

## CITY OF PORTSMOUTH, VIRGINIA

Exhibit D

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

Year ended June 30, 2010

	General	Capital Improvements	Other Governmental Funds	Total
<b>Revenues:</b>				
Taxes	\$ 163,986,237	-	-	163,986,237
Intergovernmental	35,711,361	1,588,323	41,284,021	78,583,705
Charges for services	3,355,403	-	6,417,853	9,773,256
Investment income	7,066	104,692	44,388	156,146
Recovered costs	4,331,770	-	-	4,331,770
Fines and forfeitures	184,741	-	-	184,741
Licenses and permits	1,136,981	-	-	1,136,981
Use of property	1,807,776	-	323,703	2,131,479
Miscellaneous	4,791,187	3,863,105	780,629	9,434,921
<b>Total revenues</b>	<b>215,312,522</b>	<b>5,556,120</b>	<b>48,850,594</b>	<b>269,719,236</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	15,123,053	-	380,371	15,503,424
Nondepartmental	9,276,215	-	-	9,276,215
Judicial	17,589,066	-	1,609,232	19,198,298
Public safety	58,873,869	-	1,979,914	60,853,783
Public works	13,591,919	-	1,947,179	15,539,098
Health and welfare	1,216,917	-	36,914,368	38,131,285
Parks, recreational, and cultural	9,981,554	-	1,595,599	11,577,153
Community development	4,713,592	-	4,762,523	9,476,115
Education	48,171,651	-	-	48,171,651
Debt service	21,308,199	-	344,439	21,652,638
Capital outlay	-	26,901,009	6,881,141	33,782,150
<b>Total expenditures</b>	<b>199,846,035</b>	<b>26,901,009</b>	<b>56,414,766</b>	<b>283,161,810</b>
<b>Revenues over (under) expenditures</b>	<b>15,466,487</b>	<b>(21,344,889)</b>	<b>(7,564,172)</b>	<b>(13,442,574)</b>
<b>Other financing sources (uses):</b>				
Transfers from other funds (note 10)	7,929,434	6,256,356	8,196,371	22,382,161
Transfers to other funds (note 10)	(11,745,282)	-	(4,985,535)	(16,730,817)
VPSA subsidy	-	1,324,727	-	1,324,727
Premium on bonds issued (note 5)	381,836	457,285	-	839,121
Discount on bonds issued (note 5)	(1,777,830)	-	-	(1,777,830)
Issuance of general obligation bonds (note 5)	2,219,887	57,122,943	17,222,170	76,565,000
<b>Total other financing sources (uses)</b>	<b>(2,991,955)</b>	<b>65,161,311</b>	<b>20,433,006</b>	<b>82,602,362</b>
<b>Net change in fund balances</b>	<b>12,474,532</b>	<b>43,816,422</b>	<b>12,868,834</b>	<b>69,159,788</b>
<b>Fund balances, beginning of year</b>	<b>35,855,214</b>	<b>27,814,520</b>	<b>9,563,888</b>	<b>73,233,622</b>
<b>Fund balances, end of year</b>	<b>\$ 48,329,746</b>	<b>71,630,942</b>	<b>22,432,722</b>	<b>142,393,410</b>

See accompanying notes to basic financial statements.

(continued)

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Reconciliation of the  
Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**

**Governmental Funds**

**Year ended June 30, 2010**

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

Net change in fund balances - total governmental funds	\$	69,159,788
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Donated assets and loss on disposal of assets are not reported in the governmental funds but are reflected in the statement of activities.

Purchases of assets	23,633,035	
Depreciation expense	(8,029,701)	15,603,334

The issuance of long term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from debt issued	(75,626,291)	
Principal payments of debt	9,501,442	
Bond issuance costs	828,754	
Amortization expense	(241,063)	(65,537,158)

Some revenues in the statement of activities do not provide the use of current financial resources and therefore, are not reported as revenues in the governmental funds.

471,174

Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in arbitrage liability	31,943	
Change in compensated absences	(149,679)	
Change in other post employment benefit obligation	(10,687,804)	
Change in net pension asset	1,326,837	
Change in accrued interest	(280,071)	(9,758,774)

Internal service funds are used by the City to charge costs of certain activities to individual funds. The net revenue of internal service funds is reported as a component of governmental funds.

1,797,486

Change in net assets of governmental activities	\$	11,735,850
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See accompanying notes to basic financial statements.