,505,772	-	-	3,505,772
Reserved for revenue maximization (note 2)	-	-	204,358	204,358
Reserved for inventory of supplies (note 2)	78,847	-	-	78,847
Reserved for cemetery care (note 2)	-	-	1,000,000	1,000,000
Unreserved:				
Designated for subsequent year's expenditures	26,513	5,869,159	-	5,895,672
Designated for subsequent year's expenditures - Special Revenue Funds	-	-	330,501	330,501
Undesignated	26,302,440	-	-	26,302,440
Undesignated - Capital Projects Funds	-	-	(478,622)	(478,622)
Undesignated - Special Revenue Funds	-	-	4,899,780	4,899,780
Undesignated - Permanent Fund	-	-	407,268	407,268
<b>Total fund balances</b>	<b>32,036,927</b>	<b>15,164,622</b>	<b>8,253,604</b>	<b>55,455,153</b>
<b>Total liabilities and fund balances</b>	<b>\$ 42,480,203</b>	<b>18,028,433</b>	<b>12,227,774</b>	<b>72,736,410</b>

See accompanying notes to basic financial statements.

(continued)

## CITY OF PORTSMOUTH, VIRGINIA

Exhibit C, Continued

Balance Sheet - Reconciliation of the Balance Sheet  
to the Statement of Net Assets

## Governmental Funds

June 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances for governmental funds		\$ 55,455,153
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	17,415,753	
Site improvements	2,239,871	
Infrastructure	472,999,541	
Buildings	182,059,105	
Machinery, furniture and equipment	19,307,755	
Construction in progress	95,305,006	
Accumulated depreciation	(399,635,975)	389,691,056
Other assets (bond issuance costs) used in governmental activities are not financial resources and therefore are not reported in the funds.		1,752,098
Some of the City's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds.		7,588,114
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Those liabilities consist of:		
Compensated absences	(7,302,260)	
Net pension asset	344,981	
Other post employment benefit obligation	(9,926,817)	
Accrued interest payable	(3,892,608)	
General obligation bonds	(203,499,055)	
Obligations under capital leases	(10,782,005)	
Obligations under notes payable	(6,796,146)	
Arbitrage liability	(378,746)	
Literary loans	(3,000,000)	(245,232,656)
Internal service funds are used by the City to charge costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported as components of other governmental funds.		8,404,629
Net assets of governmental activities		\$ 217,658,394

See accompanying notes to basic financial statements.