

CITY OF PORTSMOUTH, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

(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 | | \$ | 1,909,249 |
| Special Revenue Funds: | | | |
| Virginia Public Assistance | | | 10,407,086 |
| Mental Health Services | | | 1,849,686 |
| Donations | | | 422,020 |
| Grants | | | 1,954,140 |
| Capital Projects Funds - | | | |
| Community Development | | | 2,851,010 |
| Enterprise Funds - | | | |
| Public Utilities | | | 118,438 |
| <u> Total City</u> | | | <u>19,511,629</u> |
| <u>Component Unit - School Board:</u> | | | |
| Operating | | | 678,505 |
| Grants | | | 12,737,435 |
| Cafeteria | | | 4,482,116 |
| <u> Total component unit - School Board</u> | | | <u>17,898,056</u> |
| Total federal expenditures from Intergovernmental Revenue | | | 37,409,685 |
| Less: Grant unspent revenues | | | (261,714) |
| Less: CDBG Unspent Revenue | | | (103,132) |
| Total federal expenditures per Schedule of Expenditures of Federal Awards | | | <u>37,153,646</u> |
| Less: School Board intergovernmental revenues | | | (17,898,056) |
| Value of federal assistance not included in City's financial statements: | | | |
| Donations Fund expenditures in excess of revenues | | | (108,807) |
| CDBG Fund expenditures in excess of revenues | | | 103,132 |
| Grant Expenditures in excess of Revenue | | | 261,714 |
| <u>Intergovernmental Revenue per basic financial statements - City</u> | | \$ | <u>19,511,629</u> |

(4) Subrecipients

Federal funds passed through to subrecipients for the year ended June 30, 2009 were as follows:

| <u>Federal Granting Agency/Grant Program</u> | <u>Amount</u> |
|--|---------------------|
| Department of Health and Human Services - | |
| Child Care and Development Fund | 1,285,561 |
| Department of Housing and Urban Development: | |
| Community Development Block Grant | 1,071,074 |
| HOME Investment Partnerships Program | 1,380,842 |
| Shelter Plus Care | 366,393 |
| <u>Total federal funds passed through to subrecipients</u> | <u>\$ 4,103,870</u> |