

City Of Virginia Beach, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
JUNE 30, 2009



**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF THE
CITY OF VIRGINIA BEACH, VIRGINIA**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

**PREPARED BY
DEPARTMENT OF FINANCE
PATRICIA A. PHILLIPS
DIRECTOR**

Acknowledgments...

The preparation of this report has been accomplished by the efficient and dedicated services of the staff of the Department of Finance who have been assisted by the independent auditors, Cherry, Bekaert & Holland, L.L.P. The contributions of all are invaluable and sincerely appreciated and clearly reflect the high standards which have been set by the City of Virginia Beach.

Management -	Donald Barnett, Miryam Woodson, Wendy Hu
CAFR Team -	James Cooper, Aaron McCoy, Susan Riley, Keena Gans, Patti Porter, Nancy Leavitt, Richard Lester, Arlene Ney
Technical Assistance -	Rich Dunford, Greg Anger, David Bradley, Paul Harris, Marc Davis, Economic Vitality Strategic Issue Team
Staff Support -	Penny Williams, Linda Granger, Debbie Shevock, Trish Donahue, Loretta Brown, Donna Vaughan
Photograph - Cover	Craig D. McClure

It is also appropriate to thank the City Manager, Mayor and Members of City Council for making possible the excellent financial position of the City through their interest and support in planning and conducting the financial affairs of the City.

Sincerely,



Patricia A. Phillips, Director
Department of Finance

**CITY OF VIRGINIA BEACH, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2009**

TABLE OF CONTENTS

PAGE NO.

INTRODUCTORY SECTION

Elected and Appointed Officials	1
City Organization Chart	2
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	18

FINANCIAL SECTION

Independent Auditors' Report	19
Management's Discussion and Analysis	21
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	31
Statement of Activities	32
Governmental Funds Financial Statements:	
Balance Sheet	34
Reconciliation of the Balance Sheet to the Statement of Net Assets	35
Statement of Revenues, Expenditures, and Changes in Fund Balance	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	38
Proprietary Funds Financial Statements:	
Statement of Net Assets	39
Statement of Revenues, Expenses and Changes in Fund Net Assets	40
Statement of Cash Flows	41
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Assets	43
Statement of Changes in Fiduciary Net Assets	44
Notes to Financial Statements	46
Required Supplemental Information other than Management's Discussion and Analysis:	
Schedules of Funding Progress for Virginia Retirement System	92
Schedules of Funding Progress for Other Postemployment Benefits	93
Schedules of Employer Contributions for Other Postemployment Benefits	93
Other Supplemental Information	
Combining Schedules Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	97
General Fund Budget to Actual:	
Schedule of Revenues	100
Schedule of Expenditures	105
Combining Schedules and Individual Funds:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Special Revenue Funds	120
Statements of Revenues, Expenditures, and Changes in Fund Balance and Budget and Actual:	
Law Enforcement Block Grant Fund	126
Law Library Fund	127

**CITY OF VIRGINIA BEACH, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL SECTION (continued)

PAGE NO.

Combining Schedules and Individual Funds: (continued)

Sandbridge Tax Increment Financing Fund.....	128
E-911 Communication System Fund.....	129
Housing and Neighborhood Preservation Fund.....	130
Lynnhaven Mall Tax Increment Financing Fund.....	131
Golf Courses Fund.....	132
Town Center Special Service District Fund.....	133
DEA Seized Property Fund.....	134
Access Channel Support Fund.....	135
Federal Section Eight Program Fund.....	136
Comprehensive Services Act Fund.....	137
Sheriff's Department Fund.....	138
Inmate Services Fund.....	139
Parks and Recreation Fund.....	140
Tourism Growth Investment Fund.....	141
School Reserve Fund.....	142
Central Business District South Tax Increment Financing Fund.....	143
Sandbridge Special Service District Fund.....	144
Agriculture Reserve Program Fund.....	145
Emergency FEMA Fund.....	146
Tourism Advertising Program Fund.....	147
Proffer Impact Fund.....	148
Virginia Aquarium and Marine Science Center Fund.....	149
Public Investment Protection Strategy Fund.....	150
Arts and Humanities Commission Fund.....	151
Open Space Fund.....	152
Major Projects Fund.....	153
Transitional Area Fund.....	154
Wetlands Board Mitigation Fund.....	155
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund.....	158

Capital Projects:

Schedule of General Government Capital Projects.....	160
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Enterprise Funds:

Statement of Net Assets - Water and Sewer Fund.....	176
Statement of Revenues, Expenses and Changes in Net Assets - Water and Sewer Fund.....	177
Statement of Cash Flows - Water and Sewer Fund.....	178
Schedule of Changes in Restricted Assets - Water and Sewer Fund.....	179
Schedule of Operating Expenses - Budget and Actual - Water and Sewer Fund.....	180
Schedule of Water and Sewer Fund Capital Projects.....	182
Statement of Net Assets - Storm Water Fund.....	189
Statement of Revenues, Expenses and Changes in Net Assets - Storm Water Fund.....	190
Statement of Cash Flows - Storm Water Fund.....	191
Schedule of Operating Expenses - Budget and Actual - Storm Water Fund.....	192
Schedule of Storm Water Fund Capital Projects.....	194

Internal Service Funds:

Combining Statement of Net Assets.....	198
Combining Statement of Revenues, Expenses and Changes in Net Assets.....	200
Combining Statement of Cash Flows.....	202

**CITY OF VIRGINIA BEACH, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL SECTION (continued)

PAGE NO.

Agency Funds:

Combining Statement of Fiduciary Assets and Liabilities	208
Combining Statement of Changes in Assets and Liabilities.....	209

Other Component Units:

Statement of Net Assets	211
Statement of Activities.....	212
Combining Statement of Cash Flows	213

Discretely Presented School Board Component Unit:

Statement of Net Assets	216
Statement of Activities	217
Balance Sheet - Governmental Funds.....	218
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	219
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	220
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	221
School Operating Special Revenue Fund – Budget and Actual.....	222
School Grants Special Revenue Fund – Budget and Actual.....	226
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue Funds	230
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds.....	232
Combining Statement of Net Assets - Internal Service Funds.....	234
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	235
Combining Statement of Cash Flows - Internal Service Funds	236
Combining Schedule of Changes in Assets and Liabilities - Agency Funds	237

STATISTICAL SECTION

Table

1. Net Assets by Component - Last Eight Fiscal Years.....	241
2. Changes in Net Assets - Last Eight Fiscal Years	242
3. Fund Balances of Governmental Funds - Last Eight Fiscal Years	244
4. Changes in Fund Balance of Governmental Funds - Last Eight Fiscal Years	246
5. General Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years	248
6. Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	249
7. Revenue Rates - Last Ten Fiscal Years	250
8. Principal Property Taxpayers - Assessed Value.....	251
9. Property Tax Levies and Collections - Last Ten Fiscal Years.....	252
10. Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.....	253
11. Ratio of Outstanding General Bonded Debt by Type - Last Ten Fiscal Years.....	254
12. Legal Debt Margin Information - Last Ten Fiscal Years	255
13. Pledged-Revenue Coverage - Last Ten Fiscal Years	256
14. Demographic and Economic Statistics - Last Ten Fiscal Years	257
15. Principal Employers.....	258
16. Full-Time Equivalent Government Employees by Function - Last Ten Fiscal Years	259
17. Operating Indicators by Function - Last Ten Fiscal Years	260
18. Capital Asset Statistics by Function - Last Ten Fiscal Years	261

**CITY OF VIRGINIA BEACH, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

PAGE NO.

SINGLE AUDIT SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.....	263
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance	265
Schedule of Findings and Questioned Costs.....	267
Schedule of Expenditures of Federal Awards.....	269
Notes to Schedule of Expenditures of Federal Awards	275

INTRODUCTORY SECTION

CITY OF VIRGINIA BEACH, VIRGINIA

CITY COUNCIL

SCHOOL BOARD

William D. Sessoms, Jr., Mayor At-Large
 Louis R. Jones, Vice Mayor Bayside District
 Harry E. Diezel Kempsville District
 Robert Dyer Centerville District
 Glen R. Davis Rose Hall District
 James L. Wood Lynnhaven District
 John E. Uhrin Beach District
 Barbara M. Henley Princess Anne District
 Bill R. DeSteph At-Large
 Ron A. Villanueva At-Large
 Rosemary Wilson At-Large

Daniel D. "Dan" Edwards, Chairman District 1 – Centerville
 Rita Sweet Bellitto, Vice Chairman At-Large
 Todd C. Davidson At-Large
 Emma L. "Em" Davis..... District 5 – Lynnhaven
 Patricia G. Edmondson District 6 - Beach
 Patrick S. Salyer At-Large
 Vacant District 4 – Bayside
 William J. "Bill" Brunke, IV District 7 – Princess Anne
 Sandra Smith-Jones..... District 2 – Kempsville
 Brent N. McKenzie District 3 - Rose Hall
 Carolyn D. Weems At-Large

CONSTITUTIONAL OFFICERS

VIRGINIA BEACH DEVELOPMENT AUTHORITY

John T. Atkinson City Treasurer
 Harvey L. Bryant III Commonwealth's Attorney
 Philip J. Kellam Commissioner of the Revenue
 Paul Lanteigne Sheriff
 Tina E. Sinnen Clerk of Circuit Court

Donald V. Jellig Chair
 John W. Richardson Vice Chair
 Douglas D. Ellis Secretary
 Prescott Sherrod Assistant Secretary
 Elizabeth A. Twohy Treasurer
 C. Maxwell Bartholomew, Jr. Commissioner
 Dan H. Brockwell Commissioner
 Luke M. Hillier Commissioner
 Paul V. Michels Commissioner
 Jerrold L. Miller Commissioner
 Shewling Moy Wong Commissioner

APPOINTED OFFICERS

VIRGINIA BEACH COMMUNITY DEVELOPMENT CORPORATION

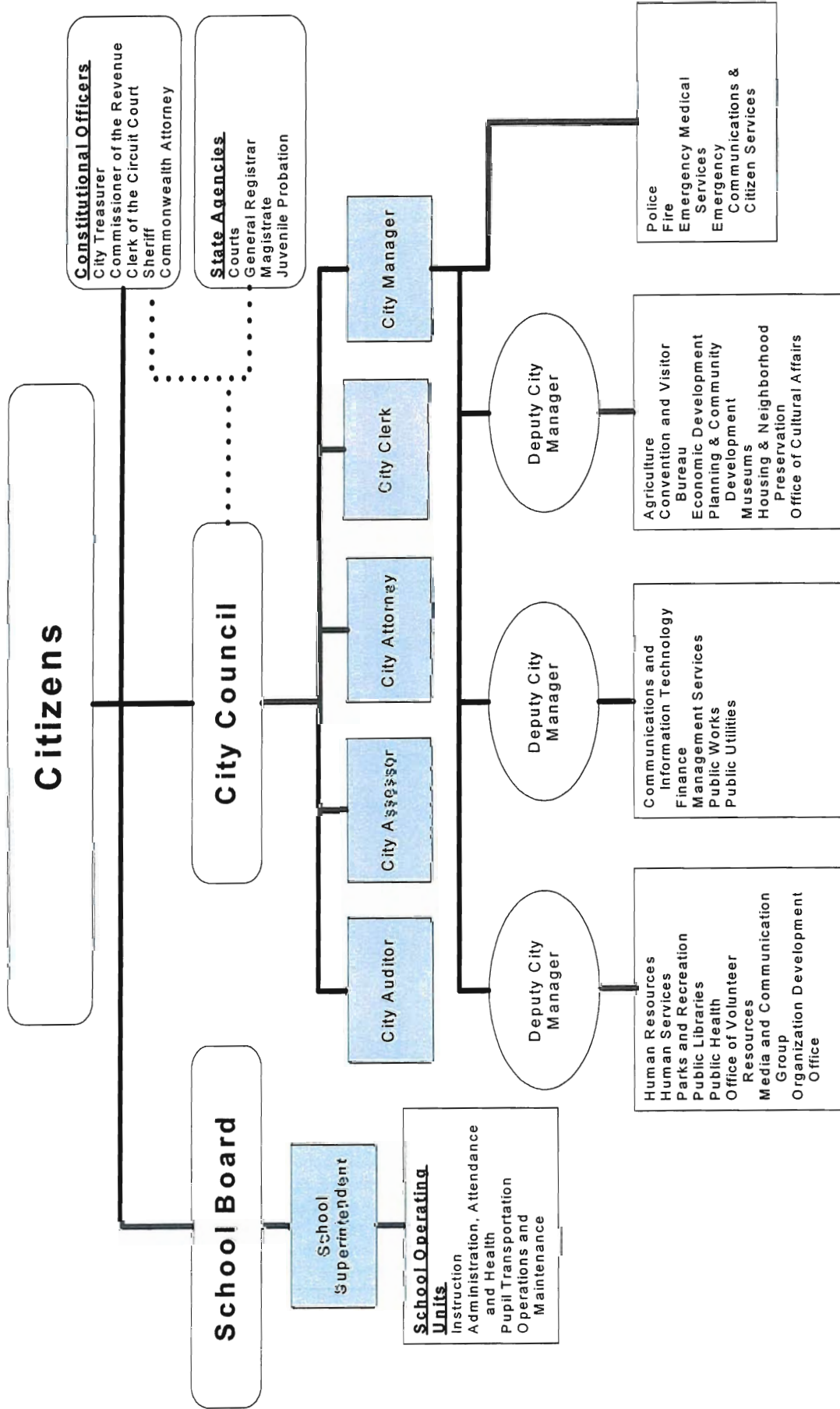
James K. Spore City Manager
 Mark D. Stiles City Attorney
 Ruth Hodges Fraser City Clerk
 Jerald Banagan Real Estate Assessor
 Lyndon S. Remias City Auditor

Mary Kay Horoszewski..... Executive Director
 Carol Hare President
 Denise Howard Vice President
 Robert N. Templeton, II Secretary/Treasurer
 Elsie M. Barnes Director
 Christopher Beale Director
 Tanya Bullock Director
 Ann K. Crenshaw Director
 Gregory Dragas Director
 Christopher J. Fanney Director
 Carolyn McPherson Director
 Emmanuel Voces Director

CITY LEADERS

Susan D. Walston Deputy City Manager
 David L. Hansen Deputy City Manager
 Robert S. Herbert Deputy City Manager

Operating Structure





City of Virginia Beach

VBgov.com

DEPARTMENT OF FINANCE
(757) 385-4681
FAX (757) 385-4302
TTY: 711

MUNICIPAL CENTER
BUILDING 1
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23456-9009

November 24, 2009

The Honorable William D. Sessoms, Jr., Mayor
Members of the Virginia Beach City Council
Municipal Center
Virginia Beach, Virginia 23456

Dear Mayor and Council Members:

The Comprehensive Annual Financial Report of the City of Virginia Beach, Virginia, for the fiscal year ended June 30, 2009, is hereby submitted. Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported to present fairly the financial position of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The City of Virginia Beach's MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

The present City of Virginia Beach was formed on January 1, 1963 by the merger of Princess Anne County and the former, smaller, resort community known as the Town of Virginia Beach.

This merger created one of the largest cities in the Commonwealth of Virginia with an area of 310 square miles and 38 miles of shoreline on the Atlantic Ocean and the Chesapeake Bay. The 2009 estimated population for the City of Virginia Beach was 431,451 according to the U.S. Census Bureau.

The City of Virginia Beach derives its governing authority from a charter granted by the General Assembly of the Commonwealth of Virginia. The governing body of the City is the City Council, which formulates policies for the administration of the City. The charter provides for a Council-Manager form of government.

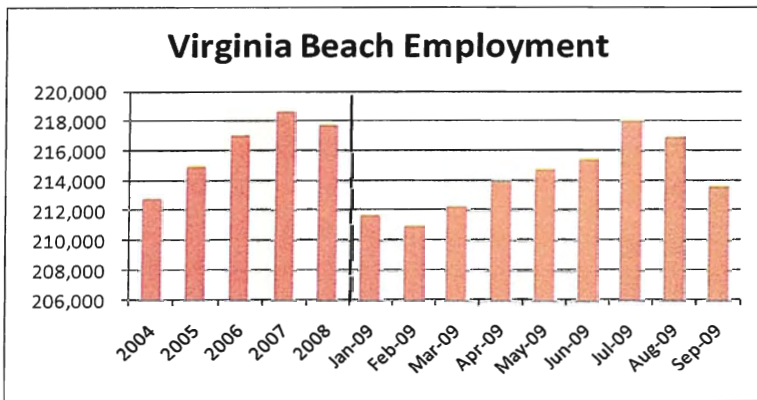
In accordance with the requirements of the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government (the City of Virginia Beach) as well as its component units, which are legally separate organizations for which the City Council is financially accountable. These discretely presented component units qualifying for inclusion in this report are the Virginia Beach School Board, Virginia Beach Development Authority, and Virginia Beach Community Development Corporation. Financial accountability for these component units was determined on the basis of City Council's selection of governing authority, designation of management, ability to influence operations, and/or accountability for fiscal matters. The component units are discretely presented and are reported in a separate column in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government.

The City provides a full range of general governmental services for its citizens. These services include police, emergency medical response, fire protection, collection and disposal of refuse, water, storm water and sewer services, parks and recreation facilities, museums, libraries, and maintenance of streets and highways. Other services provided include public education in grades kindergarten through 12, public health and social services, certain technical and special education services, mental health assistance, agricultural services, housing services, and judicial activities.

Cities in Virginia have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, citizens of Virginia cities are not subject to overlapping debt or taxation.

ECONOMIC CONDITIONS AND OUTLOOK

The recession has affected almost every region of the country, but the City of Virginia Beach and Hampton Roads have, so far, been spared its most brutal impacts. Defense spending, an economic stabilizer for the region's economy, has shown modest but steady growth in spite of the economic downturn. This growth, in turn, supports other areas of the economy. In a Brookings Institution study of the 100 largest metropolitan areas, Hampton Roads' economy ranked among the 20 strongest.

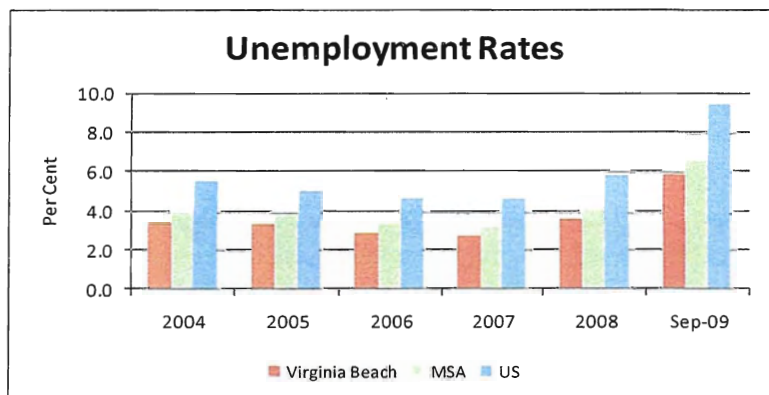


Source: BLS and VEC; not seasonally adjusted

Virginia Beach was adding an average of 2,000 jobs per year from 2004 – 2007. The jobs data began reflecting the current economic downturn in the second half of 2008. For the first 9 months of 2009, Virginia Beach lost an average of 500 jobs per month, most of which occurred in January. (Many of the jobs lost in August and September were

due to seasonal factors.) The number of jobs in Virginia Beach as of September 2009 was 213,598, which is just 2.3% below its pre-recession peak two years ago of 218,611. Job losses across the U.S. averaged 4.0% during this same period.

The unemployment rate for Virginia Beach and the region has been below the U.S. rate for the past five years and remains below it today. The difference is that instead of being around 2% under the national rate, Virginia Beach is now 3.6% under the national rate, which demonstrates the disproportionate effect the recession is having outside the region. The unemployment rate for Virginia Beach in September 2009 was 5.9% compared to 6.7% for Hampton Roads and 9.5% for the nation. Last year, the unemployment rates averaged 3.7% for Virginia Beach, 4.2% for Hampton Roads, and 5.8% for the nation.



Source: BLS and VEC; not seasonally adjusted

The per capita income for Virginia Beach was \$42,821 in 2007, which is greater than that for the state at \$41,727 and the nation at \$38,615. The Virginia Beach median household income in 2008 remained strong at \$65,776, an increase of 7% over 2007 and is expected to remain stable in 2009. Source: US Census Bureau

There are both positive and negative factors affecting Virginia Beach during this economic downturn. On the positive side, there is strong defense spending, tourism, and port activity. In 2008, Defense expenditures in Virginia Beach were \$2.2 billion. In 2009, total direct Department of Defense spending in Hampton Roads, including compensation and procurement, approximated \$18.9 billion - an increase of 3.9% over 2008. While the annual growth in DOD spending has moderated since the beginning of the decade, it still represents a powerful stimulus to the Hampton Roads economy. (Sources: 2008 State of the Region Report, ODU and US Census Bureau)



Source: Convention & Visitors Bureau

Tourism is another stabilizer of the Virginia Beach economy. In 2008, direct visitor spending was estimated to be \$864 million and is estimated to produce a total economic impact of around \$1.42 billion from Virginia Beach industries, creating 13,600 jobs and \$350 million in payroll earnings. (2008 Virginia Beach Tourism Economic Impact Study, ODU).

The 2009 summer tourist season in Virginia Beach was not as strong as the 2008 season, but it held up better than that of many other tourist destinations. Year-to-date through September, the Beach's Leisure Destination Competitive Set is reporting hotel-related revenue losses ranging from 4.6% to 22.3%, while Virginia Beach is reporting a loss of only 3.5%. The Beach's Meetings and Convention Competitive Set is reporting revenue losses ranging from 7.8% - 19.8%. (Source: Smith Travel Research)

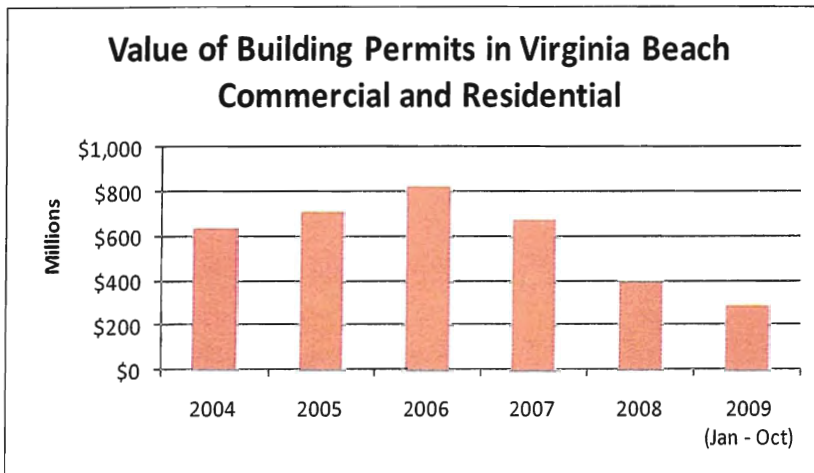
The Port of Virginia is another important segment of the Hampton Roads economy. General cargo short tons held up well in 2008, increasing slightly from 17.7 million to 17.8 million tons. However, the number of general cargo tons shipped through the Port of Virginia for January - September 2009 is down 20.3% compared to the same period in 2008. If this percentage holds for the entire year, it will be the first annual decline in tonnage since 2001. The silver lining is a likely gain in cargo from the new route "Columbus Loop Service" comprised of large container ships which will call on the port. (Source: Port of Virginia)

The reduced activity through the ports is not surprising in light of the decline in retail sales, which dropped 3.2% in 2008 for Virginia Beach. Sales in the first six months of 2009 were \$2.2 billion, down from \$2.3 billion in the first six months of 2008. Retail sales declined despite stability in the median household income.



Source: Virginia Department of Taxation

The decline in general sales in Virginia Beach is more likely related to the decline in household wealth, most notably falling housing prices and increases in foreclosures, due to rising unemployment. Real estate assessments only grew 3.2% in FY-09 and actually declined 2.3% in FY-10. There were 804 foreclosures in Virginia Beach in 2008 and 613 January-July 2009. Foreclosures affected real estate assessments in FY-10 and are likely to do so in FY-11.



The number and value of building permits began declining in 2007. There were 10,053 residential and commercial/industrial building permits issued in 2008, valued at \$393.3 million. Only 7,717 permits have been issued January-October 2009, valued at \$289 million.

Source: Real Estate Assessor's Office, Dept of Planning

Insecurity in the overall economy, in particular the housing and labor markets, is affecting the nation's confidence. Consumer confidence measured its lowest in March 2009 at 25 (100 indicates a positive outlook), and was at 47.7 in October.

The Virginia Beach economy did not begin to feel the effects of the recession that began in December 2007 until the second half of 2008. Most economic indicators are down in 2009 and the City will be further tighten its FY-11 budget. However, it is expected that defense spending, tourism, and the Port of Virginia will continue to support the economy until consumers regain their confidence.

MAJOR INITIATIVES

The 2008-2009 financial report reflects the use of resources to achieve the city government's vision as defined by City Council. To achieve its vision, City Council has identified seven major strategic issue areas. Steady progress has been made in realizing City Council's vision of making Virginia Beach a Community for a Lifetime. The seven strategic issue areas are:

- Economic Vitality
- Quality Physical Environment
- Family and Youth Opportunities
- Safe Community
- Cultural and Recreational Opportunities
- Quality Education and Lifelong Learning
- Quality Organization

Economic Vitality

Town Center

Town Center is the heart of a mixed-use, Main Street-style development within the City's emerging Central Business District. It is being constructed in phases, with the first phase being completed in 2003. Phase III was completed in 2008 when Two Columbus Center, a 100,000-sq ft. office building was added to the tax rolls. Phase IV was approved by City Council in January 2009. It consists of a 21-story Class "A" office tower with a 634-car parking garage; and a 15-story building housing a 162-room Westin Aloft Hotel and Conference Center, 195 apartments, and retail space on the ground floor. Town Center is the core of the Central Business District-South Tax Increment Financing District. Incremental real estate taxes generated by the project are used to pay debt service on the garages and other infrastructure. In addition, it generates \$5 million per year from business taxes and trustee taxes such as hotel, meal, and sales taxes which go to the City's general fund.

Sandler Center

In November 2007, the \$47 million Sandler Center for the Performing Arts celebrated its grand opening. In its first year, about 72,000 people attended 128 events across a wide range of genres, including country music, the symphony, blues, Broadway-style shows, and ballet. American City & County magazine recognized Virginia Beach as one of its 10 "Crown Communities" because of the Sandler Center.

Verizon Wireless Virginia Beach Amphitheater

During the 2008 season, the amphitheater held 24 events with attendance in excess of 265,000, generating \$1.5 million in direct revenue. The City invested \$10.5 million 13 years ago to build the amphitheater and it has generated almost \$15 million in direct revenue over this time period.

Convention Center

The Center hosted 363 events during FY-2009. This included 43 conventions, trade shows and sporting events with about 74,000 non-residents attending. This translated into an estimated direct spending of more than \$39 million. As a partner in the Environmental Protection Agency's ENERGY STAR program, the Convention Center saved \$210,000 last fiscal year through energy conservation initiatives and has saved \$410,000 over the last two years. The Center's efforts include measuring and tracking energy performance, developing and implementing an energy savings plan, and communicating the importance of energy savings and waste reduction to facility staff, clients and the community.

Princess Anne Commons

A major medical complex is being developed as part of Princes Anne Commons. LifeNet is expanding its headquarters and Operation Smile plans to move its world headquarters there. Sentara and Bon Secours are partnering to build a 200-bed state-of-the-art hospital recently approved by the state. The new Princess Anne Hospital is scheduled to open in summer 2010.

Other projects in the Commons include a new Tidewater Community College Health Sciences Building, a joint library with the City, a student center, and a workforce development building.

Strategic Growth Areas (SGA)

The City established 13 strategic growth areas in the 2003 Comprehensive Plan. These are designed to absorb most of the City's future growth. These areas will be clusters of compact, mixed uses of offices, retail, hotels and residential. The goals are to create jobs, to shift the tax burden from homeowners and to create opportunities for alternative transportation systems. Implementation plans have been developed for the Burton Station and Pembroke areas, and planning is under way for the Newtown Road area. The goal is to complete three SGA implementation plans per year.

NAS Oceana

The City partnered with the Navy to address the problem of encroachment on military bases. In 2007 and 2008, the City spent \$34 million to buy 47 acres in APZ-1 and the Clear Zones. It also spent an additional \$5.8 million to buy 150 acres between Oceana and Fentress. City Council established the Oceana Land Use Conformity Program, which is charged with 1) attracting new conforming businesses to APZ-1; 2) converting nonconforming uses to conforming uses; 3) retaining conforming uses; and 4) relocating nonconforming uses to other areas of the City. The City developed incentive programs to encourage businesses to participate in the Program. The incentives include real estate tax abatements, reimbursement of Business Licenses taxes and other fees, and zoning incentives.

New and Retained Jobs

More than \$183 million in new capital was invested by the City's business community through the combined efforts of the Virginia Beach Economic Development Authority and the Department of Economic Development. Companies working with the department reported the creation of 1,474 new jobs and the retention of more than 2,589 jobs.

PREmier Homes & Neighborhood Program

City Council approved the "Preserving, Renewing and Enhancing Housing and Neighborhoods" report in October 2008 which established the PREmier Homes & Neighborhood Program. The goals of the program are 1) to develop tools that provide incentives for the voluntary improvement of housing to preserve and enhance neighborhood character and 2) to develop a City process that addresses neighborhood preservation and improvement on an ongoing, sustainable basis. In FY-2009, work was started on a "Pattern Book" that will document existing housing types and styles, and form the basis for guidance on how remodeling can be done to enhance neighborhood character.

Cloverleaf Apartments

Cloverleaf Apartments opened in November 2008 and resulted from a cooperative effort among the cities of Virginia Beach, Norfolk, Chesapeake, and Portsmouth to provide permanent supportive housing for single homeless people in the area. Cloverleaf has 60 efficiency units that are allocated based on each locality's contribution. Forty-two units are reserved for and occupied by formerly homeless adults from Virginia Beach. Cloverleaf is the second in a series of three planned apartment complexes in the region. The first opened in Norfolk in 2007 and the third will open in Portsmouth in 2010.

Faith/City/Non-Profit Partnership Forms

A partnership between the City, many faith organizations and many non-profits serving the homeless was formed in early 2009 with the goals of better addressing homelessness through enhancing service delivery, resource development and new strategies. More than 125 people attended an organizing meeting in April. Since then a name - BEACH Community Partnership - a logo, mission, vision and goals have been developed. The partnership is actively working on multiple projects.

Quality Physical Environment

Virginia Beach Transit Extension Study

Hampton Roads Transit (HRT) initiated an environmental impact study for the continuation of the rail route under construction in Norfolk for 10.6 miles from Newtown Road to Birdneck Road. The City and Norfolk Southern agreed on terms for the purchase of Norfolk Southern's old rail corridor for \$40 million, which is being considered for the light rail project.

Boardwalk

The American Planning Association designated the Virginia Beach boardwalk as one of the 10 Great Public Spaces for 2009. The award is based on its recreational and economic value to the City, as well as its design and construction, which helps protect buildings from storm damage and its accessibility to the public.

Laskin Road Gateway Project

Work has begun on the second phase of the Laskin Road Gateway Project, one of the key entries to the oceanfront. It is included in the Resort Area Strategic Action Plan, which was adopted by the Virginia Beach City Council in December 2008. It features upscale shops, restaurants, hotels and residential buildings in a pedestrian oriented, village-like setting.

Comprehensive Plan

Every five years, Virginia Beach takes a new look at its long-term vision for the community. That vision is called the Comprehensive Plan. The plan guides growth, protects neighborhoods, and encourages economic development. It provides planning guidance in four major land use areas—Urban, Suburban, Commons and Transition, and Rural. Twelve public open house meetings were held to learn what planning issues and goals were most important to the citizens.

Family and Youth Opportunities

Virginia Beach Acts on Poverty (VBAP)

The Virginia Beach Acts on Poverty program began in July 2009. In Virginia, the number of residents receiving Supplemental Nutrition Assistance Program (SNAP) benefits has doubled to around 24,000. VBAP is one of three program Governor Kaine is initiating to respond to this growing need. The long-term goal of the program is to develop strategies to reduce poverty and enhance economic opportunity for all citizens of Virginia Beach.

Safe Community

Red Light Camera System

In 2007 the General Assembly enacted legislation that allows counties, cities, and towns to use red light camera enforcement. The City is authorized to monitor up to 43 intersections. City Council has approved the use of 20 cameras and 11 intersections currently have red light cameras. The City sees the use of such cameras as a “force multiplier” for the uniformed police officer which will significantly contribute to public safety.

EMS Station at Great Neck

The Virginia Beach Volunteer Rescue Squad dedicated a new EMS station in Great Neck, adjacent to the Oceana Fire Station. It contains modern living facilities to support multiple ambulance crews. The Virginia Beach Volunteer Rescue Squad and its Foundation designed and built the new building.

EMS Air Medical Unit

The Virginia Beach EMS Medical Services Air Medical Unit, in conjunction with the Police Aviation division, officially began operation at the NAS Oceana Air Show. The Air Medical Unit was selected as the on-site standby Medevac service for the Blue Angels. The Police Department’s new Bell 407 helicopter was outfitted with specific equipment for Medevac flights. It is now integrated into the response capabilities of the EMS Department as an extension of patient care services.

Cultural and Recreational Opportunities

CAPRA National Agency Accreditation

The Department of Parks and Recreation was re-accredited from the Commission for Accreditation of Park and Recreation Agencies (CAPRA). The department had to pass 138 of 155 accreditation standards; it passed all 155 standards. Only 78 parks and recreation agencies throughout the country have been able to achieve and maintain this national accreditation.

Outdoor Plan

The updated *Virginia Beach Outdoors Plan 2008* was adopted by City Council in November 2008. This is a long-range planning document that provides guidance for open space acquisition and outdoor recreational planning. It now recommends preserving an additional 1,293 acres for open space. Working with the Navy, the City acquired 82 acres on Lake Rudee which will be developed into Marshview Park. Also acquired the 5-acre campus that includes the Lynnhaven House and the Colonial Education Center.

Virginia Aquarium

The Virginia Aquarium & Marine Science Center will complete its \$25 million renovation entitled the Restless Planet in 2009. It features four immersive habitats, new exhibits, and 110,000 gallons of new aquariums. The Museum was re-accredited in 2009 by the Alliance of Marine Mammal Parks and Aquariums. In order to be accredited, the Museum had to meet rigid standards in the areas of animal care, behavioral enrichment, veterinary care and diets, physical facilities, and marine mammal public education and conservation programs.

Quality Education and Lifelong Learning

Exceptional Schools

In 2008, six of the City's high schools were named among the nation's best by Newsweek magazine. For the fourth year in a row, the school system achieved Adequate Yearly Progress as defined by No Child Left Behind.

New Schools — LEED Rating

Five new elementary schools were completed in 2008 and 2009 - Brookwood, Diamond Springs, Newtown, Windsor Oaks and Windsor Woods. Three new schools are under construction - Great Neck Middle, Virginia Beach Middle, and Renaissance Academy, which will be the alternative education center serving students in grades 6-12. Renaissance and Great Neck Middle are LEED silver certified; Virginia Beach Middle is targeted for LEED certification.

The new Renaissance Academy building has many unique environmental features. It will have a silver LEED rating and will be the first building in the Virginia Beach school system to use rainwater reclamation for toilet flushing. A geothermal heat pump will be used for heating and cooling, a portion of the roof will have grass planted on it to reduce heating and cooling costs, and solar collectors will heat hot water for the kitchen. Day lit spaces will be supplemented with dimming ballast electric lighting with photo sensor and occupancy sensor controls. Photo voltaic cells will be used to put electricity back in the electricity grid. The mechanical room will be visible so it can serve as a teaching tool and an inter-active kiosk will be installed so students and staff can monitor how energy is being used.

A new Pupil Transportation Maintenance Facility replacement is also under construction. It will be the maintenance hub for 550 school buses. Four wind turbines will help power the facility. In addition to the turbines, it will also have geothermal and solar heating systems, rainwater reclamation for toilets and washing buses, and a grass covered roof.

Libraries

The Virginia Beach Public Libraries celebrated its 50th anniversary on May 10, 2009. It started as one building with a collection of 7,000 books to meet the needs of 5,000 permanent residents. Today there are 8 area libraries, a central library, a public law library, a municipal reference library and a bookmobile. On April 29 the Central Library was formally dedicated and named the Meyera E. Oberndorf Central Library in honor of the former Mayor's long time commitment to libraries. Next, a joint-use library will be built in partnership with Tidewater Community College to be located on the TCC campus.

Quality Organization

HR/Payroll System

On January 1, 2009, the ComIT Department, in conjunction with Finance, Human Resources, and the Consolidated Benefits Office, launched InSITE, the city's new Human Resources/Payroll/Financial

software application. It replaces multiple legacy systems into one centralized, integrated system. More than 300 members received policies and procedures and hands-on system training.

Minority Business Initiative

City Council passed a resolution in FY-08 setting a 10% annual goal for minority participation in City Contracts. For FY-09, total expenditures were \$193.3 million, of which \$14.1 million, or 7.3%, were minority expenditures. This is up from 5.4% in FY-08. The 11th Annual Business Revitalization Summit and Expo was held in November 2009. There were 291 in attendance and 60 booths hosted by various federal, state and local entities.

Merger of the Little Creek Naval Amphibious Base and Fort Story

The Navy and the Army embarked on a joint venture with the merger of two military bases in Virginia Beach—the Navy’s Little Creek Naval Amphibious Base and the Army’s Fort Story. The new name will be the Joint Expeditionary Base Little Creek-Fort Story. The newly merged base will be the largest military employer in Virginia Beach, with 17,211 personnel and an estimate payroll of \$850 million/year. It will be the primary East Coast base supporting overseas contingency operations.

Mayor’s Alternative Energy Task Force

The Mayor’s Alternative Energy Task Force was created to position Virginia Beach as a leader in the movement toward a more sustainable and intelligent energy future. Task force members include representatives from local, state, and federal governments, universities and research institutions, and industry and citizen groups. The group’s mission is to study current energy demand locally, regionally, and statewide; and to explore future energy sources that are environmentally sustainable and independent of unreliable foreign sources.

Public Utilities Online Services

Public Utilities customers have a new way to access and manage their accounts 24/7. They can now view online billing statements and consumption history. Service requests to start, stop or transfer service and to request a payment extension can also be done online. ComIT developed the custom interactive Web application, which increased productivity by eliminating manual bill correction and adjustment processes.

INTERNAL CONTROL AND BUDGETARY ACCOUNTING

The City’s management team is responsible for establishing and maintaining an internal control structure to protect the assets of the government from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the General Fund, certain Special Revenue Funds, Debt Service Fund, Enterprise Funds and School Board Governmental Component Unit Funds are included in the annual appropriated budget. The level of budgetary control is established by each organizational unit included in the budget ordinance. Additional controls are exercised administratively.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the un-liquidated balance of encumbrances at year-end. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

RESOURCE MANAGEMENT, CAPITAL FINANCING AND DEBT MANAGEMENT

The City begins its budgeting process each year with a presentation of the Five Year Forecast, which projects revenue and expenses out over the next five years and highlights important issues that may impact the upcoming budget. An extensive budgeting process includes the development of budget targets for each department, at least four town hall meetings where city staffers receive input from citizens, various internal processes providing the opportunity for input from the Strategic Issue Teams, departments, and finally the Management Leadership Team that finalizes the proposed budget. After presentation of the proposed budget to City Council, Council holds budget workshops and two public hearings before the final budget is voted upon.

The FY 2009-2014 Biennial Capital Improvement Program (CIP), which was approved by City Council in May 2008, sets forth a six-year program totaling \$2.3 billion. Of this amount, \$1.04 billion was appropriated through FY 2007-08, \$250.7 million was appropriated in FY 2008-09, and \$972.0 billion is programmed in future years of the Capital Improvement Program. Funding for this program will be from local, state, federal, and private sources, with local debt comprising less than 38.6% of total funding. The six-year plan provides phased funding for critical public works infrastructure needs and upgrades that will help ensure compliance with increasingly strict environmental requirements, funding for facility improvements to serve a growing City population, and funding for public schools. The CIP also includes an increase in capital investments for recreational activities, leisure programs, and the preservation and acquisition of open space that enhances the quality of life for the citizens of Virginia Beach.

During FY 2009, the City continued to acquire development rights in designated areas within the southern portion of the City for the Agricultural Reserve Program. The rights were acquired through the issuance of installment purchase agreements, which are considered valid contractual obligations of the City. Five such agreements were completed in FY 2009 at a total purchase price of \$3,727,294 with 428.92 acres acquired. For the total program at June 30, 2009, 71 agreements totaling 7,755.22 acres at a total purchase price of \$30,534,384 have been executed.

The City has developed a series of Debt Management Policies to provide a functional tool for debt management and capital planning. The policies reiterate the City's commitment to rapid principal retirement, maintaining sufficient working capital to avoid the use of short-term borrowing for operating purposes, and the use of self-supporting or revenue-supported debt where appropriate. The policies also establish the following target levels for these key debt ratios:

<u>Ratio Description</u>	<u>Established Standard</u>	<u>FY09</u>	<u>FY08</u>
Annual Debt Service to General Governmental Expenditures	No greater than 10.0%	8.0%	7.5%
Overall Net Debt to Estimated Full Value	No greater than 3.5%	1.7%	1.7%
Overall Net Debt Per Capita	No greater than \$2,400	\$2,275	\$2,262
Overall Net Debt Per Capita Personal Income	No greater than 6.5%	5.1%	5.2%

All debt affordability indicators fall within the established guidelines. The State Constitution further limits the City's ability to create debt. The Legal Debt Limitation is 10% of assessed value of property in the City. As of June 30, 2009, the total assessed value of real property in the City was \$57,574,643,671 which translates into a legal debt limit of \$5,757,464,367. The City's net obligations subject to this debt limit, as of June 30, 2009 totaled \$661,855,123 and represented 11.5% of this limit.

In June 2007, Standard & Poor's Rating Service raised its rating on Virginia Beach's General Obligation Bonds to AAA from AA+ reflecting a strong local economy exhibiting significant tax base growth, a comprehensive economic development strategy that has been enhancing the city's position as a tourism and convention destination while at the same time diversifying its economic base, and a professional and seasoned management team that has fostered tax base expansion while maintaining a historically strong financial profile. This rating was reaffirmed with the City's \$72 million General Obligation Public Improvement Bond sale in June 2009.

OTHER POSTEMPLOYMENT BENEFITS (GASB 45)

GASB 45 is a statement of accounting practices issued by the Governmental Accounting Standards Board to provide more complete, reliable, and decision-useful financial reporting regarding the costs and financial obligations that governments incur when they provide postemployment benefits other than pensions (OPEB) as part of the compensation for services rendered by their employees. Postemployment healthcare benefits, the most common form of OPEB, are a very significant financial commitment for many governments. The City of Virginia

Beach is a member of the Virginia Pooled OPEB Trust, a joint effort of the Virginia Association of Counties and the Virginia Municipal League, and deposited the annual required contribution (ARC) during Fiscal Year 2009. In addition, City Council has appointed a 5-member Local Finance Board made up of representatives for the City and School Division to monitor the funds deposited in the irrevocable trust.

CASH MANAGEMENT

The City Charter provides that the elected City Treasurer is the custodian of City funds. Cash temporarily idle during the fiscal year is invested by the City Treasurer in certificates of deposit, bankers' acceptances, commercial paper, and various other short-term instruments (See Note 7). Investments and deposits totaled \$873 million at June 30, 2009.

RISK MANAGEMENT

The City's risk management program is designed to protect the investment of taxpayers by identifying and reducing risk that confronts the City. The City manages the program with a combination of in-house staff and third-party administrators. Contributions are made to the Risk Management Fund to accumulate resources to pay excess coverage premium costs and self-insured costs for claims filed against the City.

AWARDS AND RECOGNITION

During FY 2009, the City of Virginia Beach received a number of awards and was recognized by a variety of organizations. Among these awards and recognitions are:

Center for Digital Government ranked Virginia Beach first in the **Best of the Web Award** for Cities; *US News and World Report* ranked the City as one of America's **10 Best Places to Grow Up**; *Forbes* magazine placed Virginia Beach as the **16th Best City for Working Mothers**, the **5th Best City for High Paying Jobs**; and the **6th Best City to Ride Out the Recession**; *Money Magazine* ranked the City as the **11th Best Place to Retire**; McDonald's Corp, in celebration of the 30th birthday of the Happy Meal, named Virginia Beach as one of the top ten **Happiest Cities for Families**; *Southern Business and Development* magazine named the Virginia Beach MSA as the **6th Best Market for Jobs** between August 2007 and August 2008; and *Best Life* magazine lists Virginia Beach as #2 in **Best Places to Raise a Family** in the US.

INDEPENDENT AUDIT

An independent audit of the City's finances is required each fiscal year by Section 8.06 of the City Charter by either the Virginia Auditor of Public Accounts or by a firm of independent certified public accountants. Accordingly, the records have been audited by Cherry, Bekaert & Holland, L.L.P. and its reports on the general purpose financial statements, internal controls, and compliance are included herein.

CERTIFICATE OF ACHIEVEMENT

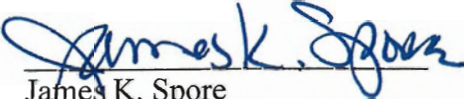
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008, and the Distinguished Budget Presentation Award for the FY 2009 Resource Management Plan.


ACKNOWLEDGMENTS

During the year, the staff of the Finance Department rendered professional and knowledgeable services to the City. We are most appreciative of these efforts and take this opportunity to recognize these outstanding public servants. They maintain the accounting records of the City on a current and timely basis and deserve special consideration.

The City Council's oversight of the financial affairs of the City has resulted in this strong financial report and Council is commended for the policies and practices which have made it so.

Respectively,


James K. Spore
City Manager


Patricia A. Phillips
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Virginia Beach
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



Independent Auditors' Report

The Honorable Members of the City Council
City of Virginia Beach, Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the individual and aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Virginia Beach, Virginia (the City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Virginia Beach Community Development Corporation, which represents 15% and 79%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Virginia Beach Community Development Corporation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the individual and aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Virginia Beach, Virginia, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the Schedules of Funding Progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements, budgetary comparison schedules, capital project expenditure schedules, statistical section, as well as the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, capital project expenditure schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Cherry, Bekert → Holland, L. L. P.

Virginia Beach, Virginia
November 24, 2009

MANAGEMENT'S DISCUSSION

AND

ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the City of Virginia Beach financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

General Fund

At the end of the current fiscal year, undesignated fund balance for the General Fund was \$92.7 million, or 8.9% of the FY2010 projected General Fund revenues. The undesignated fund balance decreased by \$27.4 million from FY2008, primarily as a result of the use of fund balance in the amount of \$35.1 million for the FY2010 capital program. Both operating expenditures and realized revenues were less than budget. General Fund revenues and transfers increased \$30.8 million due to growth in real estate taxes, charges for services and revenue from the Commonwealth, an increase of 3.0% over FY2008. However, revenues were \$28.1 million less than budgeted revenues. Expenditures and transfers increased \$76.7 million, 7.6% higher than last fiscal year. Total FY2009 expenditures and transfers were 4.3% less than budget.

- The City's real estate tax rate remained at \$.89 per \$100 of assessed valuation for FY2009. The tax rate on personal property of \$3.70 per \$100 of assessed valuation also remained unchanged. The real estate tax rate will remain at \$0.89 per \$100 of assessed valuation for FY2010.
- General property tax revenues (real estate and personal property taxes) comprise 58.4% of General Fund revenues. Revenues from general property taxes in FY2009 increased 1.5% from FY2008. Real estate revenues in the General Fund were \$495.7 million; personal property taxes were \$123.6 million. The assessed values of real and personal property increased 2.2% to a total of \$61.3 billion.
- Approximately \$43.2 million was transferred to the Capital Projects Fund to support the City's Capital Improvement Program: (1) \$29.3 million from current revenues and (2) \$13.9 million from the June 30, 2008 fund balance.

Governmental Activities

- On a government-wide basis for governmental activities, the City had expenses net of program revenue of \$774.2 million. General revenues and transfers totaled \$917.4 million resulting in an increase in net assets of \$143.2 million (Exhibit 2).
- As of June 30, 2009, the City's governmental activities reported a combined ending net asset balances of \$2.4 billion. Most of these balances are invested in capital assets or are restricted for specific purposes such as debt service, capital projects, schools, or other operations.
- During the fiscal year ended June 30, 2009, \$78.4 million in new General Obligation Bond debt was issued to provide funding for public improvements, primarily City and School Board facilities, infrastructure and economic enhancement projects. The City is rated AAA by Standard and Poor's, AA+ by Fitch, and Aa1 by Moody's for General Obligation Debt.
- Unrestricted net assets decreased from \$87.7 million to \$63.6 million, due primarily to the use of reserves to support citywide expenditures and the funding of capital projects through the Major Projects Fund.

Business-Type Activities

- The net assets of the City's business-type activities increased by \$14.0 million during fiscal year 2009 and totaled \$814.4 million.
- The water and sewer and storm water utilities provided cash funding of \$21.0 million to their capital improvement programs.

Entity-Wide

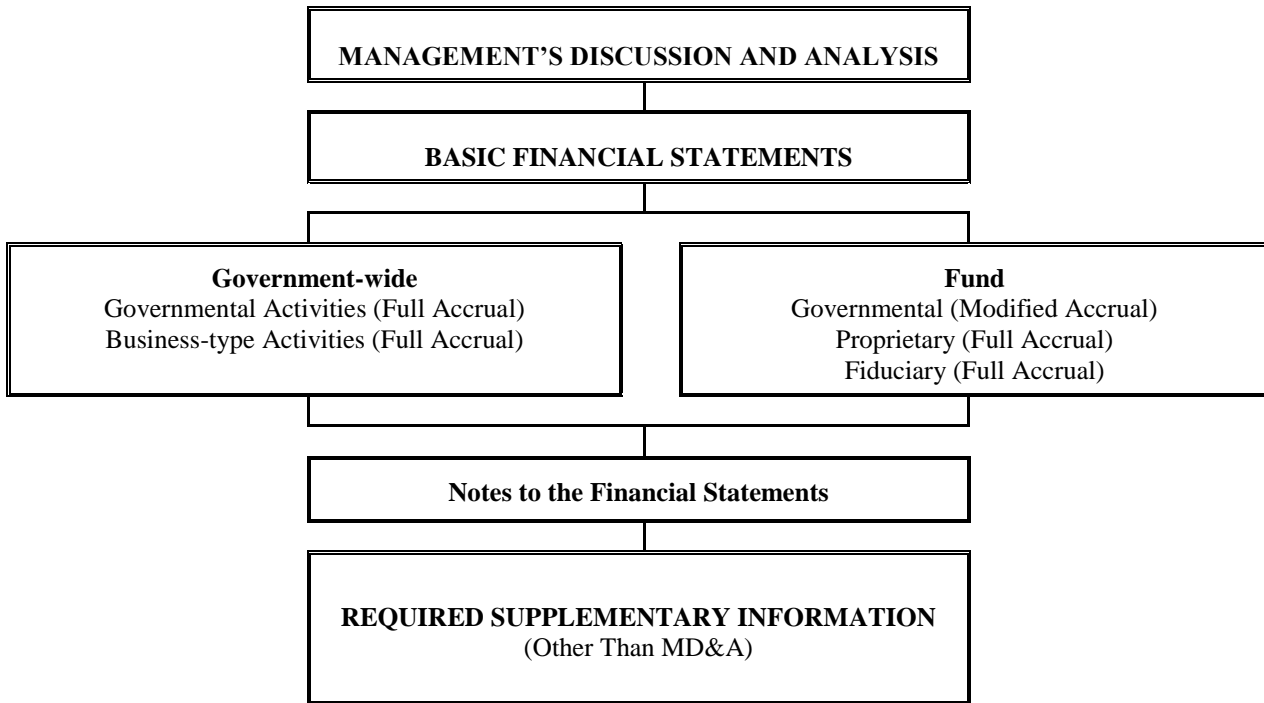
- The City's total net assets, excluding component units, on a government-wide basis, totaled \$3.25 billion at June 30, 2009, an increase of 5.1% over June 30, 2008. Most of these net assets are invested in capital assets or are restricted for specific purposes.
- The City and Schools had expenditures of \$192.4 million for capital projects during FY2009.
- School Board expenditures for education totaled \$786.2 million during fiscal year 2009. Net Assets totaled \$542.5 million, most of which is invested in capital assets. Of this amount, \$88.5 million is unrestricted.

(continued)

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and single audit. As illustrated in the following chart, the financial section of this report has three components: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

Components of the Financial Section



Up until 2002, the primary focus of local government financial statements has been summarized fund-type information on a current financial resource basis. This approach has been modified and statements are now presented which focus on the City as a whole (government-wide) as well as the major individual funds. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements, which have been provided in the past, focus on the individual parts of the City government, reporting the operations of the City in more detail than the government-wide statements. Both perspectives (government-wide and individual fund) allow the user to address relevant questions, broaden the basis for comparison (year-to-year or government to government) and enhance the City's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities, reported using the full accrual basis of accounting. The statement of activities accounts for all of the current year's revenues and expenses, regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets, the difference between the City's assets and liabilities, are one way to measure the financial health of the City. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City, one needs to consider other nonfinancial factors such as changes in the City's property tax base and condition of the City's infrastructure.

(continued)

The government-wide financial statements of the City are divided into three categories:

Governmental Activities - Most of the City's basic services are included here, such as police, fire and other public safety services, parks and recreation, public works, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

Business-type activities - The City's water and sewer, storm water, and parking operations are reported here. Fees are charged to customers to help cover the costs of providing these services

Component units - The City includes three other entities in its report - the City of Virginia Beach School Board, the Virginia Beach Development Authority and the Community Development Corporation. Although legally separate, these "component units" are important because the City is financially accountable for them, providing operating and capital funding.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the City's most significant funds and will be more familiar to traditional users of government financial statements. The focus is now on major funds rather than fund types.

The City has three types of funds:

Governmental funds - General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Funds (such as Parks and Recreation and Tourism Growth Investment) are governmental funds, funds which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

Proprietary funds - Services for which the City charges customers a fee are generally reported in proprietary funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City utilizes enterprise funds to account for its storm water, water and sewer, and parking operations. The City uses internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities. The City's internal service funds are used for providing city garage and fuel services, risk management, printing, landscaping and information technology services.

Fiduciary funds - Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Fiduciary Funds are Agency Funds (Special Welfare and Escheat Property), the Pension Trust Fund and the Postemployment Benefits Trust Fund. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These fiduciary activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Over time, net assets may serve as a useful indicator of a government's financial position. In the case of the City of Virginia Beach, assets exceeded liabilities by \$3.25 billion at the close of the fiscal year, as shown in Table 1 on the following page.

The City's combined net assets (the City's bottom line) increased by \$157.2 million to \$3.25 billion from \$3.1 billion (Table 2). Most of these net assets are invested in capital assets or restricted for a particular purpose such as debt or capital projects. The City's unrestricted net assets, which are used to finance day-to-day operations, totaled \$81.8 million (Table 1). The component units' net assets totaled \$593.9 million, most of which is restricted for particular purposes.

(continued)

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 612.6	\$ 590.7	\$ 150.8	\$ 161.7	\$ 763.4	\$ 752.4
Capital Assets	3,001.2	2,869.7	813.2	794.2	3,814.4	3,663.9
Total Assets	<u>\$ 3,613.8</u>	<u>\$ 3,460.4</u>	<u>\$ 964.0</u>	<u>\$ 955.9</u>	<u>\$ 4,577.8</u>	<u>\$ 4,416.3</u>
Long-Term Liabilities	\$ 1,115.2	\$ 1,008.6	\$ 138.7	\$ 137.8	\$ 1,253.9	\$ 1,146.4
Other Liabilities	60.3	156.7	10.9	17.7	71.2	174.4
Total Liabilities	<u>\$ 1,175.5</u>	<u>\$ 1,165.3</u>	<u>\$ 149.6</u>	<u>\$ 155.5</u>	<u>\$ 1,325.1</u>	<u>\$ 1,320.8</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 2,325.7	\$ 2,135.3	\$ 677.7	\$ 666.0	\$ 3,003.4	\$ 2,801.3
Restricted	49.0	70.2	118.5	133.1	167.5	203.3
Unrestricted	63.6	89.6	18.2	1.3	81.8	90.9
Total Net Assets	<u>\$ 2,438.3</u>	<u>\$ 2,295.1</u>	<u>\$ 814.4</u>	<u>\$ 800.4</u>	<u>\$ 3,252.7</u>	<u>\$ 3,095.5</u>

See Exhibit 1 for additional information

- Restated

The largest portion of the City of Virginia Beach’s net assets (92.3 percent) reflects its investment in capital assets (e.g., land, buildings, parks, infrastructure, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens and therefore, are not available for future spending. Although the City of Virginia Beach’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities unrestricted net assets decreased \$26.0 million and totaled \$63.6 million at June 30, 2009. Inclusive in Governmental Activities unrestricted net assets are ending fund balances of the General Fund and most Special Revenue Funds, which are intended for specific purposes by City Council. The fund balances of these Special revenue funds had a net decrease of \$7.4 million during FY2009. Notable increases were the School Reserve fund (\$16.0 million), Agriculture Reserve (\$1.4 million) and Parks and Recreation (\$1.4 million). Notable fund reductions were Central Business District South TIF (\$4.5 million), Major Projects (\$13.3 million) and Open Space (\$1.3 million). Decreases in E-911 (\$7.2 million) and Comprehensive Services Act and Arts and Humanities Commission were the result of changing those functions to the general fund.

As part of the implementation of GASB Statement No. 34 in FY2002, the City included accounting for existing infrastructure and other assets, which now total \$3.8 billion net of accumulated depreciation. These assets include roads, bridges, parks, water and sewer facilities, land, and other long-lived assets. For FY2009, the primary government’s investment in capital assets, net of related debt increased \$202.1 million due to assets contributed by developers, an increase to General Fund reserve for Capital Projects, and defeasement of prior existing debt.

Net assets of the City’s governmental activities increased 6.2 percent, or \$143.2 million in FY2009. General government revenues totaled \$1,259.7 million, which included \$74.8 million of developer-contributed roadways. In addition, right-of-way for those roadway projects totaled \$1.5 million. Expenses for the same period totaled \$1,118.4 million.

During FY2009, the City’s Governmental Funds expended \$143.1 million on its capital improvement program. Included in this amount is \$35.9 million of Schools Capital Project expenditures for School Board assets of which the City has a “tenancy in common” with the School Board. Increases in the capital asset inventory and decreases in construction in progress were due to the capitalization of projects, notably the City’s acquisition of properties around

(continued)

Oceana Naval Air Station, Pavilion theater replacement, new Princess Anne athletic fields and several roadway and intersection projects. The majority of the expenditure increases were for pavement maintenance, Lesner bridge replacement, communication infrastructure replacement, the acquisition of property around Oceana Naval Air Station and several roadway projects.

The net assets of business-type activities, which are used to continue construction and maintenance of the storm water and water and sewer utilities, increased by \$14.0 million, resulting in part from receiving \$2.3 million in developer contributed utility assets. During 2009, these utilities provided \$21.0 million of cash funding to their capital improvement programs.

Table 2
Comparative Changes in Net Assets
For the Year Ended June 30, 2009
With Comparative Totals for June 30, 2008
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 52.9	\$ 52.4	\$ 115.3	\$ 115.4	\$ 168.2	\$ 167.8
Operating Grants & Contributions	202.4	190.0	5.2	5.6	207.6	195.6
Capital Grants & Contributions	88.8	49.3	2.4	6.5	91.2	55.8
General Revenues:						
Property Taxes	590.0	576.4	-	-	590.0	576.4
Other Taxes	253.0	260.4	-	-	253.0	260.4
Other	72.6	84.6	2.8	6.0	75.4	90.6
Total Revenues	<u>\$ 1,259.7</u>	<u>\$ 1,213.1</u>	<u>\$ 125.7</u>	<u>\$ 133.5</u>	<u>\$ 1,385.4</u>	<u>\$ 1,346.6</u>
Expenses:						
Legislative	\$ 1.2	\$ 1.2	\$ -	\$ -	\$ 1.2	\$ 1.2
Executive	3.5	3.6	-	-	3.5	3.6
Law	3.7	3.7	-	-	3.7	3.7
Finance	16.7	16.7	-	-	16.7	16.7
Human Resources	12.9	13.4	-	-	12.9	13.4
Judicial	51.5	49.5	-	-	51.5	49.5
Health	3.1	3.2	-	-	3.1	3.2
Police	89.6	88.9	-	-	89.6	88.9
Public Works	135.3	125.7	-	-	135.3	125.7
Parks & Recreation	44.3	44.8	-	-	44.3	44.8
Library	15.7	15.9	-	-	15.7	15.9
Planning	10.3	10.3	-	-	10.3	10.3
Agriculture	1.0	0.9	-	-	1.0	0.9
Economic Development	2.7	2.2	-	-	2.7	2.2
Convention & Visitor Bureau	28.3	30.2	-	-	28.3	30.2
Communication & Information Technology	31.9	19.9	-	-	31.9	19.9
Boards and Commissions	28.3	31.6	-	-	28.3	31.6
Fire	44.9	43.7	-	-	44.9	43.7
Management Services	3.6	3.7	-	-	3.6	3.7
Human Services	115.6	108.1	-	-	115.6	108.1
Education & Transfer to School	370.3	363.6	-	-	370.3	363.6
Housing & Neighborhood Preservation	22.8	22.9	-	-	22.8	22.9
Museums	8.2	7.9	-	-	8.2	7.9
General Government	16.8	22.9	-	-	16.8	22.9
Emergency Medical Services	7.3	7.2	-	-	7.3	7.2
Water & Sewer	-	-	95.3	94.4	95.3	94.4
Storm Water	-	-	13.1	14.2	13.1	14.2
Parking	-	-	1.4	1.7	1.4	1.7
Interest on Long-Term Debt	48.9	46.9	-	-	48.9	46.9
Total Expenses	<u>\$ 1,118.4</u>	<u>\$ 1,088.6</u>	<u>\$ 109.8</u>	<u>\$ 110.3</u>	<u>\$ 1,228.2</u>	<u>\$ 1,198.9</u>
Increases in Net Assets before Transfers	141.3	124.5	15.9	23.2	157.2	147.7
Transfers	1.9	0.4	(1.9)	(0.4)	-	-
Change in Net Assets	<u>\$ 143.2</u>	<u>\$ 124.9</u>	<u>\$ 14.0</u>	<u>\$ 22.8</u>	<u>\$ 157.2</u>	<u>\$ 147.7</u>
Net Assets – Beginning *	2,295.1	2,170.2	800.4	777.6	3,095.5	2,947.8
Net Assets – Ending	<u>\$ 2,438.3</u>	<u>\$ 2,295.1</u>	<u>\$ 814.4</u>	<u>\$ 800.4</u>	<u>\$ 3,252.7</u>	<u>\$ 3,095.5</u>

See Exhibit 2 for additional information

- Restated

(continued)

REVENUES

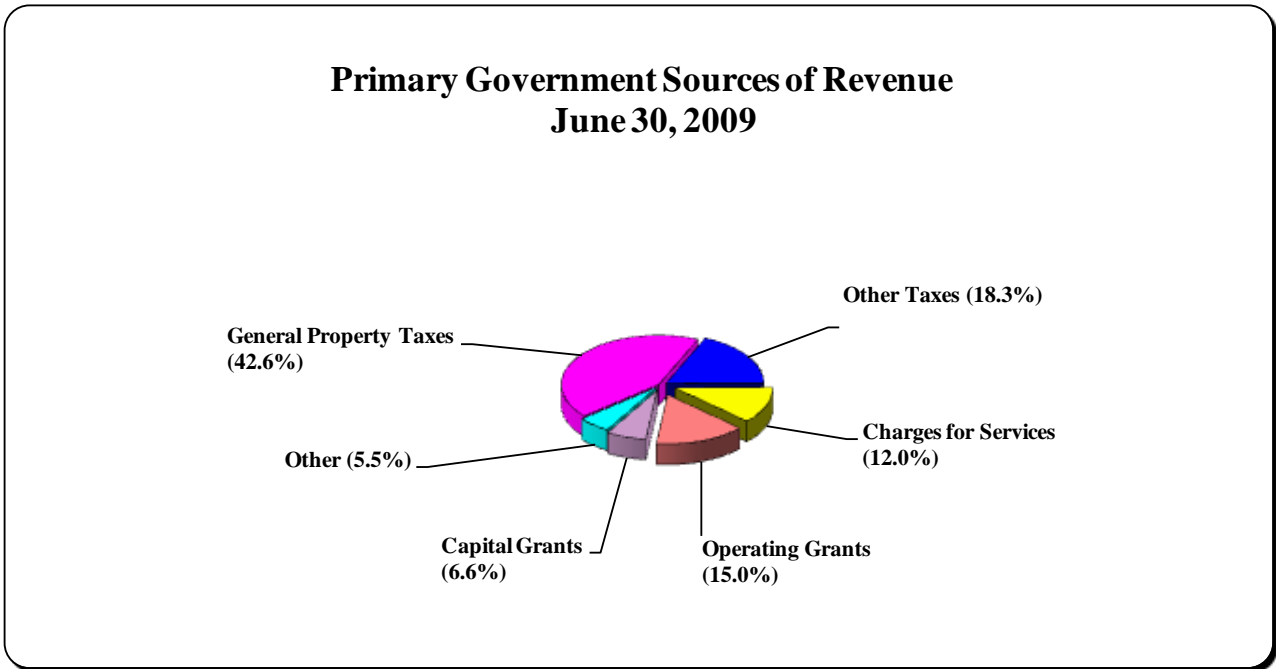
For the fiscal year ended June 30, 2009, revenues from governmental activities totaled \$1.26 billion, an increase of \$46.6 million, primarily due to growth in real estate tax revenue and receipts from the Commonwealth and Federal Government.

General property taxes, the City's largest revenue source, were \$590.0 million, an increase of \$13.6 million over the previous year. Included in these taxes are real and personal property levies, which are payable in December and June of the fiscal year. This revenue increase is primarily attributable to an increase in real property assessments of \$1.0 billion for fiscal year 2009. However, there was a decrease of \$440.2 million in Personal Property Assessments during the same period due to a decrease in automobile assessed value. The personal property tax rate was \$3.70 per \$100 of assessed value (100% of fair market value). The real estate tax rate was \$.89 per \$100 of assessed value (100% of fair market value) during the fiscal year. The personal property tax rate has not been increased since 1982.

The "Other Taxes" revenue category, which includes taxes on general sales, utility purchases, cigarettes, hotel rooms, restaurant meals, amusements, and business and automobile licenses, totaled \$253.0 million. This represents a \$7.4 million decrease over the previous year, or 2.8%.

Program revenues are derived from the program itself and reduce the cost of the function to the City. Total program revenues for governmental activities were \$344.1 million. The most significant of these revenues is reported in the category "Operating Grants and Contributions". These revenues totaled \$202.4 million for the year ended June 30, 2009 and represent primarily state and federal operating grants. Other program revenue categories were "Charges for Services", totaling \$52.9 million and "Capital Grants and Contributions", totaling \$88.8 million. For additional information and comparative results, see Table 2.

Business-type activities generated program revenues of \$122.9 million, primarily from charges for services, which totaled \$115.3 million. It should be noted that there was a slight decrease in Water and Sewer revenue in this category during FY09 while both Storm Water and Resort Parking showed revenue increases for the same period. Operating grants, \$5.2 million, and capital grants, \$2.4 million, comprised the remaining program revenue for the business-type activities.



(continued)

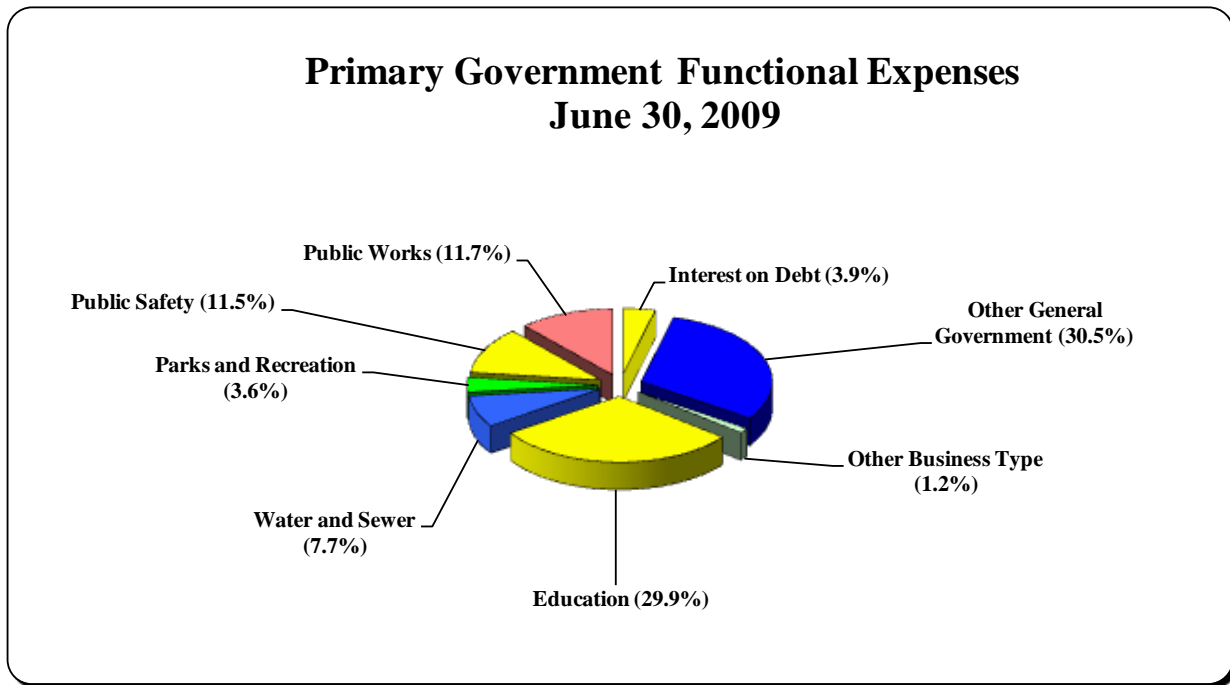
EXPENSES

For the fiscal year ended June 30, 2009, expenses for governmental activities totaled \$1,118.4 million, an increase of \$29.8 million. Several departments reduced expenses during FY09 as compared to FY08. Notable were the convention/visitor developer, human resources, and general government activities. In keeping with the City's commitment to the well being of its citizens, there were increases in expenses for education purposes, public safety, public works and human services. Otherwise, most general government operating departments experienced only slight variations in spending over the previous fiscal year.

The City and School Board strive to provide competitive compensation levels for employees. The FY2009 expenses include funding for a 2.5% general increase for all City employees. School Board expenses include a 3.5% merit increase for School Board employees.

Education continues to be one of the City's highest priorities and commitments. The City's funding for education in FY2009 totaled \$370.3 million, or 43.7% of total School's Governmental Funds revenue. The City's share of funding for educational purposes increased by \$6.7 million or 1.8%. Included in the educational expense amount is \$27.2 million of local funding which was provided for school construction.

Expenses for the City's business-type activities totaled \$109.8 million, which provided water, sewer and storm water utility services as well as parking operations (Table 2).



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended June 30, 2009, the City's governmental funds reflect a combined fund balance of \$500.5 million, some of which is reserved or designated for specific purposes. This represented an increase of \$17.2 million in the combined fund balances of governmental funds (Exhibit 4). The primary reason for the increase in fund balances was the increase in real estate tax revenue collected, increases in revenue from the Commonwealth and federal governments and the issuance of new debt. In addition, these other factors should be noted:

- Expenses for Public Safety totaled \$141.8 million, an increase of \$2.0 million over FY2008.
- Expenses related to Homeland Security totaled \$4.23 million in FY2009.
- Expenses by the Public Works department, \$90.6 million in fiscal year 2009, were for the construction and preservation of general government infrastructure, including maintenance on roadways, the City landfill and other City infrastructure.

(continued)

- Interest on Debt Service, for both general government and school debt, totaled \$48.4 million for the year and interest on Enterprise Debt totaled \$4.9 million. This represents an increase of expenses for this purpose of \$2.1 million from the previous year.
- The City spent \$23.0 million for housing programs from its governmental funds.
- The City expended \$143.1 million in the Capital Projects Fund and received funding of \$78.4 million in General Obligation Bonds to support its current as well as future capital expenses. In addition to this, cash funding totaling \$78.6 million was received from the General Fund and other Special Revenue Funds during FY 2009 in support of the City's Capital Project program. Also, \$29.4 million was received during the current fiscal year from Federal and State agencies in support of various capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following is a brief review of the budgetary changes from the original to the final budget (See budget to actual comparison in Exhibit 5).

The increase in the Revenue budget during the fiscal year was \$20.4 million, primarily as a result of the following:

- ◆ Funding of \$.29 million was provided from the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services for the City's jail diversion program and for serving infants and toddlers with disabilities.
- ◆ Additional funding of \$.32 million from the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services provided for the hiring of seven new mental health clinicians.
- ◆ Funding from Special Revenue and Enterprise Funds was increased to defray increased energy and fuel costs to the General fund.
- ◆ Funding from the Division of Motor Vehicles STOP program was increased \$.375 million due to a new contract and an administrative fee increase.
- ◆ Surplus revenues totaling \$9.0 million in Sandbridge Tax Increment Financing Fund were transferred to the General Fund to be used to fund a 2010 capital project.
- ◆ Additional funding of \$.43 million was provided by the Technology Trust Fund to the Clerk of Circuit Court for technology upgrades.
- ◆ State revenue for emergency communications was increased by \$.15 million for enhanced public safety.

General Fund expenditure budget increased during the year under review to reflect additional funding for capital projects and the appropriation of School Board reversion funds. Funding of \$3.8 million was provided for the funding of post employment health benefits. Funding from operating reserves of \$ 11.2 million was provided to Public Works Waste Disposal due to the deferral of payments from SPSA. Other departmental increases were the result of approved carryover funds and re-appropriations of encumbrances.

CAPITAL ASSETS

At the end of Fiscal Year 2009, the City's governmental activities (including internal service funds) had invested \$3,001.2 million, net of accumulated depreciation, in a variety of capital assets and infrastructure, as reflected in the following schedule:

Table 3 Governmental Activities Change in Capital Assets June 30, 2009 Compared to 2008 (in Millions)			
	Balance June 30, 2008	Net Additions/ Deletions	Balance June 30, 2009
Non-Depreciable Assets:			
Land and Land Improvements	\$ 651.6	\$ 131.4	\$ 783.0
Agriculture Reserve Development Rights	26.8	3.7	30.5
Construction in Progress	485.6	(308.6)	177.0
Other Capital Assets:			
Infrastructure	1,642.4	177.2	1,819.6
Buildings	877.3	89.9	967.2
Furniture and Other Equipment	142.7	36.5	179.2
Improvements	186.7	44.9	231.6
Less: Accumulated Depreciation	(1,143.4)	(43.5)	(1,186.9)
Totals	<u>\$ 2,869.7</u>	<u>\$ 131.5</u>	<u>\$ 3,001.2</u>

For detailed information on the City's capital asset activity, please refer to Note 4 in notes to the financial statements.

During the fiscal year just completed the City's capital projects fund balance increased by \$49.9 million, primarily as a result of the issuance of General Obligation bonds in June, 2009 and expenditures slowing as several major projects were completed. The capital projects fund has a cash balance of \$230.0 million to support project expenditures through FY2010.

The FY2009-2014 Biennial Capital Improvement Program (CIP), which was approved by City Council in May, 2008, sets forth a six-year program totaling \$2.3 billion. This plan provides scheduled funding for the construction of city facilities, acquisition of major equipment and computer systems, roadways, infrastructure maintenance, and economic development projects. Also, funding is provided to address the economic development incentive program, Oceana and Interfacility Traffic Conformity and Acquisition Program. Phased funding for beach replenishment, street resurfacing, parks, and neighborhood storm water management is also provided. Infrastructure improvements at various intersections are also included in the plan.

During the second year of this biennial budget the School Board has deferred to future years the construction of Kellam High School and provided accelerated funding for the replacement of College Park Elementary School. The continuation of renovations and replacements of HVAC systems, tennis courts and school roofing are also included.

LONG-TERM DEBT

In June, 2009, the City issued \$72.0 million in General Obligation Bonds, with a premium of \$4.4 million, for school construction (\$30.9 million), roadways (\$20.3 million), building projects (\$10.9 million), and recreation, coastal, and economic enhancement projects (\$9.9 million). For this sale the credit rating agencies rated the City of Virginia Beach bond ratings for General Obligation Debt of AA+ by Fitch, AAA by Standard and Poor's, and Aa1 by Moody's.

In November 2008, the City issued \$6.35 million in General Obligation debt (Virginia Public School Authority bonds) to help finance the new Virginia Beach Middle School.

State statutes limit the amount of general obligation debt the City can issue to ten percent of the assessed value of real property within the City. The City's outstanding debt is significantly below this limit, which is currently \$5.76 billion.

(continued)

Table 4
Long-Term Liabilities
Primary Government
at June 30, 2009
(in Millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
General Obligation Bonds	\$ 621.8	\$ 1.9	\$ 623.7
Public Facility Revenue Bonds	257.1	-	257.1
Double Barrel and Revenue Bonds	-	130.4	130.4
Certificates of Participation	2.6	-	2.6
State Literary Fund Loans	7.6	-	7.6
Agriculture Reserve Program	30.5	-	30.5
Town Center Support Agreement	85.0	-	85.0
Other Long-Term Liabilities	110.6	6.4	117.0
Totals	<u>\$ 1,115.2</u>	<u>\$ 138.7</u>	<u>\$ 1,253.9</u>

For FY 2009, debt service on tax-supported debt was \$121.1 million. For detailed information on the City's long-term liabilities, please refer to Note 5 in notes to the financial statements.

The City and Schools have evaluated their respective obligations under GASB 45 related to retiree health benefits. The actuarial accrued liability for both the City and School Board is \$148.6 million. In June 2008 the City and School Board joined the Virginia Pooled OPEB Trust, a joint effort of the Virginia Association of Counties and the Virginia Municipal League. Funds are being deposited into this irrevocable trust for the future payment of these benefits. The annual required contribution for both organizations was made during the fiscal year.

ECONOMIC FACTORS

As of June 2009, unemployment in Virginia Beach increased by 2.7% from 2008 levels. During the same period, job losses across the U.S. increased by 4.0%. Unemployment rates in Virginia Beach for June 2009 (6.4%) and September 2009 (5.7%) were lower than the national rate by 3.3% and 3.6%, respectively.

As of 2007 (the latest data available from the U.S. Bureau of Economic Analysis), the City's per capita income was \$42,821.

Retail sales in Virginia Beach decreased during the first two quarters of 2008 to an annualized amount of \$ 4.7 billion. This represents a \$ 0.2 billion decrease, or 5.0%, from 2007 levels.

Tourism, a major industry for the City of Virginia Beach, experienced a 15% decline in revenue per available hotel room for 2009. Nationally, the top 25 markets declined 22% for the same period.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, City of Virginia Beach, Municipal Center, Virginia Beach, Virginia 23456, telephone 757-385-4508, or visit the City's web site at www.vbgov.com

BASIC
FINANCIAL STATEMENTS

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
ASSETS					
Cash and Temporary Investments	\$ 201,989,321	\$ 109,288,433	\$ 311,277,754	\$ 265,647,020	\$ 8,635,278
Restricted Cash & Cash Equivalents	263,332,834	16,556,019	279,888,853	-	9,033,311
Receivables (net)	47,137,748	19,868,932	67,006,680	177,715	3,186,634
Due from Other Governments	94,393,892	111,018	94,504,910	17,837,272	80,961
Inventories	1,093,618	2,129,975	3,223,593	1,207,205	2,159,575
Other Assets	2,007,811	2,855,047	4,862,858	597,672	1,354,310
Land Held for Resale	-	-	-	-	17,971,424
Net Pension Asset	2,661,807	-	2,661,807	-	-
Capital assets (net of accumulated depreciation):					
Land and Improvements	813,555,935	142,684,090	956,240,025	29,881,022	21,940,770
Buildings and Improvements	796,922,808	1,656,441	798,579,249	239,903,866	104,466,862
Improvements other than Buildings	189,884,845	1,098,300	190,983,145	-	-
Machinery and Equipment	67,868,492	6,923,887	74,792,379	-	28,941
Infrastructure	956,024,183	590,602,382	1,546,626,565	-	-
Construction in Progress	176,978,658	70,215,087	247,193,745	114,317,998	500,359
Total Capital Assets	<u>\$ 3,001,234,921</u>	<u>\$ 813,180,187</u>	<u>\$ 3,814,415,108</u>	<u>\$ 384,102,886</u>	<u>\$ 126,936,932</u>
Total Assets	<u>\$ 3,613,851,952</u>	<u>\$ 963,989,611</u>	<u>\$ 4,577,841,563</u>	<u>\$ 669,569,770</u>	<u>\$ 169,358,425</u>
LIABILITIES					
Accounts Payable	\$ 41,553,120	\$ 8,111,190	\$ 49,664,310	\$ 28,727,773	\$ 8,294,317
Accrued Liabilities	16,410,836	2,744,235	19,155,071	63,230,121	1,654,010
Due to Other Governments	2,364,914	-	2,364,914	90,866	-
Long-term Liabilities:					
Due Within One Year	111,429,758	7,333,435	118,763,193	20,107,945	3,898,326
Due in More Than One Year	1,003,811,449	131,357,335	1,135,168,784	14,915,988	104,155,041
Total Liabilities	<u>\$ 1,175,570,077</u>	<u>\$ 149,546,195</u>	<u>\$ 1,325,116,272</u>	<u>\$ 127,072,693</u>	<u>\$ 118,001,694</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	\$ 2,325,729,590	\$ 677,714,227	\$ 3,003,443,817	\$ 384,102,886	\$ 22,240,130
Restricted for:					
Future Debt Service	21,216,930	16,291,069	37,507,999	-	2,451,301
Special Projects	18,921,302	-	18,921,302	69,846,378	-
Schools	8,822,489	-	8,822,489	-	-
Water and Sewer Fund Operations	-	99,510,858	99,510,858	-	-
Stormwater Fund Operations	-	2,721,421	2,721,421	-	-
Unrestricted	63,591,564	18,205,841	81,797,405	88,547,813	26,665,300
Total Net Assets	<u>\$ 2,438,281,875</u>	<u>\$ 814,443,416</u>	<u>\$ 3,252,725,291</u>	<u>\$ 542,497,077</u>	<u>\$ 51,356,731</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Legislative	\$ 1,238,465	\$ -	\$ -	\$ -
Executive	3,453,309	-	-	-
Law	3,676,002	523	-	-
Finance	16,701,143	270,378	1,700,980	-
Human Resources	12,892,046	10	-	-
Judicial	51,554,786	3,946,053	24,686,592	-
Health	3,074,767	35,203	33,264	-
Police	89,576,973	1,567,617	565,516	-
Human Services	115,570,958	4,723,828	78,472,707	-
Public Works	135,253,381	3,469,383	32,849,612	76,342,731
Parks & Recreation	44,262,172	14,620,812	114,628	-
Library	15,698,203	679,091	278,470	-
Planning	10,298,643	4,026,124	(12,189)	-
Agriculture	1,049,910	145,454	26,743	-
Economic Development	2,669,821	-	-	-
Convention & Visitor Development	28,340,921	3,506,706	-	-
Communications & Information Technology	31,951,307	178,479	-	-
Boards and Commissions	28,300,724	39,769	105,040	-
Fire	44,862,957	354,061	1,440,060	970,256
Management Services	3,610,377	-	-	-
Education	370,277,459	-	-	-
Housing & Neighborhood Preservation	22,855,827	174,560	22,120,680	-
Museums	8,158,217	5,493,504	770,361	-
Emergency Medical Services	7,346,945	-	428,877	54,522
General Government	16,831,294	9,756,013	38,897,750	11,426,986
Interest on Long-term Debt	48,918,428	-	-	-
Total Governmental Activities	\$ 1,118,425,035	\$ 52,987,568	\$ 202,479,091	\$ 88,794,495
Business-type Activities:				
Water and Sewer	\$ 95,332,140	\$ 95,308,313	\$ -	\$ 2,442,568
Stormwater	13,027,354	17,559,488	5,216,559	-
Parking	1,430,534	2,390,391	-	-
Total Business-type Activities	\$ 109,790,028	\$ 115,258,192	\$ 5,216,559	\$ 2,442,568
Total Primary Government	\$ 1,228,215,063	\$ 168,245,760	\$ 207,695,650	\$ 91,237,063
Component Units:				
Virginia Beach Development Authority	\$ 10,226,437	\$ 3,130,929	\$ 9,505,079	\$ 6,043,663
Virginia Beach Community Development Corporation	3,755,063	2,121,111	2,097,213	-
Virginia Beach School Board	786,209,221	17,702,147	133,607,276	11,075,378
Total Component Units	\$ 800,190,721	\$ 22,954,187	\$ 145,209,568	\$ 17,119,041

General revenues:

Taxes:

General Property Taxes - Real Estate and Personal Property

Sales

Utility

Business Licenses

Meal

City Tax on Deeds and Wills

Cigarette

Automobile Licenses

Emergency 911 Telephone

Amusement

Lodging

Franchise, Bank Stock and Transient Occupancy

Total City Taxes

Payment from City of Virginia Beach

Grants and contributions not restricted to specific programs

Investment earnings

Miscellaneous

Special Items:

Transfer of Infrastructure to Primary Government

Transfers

Total general revenues and transfers

Change in net assets

Net Assets - Beginning - Restated

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Net (Expenses) Revenues and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	Other	
\$ (1,238,465)	\$ -	\$ (1,238,465)	\$ -	\$ -	
(3,453,309)	-	(3,453,309)	-	-	
(3,675,479)	-	(3,675,479)	-	-	
(14,729,785)	-	(14,729,785)	-	-	
(12,892,036)	-	(12,892,036)	-	-	
(22,922,141)	-	(22,922,141)	-	-	
(3,006,300)	-	(3,006,300)	-	-	
(87,443,840)	-	(87,443,840)	-	-	
(32,374,423)	-	(32,374,423)	-	-	
(22,591,655)	-	(22,591,655)	-	-	
(29,526,732)	-	(29,526,732)	-	-	
(14,740,642)	-	(14,740,642)	-	-	
(6,284,708)	-	(6,284,708)	-	-	
(877,713)	-	(877,713)	-	-	
(2,669,821)	-	(2,669,821)	-	-	
(24,834,215)	-	(24,834,215)	-	-	
(31,772,828)	-	(31,772,828)	-	-	
(28,155,915)	-	(28,155,915)	-	-	
(42,098,580)	-	(42,098,580)	-	-	
(3,610,377)	-	(3,610,377)	-	-	
(370,277,459)	-	(370,277,459)	-	-	
(560,587)	-	(560,587)	-	-	
(1,894,352)	-	(1,894,352)	-	-	
(6,863,546)	-	(6,863,546)	-	-	
43,249,455	-	43,249,455	-	-	
(48,918,428)	-	(48,918,428)	-	-	
<u>\$ (774,163,881)</u>	<u>\$ -</u>	<u>\$ (774,163,881)</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ 2,418,741	\$ 2,418,741	\$ -	\$ -	
-	9,748,693	9,748,693	-	-	
-	959,857	959,857	-	-	
<u>\$ -</u>	<u>\$ 13,127,291</u>	<u>\$ 13,127,291</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ (774,163,881)</u>	<u>\$ 13,127,291</u>	<u>\$ (761,036,590)</u>	<u>\$ -</u>	<u>\$ -</u>	
			\$ -	\$ 8,453,234	
				463,261	
			(623,824,420)	-	
			<u>\$ (623,824,420)</u>	<u>\$ 8,916,495</u>	
\$ 589,973,045	\$ -	\$ 589,973,045	\$ -	\$ -	
51,007,274	-	51,007,274	-	-	
47,340,874	-	47,340,874	-	-	
40,919,033	-	40,919,033	-	-	
48,138,128	-	48,138,128	-	-	
6,569,411	-	6,569,411	-	-	
13,062,433	-	13,062,433	-	-	
8,985,629	-	8,985,629	-	-	
5,970	-	5,970	-	-	
5,427,458	-	5,427,458	-	-	
22,734,965	-	22,734,965	-	-	
8,875,610	-	8,875,610	-	-	
<u>\$ 843,039,830</u>	<u>\$ -</u>	<u>\$ 843,039,830</u>	<u>\$ -</u>	<u>\$ -</u>	
-	-	-	384,210,051	-	
53,413,096	-	53,413,096	298,189,924	-	
7,727,438	2,820,444	10,547,882	2,339,038	255,721	
11,263,325	23	11,263,348	461,504	269,547	
-	-	-	-	(2,012,879)	
1,915,092	(1,915,092)	-	-	-	
<u>\$ 917,358,781</u>	<u>\$ 905,375</u>	<u>\$ 918,264,156</u>	<u>\$ 685,200,517</u>	<u>\$ (1,487,611)</u>	
\$ 143,194,900	\$ 14,032,666	\$ 157,227,566	\$ 61,376,097	\$ 7,428,884	
2,295,086,975	800,410,750	3,095,497,725	481,120,980	43,927,847	
<u>\$ 2,438,281,875</u>	<u>\$ 814,443,416</u>	<u>\$ 3,252,725,291</u>	<u>\$ 542,497,077</u>	<u>\$ 51,356,731</u>	

CITY OF VIRGINIA BEACH, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 104,666,308	\$ -	\$ 82,559,790	\$ 187,226,098
Cash and Temporary Investments - Restricted	-	229,832,847	33,499,987	263,332,834
Cash Advances	281,666	-	-	281,666
Prepaid Item	-	28,379	-	28,379
Receivables (net of allowance for uncollectibles, where applicable):				
Property Tax	28,317,190	-	-	28,317,190
Accounts	2,386,700	-	185,656	2,572,356
Loans	11,202,854	-	4,819,155	16,022,009
Accrued Interest	222,740	-	-	222,740
Due from:				
Other Governments	81,687,241	9,671,111	3,035,540	94,393,892
Inventories	459,815	-	-	459,815
Total Assets	<u>\$ 229,224,514</u>	<u>\$ 239,532,337</u>	<u>\$ 124,100,128</u>	<u>\$ 592,856,979</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	\$ 20,960,601	\$ 15,050,977	\$ 3,292,551	\$ 39,304,129
Payroll Withholdings Payable	590,553	-	-	590,553
Deposits Payable	3,059,485	-	-	3,059,485
Intergovernmental Payables	543,888	1,522,061	298,965	2,364,914
Deferred Revenue	40,388,864	6,520,331	149,669	47,058,864
Total Liabilities	<u>\$ 65,543,391</u>	<u>\$ 23,093,369</u>	<u>\$ 3,741,185</u>	<u>\$ 92,377,945</u>
<u>FUND BALANCES</u>				
Fund Balances:				
Reserved for:				
Encumbrances - Capital Projects Fund	\$ -	\$ 90,851,335	\$ -	\$ 90,851,335
Encumbrances - Special Revenue Funds	-	-	649,181	649,181
Loans - General Fund	11,202,854	-	-	11,202,854
Loans - Special Revenue Funds	-	-	4,819,155	4,819,155
Unreserved, Designated for, reported in:				
Encumbrances - General Fund	5,617,694	-	-	5,617,694
Encumbrances - Special Revenue Funds	-	-	1,374,738	1,374,738
General Fund for School Capital Projects and Other	8,822,489	-	-	8,822,489
Debt Service Fund for Future Debt Service	-	-	21,216,930	21,216,930
Special Revenue Funds for Special Projects	-	-	18,184,401	18,184,401
General Fund for Future Programs	10,245,662	-	-	10,245,662
General Fund for Capital Projects	35,055,222	-	-	35,055,222
Unreserved, Undesignated, reported in:				
General Fund	92,737,202	-	-	92,737,202
Capital Projects	-	125,587,633	-	125,587,633
Special Revenue Funds	-	-	74,114,538	74,114,538
Total Fund Balances	<u>\$ 163,681,123</u>	<u>\$ 216,438,968</u>	<u>\$ 120,358,943</u>	<u>\$ 500,479,034</u>
Total Liabilities and Fund Balances	<u>\$ 229,224,514</u>	<u>\$ 239,532,337</u>	<u>\$ 124,100,128</u>	<u>\$ 592,856,979</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
RECONCILIATION OF BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

Total Fund Balances - Governmental funds (Exhibit 3)	\$	500,479,034
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		2,999,854,070
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Other long-term assets are not available to pay for current period expenditures and therefore are offset by deferred revenue in the governmental funds.		47,373,241
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Internal Service Funds are used by management to charge the costs of printing services, risk management, information technology, and city garage to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. (Exhibit 1)		(4,895,257)
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Services provided by the general government to business-type activities are not included in the entity-wide statements. The elimination decreases net assets.		(2,174,119)
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Internal service fund amounts payable to the general government are eliminated from the Statement of Net Assets. However, the amount due from business-type activities for the Internal Service Funds loss charge back is included.		254,965
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Net Pension Asset is not included in the governmental funds.		2,661,807
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

General Obligation Bonds	\$	621,800,655	
State Literary Fund Loans		7,620,046	
Accrued Interest on Bonds Sold		10,332,258	
Town Center Support Agreement		84,790,000	
Agriculture Reserve Strips		30,534,384	
Public Facility Revenue Bonds		257,075,000	
Williams Farm Property Debt		1,912,500	
Premium on Bonds Sold		43,203,786	
Deferred Loss on Refunding		(1,287,860)	
Certificates of Participation		2,645,000	
Compensated Absences (annual and sick leave)		41,234,161	
Landfill Closure and Post-Closure Care		5,411,936	
		(1,105,271,866)	

Total Net Assets - Governmental Activities (Exhibit I)	\$	2,438,281,875
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The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
General Property Taxes:				
Real Estate property taxes	\$ 495,688,696	\$ -	\$ 20,080,184	\$ 515,768,880
Personal property taxes	123,593,895	-	-	123,593,895
Other Local Taxes	250,216,353	-	920,264	251,136,617
Fines and Forfeitures	5,422,296	-	350,435	5,772,731
Permits, Privilege Fees, and Regulatory Licenses	4,158,778	-	-	4,158,778
From Use of Money and Property	9,204,715	16,403	4,002,161	13,223,279
Charges for Services	17,853,907	-	17,282,155	35,136,062
Miscellaneous	8,128,372	6,626,214	1,116,534	15,871,120
From Other Local Governments	440,526	-	-	440,526
From Commonwealth	103,894,715	16,698,779	16,892,543	137,486,037
From Federal Government	22,335,379	12,723,168	37,178,091	72,236,638
Total Revenues	<u>\$ 1,040,937,632</u>	<u>\$ 36,064,564</u>	<u>\$ 97,822,367</u>	<u>\$ 1,174,824,563</u>
EXPENDITURES				
Current Operating:				
Legislative	\$ 1,229,876	\$ -	\$ -	\$ 1,229,876
Executive	3,416,589	-	-	3,416,589
Law	3,645,426	-	-	3,645,426
Finance	16,554,774	-	-	16,554,774
Human Resources	12,899,532	-	-	12,899,532
Judicial	14,137,178	-	35,921,141	50,058,319
Health	3,071,005	-	-	3,071,005
Police	83,978,478	-	2,061,360	86,039,838
Human Services	106,732,886	-	8,249,429	114,982,315
Public Works	90,583,946	-	15,000	90,598,946
Parks and Recreation	12,809,177	-	29,550,852	42,360,029
Library	15,402,067	-	250,022	15,652,089
Planning	10,162,875	-	-	10,162,875
Agriculture	883,482	-	169,362	1,052,844
Economic Development	2,656,922	-	-	2,656,922
Convention and Visitor Development	9,296,026	-	16,004,428	25,300,454
Communications and Information Technology	28,987,540	-	123,754	29,111,294
Boards and Commissions	28,937,334	-	1,983,114	30,920,448
Fire	41,776,992	-	1,404,033	43,181,025
Management Services	3,579,581	-	-	3,579,581
Education	351,191,304	35,890,503	-	387,081,807
Housing and Neighborhood Preservation	1,723,431	-	21,302,428	23,025,859
Museums	8,146,505	-	12,437	8,158,942
General Government	-	-	7,483,531	7,483,531
Emergency Medical Services	6,735,855	-	419,650	7,155,505
Capital Outlay	-	107,225,640	-	107,225,640
Debt Service:				
Principal Retirement	-	-	72,662,009	72,662,009
Interest and Fiscal Charges	-	-	48,401,666	48,401,666
Total Expenditures	<u>\$ 858,538,781</u>	<u>\$ 143,116,143</u>	<u>\$ 246,014,216</u>	<u>\$ 1,247,669,140</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 182,398,851</u>	<u>\$ (107,051,579)</u>	<u>\$ (148,191,849)</u>	<u>\$ (72,844,577)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 20,110,742	\$ 78,585,512	\$ 231,234,580	\$ 329,930,834
Transfers Out	(231,893,511)	-	(92,650,082)	(324,543,593)
Issuance of Debt	-	78,350,705	-	78,350,705
Premium on Bonds Sold	-	-	4,384,080	4,384,080
Total Other Financing Sources (Uses)	<u>\$ (211,782,769)</u>	<u>\$ 156,936,217</u>	<u>\$ 142,968,578</u>	<u>\$ 88,122,026</u>
Net Change in Fund Balance	<u>\$ (29,383,918)</u>	<u>\$ 49,884,638</u>	<u>\$ (5,223,271)</u>	<u>\$ 15,277,449</u>
Fund Balance at Beginning of Year	193,065,041	166,554,330	125,582,214	485,201,585
Fund Balance at End of Year	<u>\$ 163,681,123</u>	<u>\$ 216,438,968</u>	<u>\$ 120,358,943</u>	<u>\$ 500,479,034</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Net Change in fund balance - total governmental funds (Exhibit 4) \$ 15,277,449

Amounts reported for governmental activities in the Statement of Activities (Exhibit II) are different because:

Governmental funds report capital outlay 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. This and the net effect of various other transactions involving capital assets increased net assets.

General Government Capital Project Expenditures	\$	107,225,640	
General Government Capital Outlay Expenditures		4,231,682	
Non-Capitalizable Capital Project Expenditures		(16,109,075)	
Depreciation on General Government Assets		(61,636,049)	
Contribution of Assets to General Government		76,342,731	
Loss on Disposition of Assets		(213,497)	
			109,841,432

Revenues in the fund statements which were subject to accrual in the prior year are additions to beginning net assets and, therefore, are not reported as revenues in the Statement of Activities. (2,107,963)

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the 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. 12,834,174

Net expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 12,052,179

The change in value of the Net Pension Asset is not reported in governmental funds. 1,921

Internal Service Funds are used by management to charge the costs of fleet management and management systems to individual funds and customers. Losses arising from the internal customers are added as expenditures on the Statement of Activities as charge backs. Revenues and expenditures with outside customers are included also, as are non-operating revenues and expenses. This amount is the effect of reporting internal service funds with governmental activities. (4,704,292)

Change in net assets of governmental activities (Exhibit 2) \$ 143,194,900

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
General Property Taxes:				
Real Estate property taxes	\$ 486,319,636	\$ 486,319,636	\$ 495,688,696	\$ 9,369,060
Personal property taxes	135,568,880	135,568,880	123,593,895	(11,974,985)
Other Local Taxes	264,193,725	264,193,725	250,216,353	(13,977,372)
Permits, Privilege Fees, and Regulatory Licenses	5,727,343	5,757,343	4,158,778	(1,598,565)
Fines and Forfeitures	7,381,860	7,381,860	5,422,296	(1,959,564)
From Use of Money and Property	11,700,785	11,710,785	9,204,715	(2,506,070)
Charges for Service	22,909,459	22,931,633	17,853,907	(5,077,726)
Miscellaneous	8,507,735	9,100,369	8,128,372	(971,997)
From Other Local Governments	409,999	409,999	440,526	30,527
From Commonwealth	102,192,355	103,284,495	103,894,715	610,220
From Federal Government	23,455,318	23,593,335	22,335,379	(1,257,956)
Total Revenues	<u>\$ 1,068,367,095</u>	<u>\$ 1,070,252,060</u>	<u>\$ 1,040,937,632</u>	<u>\$ (29,314,428)</u>
<u>EXPENDITURES</u>				
Legislative	\$ 1,209,226	\$ 1,244,826	\$ 1,229,876	\$ 14,950
Executive	3,619,081	3,669,916	3,416,589	253,327
Law	3,894,926	3,874,152	3,645,426	228,726
Finance	16,638,893	17,124,298	16,554,774	569,524
Human Resources	10,394,916	14,343,828	12,899,532	1,444,296
Judicial	14,193,471	14,983,916	14,137,178	846,738
Health	3,399,228	3,190,650	3,071,005	119,645
Police	87,464,549	87,471,199	83,978,478	3,492,721
Human Services	108,741,663	111,204,628	106,732,886	4,471,742
Public Works	82,934,701	96,567,413	90,583,946	5,983,467
Parks and Recreation	13,665,384	13,966,516	12,809,177	1,157,339
Library	16,651,988	17,039,630	15,402,067	1,637,563
Planning	10,387,610	10,803,996	10,162,875	641,121
Agriculture	831,185	908,669	883,482	25,187
Economic Development	2,657,158	2,848,997	2,656,922	192,075
Convention and Visitor Development	10,370,130	10,379,120	9,296,026	1,083,094
Communications and Information Technology	31,135,402	32,516,731	28,987,540	3,529,191
Boards and Commissions	28,428,748	30,499,541	28,937,334	1,562,207
Fire	42,708,729	42,762,515	41,776,992	985,523
Management Services	4,011,285	4,377,299	3,579,581	797,718
Education	357,792,686	366,059,686	351,191,304	14,868,382
Housing and Neighborhood Preservation	1,746,341	1,819,393	1,723,431	95,962
Museums	9,142,990	9,119,843	8,146,505	973,338
Emergency Medical Services	6,990,242	6,954,949	6,735,855	219,094
Total Expenditures	<u>\$ 869,010,532</u>	<u>\$ 903,731,711</u>	<u>\$ 858,538,781</u>	<u>\$ 45,192,930</u>
Excess of Revenues over Expenditures	<u>\$ 199,356,563</u>	<u>\$ 166,520,349</u>	<u>\$ 182,398,851</u>	<u>\$ 15,878,502</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 295,417	\$ 18,860,326	\$ 20,110,742	\$ 1,250,416
Transfers Out	(209,833,376)	(235,275,935)	(231,893,511)	3,382,424
Total Other Financing Sources (Uses)	<u>\$ (209,537,959)</u>	<u>\$ (216,415,609)</u>	<u>\$ (211,782,769)</u>	<u>\$ 4,632,840</u>
Net Change in Fund Balance	<u>\$ (10,181,396)</u>	<u>\$ (49,895,260)</u>	<u>\$ (29,383,918)</u>	<u>\$ 20,511,342</u>
Fund Balance at Beginning of Year	193,065,041	193,065,041	193,065,041	-
Fund Balance at End of Year	<u>\$ 182,883,645</u>	<u>\$ 143,169,781</u>	<u>\$ 163,681,123</u>	<u>\$ 20,511,342</u>

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water and</u>		<u>Nonmajor</u>		<u>Internal Service</u>
	<u>Sewer</u>	<u>Storm Water</u>	<u>Parking</u>	<u>Totals</u>	<u>Funds</u>
ASSETS					
Current Assets:					
Cash and Temporary Investments	\$ 97,331,378	\$ 10,644,758	\$ 1,312,297	\$ 109,288,433	\$ 14,763,223
Accounts Receivable - Net	14,658,547	3,016,931	-	17,675,478	3,453
Intergovernmental Receivables	111,018	-	-	111,018	-
Inventory	2,129,975	-	-	2,129,975	633,803
Total Current Assets	<u>\$ 114,230,918</u>	<u>\$ 13,661,689</u>	<u>\$ 1,312,297</u>	<u>\$ 129,204,904</u>	<u>\$ 15,400,479</u>
Noncurrent Assets:					
Cash and Investments - Restricted	\$ 15,527,066	\$ 1,028,953	\$ -	\$ 16,556,019	\$ -
Deferred Charges	2,855,047	-	-	2,855,047	-
Capital Assets:					
Land	12,426,777	128,882,313	1,375,000	142,684,090	-
Site Improvements	-	-	1,457,642	1,457,642	265,782
Buildings	3,590,809	-	-	3,590,809	-
Utility System	828,860,511	93,576,192	-	922,436,703	-
Construction in Progress	33,515,164	36,699,923	-	70,215,087	-
Office Furniture and Fixtures	1,494,319	-	-	1,494,319	-
Machinery and Equipment	17,702,328	8,858,287	96,044	26,656,659	12,988,107
Less: Accumulated Depreciation	(311,244,178)	(43,670,232)	(440,712)	(355,355,122)	(11,873,038)
Total Capital Assets	<u>\$ 586,345,730</u>	<u>\$ 224,346,483</u>	<u>\$ 2,487,974</u>	<u>\$ 813,180,187</u>	<u>\$ 1,380,851</u>
Total Noncurrent Assets	<u>\$ 604,727,843</u>	<u>\$ 225,375,436</u>	<u>\$ 2,487,974</u>	<u>\$ 832,591,253</u>	<u>\$ 1,380,851</u>
Total Assets	<u>\$ 718,958,761</u>	<u>\$ 239,037,125</u>	<u>\$ 3,800,271</u>	<u>\$ 961,796,157</u>	<u>\$ 16,781,330</u>
LIABILITIES					
Current Liabilities:					
Vouchers and Accounts Payable	\$ 2,929,827	\$ 266,154	\$ 143,468	\$ 3,339,449	\$ 1,362,087
Deposits Payable	288,445	-	-	288,445	12,901
Accrued Interest Payable	2,064,869	186,046	-	2,250,915	-
Construction Contracts Payable	4,771,741	-	-	4,771,741	-
Deferred Revenue	204,875	-	-	204,875	-
Current Portion of Long-term Liabilities	6,101,430	1,214,394	17,611	7,333,435	5,655,574
Total Current Liabilities	<u>\$ 16,361,187</u>	<u>\$ 1,666,594</u>	<u>\$ 161,079</u>	<u>\$ 18,188,860</u>	<u>\$ 7,030,562</u>
Long-term Liabilities (less current portion)	<u>\$ 122,130,329</u>	<u>\$ 9,214,506</u>	<u>\$ 12,500</u>	<u>\$ 131,357,335</u>	<u>\$ 14,646,025</u>
Total Liabilities	<u>\$ 138,491,516</u>	<u>\$ 10,881,100</u>	<u>\$ 173,579</u>	<u>\$ 149,546,195</u>	<u>\$ 21,676,587</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	\$ 460,428,713	\$ 214,797,540	\$ 2,487,974	\$ 677,714,227	\$ 1,380,851
Restricted for:					
Operations	104,511,466	12,594,482	-	117,105,948	-
Future Debt Service	15,527,066	764,003	-	16,291,069	-
Unrestricted	-	-	1,138,718	1,138,718	(6,276,108)
Total Net Assets	<u>\$ 580,467,245</u>	<u>\$ 228,156,025</u>	<u>\$ 3,626,692</u>	<u>\$ 812,249,962</u>	<u>\$ (4,895,257)</u>
Reconciling Items:					
Elimination of Internal Activities - Indirect Cost				2,174,119	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				19,335	
Total Net Assets Business-type activities (Exhibit 1)				<u>\$ 814,443,416</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Storm Water	Nonmajor Parking	Totals	Internal Service Funds
<u>OPERATING REVENUES</u>					
Charges for Services	\$ 92,216,200	\$ 17,547,326	\$ 2,373,891	\$ 112,137,417	\$ 36,363,817
Insurance Recovery	-	-	-	-	65,920
Miscellaneous	398,711	23	16,500	415,234	269
Total Operating Revenues	<u>\$ 92,614,911</u>	<u>\$ 17,547,349</u>	<u>\$ 2,390,391</u>	<u>\$ 112,552,651</u>	<u>\$ 36,430,006</u>
<u>OPERATING EXPENSES</u>					
Cost of Goods Sold	\$ 25,251,195	-	-	\$ 25,251,195	\$ 9,192,068
Personal Services	19,530,542	4,292,271	240,339	24,063,152	7,542,496
Fringe Benefits	6,296,104	1,350,963	68,564	7,715,631	2,693,642
Contractual Services	4,176,142	283,417	878,874	5,338,433	3,464,702
Internal Services	2,370,243	910,647	25,250	3,306,140	763,570
Other Charges	12,449,928	1,570,756	171,842	14,192,526	12,389,927
Leases and Rentals	-	-	-	-	1,321,661
Land Structures and Improvements	-	2,199,572	-	2,199,572	150,512
Depreciation	20,471,892	2,014,734	45,665	22,532,291	791,824
Total Operating Expenses	<u>\$ 90,546,046</u>	<u>\$ 12,622,360</u>	<u>\$ 1,430,534</u>	<u>\$ 104,598,940</u>	<u>\$ 38,310,402</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ 2,068,865</u>	<u>\$ 4,924,989</u>	<u>\$ 959,857</u>	<u>\$ 7,953,711</u>	<u>\$ (1,880,396)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>					
From Commonwealth	\$ -	\$ 5,216,559	\$ -	\$ 5,216,559	\$ -
Interest Income	2,368,140	414,800	37,504	2,820,444	444,080
Connection Fees	2,520,898	-	-	2,520,898	-
Gain (Loss) From Sale of Assets	193,838	12,162	-	206,000	86,358
Interest and Fiscal Agent Fees	(4,499,135)	(404,994)	-	(4,904,129)	-
Total Nonoperating Revenues	<u>\$ 583,741</u>	<u>\$ 5,238,527</u>	<u>\$ 37,504</u>	<u>\$ 5,859,772</u>	<u>\$ 530,438</u>
<u>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u>					
	<u>\$ 2,652,606</u>	<u>\$ 10,163,516</u>	<u>\$ 997,361</u>	<u>\$ 13,813,483</u>	<u>\$ (1,349,958)</u>
Capital Contributions	\$ 2,252,090	-	-	\$ 2,252,090	-
Transfers In	256,537	70,327	258,803	585,667	2,200,000
Transfers Out	(160,625)	(360,782)	(1,979,352)	(2,500,759)	(5,672,149)
<u>CHANGE IN NET ASSETS</u>	<u>\$ 5,000,608</u>	<u>\$ 9,873,061</u>	<u>\$ (723,188)</u>	<u>\$ 14,150,481</u>	<u>\$ (4,822,107)</u>
Total Net Assets at Beginning of Year	575,466,637	218,282,964	4,349,880		(73,150)
Total Net Assets at End of Year	<u>\$ 580,467,245</u>	<u>\$ 228,156,025</u>	<u>\$ 3,626,692</u>		<u>\$ (4,895,257)</u>
Reconciling Items:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(117,815)	
Change in net assets of business-type activities (Exhibit 2)				<u>\$ 14,032,666</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water and</u>	<u>Storm</u>	<u>Nonmajor</u>	<u>Totals</u>	<u>Internal</u>
	<u>Sewer</u>	<u>Water</u>	<u>Parking</u>		<u>Service</u>
					<u>Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Receipts from Customers and Users	\$ 92,004,335	\$ 17,191,763	\$ 2,481,687	\$ 111,677,785	\$ 36,392,200
Receipts from (Payments for) Interfund Services Provided	1,972,242	(910,647)	-	1,061,595	-
Other Operating Cash Receipts	398,711	-	16,500	415,211	66,189
Cash Payments to Suppliers of Goods and Services	(45,094,360)	(4,411,095)	(1,153,543)	(50,658,998)	(25,763,002)
Cash Payments to Employees for Services	(25,710,395)	(5,579,182)	(308,507)	(31,598,084)	(10,221,560)
Net Cash Provided By Operating Activities	<u>\$ 23,570,533</u>	<u>\$ 6,290,839</u>	<u>\$ 1,036,137</u>	<u>\$ 30,897,509</u>	<u>\$ 473,827</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Intergovernmental Receipts	\$ -	\$ 5,216,559	\$ -	\$ 5,216,559	\$ -
Receipts from Other Funds	256,537	70,327	258,803	585,667	2,200,000
Payments to Other Funds	(160,625)	(360,782)	(1,979,352)	(2,500,759)	(5,672,149)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>\$ 95,912</u>	<u>\$ 4,926,104</u>	<u>\$ (1,720,549)</u>	<u>\$ 3,301,467</u>	<u>\$ (3,472,149)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Capital Contributions	\$ 2,520,898	\$ -	\$ -	\$ 2,520,898	\$ -
Interest Paid on Long-term Debt	(5,757,570)	(597,289)	-	(6,354,859)	-
Acquisition and Construction of Capital Assets	(28,615,922)	(8,356,643)	-	(36,972,565)	(317,241)
Proceeds from Sale of Salvage	193,838	12,162	-	206,000	86,358
Principal Paid on Capital Debt	(4,897,576)	(801,100)	-	(5,698,676)	-
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>\$ (36,556,332)</u>	<u>\$ (9,742,870)</u>	<u>\$ -</u>	<u>\$ (46,299,202)</u>	<u>\$ (230,883)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest and Dividends Received	\$ 2,368,140	\$ 414,800	\$ 37,504	\$ 2,820,444	\$ 444,080
Net Cash Provided By Investing Activities	<u>\$ 2,368,140</u>	<u>\$ 414,800</u>	<u>\$ 37,504</u>	<u>\$ 2,820,444</u>	<u>\$ 444,080</u>
Net Increase (Decrease) in Cash and Temporary Investments	\$ (10,521,747)	\$ 1,888,873	\$ (646,908)	\$ (9,279,782)	\$ (2,785,125)
Cash and Temporary Investments, July 1	123,380,191	9,784,838	1,959,205	135,124,234	17,548,348
Cash and Temporary Investments, June 30	<u>\$ 112,858,444</u>	<u>\$ 11,673,711</u>	<u>\$ 1,312,297</u>	<u>\$ 125,844,452</u>	<u>\$ 14,763,223</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Storm Water</u>	<u>Nonmajor Parking</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>					
Operating Income (Loss)	\$ 2,068,865	\$ 4,924,989	\$ 959,857	\$ 7,953,711	\$ (1,880,396)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:					
Depreciation Expense	20,471,892	2,014,734	45,665	22,532,291	791,824
(Increase) Decrease in Accounts Receivable	(211,865)	(355,586)	107,796	(459,655)	28,383
(Increase) Decrease in Intergovernmental Receivables	1,972,242	-	-	1,972,242	-
(Increase) Decrease in Inventory	(200,197)	-	-	(200,197)	213,168
(Increase) Decrease in Prepaid Support and Maintenance	-	-	-	-	6,984
Increase (Decrease) in Vouchers and Accounts Payable	(623,124)	(357,350)	(77,577)	(1,058,051)	(400,836)
Increase (Decrease) in Deposits Payable	10,793	-	-	10,793	4,860
Increase (Decrease) in Deferred Revenue	(34,324)	-	-	(34,324)	-
Increase (Decrease) in Estimated Claims and Judgments	-	-	-	-	1,695,263
Increase (Decrease) in Accrued Compensated Leave	116,251	64,052	396	180,699	14,577
Total Adjustments	<u>\$ 21,501,668</u>	<u>\$ 1,365,850</u>	<u>\$ 76,280</u>	<u>\$ 22,943,798</u>	<u>\$ 2,354,223</u>
Net Cash Provided By Operating Activities	<u>\$ 23,570,533</u>	<u>\$ 6,290,839</u>	<u>\$ 1,036,137</u>	<u>\$ 30,897,509</u>	<u>\$ 473,827</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>					
Capital Contributions of Capital Assets	<u>\$ 2,252,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,252,090</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	Other Postemployment Benefits Trust Fund	Sheriff's Office Pension Trust Fund	Agency Funds
<u>ASSETS</u>			
Cash	\$ -	\$ -	\$ 331,995
Receivables, Accrued Interest	569	-	-
Due from Commonwealth	-	-	7,466
Investments, at Fair Value			
Mutual Funds	-	3,349,206	-
Money Market Trust	16,045,020	-	-
Total Assets	<u>\$ 16,045,589</u>	<u>\$ 3,349,206</u>	<u>\$ 339,461</u>
<u>LIABILITIES</u>			
Vouchers and Accounts Payable	\$ -	\$ -	\$ 339,461
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,461</u>
<u>NET ASSETS</u>			
Held in Trust for Benefits	<u>\$ 16,045,589</u>	<u>\$ 3,349,206</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Other Postemployment Benefits Trust Fund	Sheriff's Office Pension Trust Fund
<u>ADDITIONS</u>		
Contributions:		
From Primary Government	\$ 17,762,068	\$ -
From Plan Members	3,010,711	-
Total Contributions	<u>\$ 20,772,779</u>	<u>\$ -</u>
Investment Earnings:		
Depreciation In the Fair Value of Investments	\$ (1,299,544)	\$ (270,007)
Interest and Dividends	592	139,969
Total Investment Earnings	<u>\$ (1,298,952)</u>	<u>\$ (130,038)</u>
Total Additions	<u>\$ 19,473,827</u>	<u>\$ (130,038)</u>
<u>DEDUCTIONS</u>		
Benefits	\$ 12,314,028	\$ 236,084
Administrative Expenses	9,785	2,490
Total Deductions	<u>\$ 12,323,813</u>	<u>\$ 238,574</u>
Change in Net Assets	\$ 7,150,014	\$ (368,612)
Net Assets at Beginning of Year	8,895,575	3,717,818
Net Assets at End of Year	<u>\$ 16,045,589</u>	<u>\$ 3,349,206</u>

The accompanying notes are an integral part of the financial statements.



CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

	<u>PAGE NO.</u>
1. Summary of Significant Accounting Policies	
A. Financial Reporting Entity	48
B. Government-Wide and Fund Financial Statements	49
C. Basis of Accounting	51
D. Capital Assets and Long-Term Liabilities	52
E. Operating Budget Process	53
F. Inventories.....	54
G. Land Held for Resale.....	55
H. Accrued Compensated Leave	55
I. Miscellaneous.....	55
J. Fund Equity and Net Assets	56
K. Long-Term Obligations.....	56
L. Restricted Assets - Cash and Investments	56
M. Unrestricted Net Assets - Governmental Activities.....	56
N. Restricted Net Assets.....	56
2. Receivables and Accrued Liabilities	
A. Receivables.....	57
B. Property Taxes Receivable	58
C. Intergovernmental Receivables - Primary Government and School Board Component Unit – Entity Wide.....	58
D. Allowances for Uncollectible Accounts Receivable.....	60
E. Major Components of Accrued Liabilities	60
3. Deferred Revenue	
A. General Fund.....	60
B. Special Revenue Funds – Nonmajor	60
C. Capital Projects	60
D. Enterprise Funds	60
E. School Board Component Unit	61
4. Capital Assets and Land Held For Resale	
A. Land Held for Resale - Discretely Presented Component Unit	61
B. Governmental Activities.....	61
C. Component Unit - School Board.....	63
D. Business-Type Activities.....	63
E. Major Fund - Water and Sewer Enterprise Fund.....	64
F. Major Fund – Storm Water Enterprise Fund.....	64
G. Component Unit - Virginia Beach Development Authority	65
H. Component Unit - Virginia Beach Community Development Corporation	65
I. Construction in Progress	65
5. Long-Term Debt	
A. A Summary of Changes in Long-Term Liabilities.....	66
B. Bonds, Notes and Loans Payable	69
C. Current Refunding of 1998 General Obligation Refunding Bonds	70
D. A Summary of Annual Requirements to Amortize All Bonds and Notes Payable	70
E. Agriculture Reserve Program	71
F. Legal Debt Margin	72
G. Water and Sewer Enterprise Revenue Bonds	72
H. Storm Water Revenue Bonds	72
I. General Debt Service Fund Expenditures	72
J. Accrued Compensated Leave	73
K. Authorized But Unissued Bonds	73
L. Revenue Covenants	73
M. Notes Payable - Discretely Presented Component Unit Community Development Corporation.....	73
N. Notes Payable - Discretely Presented Component Unit Virginia Beach Development Authority.....	74
O. Net Pension Obligation School Board Component Unit.....	75
P. Compliance	75

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

	<u>PAGE NO.</u>
5. Long-Term Debt (continued)	
Q. 2002 Town Center Project Phase I Support Agreement	75
R. Sale of Public Facility Revenue Bonds	76
6. Assets and Obligations under Leases	76
7. Deposits and Investments	77
8. Commitments and Contingencies	
A. Litigation	79
B. Intergovernmental Grants, Entitlements and Shared Revenues	79
C. City Manager Employment Contract	80
D. Salaries Payable	80
E. Landfill Closure	80
F. Water Services Contract	80
9. Interfund Balances and Transactions, Fund Results and Reconciliations	
A. Interfund Transfers	81
B. Net Assets Deficit	82
C. Fund Closing, Name Change and Restatement	82
10. Risk Management	
A. Primary Government Self-Insurance Program	82
B. School Board Self-Insurance Program	83
C. Surety Bonds	84
11. Retirement and Deferred Compensation	
A. Virginia Retirement System	85
B. Sheriff's Supplemental Retirement Plan	87
12. Other Postemployment Benefits	87

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The present City of Virginia Beach, Virginia (the City), was formed on January 1, 1963, by the merger of Princess Anne County and the former smaller City of Virginia Beach. This merger created one of the largest cities in the Commonwealth of Virginia with an area of 310 square miles and a population in 2009 of 431,451.

The City operates under the Council-Manager form of government. The elected eleven-member City Council, vested with the legislative powers, appoints the City Manager who is the executive and administrative head of the City government.

The City provides a full range of services for its citizens. These services include police and fire protection, collection and disposal of refuse, water and sewer services, storm water management, parks and recreation facilities, museums, libraries, and maintenance of streets and highways. Other services provided include public education in grades kindergarten through twelfth, public health and social services, certain technical and special education services, mental health assistance, agriculture services, housing services, and judicial activities.

The following is a summary of the significant accounting policies of the City of Virginia Beach:

A. The Financial Reporting Entity

1. Component Units

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government (City of Virginia Beach), as well as its component units that are legally separate organizations for which the City Council is financially accountable.

The accompanying financial statements present the City of Virginia Beach and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City of Virginia Beach.

Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The City has no component units that meet the requirements for blending.

Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. These component units are reported in separate columns to emphasize that they are legally separate from the City. All component units have a June 30, 2009 year-end.

- a. School Board - The School Board is a legally separate entity that is responsible for elementary and secondary education within the City. The members of the School Board are elected by the voters; however, the School Board is fiscally dependent upon the City because the City Council annually approves its budget, levies the necessary taxes to finance operations and approves the borrowing of money and issuance of bonds. Separate financial statements including statistical information of the School Board may be obtained by writing to the Virginia Beach School Board, 2512 George Mason Drive, Virginia Beach, Virginia 23456.
- b. Virginia Beach Development Authority - The Development Authority was established for the specific purpose of attracting new industries and the expansion of existing industries. The Authority's Commissioners are appointed by the City Council. The Authority is authorized to issue industrial development bonds after approval by the City Council and to purchase land to improve and sell for development. In addition, the Authority facilitates economic development projects as needed by City Council. Complete financial statements of the Authority may be obtained by writing to the Virginia Beach Development Authority, 222 Central Park Avenue, Suite 1000, Virginia Beach, VA 23462.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. The Financial Reporting Entity (continued)

1. Component Units (continued)

c. Virginia Beach Community Development Corporation - The Community Development Corporation was organized in September 1985 for the purpose of expanding and improving opportunities for low and moderate income households in Virginia Beach, Virginia. The Board of Directors for the Community Development Corporation is appointed by City Council. Funding received by the Community Development Corporation from the City is in the form of grants. Complete financial statements of the Virginia Beach Community Development Corporation may be obtained by writing to Virginia Beach Community Development Corporation, 2700 International Parkway, Suite 300, Virginia Beach, VA 23452.

2. Contributions to Certain Other Entities

Annually, the City contributes to various organizations on behalf of the citizens of Virginia Beach. These organizations are not considered entities qualifying for inclusion in this report. The reasons for not including the subject organizations in this report are due to the level of control the City exercises over these entities and the lack of a financial benefit or burden relationship. Contributions during the year-ended June 30, 2009 were as follows:

Arts and Humanities Commission	\$	448,233
American Water Works Association Research		27,729
Atlantic Wildfowl Museum		50,943
Boardwalk Arts Festival		50,500
Contemporary Art Center		186,232
Eastern Virginia Medical School		433,033
Hampton Roads Economic Development Alliance		433,033
Hampton Roads Partnership		16,508
Hampton Roads Planning District Commission		354,092
Safe Drinking Water Act		160,000
Tidewater Community College		6,000
Transportation District of Hampton Roads		3,556,756
Virginia Aquarium		69,675
Virginia Beach Maritime Historical Museum		58,510
Virginia Beach SPCA		30,000
Virginia Dare Soil and Water Conservation District		8,000
Virginia Institute of Government		20,000
Volunteer Fire Squads		8,160
Volunteer Rescue Squads		42,500
WHRO TV		140,946
Total	\$	6,100,850

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based upon the City as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds on a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either Governmental or Business-Type. In the government-wide Statement of Net Assets, both the Governmental and Business-Type Activities columns are presented on a consolidated basis by column and are reflected on a full accrual, and economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The program revenues must be directly associated with the function (public safety, public works, etc.) or a Business-Type activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund financial statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds. By definition, the assets of the Fiduciary Funds are being held for the benefit of a third-party and cannot be used to address activities or obligations of the government; therefore, these funds are excluded from the government-wide statements. Major individual Governmental Funds and major Enterprise Funds are reported as separate columns in the fund financial statements.

The City reports the following major Governmental Funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the City of Virginia Beach School Board.

The **Capital Projects Fund** is used to account for the financial resources for the acquisition or construction of major capital facilities within the City.

The City reports the following major Proprietary Funds:

The **Water and Sewer Fund** provides water service and sanitary sewer waste collection and transmission services to Virginia Beach citizens and accounts for operations that are financed in a manner similar to private business enterprises.

The **Storm Water Fund** accounts for the activities of the Storm Water Utility which charges a fee for operational and capital needs for Storm Water management in the City.

Additionally, the City reports the following fund types:

Special Revenue Funds account for revenue derived from specific sources that are restricted by legal and regulatory provisions to finance specific activities.

Internal Service Funds account for the financing of goods and services provided to other departments and agencies of the City or to other governmental units on a cost reimbursement basis. The City utilizes Internal Service Funds for its City Garage, Risk Management, Print Shop, School Site Landscaping, Information Technology operations, Telecommunications and Subscriptions.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements (continued)

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units. The Fiduciary Funds are Agency Funds (Special Welfare, Escheat Property Agency Funds), the Pension Trust Fund and the Other Postemployment Trust Fund. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Other Postemployment Benefit and Pension Trust Funds account for the assets in essentially the same manner as a Proprietary Fund using the economic resources measurement focus.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements with the exception of Agency Funds which have no measurement Focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by provider have been met.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The term available is limited to collection within forty-five days of the fiscal year end. Levies made prior to the fiscal year end but which are not available are deferred. Expenditures are recorded when the related fund liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The following is a list of the major revenue sources that meet the "susceptible to accrual" criteria:

General Property Taxes	Interest on Deposits
General Sales Taxes	Revenue from Commonwealth
Utility Taxes	Revenue from Federal Government
Hotel Taxes	Amusement Taxes
Restaurant Taxes	

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting", Government-wide Governmental Activities and Business-Type Activities follow all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements and predecessor Accounting Principles Board Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989 unless those FASB pronouncements conflict with or contradict GASB pronouncements. Under paragraph 7 of Statement No. 20, the City has elected not to apply FASB pronouncements issued after November 30, 1989.

Other Post Employment Benefits Plan financial statements are prepared using the accrual basis of accounting. City and School Board retiree's contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and both the City and School Board have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Deferred revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Unbilled Water and Sewer and Storm Water Enterprise Funds accounts receivable for services provided through June 30 are included in the financial statements.

As a general rule the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's Water and Sewer Function and Storm Water Function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions. Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and the City's Internal Service Funds are charges to customers for sales and service. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, personnel, contractual services, land structures and improvements, other charges, internal service charges and depreciation. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Capital Assets and Long-Term Liabilities

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, sidewalks, drainage systems) are reported in the applicable Governmental or Business-Type Activities columns in the government-wide financial statements.

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and are recorded as expenditures in the Governmental Funds and as assets in the government-wide financial statements. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Building and Improvements	40	years
Equipment	5-10	years
Roadway Network	40	years
Bridge Network	50	years
Hurricane Protection Network	50	years
Landfill Network	Percentage of Completion	

Depreciation of exhaustible capital assets used by City Proprietary Funds are recorded as an expense against their operations and accumulated depreciation is reported on the Proprietary Funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The utility system in the Water and Sewer Enterprise Fund has been recorded at cost since July 1, 1976 and contributed capital asset additions have been recorded at their estimated fair market value in the year contributed as determined by the City's utility engineers. Prior to that date, the utility system was recorded at "estimated historical cost depreciated" as determined by independent professional engineers.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Capital Assets and Long-Term Liabilities (continued)

Depreciation on the utility system, based on costs described above, and other capital assets of the City Proprietary Funds have been charged to operations and was computed as follows:

Utility System Water (exclusive of machinery and equipment)	
Less: estimated salvage value of 20% of costs	20-100 years
Utility System Storm Water	5-50 years
Buildings	40 years
Machinery and Equipment	5-10 years
Furniture and Fixtures	5-10 years

Interest incurred during the construction phase of capital assets of Business-Type Activities is included as part of the capitalized value of the assets constructed.

All capital assets are reported at cost or estimated historical cost, if actual cost was not available. The value of historical buildings is included in assets.

E. Operating Budget Process

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager is required by the City Charter to present a proposed operating budget at least 90 days before the beginning of each fiscal year which begins July 1. The proposed operating budget must be balanced with projected expenditures equal to estimated revenues and/or the required financing from the proper undesignated fund balances. The necessary budget ordinances are also submitted at this time.
2. The City Council is required by the City Charter to hold a public hearing on the budget at which time all interested persons are given an opportunity to comment. The notice of the time and place must be published at least seven days prior to the hearing. In addition, City Council holds budget workshops with the City Manager that are open to the media and public.
3. If the proposed operating budget is not legally adopted by the City Council upon one reading of the budget ordinances by June 1, the operating budget is automatically adopted as proposed.
4. The City Manager or the Director of Management Services is hereby authorized to approve transfers of appropriations in an amount up to \$100,000 between any Appropriation Units included in this ordinance. The City Manager shall make a monthly report to the City Council of all transfers between \$25,000 and \$100,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies except Reserve for Contingencies - Regular, within the intent of the Reserve as approved by City Council. Additional appropriations require one reading of the ordinance for approval and must be offset by additional estimated revenues and/or a transfer from the proper undesignated fund balances. Additional appropriations that exceed 1% of the total estimated revenues shown in the adopted budget require one reading by City Council for approval after a public hearing.
5. Annual budgets are adopted for the General Fund, the Debt Service Fund, Enterprise Funds and all Special Revenue Funds except for Proffer Impact, Public Investment Protection Strategy, Comprehensive Services Act, Law Enforcement Block Grant, Wetlands Board Mitigation and Grants Consolidated. The Grants Consolidated Fund's budget is adopted on a project-length basis along with the City Capital Projects Fund. The budget for these funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Operating Budget Process (continued)

6. The accounting system is employed as a budgetary management control device to monitor the individual departments or bureaus/divisions within departments. The legal level of budgetary control is at the organizational unit level as noted in the separately issued budget report. Additional controls are exercised administratively on some budget units, personnel positions and capital outlay items and the appropriations related thereto. A budget unit is an activity (e.g. Waste Collection) of an organizational unit (e.g. Public Works Department). Each budget unit manager is authorized to transfer appropriations within their respective unit up to a maximum of \$10,000 without City Manager approval. The City Manager or the Director of Management Services is authorized to transfer appropriations up to a maximum of \$100,000. See Note 1E4 above.
7. Unexpended appropriations lapse (except for the City Capital Projects and Grants Funds) and are closed to the proper fund balances at the end of each fiscal year (June 30). (However, appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the outstanding encumbrances at June 30.) The current operating budget ordinance approved by City Council stipulated that an undesignated General Fund Balance of 8% to 12% of the following year's budgeted revenues for contingency and emergency situations, not to be used to support appropriations already approved, except upon subsequent authorization by City Council.
8. Capital Projects for the City are budgeted separately from the Operating Budget. Since the City has over 472 projects in its Capital Improvements Program and an annual limitation (without a referendum) on the amount of bonds that may be issued, allocations for capital projects represent funding by phases of a number of projects based upon their anticipated execution of contractual obligations. The appropriations for Capital Projects require one reading of the ordinance for approval after public hearings on the City's Capital Improvement Program. The accounting, encumbering, and controlling of the funds are based upon the project length of each individual project which may be over several years. Therefore, budgetary comparisons are not presented for Capital Projects in this report. Appropriations reallocated to new or existing capital projects require one reading of the ordinance by City Council for approval.
9. The federal and state grants in the Grants Consolidated Fund are budgeted separately from the Operating Budget and do not parallel the City's fiscal year. Expenditures are restricted by the grantor agency and are subject to financial and compliance audits (Note 8B). Annual revenues and expenditures are reported within the applicable Special Revenue Funds.

There were supplemental amendments to the Operating Budget, other than for encumbrances (Note 1E7), of approximately \$5,753,488 million during the 2009 Fiscal Year. The amendments were primarily funded through increases in estimated revenue and the General Fund balance.

10. The Water and Sewer Enterprise Fund incurred costs in excess of its Fiscal Year 2009 budget by \$15,583,418 due to charging of depreciation. It is the policy of the City to budget for capital outlay in the year of acquisition and not include in its budget a provision for depreciation. The ending net assets were sufficient to cover this overage.
11. The Storm Water Enterprise Fund incurred costs in excess of its Fiscal Year 2009 budget by \$1,114,985 due to charging of depreciation. It is the policy of the City to budget for capital outlay in the year of acquisition and not include in its budget a provision for depreciation. The ending net assets were sufficient to cover this overage.
12. All expenditures were within existing appropriations for the governmental major funds.

F. Inventories

All inventories, except in the Water and Sewer Enterprise Fund, the General Fund's Virginia Aquarium and Marine Science Center and the City Garage Internal Service Fund, are reported at cost using the first-in, first-out

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Inventories (continued)

inventory method. Reported inventories are accounted for under the consumption method (i.e., recorded as expenditures when used) in the remaining Governmental Funds.

The Water and Sewer Enterprise Fund and the General Fund's Virginia Aquarium and Marine Science Center and the City Garage Internal Service Fund inventories are reported at cost using the moving weighted average cost inventory method.

G. Land Held For Resale

Land inventory for a discretely presented component unit (Virginia Beach Development Authority) is stated at the lower of net realizable value or original purchase price plus capitalized interest, if applicable, and development cost.

H. Accrued Compensated Leave

Annual leave, according to a graduated scale based on years of employment, is credited to each employee as it accrues. A permanent City employee may carryforward a maximum of 50 days.

City employees are granted one sick leave day per month and may accumulate an unlimited number of sick leave days; however, no payment is made by the City on the unused portion upon employment termination (except on the condition of retirement). In accordance with Governmental Accounting Standards Board Statement (GASB) Number 16, an accrual has been made in the financial statements for these payments.

Compensated leave for the City (current and non-current) is recorded in the government-wide financial statements. For Proprietary Funds the current and long-term accrued compensated leave liabilities are recorded in the appropriate fund. The current portion of compensated leave is based upon the estimated leave usage in the subsequent year increased by cost of living salary increase.

I. Miscellaneous

1. Cash and Investments

Cash invested at June 30 is included in the various cash accounts reflected in the financial statements. Investments are stated at amortized cost or at their fair value (Note 7). Interest earnings on investments are allocated to the appropriate funds based upon the average monthly cash balance of each fund. Qualified investments in State Treasurer's LGIP, AIM and SNAP are reported at amortized cost. All others are reported at fair value (Note 7).

Other Post Employment Benefit investments are reported at fair value, which for the City and School Board is determined by the most recent bid and asking prices as obtained from markets of such investments. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith by the custodian under the direction of the Board of Trustees of the Virginia Pooled OPEB Trust Fund. A valuation service may be engaged to assist in the determination of fair value.

2. Proprietary Funds' Other Charges

This category mainly consists of General Fund charges (e.g., data processing, buildings and grounds maintenance, indirect costs) to the Water and Sewer, Storm Water and Resort Parking Enterprise Funds as well as Internal Service Funds except Risk Management, where it represents premiums and claims payments (including current estimated claims and judgments).

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Miscellaneous (continued)

3. Statement of Cash Flows

For purposes of the statements of cash flows, all highly liquid debt instruments and certificates of deposit, with a maturity of three months or less, are grouped into cash and temporary investments. Proprietary Funds participate in a centralized cash and investment pool and therefore, separate information on cash equivalents (i.e., investments with maturities of three months or less upon acquisition) for the funds is not applicable.

J. Fund Equity and Net Assets

In the fund financial statements, Governmental Funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purpose. The most significant of these are reservations for encumbrances and loans.

Designations of fund balance represents tentative management plans that are subject to change. The City routinely establishes designations for future fund balance appropriations for School Board Capital Projects and True Up, Capital Project appropriations and carryforwards.

The difference between assets and liabilities in the government-wide statement of net assets must be labeled as *net assets*. GAAP further require that net assets be subdivided into three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

K. Long-Term Obligations

In the government-wide financial statements, and Proprietary Fund types in the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-Type Activities, or Proprietary Fund type statement of net assets. Bond premiums and deferred loss on refunding bonds as well as issuance costs are deferred and amortized over the life of the bonds. Bonds issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

L. Restricted Assets - Cash and Investments

Certain proceeds of the Primary Government's revenue bond issuance and certificates of participation have been set aside in separate bank accounts as a reserve for future debt service payments.

M. Unrestricted Net Assets - Governmental Activities

Inclusive in Governmental Activities unrestricted net assets are ending fund balances of certain Special Revenue Funds which have been earmarked for specific purposes by City Council. These funds are, but are not limited to, Agriculture Reserve Fund, Major Projects Fund, Open Space Fund, Tourism Growth Investment Fund and Tourism Advertising Program Fund. The balance of these funds at June 30, 2009 was \$36.5 million.

N. Restricted Net Assets

Some primary government and component unit net asset amounts are subject to various restrictions. Bond resolutions restrict the net assets of the Water and Sewer, Storm Water and Debt Service Funds for operations.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Restricted Net Assets (continued)

While certain amounts in the General Fund, Special Revenue Funds, and component units are restricted through other enabling legislation.

2. RECEIVABLES AND ACCRUED LIABILITIES

A. Receivables

Receivables at June 30, 2009 consist of the following:

Primary Government

	Governmental Activities	Business-Type Activities	Total
Accrued Interest	\$ 222,740	\$ -	\$ 222,740
Property Taxes	39,994,884	-	39,994,884
Loans	16,022,009	-	16,022,009
Due from Other Government	94,393,892	111,018	94,504,910
Accounts	2,780,411	22,339,084	25,119,495
Gross Receivables	\$ 153,413,936	\$ 22,450,102	\$ 175,864,038
Less: Allowance for Uncollectibles	(11,885,749)	(2,470,152)	(14,355,901)
Total Fund Statements	\$ 141,528,187	\$ 19,979,950	\$ 161,508,137
Internal Service Funds	\$ 3,453	\$ -	\$ 3,453
Net Receivables - Entity Wide	\$ 141,531,640	\$ 19,979,950	\$ 161,511,590

Major Funds – Governmental

	General Fund	Capital Projects	Total
Accrued Interest	\$ 222,740	\$ -	\$ 222,740
Property Taxes	39,994,884	-	39,994,884
Accounts	2,386,700	-	2,386,700
Loans	11,202,854	-	11,202,854
Intergovernmental Accounts	81,687,241	9,671,111	91,358,352
Gross Receivables	\$ 135,494,419	\$ 9,671,111	\$ 145,165,530
Less: Allowance for Uncollectibles	(11,677,694)	-	(11,677,694)
Net Receivables	\$ 123,816,725	\$ 9,671,111	\$ 133,487,836

Major Funds – Proprietary

	Water and Sewer	Storm Water	Total
Accounts	\$ 16,932,658	\$ 3,212,972	\$ 20,145,630
Intergovernmental Accounts	111,018	-	111,018
Gross Receivables	\$ 17,043,676	\$ 3,212,972	\$ 20,256,648
Less: Allowance for Uncollectibles	(2,274,111)	(196,041)	(2,470,152)
Net Receivables	\$ 14,769,565	\$ 3,016,931	\$ 17,786,496

The intergovernmental accounts receivable account represents the amounts due from other local governments. The Primary Government's allowance for uncollectible receivables is \$14,355,901 at June 30, 2009 and is based on historical collection rates, specific account analysis and subsequent cash receipts.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

2. RECEIVABLES AND ACCRUED LIABILITIES (continued)

A. Receivables (continued)

Component Units

Receivables at June 30, 2009 consist of the following:

	<u>School Board</u>	<u>Virginia Beach Development Authority</u>	<u>Community Development Corporation</u>	<u>Total</u>
Notes	\$ -	\$ -	\$ 969,023	\$ 969,023
Accrued Interest	-	-	312,888	312,888
Intergovernmental	17,837,272	-	80,961	17,918,233
Accounts	177,715	1,806,846	97,877	2,082,438
Net Receivables	<u>\$ 18,014,987</u>	<u>\$ 1,806,846</u>	<u>\$ 1,460,749</u>	<u>\$ 21,282,582</u>

B. Property Taxes Receivable

An annual ad valorem tax is levied by the City on the assessed value of real and tangible personal property. These levies are made each year on July 1 and January 1 for real property and tangible personal property, respectively. Taxes levied on these dates become liens on the subject property on the date of levy. Real property taxes are payable in two installments on December 5 and June 5. Personal property taxes are payable on June 5, however, pro-rated bills on automobiles are also payable throughout the year on the portion of the year they are owned if not owned a full year. These taxes are considered delinquent when not paid by the due dates and subject to penalties and interest charges by the City Treasurer. City property tax revenues are recognized when levied and collected.

The City calculates its allowance for uncollectible taxes by using historical collection data. Furthermore, the taxes receivable amount uncollected 45 days after June 30 is recorded as deferred revenue for the fund financial statements.

During Fiscal Year 2009 the real property rate was \$0.89 per \$100 of assessed valuation (100% of fair market value except for public service corporation properties); an additional \$.06 per \$100 of assessed valuation is charged to those residents of Sandbridge; an additional \$.45 per \$100 of assessed valuation is charged to all real estate within Town Center Special Service District, not exempt from taxation; the personal property rate was \$3.70 per \$100 of assessed valuation (100% of fair market value). Other personal property tax rates exist for qualified equipment. There are no limits currently on the property tax rates which may be established by the City Council.

C. Intergovernmental Receivables - Primary Government and School Board Component Unit - Entity Wide

1. The following revenues were due from the Commonwealth of Virginia at June 30, 2009:

Primary Government

	<u>Governmental Activities</u>
General Sales Tax	\$ 4,241,199
Telecommunications Tax	2,949,818
Reimbursements	494,440
Franchise Tax	1,002,580
Excess Fees - Clerk	174,602
Division of Motor Vehicles	775,476
Personal Property Tax Relief Act	53,412,868
Public Assistance Grants	2,804,310
Other Grants, Entitlements, & Shared Revenues	508,395
Sheriff's Department	1,221,251
Medicaid Reimbursement	814,613
Police Extradition	91,420
Grants Consolidated	122,940
Comprehensive Services Act	1,003,284
Total Due from Commonwealth	<u>\$ 69,617,196</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

2. RECEIVABLES AND ACCRUED LIABILITIES (continued)

C. Intergovernmental Receivables - Primary Government and School Board Component Unit – Entity Wide (continued)

School Board Component Unit

State Share Sales Tax	\$	5,013,388
Special Education – Regional Program		4,134,553
Other Grants, Entitlements and Shared Revenues		57,578
Technology Initiative		433,149
Total Due From Commonwealth – Governmental Funds	\$	9,638,668
Reimbursement – Health Insurance		79,996
Total Due from Commonwealth	\$	9,718,664
Refund – VRS Health Insurance Credit	\$	308,052

2. The following revenues were due from various Federal agencies at June 30, 2009:

Primary Government

		Governmental Activities
Public Assistance Grants	\$	2,007,706
FEMA Reimbursement		24,480
Law Enforcement		800
Grants Consolidated		409,731
Housing Assistance		1,009,744
Capital Improvements		9,671,111
Mental Health/Mental Retardation		11,601
Community Development Block Grant		2,000
Total Due from Federal Government	\$	13,137,173

School Board Component Unit

Adult Basic Education	\$	93,727
Carl Perkins		621,962
Medicaid		132,274
National School Meal Program		683,530
NJROTC		71,271
Preschool Incentive		123,811
Safe and Drug Free Schools/Community Act		80,805
Teaching American History - WHO		44,413
Title I		3,624,288
Title II		834,865
Title III		31,955
Title V		33,158
Title VI-B		1,638,867
Other Grants, Entitlements and Shared Revenues		95,396
Total Due From Federal Government	\$	8,110,322
COBRA Health Insurance Subsidies		8,286
Total Due From Federal Government	\$	8,118,608

3. The following revenues were due from other Local governments at June 30, 2009:

The General Fund was due \$11,639,523 from the Southeastern Public Service Authority for reimbursement of disposal costs.

The Water and Sewer Enterprise Fund was due \$96,741 from the City of Chesapeake for cost incurred at Lake Gaston and \$14,277 from the Federal Government in regards to the Navy Water Agreement.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

2. RECEIVABLES AND ACCRUED LIABILITIES (continued)

D. Allowances For Uncollectible Accounts Receivable

Allowances for uncollectible accounts receivable are generally established using historical collection data, specific account analysis and subsequent cash receipts. The allowances at June 30, 2009 are as follows:

a. General Fund	\$	11,677,694
b. Water and Sewer Fund		2,274,111
c. Storm Water Fund		196,041
Total	\$	14,147,846

E. The major components of Accrued Liabilities at June 30, 2009 consist of the following:

Primary Government

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accrued Interest Payable	\$ 12,762,232	\$ 2,250,915	\$ 15,013,147
Deposits Payable	3,648,604	288,445	3,937,049
Unearned Revenue	-	204,875	204,875
Total Accrued Liabilities	\$ 16,410,836	\$ 2,744,235	\$ 19,155,071

Component Units

	<u>School Board</u>	<u>Virginia Beach Development Authority</u>	<u>Community Development Authority</u>	<u>Total</u>
Accrued Interest	\$ -	\$ 1,370,465	\$ 38,462	\$ 1,408,927
Unearned Revenue	6,248,806	-	22,943	6,271,749
Deposits Payable	45,000	165,000	-	210,000
Security Deposits	-	-	57,140	57,140
Accrued Salaries	56,936,315	-	-	56,936,315
Total Accrued Liabilities	\$ 63,230,121	\$ 1,535,465	\$ 118,545	\$ 64,884,131

3. DEFERRED REVENUE

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the full accrual basis of accounting, such amounts are measurable, but are unearned. Deferred revenue consists of the following as of June 30, 2009:

A. General Fund

Uncollected Taxes, Assessments, Disposal Reimbursements and other receipts	\$	40,388,864
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B. Special Revenue Funds – Nonmajor

Golf Courses – Coupon Books	\$	5,852
Parks and Recreation – Advance class registration		143,817
Total Nonmajor Special Revenue Funds	\$	149,669

C. Capital Projects

State Highway Reimbursements	\$	6,520,331
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D. Enterprise Funds

Water and Sewer – Customers and Developers Tap and Meter Fees	\$	204,875
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CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

3. DEFERRED REVENUE (continued)

E. School Board Component Unit

School Operating Fund – Summer School Tuition (Regular and Gifted), Rent	\$	192,576
School Grants Fund –Technology Initiative, Algebra Readiness, Early Reading Intervention and other grants.		64,237
Other Governmental Funds – School Cafeterias - Charges for Services		302,050
School Health Insurance Internal Service Fund – Prepayment of July health insurance premiums		5,689,943
Total School Board Component Unit	\$	<u>6,248,806</u>

4. CAPITAL ASSETS AND LAND HELD FOR RESALE

A. Land Held for Resale - Discretely Presented Component Unit

Oceana West Corporate Park	\$	1,555,548
Corporate Landing		10,753,091
Town Center Beacon Building		5,027,946
Hunt Club 2		200,305
Princess Anne		434,534
Total Land Held For Resale	\$	<u>17,971,424</u>

B. Governmental Activities

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2009:

		<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital Assets Not Being Depreciated:					
Land and Improvements	\$	651,546,727	\$ 131,694,824	\$ 220,000	\$ 783,021,551
Agricultural Reserve Program		26,807,090	3,727,294	-	30,534,384
Construction in Progress		485,638,863	110,097,396	418,757,601	176,978,658
Total Capital Assets Not Being Depreciated	\$	<u>1,163,992,680</u>	<u>\$ 245,519,514</u>	<u>\$ 418,977,601</u>	<u>\$ 990,534,593</u>
Other Capital Assets:					
Buildings and Improvements	\$	518,619,453	\$ 92,742,651	\$ -	\$ 611,362,104
School Buildings		358,684,051	64,587,377	67,459,133	355,812,295
Site Improvements		186,419,769	44,964,903	-	231,384,672
Site Improvements – ISF		265,782	-	-	265,782
Equipment		129,565,764	39,233,828	2,609,350	166,190,242
Equipment – ISF		13,122,423	317,241	451,557	12,988,107
Roadway Network		1,461,636,542	176,809,464	-	1,638,446,006
Landfill Network		15,855,420	296,585	-	16,152,005
Bridge Network		67,209,439	73,672	-	67,283,111
Hurricane Protection Network		97,680,665	-	-	97,680,665
Total Other Capital Assets at Historical Cost	\$	<u>2,849,059,308</u>	<u>\$ 419,025,721</u>	<u>\$ 70,520,040</u>	<u>\$ 3,197,564,989</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	\$	121,665,327	\$ 4,402,788	\$ -	\$ 126,068,115
School Buildings		58,116,086	7,116,246	21,048,856	44,183,476
Site Improvements		36,456,464	5,047,558	-	41,504,022
Site Improvements – ISF		261,351	236	-	261,587
Equipment		92,080,165	10,149,095	2,530,854	99,698,406
Equipment – ISF		11,271,420	791,588	451,557	11,611,451
Roadway Network		771,993,149	36,564,993	-	808,558,142
Landfill Network		14,511,112	234,413	-	14,745,525
Bridge Network		25,521,723	1,267,857	-	26,789,580
Hurricane Protection Network		11,490,743	1,953,614	-	13,444,357
Total Accumulated Depreciation	\$	<u>1,143,367,540</u>	<u>\$ 67,528,388</u>	<u>\$ 24,031,267</u>	<u>\$ 1,186,864,661</u>
Total Capital Assets, Being Depreciated, Net	\$	<u>1,705,691,768</u>	<u>\$ 351,497,333</u>	<u>\$ 46,488,773</u>	<u>\$ 2,010,700,328</u>
Governmental Activities Capital Assets, Net	\$	<u>2,869,684,448</u>	<u>\$ 597,016,847</u>	<u>\$ 465,466,374</u>	<u>\$ 3,001,234,921</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. CAPITAL ASSETS AND LAND HELD FOR RESALE (continued)

B. Governmental Activities (continued)

Governmental Activities capital assets net of accumulated depreciation at June 30, 2009 are comprised of the following:

General Government Capital Assets, Net	\$	2,999,854,070
Internal Service Fund Capital Assets, Net		1,380,851
Total	\$	<u>3,001,234,921</u>

Depreciation was charged to governmental functions as follows:

Legislative	\$	1,601
Executive		5,500
Law		2,826
Finance		39,833
Judicial		202,579
Health		4,092
Police		2,576,970
Public Works		42,865,743
Parks and Recreation		1,906,042
Library		71,051
Planning		51,257
Agriculture		3,277
Convention and Visitors Bureau		35,867
Communications & Information Technology		2,650,114
Boards and Commissions		227,463
Fire		488,255
Management Services		26,665
Human Services		337,299
Education and Transfer to School		7,116,246
Housing and Neighborhood Preservation		47,797
Museums		8,580
Emergency Medical Services		181,576
General Government		8,677,755
Total	\$	<u>67,528,388</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. CAPITAL ASSETS AND LAND HELD FOR RESALE (continued)

C. Component Unit - School Board

Capital Assets activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets Not Being Depreciated:				
Land	\$ 28,616,050	\$ 1,264,972	\$ -	\$ 29,881,022
Construction in Progress	49,658,942	73,218,097	8,559,041	114,317,998
Total Capital Assets Not Being Depreciated	<u>\$ 78,274,992</u>	<u>\$ 74,483,069</u>	<u>\$ 8,559,041</u>	<u>\$ 144,199,020</u>
Capital Assets Being Depreciated:				
Buildings	\$ 310,578,968	\$ 7,397,885	\$ 373,113	\$ 317,603,740
Improvements Other Than Buildings	48,369,448	27,104	-	48,396,552
Machinery and Equipment	55,155,588	6,846,333	1,137,389	60,864,532
Machinery and Equipment – Automobiles	48,340,170	4,523,034	2,568,729	50,294,475
Total Capital Assets Being Depreciated	<u>\$ 462,444,174</u>	<u>\$ 18,794,356</u>	<u>\$ 4,079,231</u>	<u>\$ 477,159,299</u>
Less Accumulated Depreciation For: *				
Buildings	\$ 126,150,284	\$ 27,351,324	\$ 310,548	\$ 153,191,060
Improvements Other Than Buildings	24,636,892	2,017,971	-	26,654,863
Machinery and Equipment	28,738,373	5,105,639	1,093,390	32,750,622
Machinery and Equipment – Automobiles	23,312,991	3,891,672	2,545,775	24,658,888
Total Accumulated Depreciation	<u>\$ 202,838,540</u>	<u>\$ 38,366,606</u>	<u>\$ 3,949,713</u>	<u>\$ 237,255,433</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 259,605,634</u>	<u>\$ (19,572,250)</u>	<u>\$ 129,518</u>	<u>\$ 239,903,866</u>
Component Unit School Board, Capital Assets, Net	<u>\$ 337,880,626</u>	<u>\$ 54,910,819</u>	<u>\$ 8,688,559</u>	<u>\$ 384,102,886</u>

* All depreciation was charged to School Board Component Unit.

D. Business-Type Activities

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2009:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 142,684,836	\$ 3,254	\$ 4,000	\$ 142,684,090
Construction in Progress	45,487,805	36,636,991	11,909,709	70,215,087
Total Capital Assets Not Being Depreciated	<u>\$ 188,172,641</u>	<u>\$ 36,640,245</u>	<u>\$ 11,913,709</u>	<u>\$ 212,899,177</u>
Other Capital Assets:				
Buildings and Improvements	\$ 3,590,809	\$ -	\$ -	\$ 3,590,809
Site Improvements	1,457,642	-	-	1,457,642
Utility System	908,278,157	14,158,546	-	922,436,703
Machinery and Equipment	27,119,124	2,588,142	1,556,288	28,150,978
Total Other Capital Assets at Historical Cost	<u>\$ 940,445,732</u>	<u>\$ 16,746,688</u>	<u>\$ 1,556,288</u>	<u>\$ 955,636,132</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,841,053	\$ 93,315	\$ -	\$ 1,934,368
Site Improvements	322,901	36,441	-	359,342
Utility System	312,402,011	19,432,310	-	331,834,321
Machinery and Equipment	19,813,154	2,970,225	1,556,288	21,227,091
Total Accumulated Depreciation	<u>\$ 334,379,119</u>	<u>\$ 22,532,291</u>	<u>\$ 1,556,288</u>	<u>\$ 355,355,122</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 606,066,613</u>	<u>\$ (5,785,603)</u>	<u>\$ -</u>	<u>\$ 600,281,010</u>
Business -Type Activities Capital Assets, Net	<u>\$ 794,239,254</u>	<u>\$ 30,854,642</u>	<u>\$ 11,913,709</u>	<u>\$ 813,180,187</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. CAPITAL ASSETS AND LAND HELD FOR RESALE (continued)

D. Business-Type Activities (continued)

Depreciation expense was charged to Business-Type Activities as follows:

Water and Sewer	\$	20,471,892
Storm Water		2,014,734
Resort Parking		45,665
Total Depreciation Expense and Increase from Equipment Brought Back into Service	\$	<u>22,532,291</u>

E. Major Fund - Water and Sewer Enterprise Fund

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 12,429,323	\$ 1,454	\$ 4,000	\$ 12,426,777
Construction in Progress	14,664,337	29,218,089	10,367,262	33,515,164
Total Capital Assets Not Being Depreciated	<u>\$ 27,093,660</u>	<u>\$ 29,219,543</u>	<u>\$ 10,371,262</u>	<u>\$ 45,941,941</u>
Other Capital Assets:				
Buildings and Improvements	\$ 3,590,809	\$ -	\$ -	\$ 3,590,809
Utility System	816,242,612	12,617,899	-	828,860,511
Machinery and Equipment	18,881,571	1,485,303	1,170,227	19,196,647
Total Other Capital Assets at Historical Cost	<u>\$ 838,714,992</u>	<u>\$ 14,103,202</u>	<u>\$ 1,170,227</u>	<u>\$ 851,647,967</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,841,053	\$ 93,315	\$ -	\$ 1,934,368
Utility System	276,549,922	18,122,745	-	294,672,667
Machinery and Equipment	13,551,538	2,255,832	1,170,227	14,637,143
Total Accumulated Depreciation	<u>\$ 291,942,513</u>	<u>\$ 20,471,892</u>	<u>\$ 1,170,227</u>	<u>\$ 311,244,178</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 546,772,479</u>	<u>\$ (6,368,690)</u>	<u>\$ -</u>	<u>\$ 540,403,789</u>
Water and Sewer Capital Assets, Net	<u>\$ 573,866,139</u>	<u>\$ 22,850,853</u>	<u>\$ 10,371,262</u>	<u>\$ 586,345,730</u>

F. Major Fund – Storm Water Enterprise Fund

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 128,880,513	\$ 1,800	\$ -	\$ 128,882,313
Construction in Progress	30,823,468	7,418,902	1,542,447	36,699,923
Total Capital Assets Not Being Depreciated	<u>\$ 159,703,981</u>	<u>\$ 7,420,702</u>	<u>\$ 1,542,447</u>	<u>\$ 165,582,236</u>
Other Capital Assets:				
Utility System	\$ 92,035,545	\$ 1,540,647	\$ -	\$ 93,576,192
Machinery and Equipment	8,141,509	1,102,839	386,061	8,858,287
Total Other Capital Assets at Historical Cost	<u>\$ 100,177,054</u>	<u>\$ 2,643,486</u>	<u>\$ 386,061</u>	<u>\$ 102,434,479</u>
Less Accumulated Depreciation For:				
Utility System	\$ 35,852,089	\$ 1,309,565	\$ -	\$ 37,161,654
Machinery and Equipment	6,189,470	705,169	386,061	6,508,578
Total Accumulated Depreciation	<u>\$ 42,041,559</u>	<u>\$ 2,014,734</u>	<u>\$ 386,061</u>	<u>\$ 43,670,232</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 58,135,495</u>	<u>\$ 628,752</u>	<u>\$ -</u>	<u>\$ 58,764,247</u>
Storm Water Capital Assets, Net	<u>\$ 217,839,476</u>	<u>\$ 8,049,454</u>	<u>\$ 1,542,447</u>	<u>\$ 224,346,483</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. CAPITAL ASSETS AND LAND HELD FOR RESALE (continued)

G. Component Unit - Virginia Beach Development Authority

	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 18,321,460	\$ 26,008	\$ -	\$ 18,347,468
Construction in Progress	2,122,287	416,210	2,038,138	500,359
Total Capital Assets Not Being Depreciated	<u>\$ 20,443,747</u>	<u>\$ 442,218</u>	<u>\$ 2,038,138</u>	<u>\$ 18,847,827</u>
Other Capital Assets:				
Buildings and Improvements	\$ 100,157,877	\$ 1,322,815	\$ 58,156	\$ 101,422,536
Total Other Capital Assets at Historical Cost	<u>\$ 100,157,877</u>	<u>\$ 1,322,815</u>	<u>\$ 58,156</u>	<u>\$ 101,422,536</u>
Less Accumulated Depreciation for:				
Component Unit – Virginia Beach Dev. Authority	\$ 9,565,633	\$ 2,753,494	\$ -	\$ 12,319,127
Capital Assets, Net	<u>\$ 111,035,991</u>	<u>\$ (988,461)</u>	<u>\$ 2,096,294</u>	<u>\$ 107,951,236</u>

All depreciation was charged to Virginia Beach Development Authority

H. Component Unit - Virginia Beach Community Development Corporation

	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 2,858,802	\$ 734,500	\$ -	\$ 3,593,302
Other Capital Assets:				
Buildings and Improvements	\$ 18,394,101	\$ 1,922,049	\$ -	\$ 20,316,150
Vehicles	-	28,941	-	28,941
Less Accumulated Depreciation for:	4,244,563	708,134	-	4,952,697
Component Unit – Va. Beach Community Dev. Corp.	<u>\$ 17,008,340</u>	<u>\$ 1,977,356</u>	<u>\$ -</u>	<u>\$ 18,985,696</u>

All depreciation was charged to Virginia Beach Community Development Corporation

I. Construction in Progress

1. Governmental Activities and School Board Component Unit

In accordance with the City's accounting policies, these projects will not be transferred from Construction in Progress until completion. Construction in progress is comprised of the following:

<u>Governmental Activities</u>	<u>Expended through June 30, 2009</u>	<u>Outstanding Commitments</u>	<u>Unobligated Balance</u>
Engineering and Highways	\$ 98,643,148	\$ 67,722,679	\$ 101,793,597
Buildings	62,302,678	12,148,379	75,238,592
Parks and Recreation	11,898,118	3,185,155	25,368,375
Coastal	-	1,385,333	34,120,168
Economic and Tourism	4,134,714	6,199,328	17,560,307
Total Governmental Activities	<u>\$ 176,978,658</u>	<u>\$ 90,640,874</u>	<u>\$ 254,081,039</u>
 <u>School Board Component Unit</u>			
Buildings and Improvements Other than Buildings	<u>\$ 114,317,998</u>	<u>\$ 33,472,959</u>	<u>\$ 59,673,753</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

4. CAPITAL ASSETS AND LAND HELD FOR RESALE (continued)

I. Construction in Progress (continued)

2. Component Unit

Construction in Progress is composed of the following at June 30, 2009:

	Expended through June 30, 2009	Outstanding Commitments	Unobligated Balance
Virginia Beach Development Authority	\$ 500,359	\$ -	-

3. Business-Type Activities

In accordance with the City's accounting policies, these projects will not be transferred from Construction in Progress into the various capital asset accounts until substantially completed. Construction in Progress for Business-Type Activities is comprised of the following at June 30, 2009:

	Expended through June 30, 2009	Outstanding Commitments	Unobligated Balance
Water Utility Projects	\$ 10,494,064	\$ 8,007,542	\$ 16,010,073
Sewer Utility Projects	23,021,100	14,671,475	19,597,052
Storm Water Projects	36,699,923	10,277,549	32,707,734
Total Business-Type Activities	\$ 70,215,087	\$ 32,956,566	\$ 68,314,859

5. LONG-TERM DEBT

A. A Summary of Changes In Long-Term Liabilities

1. Primary Government - Governmental Activities

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Amounts Due Within One Year
General Obligation Bonds	\$ 597,155,459	\$ 78,350,705	\$ (53,705,509)	\$ 621,800,655	\$ 57,221,892
State Literary Fund Loans	8,676,546	-	(1,056,500)	7,620,046	1,056,500
Public Facility Revenue Bonds	269,380,000	-	(12,305,000)	257,075,000	12,255,000
Certificates of Participation	5,155,000	-	(2,510,000)	2,645,000	2,645,000
Williams Farm Property	2,337,500	-	(425,000)	1,912,500	425,000
Town Center Support Agreements	87,450,000	-	(2,660,000)	84,790,000	2,885,000
Landfill Closure & Post Closure Care	5,270,442	141,494	-	5,411,936	-
Agricultural Reserve Program	26,807,090	3,727,294	-	30,534,384	-
Deferred Loss	(1,493,918)	-	206,058	(1,287,860)	(206,058)
Premium	41,799,339	4,384,080	(2,979,633)	43,203,786	3,198,837
Accrued Compensated Leave	36,893,794	28,907,921	(23,603,970)	42,197,745	26,602,324
Estimated Claims & Judgments	17,642,752	9,793,285	(8,098,022)	19,338,015	5,346,263
Governmental Activities Long-Term Debt	\$ 1,097,074,004	\$ 125,304,779	\$ (107,137,576)	\$ 1,115,241,207	\$ 111,429,758

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. LONG-TERM DEBT (continued)

A. A Summary of Changes In Long-Term Liabilities (continued)

2. Primary Government - Business-Type Activities

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 2,406,137	\$ -	\$ (506,099)	\$ 1,900,038	\$ 506,100
Double Barrel and Revenue	135,598,356	-	(5,192,576)	130,405,780	5,481,061
	<u>\$ 138,004,493</u>	<u>\$ -</u>	<u>\$ (5,698,675)</u>	<u>\$ 132,305,818</u>	<u>\$ 5,987,161</u>
Less/add Deferred Amounts:					
For Issuance Premiums	\$ 3,631,773	\$ -	\$ (210,536)	\$ 3,421,237	\$ 210,538
On Refundings	(85,801)	-	85,801	-	-
Total Bonds Payable	<u>\$ 141,550,465</u>	<u>\$ -</u>	<u>\$ (5,823,410)</u>	<u>\$ 135,727,055</u>	<u>\$ 6,197,699</u>
Accrued Compensated Leave	\$ 2,783,016	\$ 1,233,731	\$ (1,053,032)	\$ 2,963,715	\$ 1,135,736
Business-Type Activities Long-Term Debt	<u>\$ 144,333,481</u>	<u>\$ 1,233,731</u>	<u>\$ (6,876,442)</u>	<u>\$ 138,690,770</u>	<u>\$ 7,333,435</u>

3. Major Fund - Water and Sewer Enterprise Fund

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Double Barrel and Revenue	\$ 127,393,356	\$ -	\$ (4,897,576)	\$ 122,495,780	\$ 5,171,061
	<u>\$ 127,393,356</u>	<u>\$ -</u>	<u>\$ (4,897,576)</u>	<u>\$ 122,495,780</u>	<u>\$ 5,171,061</u>
Less/add Deferred Amounts:					
For Issuance Premiums	\$ 3,631,773	\$ -	\$ (210,536)	\$ 3,421,237	\$ 210,538
On Refundings	(85,801)	-	85,801	-	-
Total Bonds Payable	<u>\$ 130,939,328</u>	<u>\$ -</u>	<u>\$ (5,022,311)</u>	<u>\$ 125,917,017</u>	<u>\$ 5,381,599</u>
Accrued Compensated Leave	\$ 2,198,491	\$ 770,695	\$ (654,444)	\$ 2,314,742	\$ 719,831
Water and Sewer Long-Term Debt	<u>\$ 133,137,819</u>	<u>\$ 770,695</u>	<u>\$ (5,676,755)</u>	<u>\$ 128,231,759</u>	<u>\$ 6,101,430</u>

4. Major Fund – Storm Water Enterprise Fund

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 2,406,137	\$ -	\$ (506,099)	\$ 1,900,038	\$ 506,100
Double Barrel and Revenue	8,205,000	-	(295,000)	7,910,000	310,000
Total Bonds Payable	<u>\$ 10,611,137</u>	<u>\$ -</u>	<u>\$ (801,099)</u>	<u>\$ 9,810,038</u>	<u>\$ 816,100</u>
Accrued Compensated Leave	\$ 554,810	\$ 445,029	\$ (380,977)	\$ 618,862	\$ 398,294
Storm Water Long-Term Debt	<u>\$ 11,165,947</u>	<u>\$ 445,029</u>	<u>\$ (1,182,076)</u>	<u>\$ 10,428,900</u>	<u>\$ 1,214,394</u>

5. Component Unit - School Board

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Accrued Compensated Leave	\$ 21,699,174	\$ 9,725,637	\$ 9,921,267	\$ 21,503,544	\$ 10,020,480
Estimated Claims and Judgments	13,196,336	99,415,667	99,162,050	13,449,953	10,087,465
Net Pension Obligation	70,487	-	51	70,436	-
Component Unit Long-Term Debt– Schools	<u>\$ 34,965,997</u>	<u>\$ 109,141,304</u>	<u>\$ 109,083,368</u>	<u>\$ 35,023,933</u>	<u>\$ 20,107,945</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. LONG-TERM DEBT (continued)

A. A Summary of Changes In Long-Term Liabilities (continued)

6. Component Unit - Virginia Beach Development Authority

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Lease Revenue Bonds	\$ 5,985,000	\$ -	\$ (480,000)	\$ 5,505,000	\$ 500,000
Public Facility Revenue Bonds	87,450,000	-	(2,660,000)	84,790,000	2,885,000
Revenue Note	1,298,051	-	-	1,298,051	-
Total Bonds Payable	\$ 94,733,051	\$ -	\$ (3,140,000)	\$ 91,593,051	\$ 3,385,000
Add Bond Premium	2,070,917	-	(121,755)	1,949,162	-
Less Bond Discount	(182,731)	-	15,308	(167,423)	-
Total Bonds and Notes Payable	\$ 96,621,237	\$ -	\$ (3,246,447)	\$ 93,374,790	\$ 3,385,000
Notes Payable City of Virginia Beach	5,331,548	-	(587,018)	4,744,530	-
Component Unit Long-Term Debt – Virginia Beach Development Authority	<u>\$ 101,952,785</u>	<u>\$ -</u>	<u>\$ (3,833,465)</u>	<u>\$ 98,119,320</u>	<u>\$ 3,385,000</u>

7. Component Unit - Virginia Beach Community Development Corporation

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Notes Payable	\$ 10,099,751	\$ 4,379,861	\$ (4,545,565)	\$ 9,934,047	\$ 513,326
Component Unit Long-Term Debt – Va. Beach Development Corp.	<u>\$ 10,099,751</u>	<u>\$ 4,379,861</u>	<u>\$ (4,545,565)</u>	<u>\$ 9,934,047</u>	<u>\$ 513,326</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. LONG-TERM DEBT (continued)

B. Bonds, Notes and Loans Payable

General Obligation Bonds and Loans:

Bond Issue/Purpose	Dated	Issue Amount	True Interest Costs %	Proprietary Percentage		Balance Outstanding
				Storm Water %	Water & Sewer %	
2009 PI	06/16/09	\$ 72,000,000	-	-	-	\$ 72,000,000
2008 PI	03/25/08	90,000,000	4.161171	-	-	85,500,000
2008 VPSA	12/01/08	6,350,705	-	-	-	6,350,705
2008 Refunding	05/13/08	51,625,000	2.881742	-	-	43,270,000
2007	03/27/07	75,000,000	4.003699	-	-	67,500,000
2005 PI	12/15/05	80,000,000	4.270424	-	-	68,000,000
2004-B PI Refunding	10/01/04	114,855,000	3.688578	-	-	114,480,000
2004-A	06/01/04	65,000,000	4.354874	1.13	-	52,000,000
2003-A PI	05/15/03	50,000,000	3.575097	-	-	22,500,000
2003-B PI Refunding	05/15/03	50,870,000	2.835286	.93	-	31,395,000
2002 PI & Refunding	03/05/02	95,000,000	4.315919	1.11	-	27,275,000
2002 State Literary	01/01/02	7,500,000	3.00	-	-	4,875,000
2001 PI	06/01/01	48,500,000	4.608981	-	-	12,125,000
2000 PI	01/01/00	76,100,000	5.432937	-	-	3,805,000
1996-A School	11/14/96	4,151,083	3.00	-	-	1,844,541
1996 State Literary	03/01/96	2,500,000	3.00	-	-	875,000
1996 State Literary	03/01/96	2,500,000	3.00	-	-	875,000
1995-A PI	12/21/95	2,096,324	3.00	-	-	817,758
1993 Refunding	04/15/93	156,080,000	4.9999286	-	6.51	13,730,000
1992 School	11/12/92	794,347	5.86289	-	-	187,352
1991 State Literary	09/01/91	130,546	4.00	-	-	20,045
1991 State Literary	09/01/91	2,500,000	4.00	-	-	375,000
1991-A PI VPSA	07/31/91	5,278,597	6.447	-	-	920,338
1990 State Literary	07/15/90	2,000,000	4.00	-	-	200,000
1990 State Literary	07/15/90	2,000,000	3.00	-	-	200,000
1990 State Literary	07/15/90	2,000,000	4.00	-	-	200,000
Total General Obligation Bonds and Loans						\$ 631,320,739
“Double Barrel” Revenue Bonds and Notes:*						
2005 W&S Revenue & Refund	10/05/05	\$ 92,700,000	4.2312375	-	100	\$ 83,945,000
2002 W&S Revenue	10/15/02	28,000,000	4.8066	-	100	28,000,000
2000 W&S Revenue	07/15/00	40,000,000	5.405144	-	100	2,500,000
2000 Storm Water Revenue	01/01/00	10,000,000	5.917853	100	-	7,910,000
1998 Taxable W&S Revenue	08/28/98	5,774,218	4.30	-	100	3,538,047
1997 Taxable W&S Revenue	01/30/97	7,190,048	4.75	-	100	3,945,182
1994 Taxable W&S Revenue	01/18/95	1,405,031	4.50	-	100	567,551
Total “Double Barrel” and Revenue Bonds and Notes						\$ 130,405,780
Other Long-Term Debt:						
2003 Public Facility Revenue	09/01/03	\$ 153,200,000	4.6840646	-	-	\$ 127,455,000
Williams Farm Install. Pur. Agmt	01/14/04	4,250,000	5.00	-	-	1,912,500
Refunding Certificates of Partic.	06/01/93	36,700,000	5.335062	-	-	2,645,000
Public Facilities Revenue Bonds						
2005A **	05/01/05	77,850,000	3.2284162	-	-	58,115,000
Public Facilities Revenue Bonds						
2007A **	06/26/07	96,835,000	4.5444247	-	-	71,505,000
Total Other Long-Term Debt						\$ 261,632,500
Total Bonds, Notes and Loans Payable (Excludes Other Component Units)						\$ 1,023,359,019

* Water and Sewer and Storm Water Enterprise Funds incur 100% of debt service cost.

** Inclusive in the \$77,850,000 in Public Facilities Revenue Bonds was \$9,175,000 of proceeds that were used to refund a portion of the 1993 Certificates of Participation.

Deceased Debt - In prior years, the City defeased certain general obligation, public improvement, and public utility bonds by placing funds in irrevocable escrow accounts to provide for future debt service payments on the defeased debt.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. LONG-TERM DEBT (continued)

B. Bonds, Notes and Loans Payable (continued)

Accordingly, the escrow account assets and liabilities for the defeased debt are not included in the City's financial statements. At June 30, 2009, the outstanding balance of the defeased debt, including current year defeased debt, is \$182.5 million, of which \$29.8 million is for the Water and Sewer Fund.

C. Current Refunding of 1998 General Obligation Refunding Bonds

On May 13, 2008, the City issued \$51.625 million of General Obligation Public Improvement Refunding bonds combined with \$2.617 million in premiums to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$52.43 million of General Obligation Public Improvement bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$440,750. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This current and advance refunding was undertaken to reduce total debt service payments over the next 8 years by \$2.4 million and resulted in an economic gain of \$2.5 million.

D. A Summary of Annual Requirements to Amortize All Bonds and Notes Payable

Annual Debt Service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 58,278,392	\$ 29,029,906	\$ 506,100	\$ 97,520
2011	53,973,257	26,280,020	431,468	63,060
2012	51,470,148	23,678,594	434,020	38,935
2013	49,245,809	21,243,975	306,434	18,801
2014	45,597,970	19,049,155	222,016	4,915
2015-2019	184,257,802	66,769,460	-	-
2020-2024	126,314,445	28,618,367	-	-
2025-2029	60,282,878	5,581,371	-	-
	<u>\$ 629,420,701</u>	<u>\$ 220,250,848</u>	<u>\$ 1,900,038</u>	<u>\$ 223,231</u>

Annual Debt Service requirements to maturity for revenue bonds and notes are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2010	\$ 5,481,061	\$ 6,002,683
2011	5,561,090	5,788,289
2012	5,782,735	5,569,090
2013	5,981,071	5,340,097
2014	6,291,176	5,097,887
2015-2019	33,693,647	20,774,484
2020-2024	33,350,000	12,541,879
2025-2029	28,045,000	4,431,719
2030-2031	6,220,000	314,500
	<u>\$ 130,405,780</u>	<u>\$ 65,860,628</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

5. LONG-TERM DEBT (continued)

D. A Summary of Annual Requirements to Amortize All Bonds and Notes Payable (continued)

Annual Debt Service requirements to maturity for other long-term debt:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2010	\$ 15,325,000	\$ 12,685,389
2011	15,995,000	11,967,474
2012	13,930,000	11,154,474
2013	14,625,000	10,435,607
2014	15,127,500	9,672,950
2015-2019	75,065,000	37,132,513
2020-2024	90,755,000	16,704,365
2025-2028	20,810,000	1,758,962
	\$ 261,632,500	\$ 111,511,734

Debt service requirements for general obligation bonds are principally met by the General Fund. Also, for the Governmental Activities, Landfill Closure and Post Closure Care, Federal Arbitrage Rebate (there are no set maturity dates for these liabilities) will be liquidated by the General Fund. Compensated absences (except School Board and most Proprietary Funds) will be liquidated by the General Fund. Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for Governmental Activities. Claims and Judgments are liquidated by the Risk Management Fund.

Interest expense incurred on the above noted debt for the year ended June 30, 2009, was \$53,835,433. Of this amount, \$1,411,480 was capitalized in the Major Enterprise Funds and in the Business-Type Activities.

E. Agricultural Reserve Program

On May 9, 1995, City Council adopted an ordinance establishing the Agricultural Reserve Program (“ARP”). The primary purpose of the ordinance is to promote and encourage the preservation of farmland in the rural southern portion of the City. Through ARP, the City acquires development rights in designated areas within the southern portion of the City through the purchase of agricultural land preservation easements. Landowners who meet certain eligibility criteria may sell an easement to the City while holding fee simple title to the land and continuing to farm. The City acquires these development rights by executing installment purchase agreements with the landowners.

These agreements provide for the payment of the principal balance of the agreement in a single installment due approximately twenty-five years after execution of the agreement. Interest on the unpaid principal balance is payable semi-annually. On May 9, 1995, the City Council originally dedicated a one and one-half cent increase in the real estate tax to finance the program; on May 11, 2004, the City Council reduced this amount to one cent; on May 9, 2006 the City Council reduced the tax rate to nine tenths of one cent.

These obligations constitute indebtedness within the meaning of Article VII, Section 10 of the Virginia Constitution and will be general obligations of the City, pledging the full faith and credit and unlimited taxing power of the City. By policy, interest and principal payments will be paid from a dedicated portion of real estate taxes. Principal payments will be made from maturing zero coupon Treasury securities purchased from the dedicated portion of real estate taxes.

As of June 30, 2009, 71 installment purchase agreements totaling 7,755 acres at a total purchase price of \$30,534,384 have been executed.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

5. LONG-TERM DEBT (continued)

E. Agricultural Reserve Program (continued)

Annual Debt Service requirements to maturity for Agricultural Reserve Program:

Year Ending June 30	Principal	Interest
2010	-	1,760,051
2011	-	1,759,853
2012	-	1,759,853
2013	-	1,759,853
2014	-	1,759,853
2015-2019	-	8,799,263
2020-2024	10,195,146	7,671,193
2025-2029	11,347,306	3,625,838
2030-2034	8,991,932	1,483,711
Totals	<u>\$ 30,534,384</u>	<u>\$ 30,379,468</u>

F. Legal Debt Margin

The Legal Debt Margin is a charter requirement which sets the upper limit on the amount of debt Virginia Beach may issue. At June 30, 2009, this amount is \$5.7 billion. However, the City Council has adopted four affordability polices that restrict the amount of debt below the amount indicated by the "Legal Debt Margin", including a ceiling of \$2,400 debt per capita.

G. Water and Sewer Enterprise Revenue Bonds

Water and Sewer Revenue Bonds are obligations of the City, payable solely from pledged revenues of the System (Water and Sewer Fund), subject to the prior application thereof to the payment of Operating Expenses. The City will fix, charge, collect and revise its fees, rates and other charges for the use of and for the services furnished by the system so as to produce revenues sufficient to meet its cash requirements each fiscal year.

H. Storm Water Revenue Bonds

Storm Water Revenue Bonds are obligations of the City, payable solely from pledged revenues of the System (Storm Water Fund), subject to the prior application thereof to the payment of Operating Expenses. The City will fix, charge, collect and revise its fees, rates and other charges for the use of and for the services furnished by the system so as to produce revenues sufficient to meet its cash requirements each fiscal year.

I. General Debt Service Fund Expenditures

	Principal Retirement	Interest and Fiscal Charges	Total
Serial Bonds and Notes	\$ 53,655,509	\$ 27,966,787	\$ 81,622,296
Capital Leases and Other Long-Term Obligations	17,950,000	17,837,863	35,787,863
Agricultural Reserve Program	-	1,674,744	1,674,744
State Literary Fund Notes	1,056,500	271,562	1,328,062
Bank Charges & Bond Issuance Costs	-	650,710	650,710
Totals	<u>\$ 72,662,009</u>	<u>\$ 48,401,666</u>	<u>\$ 121,063,675</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

5. LONG-TERM DEBT (continued)

J. Accrued Compensated Leave

The accrued compensated leave is as follows at June 30, 2009:

<u>Compensated Leave</u>	<u>Primary Government</u>		<u>School Board Component Unit</u>	<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		
City - Annual	\$ 28,970,801	\$ 2,374,750	\$ -	\$ 31,345,551
City - Compensatory	9,415,835	417,927	-	9,833,762
City - Sick	3,811,109	171,038	-	3,982,147
School - Annual	-	-	9,439,759	9,439,759
School - Sick	-	-	10,272,483	10,272,483
School - Personal	-	-	1,791,302	1,791,302
Total	\$ 42,197,745	\$ 2,963,715	\$ 21,503,544	\$ 66,665,004

K. Authorized But Unissued Bonds

<u>Purpose</u>	<u>June 30, 2009</u>
General Obligation Debt:	
2008 Charter Bonds	\$ 61,551,888
2009 Charter Bonds	62,900,000
Total General Obligation Debt	\$ <u>124,451,888</u>
Water and Sewer Debt:	
2005 W & S Revenue Bonds	\$ 13,344,201
2006 W & S Revenue Bonds	18,950,465
2007 W & S Revenue Bonds	18,793,000
2008 W & S Revenue Bonds	13,000,000
2009 W & S Revenue Bonds	17,000,000
Total Water and Sewer Debt	\$ <u>81,087,666</u>
Storm Water Utility Revenue Bonds:	
1998 Storm Water Utility Revenue Bonds	\$ 5,028,440
1999 Storm Water Utility Revenue Bonds	5,300,000
2000 Storm Water Utility Revenue Bonds	3,900,000
2001 Storm Water Utility Revenue Bonds	200,000
2003 Storm Water Utility Revenue Bonds	580,000
2004 Storm Water Utility Revenue Bonds	510,000
2005 Storm Water Utility Revenue Bonds	2,420,000
2006 Storm Water Utility Revenue Bonds	2,510,000
2008 Storm Water Utility Revenue Bonds	6,000,000
Total Storm Water Utility Debt	\$ <u>26,448,440</u>
Total Authorized and Unissued Debt - June 30, 2009	\$ <u>231,987,994</u>

L. Revenue Covenants

Management believes the City is in compliance with all significant financial covenants contained in the various bond indentures, including those found in the Master Resolution adopted February 1992 for the Water & Sewer Revenue Bonds.

M. Notes Payable - Discretely Presented Component Unit Community Development Corporation

Various mortgage loan agreements and notes payable with interest at 3.25% to 7.1%, collateralized by real property.	\$ <u>9,934,047</u>
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**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

5. LONG-TERM DEBT (continued)

N. Notes Payable - Discretely Presented Component Unit Virginia Beach Development Authority

1. Notes Payable - City of Virginia Beach

Details for the City of Virginia Beach Notes Payable as of June 30, 2009 are as follows:

Long-Term Notes Payable	\$ <u>4,744,530</u>
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On February 25, 2003, the Virginia Beach City Council approved a restructuring proposal for the outstanding debt between the City and the Authority. Under this restructuring accrued interest in the amount of \$1,235,331 was canceled and the remaining debt was separated into two non-interest bearing notes. Note 1, in the original principal amount of \$4,830,936, is secured by a first lien on the 31st Street property. Note 2, in the original principal amount of \$1,425,201, is secured by a first lien on Corporate Landing and Oceana West Corporate Parks.

The following covenants will be in effect while the loan is outstanding: 1) The Authority will incur no additional debt without City approval; 2) All net proceeds from the sale or ground lease of the 31st Street property will be paid to the City when received; 3) 20% of the net proceeds generated from all land sales in Corporate Landing and Oceana West will be used to reduce the outstanding debt; and 4) The remaining net (80%) from land sales in Corporate Landing and Oceana West will be used by the Authority to fund its infrastructure requirements and to fund strategic land acquisitions.

2. Notes Payable – Town Center

Details of Other Notes Payable as of June 30, 2009, are as follows:

Note Payable: Wachovia - Town Center Note	\$ <u>1,298,051</u>
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On March 6, 2000, the Authority and Town Center Associates, L.L.C. entered into an agreement for the development of the Town Center. Financing for the purchase of the land for future phases beyond Phase I of this project was obtained from Wachovia Bank in the amount of \$5,500,000. Total advances on this loan may not exceed \$11,135,000 to include accrued interest through December 2006. The loan agreement was signed on June 8, 2000 and calls for semi-annual interest payments starting November 30, 2000. Under the terms of this agreement, the Authority is not required to make any principal or interest payments on this loan until the final due date of December 2010; and the intention is to not make principal or interest payments, except to the extent funds are available from the sale of this land. To date, \$1,146,175 has been added to the original principal of the loan. As of June 30, 2009 the outstanding balance is \$1,298,051. The interest rate is the LIBOR rate plus 0.42%. The loan is secured by a surety agreement provided by Town Center Associates, L.L.C. that requires Town Center Associates, L.L.C. to purchase the land.

3. Bonds Payable

Details of Bonds Payable as of June 30, 2009 are as follows:

Social Services Facility:

Lease Revenue Bonds 1998	\$ 5,505,000
Less: Unamortized Bond Discount	(41,776)
Less Current Portion	(500,000)
Long-Term Portion	\$ <u>4,963,224</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. LONG-TERM DEBT (continued)

N. Notes Payable - Discretely Presented Component Unit Virginia Beach Development Authority (continued)

3. Bonds Payable (continued)

Lease Revenue Bonds Series 1998, interest due semi-annually at a rate that ranges from 4.3 to 5.0% secured by the City's obligation to pay the Authority basic rent payments due annually with final payment due December 2017.

Town Center Project:

Public Facility Revenue Bonds	\$	70,650,000
Public Facility Revenue Bonds (Taxable)		14,140,000
Less: Unamortized Bond Discount		(125,647)
Add: Unamortized Bond Premium		1,949,162
Less Current Portion		(2,885,000)
Long-Term Portion	\$	83,728,515

Public Facility Revenue Bonds Series 2002 A & B, Series 2003A, Series 2005 A & B, and Series 2007 A & B, interest due semi-annually at a rate that ranges from 4.0 to 5.75% (Series 2002 A & B) at a rate that ranges from 3.00% to 5.25% (Series 2003 A), at a rate that ranges from 4.00% to 5.00% (Series 2005 A & B) and at a rate that ranges from 5.00% to 6.50% (Series 2007 A & B) secured by the City's pledge of the revenues and receipts derived from the support agreement, certain funds established under the agreement of trust and the investment income there from. Final payment under the support agreements will be in July 2028.

The requirements to amortize all long-term bonds and notes payable as of June 30, 2009, including interest payments of \$42,736,474 are summarized as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 3,385,000	\$ 4,495,375
2011	4,190,000	4,319,847
2012	6,373,051	4,130,745
2013	5,142,470	3,926,224
2014	5,505,000	3,706,923
2015-2019	29,322,060	14,580,166
2020-2024	32,685,000	6,670,206
2025-2029	9,735,000	906,988
Plus: Unamortized Net Premium	1,949,162	-
Less: Unamortized Bond Discount	(167,423)	-
Total	\$ 98,119,320	\$ 42,736,474

O. Net Pension Obligation School Board Component Unit

The Net Pension Obligation for the School Board Component Unit at June 30, 2009 is \$70,436.

P. Compliance

Management believes the City has no violations of finance related legal and contractual provisions.

Q. 2002 Town Center Project Phase I Support Agreement

The Virginia Beach Development Authority (Authority), a component unit of the City, issued in June 2002, \$20,815,000 of Public Facility Revenue Bonds, Series 2002A and \$3,040,000 Taxable Public Facility Revenue Bonds, Series 2002B to finance the acquisition of a public parking facility for the Town Center Project (Phase I).

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. LONG-TERM DEBT (continued)

Q. 2002 Town Center Project Phase I Support Agreement (continued)

The Series 2002 Bonds are limited obligations of the Authority, payable from certain payments to be made by the City, pursuant to a Support Agreement dated June 1, 2002. The obligation of the City is subject to annual appropriation by the City Council and therefore, these bonds do not constitute a general obligation debt of the City nor a pledge of the full faith and credit of the City. The bonds are limited obligations of the Authority, payable solely from payments made by the City.

R. Sale of Public Facility Revenue Bonds

In September 2003, The Virginia Beach Development Authority (Authority), acting as a conduit issuer, sold \$165 million public facility revenue bonds. The Series 2003A were rated 'AA' and have a true interest cost (TIC) of 4.399577%. The Authority and the City of Virginia Beach are providing funds for a number of key economic development projects focused on redevelopment of the City's downtown area. The public facility revenue bonds are limited obligations of the Authority, payable solely from certain payments to be made by the City, pursuant to a Support Agreement dated September 1, 2003. Of the \$165 million in bonds, the City is recording \$153.2 million in debt and the Authority is recording \$11.8 million in debt for the portion attributable to the Town Center Garage.

In May 2005, The Virginia Beach Development Authority (Authority), acting as a conduit issuer, sold \$103.9 million public facility revenue bonds. The Series 2005A (\$94,900,000) and Series 2005B (\$9,000,000 Taxable) were rated 'AA' and have a true interest cost (TIC) of 4.032939% for Series 2005A and 4.965915% for Series 2005B. The Authority and the City of Virginia Beach are providing funds for a number of key economic development projects. The public facility revenue bonds are limited obligations of the Authority, payable solely from certain payments to be made by the City, pursuant to the Support Agreement dated May 1, 2005. Of the \$103.9 million in bonds (combined), the City is recording \$73.82 million in debt, and the Authority is recording \$30.08 million in debt for the portion attributable to the 31st Street Project, purchase of the 9th Street Garage and additional funding for the purchase of additional parking in the Town Center area.

In June 2007, The Virginia Beach Development Authority (Authority), acting as a conduit issuer, sold \$100.8 million public facility revenue bonds. The Series 2007A (\$96,835,000) and Series 2007B (\$4,030,000 Taxable) were rated 'AA' and have a true interest cost (TIC) of 4.5444247% for Series 2007A and 6.296255% for Series 2007B. The Authority and the City of Virginia Beach are providing funds for a number of key economic development projects focused on redevelopment of the City's downtown area. The public facility revenue bonds are limited obligations of the Authority, payable solely from certain payments to be made by the City, pursuant to a Support Agreement dated June 1, 2007. Of the \$100.8 million in bonds, the City is recording \$75.2 million in debt and the Authority is recording \$25.6 million in debt for the portion attributable to the Town Center Garages.

The entire obligation is subject to annual appropriation by the City Council and therefore, these bonds do not constitute a general obligation debt of the City nor a pledge of the full faith and credit of the City. They are limited obligations of the Authority, payable solely from certain payments made by the City.

6. ASSETS AND OBLIGATIONS UNDER LEASES

Operating Leases Governmental Activities

Social Services Facility

The City is leasing the Social Services Facility through a financing arrangement with the Virginia Beach Development Authority. Under the arrangement, the Authority issued \$9,800,000 in tax-exempt Lease Revenue

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. ASSETS AND OBLIGATIONS UNDER LEASES (continued)

Operating Leases Governmental Activities (continued)

Social Services Facility (continued)

Bonds to finance the Facility. The scheduled payments the City makes to the trustee will be used to pay the debt service on the bonds. The following is a schedule by years of future lease payments under this operating lease as of June 30, 2009:

<u>Fiscal Year Ending June 30:</u>		
2010	\$	500,000
2011		525,000
2012		550,000
2013		575,000
2014		605,000
2015-2018		<u>2,750,000</u>
Total Lease Payments	\$	<u>5,505,000</u>

The leasing arrangement also requires additional rent equal to one-eighth of one percent of the outstanding principal balance of the bonds as an administrative fee; also, additional rent of \$50,000 to be paid semi-annually. The additional rent of \$50,000 will be placed in a reserve to be used as needed for capital and structural improvements, maintenance and repair of the facility.

7. DEPOSITS AND INVESTMENTS

Deposits:

Custodial credit risk – All cash of the City including the School Board Component Unit (excluding the School Board Activity Funds) is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by Federal depository insurance.

The City has compensating balance arrangements with two financial institutions. Bank of America provides services to the City while a \$3.5 million balance is maintained in a demand deposit account. A fluctuating checking balance based on monthly investment services is a requirement of Branch Banking & Trust (BB&T).

As of June 30, 2009, the City had the following investments. Except for the investments in State Non Arbitrage Program (SNAP) and the Arbitrage Investment Management Program (AIM), all investments are in an internal investment pool.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturities (in months)</u>
Certificates of Deposit	\$ 72,100,224	0.48
State Treasurer's Local Government Investment Pool (LGIP)	591,000,000	0.79
U. S. Government Securities	54,000,000	1.37
State Non Arbitrage Program – SNAP	18,099,105	0.02
Arbitrage Investment Management Program – AIM	<u>15,191,161</u>	<u>0.02</u>
Total Fair Value	\$ <u>750,390,490</u>	
Portfolio Weighted Average Maturity		<u>.77</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

7. DEPOSITS AND INVESTMENTS (continued)

Deposits: (continued)

Reconciliation of total deposits and investments to the government-wide financial statements at June 30, 2009:

	Primary Government	School Board Component Unit	Total
Cash and Investments	\$ 311,277,754	\$ 265,647,020	\$ 576,924,774
Restricted Cash and Cash Equivalents	279,888,853	-	279,888,853
Fiduciary Funds	331,995	15,836,164	16,168,159
Total	\$ 591,498,602	\$ 281,483,184	\$ 872,981,786
Less: Cash on Deposit			\$ (122,591,296)
Total Market Value of Investments at June 30, 2009			\$ 750,390,490

Interest Rate Risk:

Interest rate risk represents the risk governments are exposed to as a result of changes in interest rates for their debt investments. The City's investment policy mitigates its exposure to fair value losses arising from interest rates by structuring the investment portfolio so that securities mature to meet cash requirements reducing the need to seek securities on the open market prior to maturity. In addition, interest rate risk is reduced by investing operating funds primarily in shorter-term securities.

Credit Risk:

Credit risk is the risk an investor is subject to as a result of the credit quality of investments in debt securities. Statutes as well as the City's investment policy authorize the City to invest in obligations of the United States or agencies thereof; the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank; the African Development Bank; commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record; bankers' acceptance instruments; repurchase agreements which are collateralized with securities approved for direct investment; State Treasurer's Local Government Investment Pool (LGIP); and corporate notes with at least a rating of Aa by Moody's or AA by Standard and Poor's.

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed as a "2a-7 like pool". Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The fair value of the City's position in the pool is the same as the value of the pool shares.

Custodial Credit Risks Investments - The City requires that all investments be clearly marked as to ownership and to the extent possible, be registered in the name of the City.

The City's rated debt investments as of June 30, 2009 were rated by Standard & Poor's and Moody's and/or an equivalent national rating organization and the ratings are presented below using the respective rating scale from both agencies.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

7. DEPOSITS AND INVESTMENTS (continued)

Credit Risk: (continued)

<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>	
	<u>AAA</u>	<u>A1/P1/F1+</u>
State Treasurer's Local Government Investment Pool (LGIP)	\$ 591,000,000	\$ -
U. S. Government Securities	54,000,000	-
State Non Arbitrage Program (SNAP)	18,099,105	-
Arbitrage Investment Management Program (AIM)	15,191,161	-

Concentration of Credit Risk: Concentration of credit risk represents the risk of investments in any one issue that represents five percent or more of investments. The City's investment policy limits the amount it can invest in commercial paper and bankers acceptance instruments. By policy, investments in commercial paper are limited to 35% of the total available for investment, and not more than 5% of the total available for investment can be invested in any one issuing corporation. Bankers' acceptance instruments shall not exceed 50% of the total investment portfolio's book value on the date of acquisition.

At June 30, 2009, investments in bankers' acceptance instruments and U.S. Government Securities are recorded at fair value. All other investments are reported utilizing amortized cost due to maturity dates less than one year. The fair valuing of bankers' acceptance instruments and U.S. Government Securities at June 30, 2009 resulted in a net increase of \$597,497.

All City and School Board Funds participate in a centralized cash and investment pool. Interest earnings on investments are allocated to the appropriate funds based upon the average monthly cash balance of each fund. As of June 30, 2009, \$320,228 in interest income was reported in designated funds and subsequently transferred to the General Fund.

8. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is a named defendant in litigation filed by parties concerning alleged personal injuries, property damage, and other causes of action. The City is vigorously defending all cases and expects no losses will be incurred which would have a material effect on the City's financial position.

B. Intergovernmental Grants, Entitlements, and Shared Revenues

The City participates in a number of federal and state grants, entitlements, and shared revenues programs. These programs are subject to program compliance audits by the applicable federal or state agency or their representatives.

Furthermore, the U.S. Congress passed legislation called the "Single Audit Act Amendment of 1996" which required most governmental recipients of federal assistance to have an annual independent organization-wide financial and compliance audit. The results thereof are incorporated in this report. The amounts, if any, of expenditures which may be disallowed by these audits cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

8. COMMITMENTS AND CONTINGENCIES (continued)

C. City Manager Employment Contract

On October 27, 2009, City Council adopted an ordinance extending the contract of employment for the City Manager for the period December 1, 2009, through November 30, 2011. In the event the City Manager's employment is terminated by the City Council and certain conditions are met, the City Council must continue to compensate the former City Manager for a period of twelve months.

D. Salaries Payable

The outstanding School Board Component Unit Funds' amount represents salaries due (2 months) to schoolteachers who have opted to be paid over a twelve-month period, and to substitute and supplemental school personnel.

E. Landfill Closure

On August 8, 1984, the City entered into two agreements with Southeastern Public Service Authority of Virginia (SPSA). Under the first agreement, which continues until 2017, the City agreed to use SPSA's solid waste disposal system to dispose of solid waste generated within and collected by the City. For this service, the City agreed to pay tipping fees to SPSA.

Under the second agreement, which expires December 31, 2015, the City agreed to accept at its sanitary landfill ash and process residue generated by SPSA's refuse derived fuel processing plant. For these disposal services, SPSA agreed to pay the City the reasonable costs incurred in operating the landfill, including all operating costs as well as capital expenditures relative to regulatory compliance. Federal and State laws and regulations require that a final cover be placed on the landfill site when it stops accepting waste and to perform maintenance and monitoring functions at the site for 30 years after closure.

Prior to the establishment of the above agreements, the landfill was used exclusively by the City. The City believes the landfill closure and post closure care obligations should be apportioned between SPSA and the City based on actual usage of the facility. The total capacity of the developed cells at the landfill is 8.75 million tons. Future development will increase the total landfill capacity to 13.572 million tons. The City used 3.597 million tons prior to the date of the agreements (August 1984). Total usage to date has been estimated at 7.643 million tons. The remaining useful life of the landfill is estimated to be 6 years, through the year 2015.

To date, approximately 87.29 percent of the developed landfill has been used. Based on a 2001 study, the estimated cost for both closure and post closure care is \$11,029,100, an amount based on landfill capacity used to date. Until another cell of the landfill is opened, no additional estimated closure and post closure care costs will be recognized, except for the effects of inflation, changes in estimates, changes in technology or changes in laws or regulations. The City's share of this amount is \$5,411,936 and is reflected in the government-wide financial statements.

These estimates are subject to adjustment for inflation and to account for any changes in landfill conditions, regulatory requirements, technologies, or cost estimates. The City is required by law to submit a worksheet that demonstrates the ability to fund landfill closure and post-closure care costs.

F. Water Services Contract

The City and Norfolk have entered into a Water Services Contract effective July 1, 1993 expiring in the year 2030. The Services Contract establishes engineering, water quality, and operational standards for Norfolk to receive, convey, treat, and deliver Lake Gaston water to the City.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

8. COMMITMENTS AND CONTINGENCIES (continued)

F. Water Services Contract (continued)

Norfolk is required to reset rates every two years based upon a cost of services study performed by an independent consulting firm that compares projected versus actual water expenses. On a biennial basis an adjustment is made based upon the actual costs incurred in the previous two years.

9. INTERFUND BALANCES AND TRANSACTIONS, FUND RESULTS AND RECONCILIATIONS

A. Interfund Transfers

Interfund transfers for the year ended June 30, 2009 were made up of the following:

Transfers To:	Transfer From:						Total
	General Fund	Water & Sewer	Storm Water	Nonmajor Governmental	Nonmajor Parking Enterprise	Internal Service	
General Fund	\$ -	\$ 160,625	\$ 42,813	\$ 19,907,304	\$ -	\$ -	\$ 20,110,742
Capital Project Funds	43,188,879	-	-	28,474,484	1,250,000	5,672,149	78,585,512
Storm Water Fund	57,498	-	-	12,829	-	-	70,327
Water and Sewer Fund	-	-	256,537	-	-	-	256,537
Nonmajor							
Governmental Funds	186,447,134	-	61,432	43,996,662	729,352	-	231,234,580
Internal Service Fund	2,200,000	-	-	-	-	-	2,200,000
Nonmajor Parking Enterprise Fund	-	-	-	258,803	-	-	258,803
Total	\$ 231,893,511	\$ 160,625	\$ 360,782	\$ 92,650,082	\$ 1,979,352	\$ 5,672,149	\$ 332,716,501

Purpose:

Transfers From General Fund:

\$ 43,188,879	Capital Project Funds: Funding for Pay-As-You-Go Capital Project Funds.
\$ 57,498	Storm Water Fund: General Fund support of Storm Water operations.
\$ 186,447,134	Nonmajor Governmental Funds: Funding for Special Revenue Programs.
\$ 2,200,000	Internal Service Fund: Funding for Risk Management Fund.

Transfers From Water and Sewer Enterprise Fund:

\$ 160,625	General Fund: Water and Sewer support for services received.
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Transfers From Storm Water Enterprise Fund:

\$ 42,813	General Fund: Storm Water support for services received.
\$ 256,537	Water and Sewer Fund: Storm Water support for billing system operations.
\$ 61,432	Nonmajor Governmental Funds: Grant support.

Transfers From Nonmajor Governmental Funds:

\$ 19,907,304	General Fund: Special Revenue Funds, primarily surplus funds from Sandbridge TIF and other funds.
\$ 28,474,484	Capital Projects Funds: Funding for Pay-As-You-Go Capital Projects.
\$ 12,829	Storm Water Fund: Tourism Growth Investment Fund support of Storm Water operations.
\$ 43,996,662	Nonmajor Governmental Funds: Funding for support of existing programs.
\$ 258,803	Nonmajor Enterprise Funds: Operational support.

Transfer From Nonmajor Enterprise Funds:

\$ 729,352	Nonmajor Governmental Funds: Operational support.
\$ 1,250,000	Capital Projects Fund: Funding for Pay-As-You-Go Capital Projects.

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

9. INTERFUND BALANCES AND TRANSACTIONS, FUND RESULTS AND RECONCILIATIONS (continued)

A. Interfund Transfers (continued)

Transfer From Internal Service Funds:

\$ 5,672,149 Capital Projects Funds: Funding for Communications System Capital Projects.

B. Net Assets Deficit

The following Primary Government fund has a deficit balance in equity at June 30, 2009:

Internal Service Fund:	
Risk Management	\$ <u>13,511,281</u>

The deficit in the Risk Management Fund represents the actuarially estimated liability for future claims. The rate structure for the Risk Management Fund is continually being evaluated for adjustments thereto.

C. Fund Closing, Name Change and Restatement

1. The E911 Communications System Special Revenue Fund will be closing effective June 30, 2009. The residual balances in this fund will be transferred to the General Fund and are reflected as a transfer in to this fund.
2. The Police Extradition Special Revenue Fund closed effective July 1, 2008. Financial activities associated with this fund will be accounted for in the General Fund during Fiscal Year 2009 and thereafter. There were no residual balances remaining in this fund to be transferred to the General Fund.
3. The Comprehensive Services Act Special Revenue Fund will be closing effective June 30, 2009. The residual balances in this fund will be transferred to the General Fund and are reflected as a transfer into this fund.
4. The Arts and Humanities Special Revenue Fund will be closing effective June 30, 2009. The residual balances in this fund will be transferred to the General Fund and are reflected as a transfer into the General Fund.
5. The EMS, State Four-For-Life and the Fire Program Special Revenue Funds will be accounted for in the Grants Consolidated Fund. The EMS State Four-For-Life Fund and the Fire Programs Fund were closed and all balances were transferred. As a result of this combination, the beginning fund balance in the Grants Consolidated Fund has been restated to reflect a balance of \$4,491,001.
6. The City has restated its Housing and Neighborhood Preservation beginning fund balance to reflect previously unrecorded fully deferred loans of \$3,767,744. These loans were reported as grants to recipients, in fiscal years prior to 2008, resulting in understatements to loans receivable and reserved fund balance for loans. Additionally, an overaccrual of revenue from the Federal Government to fund current year expenditures in fiscal year 2008 resulted in an overstatement of Federal revenue and amounts due from the Federal Government of \$1,860,424. The net adjustment for these two issues amounted to \$1,907,320, which resulted in a revised beginning fund balance of \$4,520,165. This resulted in an understatement of FY08 Governmental Fund Balance of \$1,907,320.

10. RISK MANAGEMENT

A. Primary Government Self-Insurance Program

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is also exposed to the risk of loss for employee medical benefits. These benefits are accounted for in the School Health Insurance Internal Service Fund. This fund

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

10. RISK MANAGEMENT (continued)

A. Primary Government Self-Insurance Program (continued)

accounts for and finances this joint self-insured program between the City and the School Board. During Fiscal Year 1973, the City established a Risk Management Fund (an internal service Fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$850,000 for each workers' compensation claim, \$2,000,000 for each general and auto liability claim, \$100,000 for each fire and property claim, and \$2,000,000 for each public officials (errors and omissions) claim. The insurance coverage for each major category of risk is the same as those reported in the prior fiscal year. There have not been any reductions in commercial insurance coverage from the prior year and the amount of settlements applied against this coverage in each of the past three years did not exceed the commercial insurance. The City has \$10 million of excess insurance coverage per claim and \$20 million aggregate.

All funds of the City participate in the program (except for School Board Component Unit Funds) and make payments to the Risk Management Fund based on normal underwriting criteria and each agency's loss experience. The City uses an actuary to aid in the determination of self-insurance liabilities.

The estimated claims and judgments liability of \$19,338,015 reported in the Fund at June 30, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

	Beginning of Fiscal-Year Liability	Current-Year Claims & Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2008-2009	\$ 17,642,752	\$ 9,793,285	\$ 8,098,022	\$ 19,338,015
2007-2008	\$ 17,812,729	\$ 5,879,394	\$ 6,049,371	\$ 17,642,752

B. School Board Self-Insurance Program

The School Board is self-insured for a portion of its risks. This self-insurance coverage for Fire and Property Insurance is \$100,000 per occurrence and 1% of the total insured value of the damaged covered property when such loss or damage results from a named storm (minimum deductible - \$250,000 per occurrence); School Leaders Liability (errors and omissions) is \$50,000 per occurrence; Vehicle Liability is \$150,000 per occurrence; General Liability is \$50,000 per occurrence; and Workers' Compensation is \$350,000 per occurrence.

Commercial insurance is purchased to cover the amount in excess of the above self-insured levels for specific losses. This coverage extends to Fire and Property Insurance for losses greater than \$100,000 for each occurrence and 1% of the total insured value of the damaged covered property when such loss or damage results from a named storm (minimum - \$250,000 per occurrence); losses in excess of \$50,000 per occurrence for School Leaders Liability; and losses in excess of \$50,000 per occurrence for General Liability; losses in excess of \$150,000 per occurrence for Vehicle liability; and losses in excess of \$350,000 per occurrence for Workers' Compensation. When economically feasible, commercial insurance is purchased to cover certain exposures completely. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

The insurance coverage is substantially the same as in prior fiscal years except for Fire and Property Insurance. During 2006, the coastal property insurance marketplace faced severe capacity restrictions as reinsurers recovered from the catastrophic losses from Hurricanes Katrina and Rita. The property insurance program for the

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

10. RISK MANAGEMENT (continued)

B. School Board Self-Insurance Program (continued)

School Board was greatly affected due to the heavy coastal exposures. The insurance marketplace offered very little capacity for coverage limits and the premiums associated with this coverage were costly. A hurricane modeling study combined with a thorough analysis of insured buildings and their proximity to the water resulted in a considerable reduction in insurance coverage limits.

Claims processing and payments for all insurance claims are made through commercial carriers and third-party administrators.

The School Board uses the information provided by the third-party administrators to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2009 is \$6,024,794 (undiscounted) as follows:

		Beginning-of Fiscal-Year Liability		Current-Year Claims & Changes in Estimates		Claims Payments		Balance at Fiscal Year-End
2008-2009	\$	5,281,336	\$	5,453,630	\$	4,710,172	\$	6,024,794
2007-2008	\$	4,441,877	\$	4,840,543	\$	4,001,084	\$	5,281,336

Effective January 1, 2000, the School Board established a self-insured health care benefits program for all School Board and City employees. Certain claims expenses paid on behalf of each employee during a single policy year are covered by excess loss insurance with a specific stop-loss limit of \$500,000. Claims processing and payments for all health care claims are made through third-party administrators. The School Board uses the information provided by the third-party administrators and a health care benefits consultant to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2009 is \$7,425,159 (undiscounted), as follows:

		Beginning-of Fiscal-Year Liability		Current-Year Claims & Changes in Estimates		Claims Payments		Balance at Fiscal Year-End
2008-2009	\$	7,915,000	\$	93,962,037	\$	94,451,878	\$	7,425,159
2007-2008	\$	6,244,214	\$	89,272,232	\$	87,601,446	\$	7,915,000

C. Surety Bonds

All City employees, including employees of elected constitutional officers (Commissioner of the Revenue, Treasurer, Commonwealth's Attorney, Sheriff, Clerk of the Circuit Court), are bonded in favor of the City in the amount of \$1,000,000. This bond is written by the Travelers Insurance Company.

The Commonwealth of Virginia has secured a blanket bond for the City Treasurer and Finance Director (\$1,600,000) Commissioner of Revenue (\$3,000) and the Sheriff (\$30,000) which covers the bonds required by law or contract for the position they hold. The bond is written by Travelers Casualty and Surety Company of America.

The Commonwealth of Virginia also provides coverage through the "Faithful Performance of Duty Bond Plan" in the amount of \$500,000 for the constitutional officers. This does take the place of a separate bond required by law or contract.

All School Board employees are covered by a faithful performance bond in the amount of \$100,000 to protect the School Board in the event of fraudulent acts.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

11. RETIREMENT

A. Virginia Retirement System

1. Plan Description

The City and School Board contribute to the Virginia Retirement System (VRS or the System), an agent and cost-sharing multiple-employer defined benefit pension plan, respectively, administered by the VRS. All full-time, salaried permanent employees of participating employers must participate in the System. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service (age 60 for participating law enforcement officers, firefighters and Sheriffs) or age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local or law enforcement officers, firefighters and Sheriffs) payable monthly for life in an annual amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% sheriffs and if the employer elects to other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) limited to 5% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website <http://www.varetire.org/Pdf/Publications/2008annurept.pdf> or by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

2. Funding Policy, Status and Progress

As of June 30, 2008 for the City, the most recent actuarial valuation date, the plan was 83.85% funded. The actuarial accrued liability for benefits was \$1,295,698,546, and the actuarial value of assets was \$1,086,477,595, resulting in an unfunded actuarial accrued liability (UAAL) of \$209,220,951. The covered payroll (annual payroll of active employees covered by the plan) was \$280,202,036, and the ratio of the UAAL to the covered payroll was 74.67%.

As of June 30, 2008 for the School Board, the most recent actuarial valuation date, the plan was 95.80% funded. The actuarial accrued liability for benefits was \$158,571,135, and the actuarial value of assets was \$151,911,320, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,659,815. The covered payroll (annual payroll of active employees covered by the plan) was \$41,951,424, and the ratio of the UAAL to the covered payroll was 15.88%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information for the City and School Board about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The City and School Board have assumed this 5.00% member contribution. In addition, the City and School Board are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The City's contribution rate for the Fiscal Year ended 2009 was 16.48% of annual covered payroll (including the 5% member contribution). The School Board (non-professional employees) contribution rate for the Fiscal Year ended 2009 was 11.64% of annual covered payroll.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

11. RETIREMENT (continued)

A. Virginia Retirement System (continued)

2. Funding Policy, Status and Progress (continued)

The School Board 2009 contribution to the VRS statewide teacher pool was \$55,006,620. This amount represented 13.81% of annual covered payroll for 2009 and compares to 15.30% for 2008 and 14.20% for 2007. The actual contribution for each of these years was equal to the required contribution.

3. Annual Pension Cost

For the Fiscal Year ended 2009, the City's annual pension cost of \$47,155,843 was greater than the City's actual contributions of \$47,153,922. For 2009, the School Board's annual pension cost of \$4,964,354 was less than the School Board's actual contributions of \$4,964,405.

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 include (a) an investment rate of return (net of administrative expenses) of 7.50% (b) projected salary increases from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the City's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008 was 20 years.

The City and School Board's annual pension costs and net pension obligations (assets) to VRS for the current year were as follows:

	<u>City</u>	<u>School Board⁽¹⁾</u>
Annual required contribution	\$ 47,153,922	\$ 4,964,405
Interest on net pension obligation/asset	(199,780)	5,286
Adjustment to annual required contribution	201,701	(5,337)
Annual pension cost	<u>47,155,843</u>	<u>4,964,354</u>
Contributions made	<u>(47,153,922)</u>	<u>(4,964,405)</u>
Increase in net pension obligation/asset	1,921	(51)
Net pension obligation (asset) beginning of year	(2,663,728)	70,487
Net pension obligation (asset) end of year	<u>\$ (2,661,807)</u>	<u>\$ 70,436</u>

⁽¹⁾ Excludes contribution to VRS statewide teacher pool in the amount of \$55,006,620.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

11. RETIREMENT (continued)

A. Virginia Retirement System (continued)

4. Three-Year Trend Information for City of Virginia Beach

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Assets)
<i>City</i>			
June 30, 2009	\$ 47,153,922	100.0%	\$ (2,661,807)
June 30, 2008	\$ 49,259,535	100.0%	\$ (2,663,728)
June 30, 2007	\$ 45,676,301	100.0%	\$ (2,652,577)
<i>School Board</i>			
June 30, 2009	\$ 4,964,354	100.0%	\$ 70,436
June 30, 2008	\$ 5,228,955	100.0%	\$ 70,487
June 30, 2007	\$ 5,030,366	100.0%	\$ 70,386

B. Sheriff's Supplemental Retirement Plan

1. Plan Description

The Sheriff's Supplemental Plan is a defined contribution pension plan established by the Sheriff and approved by City Council to provide additional retirement benefits to all full-time employees of the Sheriff who have at least one year of service. Benefits vest after five years of service.

Contributions to the plan are made from the Sheriff's Special Revenue Fund and are approved by City Council prior to the end of each plan year. Contributions cannot exceed an amount equal to 15 percent of the compensation of all participants during the year. Contributions shall be allocated to the participants' accounts by the proportion of the participant's base salary to total base salary of all participants. Participant contributions are not allowed. There were no contributions made for the plan year ending August 31, 2008.

2. Significant Accounting Principles

Basis of Accounting. The Sheriff's Supplemental Retirement Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Method Used to Value Investments. Plan assets are invested in a fully benefit-responsive investment contract. Contributions are maintained in a pooled account with a guaranteed interest rate. The contract is included in the Plan's financial statements at contract value, which approximate fair value, as reported to the Plan by the third party administrator. Contract value represents contributions made under the contract, plus earnings, less plan withdrawals and fees.

A stand alone financial report can be obtained by contacting Sheriff Paul Lanteigne, City of Virginia Beach Sheriff's Office, 2501 James Madison Avenue, Virginia Beach, VA 23456.

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The City and School Board Other Postemployment Benefit Plans are a single-employer defined benefit plan, administered in accordance with State and City statutes. Section 15.2-1500 of the Virginia State Code provides that every locality shall provide for the governmental functions of the locality, including employment of the officers and other employees. In connection with this employment, the City has established certain plans to

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

12. OTHER POSTEMPLOYMENT BENEFITS (continued)

provide post-employment benefits other than pensions as defined in Section 15.2-1545 of the Virginia Code to retirees and their spouses and eligible dependents. Employees who retire with at least 25 years of service with the City and School Board as well those who retire on a work-related disability compensable under the Workers' Compensation Act before age 65 are eligible for access to health insurance coverage. This benefit is payable until the retiree becomes eligible for Medicare.

Separate financial statements can be obtained from VML/VACO Finance, 1108 East Main Street, Suite 801, Richmond, VA 23219.

In accordance with Article 8, Chapter 15, Subtitled II of Title 15.2 of the Virginia Code, the City and School Board have elected to establish a trust for the purpose of accumulating and investing assets to fund Other Postemployment Benefits. The City and School Board in accordance with this election have joined the Virginia Pooled OPEB Trust Fund. Deposits to this trust are irrevocable and are held solely for the payment of OPEB benefits for the City and School Board.

Funding Policy. Contribution requirements of the City, School Board and plan members are established and may be amended by the respective legislative bodies. The required contributions were actuarially determined and are based upon projected pay as you go financing requirements with an additional amount to prefund benefits. For the period ending June 30, 2009 the City and School Board contributed, \$8,932,316 million and \$8,829,752 respectively. Plan members from each organization contributed \$39.50 per month for retiree-only point of services coverage. Retirees who elect HMO coverage will contribute less. City and School Board retirees with coverage for their spouses will contribute \$320 and \$372 respectively to age 65. The School Board has adopted a resolution to eliminate the subsidy for health care and phase this elimination in over 10 years. The City has determined that all current employees and retirees shall contribute to the cost of their health care coverage and no level of benefit shall be provided free of charge. The retiree contribution rate shall be based on the experience of the plan, the City's annual contribution amount and the remaining premium cost.

Annual OPEB Cost. For 2009, the City and School Board's annual OPEB cost of \$8,932,316 million and \$8,829,752 million, respectively, was equal to the required contribution. The amount placed in the OPEB Trust was \$4.7 million and \$3.7 million for City and Schools, respectively. The balance of the annual OPEB cost was paid for health insurance subsidies for current retirees. The City and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2008 are presented below.

City

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2009	\$ 8,932,316	100%	\$ -
06/30/2008	\$ 10,277,268	100%	\$ -

School Board

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2009	\$ 8,829,752	100%	\$ -
06/30/2008	\$ 9,207,085	100%	\$ -

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

12. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2009, was as follows:

	<u>City</u>	<u>School Board</u>
Actuarial accrued liability (AAL)	\$ 75,897,658	\$ 72,692,511
Actuarial value of plan assets	4,996,388	3,897,182
Unfunded actuarial accrued liability (UAAL)	<u>\$ 70,901,270</u>	<u>\$ 68,795,329</u>
Funded ratio (actuarial value of plan assets/AAL)	6.6%	5.4%
Covered payroll (active plan members)	\$ 280,202,036	\$ 440,959,594
UAAL as a percentage of covered payroll	25.3%	15.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009, actuarial valuation, for the year ending June 30, 2009 the projected unit credit method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.46% initially, reduced by decrements to an ultimate rate of 4.50% after ten years. Both rates include a 2.5% inflation assumption. Unfunded actuarial accrued liabilities for each organization are being amortized as a level dollar amount over a period of 30 years.



**REQUIRED
SUPPLEMENTAL
INFORMATION
(Unaudited)**

**VIRGINIA RETIREMENT SYSTEM
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)**

In accordance with the Governmental Accounting Standards Board Statements No. 25, and 27, the following information is a required part of the basic financial statements.

**CITY OF VIRGINIA BEACH
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULES OF FUNDING PROGRESS FOR VRS – UNAUDITED**

<u>City Employees</u>							
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded (Overfunded) Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll	
June 30, 2006	\$ 851,058,564	\$ 1,074,066,746	\$ 223,008,182	79.24%	\$ 254,018,890	87.79	%
June 30, 2007	\$ 979,005,170	\$ 1,181,134,126	\$ 202,128,956	82.89%	\$ 266,600,100	75.82	%
June 30, 2008	\$ 1,086,477,595	\$ 1,295,698,546	\$ 209,220,951	83.85%	\$ 280,202,036	74.67	%
<u>School Board Non-Professional Employees</u>							
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded (Overfunded) Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll	
June 30, 2006	\$ 120,152,277	\$ 132,461,886	\$ 12,309,609	90.71%	\$ 36,861,591	33.39	%
June 30, 2007	\$ 137,500,094	\$ 148,701,032	\$ 11,200,938	92.47%	\$ 40,564,649	27.61	%
June 30, 2008	\$ 151,911,320	\$ 158,571,135	\$ 6,659,815	95.80%	\$ 41,951,424	15.88	%

Note: Source Virginia Retirement System Actuarial Valuation Report for June 30, 2008. Revised economic and noneconomic assumptions due to experience review.

**CITY OF VIRGINIA BEACH
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULES OF FUNDING PROGRESS
Other Postemployment Benefits – UNAUDITED**

City								
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded (Overfunded) Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll		
January 1, 2008	\$ -	\$ 84,679,145	\$ 84,679,145	0.0%	\$ 266,600,100	31.8	%	
January 1, 2009	\$ 4,996,388	\$ 75,897,658	\$ 70,901,270	6.6%	\$ 280,202,036	25.3	%	

School Board								
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded (Overfunded) Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll		
January 1, 2008	\$ -	\$ 72,279,351	\$ 72,279,351	0.0%	\$ 431,243,164	16.8	%	
January 1, 2009	\$ 3,897,182	\$ 72,692,511	\$ 68,795,329	5.4%	\$ 440,959,594	15.6	%	

Schedules of Employer Contributions

City		
Year Ended Date	Annual Required Contribution	Percentage Contributed
June 30, 2008	\$ 10,277,268	100%
June 30, 2009	\$ 8,932,316	100%

School Board		
Year Ended Date	Annual Required Contribution	Percentage Contributed
June 30, 2008	\$ 9,207,085	100%
June 30, 2009	\$ 8,829,752	100%

Note: Source Postretirement Benefit Valuation Report, dated January 2009, for the period ending June 30, 2008.



**OTHER SUPPLEMENTAL
INFORMATION**

**NONMAJOR
GOVERNMENTAL FUNDS**

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund - is used to account for the financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than capital projects) which are legally restricted to be expended for specific purposes.

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and Temporary Investments	\$ 78,444,426	\$ 4,115,364	\$ 82,559,790
Cash and Temporary Investments - Restricted	16,326,037	2,716,415	19,042,452
Agriculture Reserve Program Treasury Strips	-	14,457,535	14,457,535
Receivables (net of allowance for uncollectables, where applicable):			
Loans	4,819,155	-	4,819,155
Accounts	185,656	-	185,656
Due from:			
Commonwealth	1,344,191	-	1,344,191
Federal Government	1,691,349	-	1,691,349
Total Assets	<u>\$ 102,810,814</u>	<u>\$ 21,289,314</u>	<u>\$ 124,100,128</u>
<u>LIABILITIES</u>			
Vouchers and Accounts Payable	\$ 3,220,167	\$ 72,384	\$ 3,292,551
Due to:			
Commonwealth	124,937	-	124,937
Federal Government	174,028	-	174,028
Deferred Revenue	149,669	-	149,669
Total Liabilities	<u>\$ 3,668,801</u>	<u>\$ 72,384</u>	<u>\$ 3,741,185</u>
<u>FUND BALANCES:</u>			
Reserved for:			
Encumbrances	\$ 649,181	\$ -	\$ 649,181
Loans	4,819,155	-	4,819,155
Unreserved:			
Designated for Future Debt Service	-	21,216,930	21,216,930
Designated for Special Projects	18,184,401	-	18,184,401
Designated for Encumbrances	1,374,738	-	1,374,738
Undesignated	74,114,538	-	74,114,538
Total Fund Balances	<u>\$ 99,142,013</u>	<u>\$ 21,216,930</u>	<u>\$ 120,358,943</u>
Total Liabilities and Fund Balances	<u>\$ 102,810,814</u>	<u>\$ 21,289,314</u>	<u>\$ 124,100,128</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
General Property Taxes - Real Estate	\$ 20,080,184	\$ -	\$ 20,080,184
Other Local Taxes	920,264	-	920,264
From Use of Money and Property	3,205,755	796,406	4,002,161
Charges for Services	17,282,155	-	17,282,155
Miscellaneous	1,116,534	-	1,116,534
Fines and Forfeitures	350,435	-	350,435
From Commonwealth	16,892,543	-	16,892,543
From Federal Government	37,178,091	-	37,178,091
Total Revenues	\$ 97,025,961	\$ 796,406	\$ 97,822,367
EXPENDITURES			
Judicial	\$ 35,921,141	\$ -	\$ 35,921,141
Police	2,061,360	-	2,061,360
Public Works	15,000	-	15,000
Parks and Recreation	29,550,852	-	29,550,852
Library	250,022	-	250,022
Agriculture	169,362	-	169,362
Communication and Information Technology	123,754	-	123,754
Convention and Visitor Development	16,004,428	-	16,004,428
Boards and Commissions	1,983,114	-	1,983,114
Fire	1,404,033	-	1,404,033
Housing and Neighborhood Prevention	21,302,428	-	21,302,428
Human Services	8,249,429	-	8,249,429
Museums	12,437	-	12,437
General Government	7,483,531	-	7,483,531
Emergency Medical Services	419,650	-	419,650
Debt Service:			
Principal Retirement	-	72,662,009	72,662,009
Interest and Fiscal Charges	-	48,401,666	48,401,666
Total Expenditures	\$ 124,950,541	\$ 121,063,675	\$ 246,014,216
Deficiency of Revenues over Expenditures	\$ (27,924,580)	\$ (120,267,269)	\$ (148,191,849)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 109,847,152	\$ 121,387,428	\$ 231,234,580
Transfers Out	(89,355,774)	(3,294,308)	(92,650,082)
Premium of Bonds Sold	-	4,384,080	4,384,080
Total Other Financing Sources and (Uses)	\$ 20,491,378	\$ 122,477,200	\$ 142,968,578
Net Change in Fund Balance	\$ (7,433,202)	\$ 2,209,931	\$ (5,223,271)
Fund Balance at Beginning of Year	106,575,215	19,006,999	125,582,214
Fund Balance at End of Year	\$ 99,142,013	\$ 21,216,930	\$ 120,358,943



GENERAL FUND

GENERAL FUND

The General Fund is the general operating fund of the City which is used to account for all of the financial resources, except those required to be accounted for in another fund.

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009**

Source	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>General Property Taxes</u>				
Real Estate	\$ 484,969,152	\$ 484,969,152	\$ 494,548,227	\$ 9,579,075
Personal Property	135,561,915	135,561,915	122,918,782	(12,643,133)
Prior Year's Personal Property	6,965	6,965	42,441	35,476
Interest on Delinquent Taxes	1,350,484	1,350,484	1,773,141	422,657
Total General Property Taxes	<u>\$ 621,888,516</u>	<u>\$ 621,888,516</u>	<u>\$ 619,282,591</u>	<u>\$ (2,605,925)</u>
<u>Other Local Taxes</u>				
General Sales	\$ 56,040,158	\$ 56,040,158	\$ 51,439,533	\$ (4,600,625)
Utility	49,045,450	49,045,450	45,764,804	(3,280,646)
Business Licenses	43,180,830	43,180,830	41,047,807	(2,133,023)
Franchise Taxes - Cox Communications	5,413,198	5,413,198	5,891,384	478,186
Automobile Licenses	8,960,647	8,960,647	8,962,613	1,966
Bank Stock	1,751,651	1,751,651	2,071,296	319,645
City Tax on Deeds	8,033,803	8,033,803	6,492,325	(1,541,478)
City Tax on Wills	93,010	93,010	77,086	(15,924)
Cigarette	13,199,518	13,199,518	11,786,853	(1,412,665)
Amusement	5,597,076	5,597,076	5,422,767	(174,309)
Hotel Taxes	24,133,253	24,133,253	22,955,423	(1,177,830)
Restaurant Meals	48,745,131	48,745,131	48,304,462	(440,669)
Total Other Local Taxes	<u>\$ 264,193,725</u>	<u>\$ 264,193,725</u>	<u>\$ 250,216,353</u>	<u>\$ (13,977,372)</u>
<u>Permits, Privilege Fees, and Regulatory Licenses</u>				
Dog and Cat Licenses	\$ 481,961	\$ 481,961	\$ 435,119	\$ (46,842)
Use Permits	39,661	39,661	42,522	2,861
Building Permits	1,627,178	1,627,178	1,039,969	(587,209)
Electrical Permits	582,065	582,065	365,169	(216,896)
Plumbing Permits	381,986	381,986	235,114	(146,872)
Highway Permits	111,891	111,891	126,400	14,509
Taxi Driver Permits	2,868	2,868	3,449	581
Business Closing Permits	-	-	520	520
Administrative Fees	173,988	173,988	134,300	(39,688)
Bicycle Licenses	114	114	242	128
Certificates	87,411	87,411	53,700	(33,711)
Boat Landing and Launching Permits	581	581	-	(581)
Pedestrian Bridge Fee - Atlantic Avenue	1,450	1,450	1,450	-
Abandoned Vehicle Franchises	25,015	25,015	33,739	8,724
Excavation and Soil Removal Fees	300	300	250	(50)
Precious Metal Dealers Permits	11,479	11,479	26,600	15,121
Encroachment Application Fees	10,052	10,052	6,500	(3,552)
Vacation of Plats	140	140	420	280
Fence Inspection Fees	5,371	5,371	4,740	(631)
Non-Conforming Use Permits	790	790	1,845	1,055
Mechanical Permits	800,000	800,000	547,599	(252,401)
Sign Permits	60,291	60,291	47,072	(13,219)
Fire Permits	154,922	154,922	204,870	49,948
Special Events/Permit Fees	29,285	29,285	30,000	715
Peddler's Permits	212	212	400	188
Surrey Permits	-	-	200	200
Moving and Hauling Permits	160,000	160,000	187,275	27,275

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009**

Source	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Permits, Privilege Fees, and Regulatory Licenses (continued)</u>				
Erosion and Sediment Control Permits	\$ 7,976	\$ 7,976	\$ 5,850	\$ (2,126)
Subdivision Inspection Fees - Highways	6,058	6,058	26,764	20,706
Wetlands Permits	42,307	42,307	28,500	(13,807)
Water and Sewer Connection Inspection Fees	84,935	84,935	31,586	(53,349)
Highway Permit Inspection Fees	252,847	252,847	70,376	(182,471)
Coastal Primary Sand Dune Fees	1,979	1,979	1,500	(479)
Storage Tank Inspection	8,236	8,236	2,260	(5,976)
Right of Way Permit Inspection Fees	81,447	81,447	46,599	(34,848)
Transfer Fees	19,338	19,338	16,079	(3,259)
Subdivision Approval Fees	59,860	59,860	50,282	(9,578)
Yard Debris Trailers	320,000	320,000	205,651	(114,349)
Zoning Change Fees	22,808	22,808	14,550	(8,258)
Selective Pruning	200	200	-	(200)
ATM - Permit Fees	3,000	3,000	5,400	2,400
Variance Fees	6,979	6,979	6,342	(637)
Zoning Verification	7,477	7,477	4,750	(2,727)
Reconsideration Conditions Fees	4,492	4,492	4,100	(392)
Street Closures	11,534	11,534	47,850	36,316
Residential Parking	-	30,000	31,675	1,675
Board of Zoning Appeals - Variances	36,859	36,859	29,200	(7,659)
Total Permits, Privilege Fees, and Regulatory Licenses	<u>\$ 5,727,343</u>	<u>\$ 5,757,343</u>	<u>\$ 4,158,778</u>	<u>\$ (1,598,565)</u>
<u>Fines and Forfeitures</u>				
Court Fines and Forfeitures	\$ 4,982,290	\$ 4,982,290	\$ 4,829,436	\$ (152,854)
Parking Tickets - Penalties	538,333	538,333	356,364	(181,969)
Overweight Vehicles Fees	217,356	217,356	186,408	(30,948)
Wetlands/Dunes - Civil Charges	10,488	10,488	3,000	(7,488)
Chesapeake Bay Preservation Fee	2,891	2,891	5,500	2,609
DUI Response Reimbursements	34,727	34,727	35,425	698
Red Light Violations	1,593,361	1,593,361	-	(1,593,361)
Zoning Fines	2,414	2,414	6,163	3,749
Total Fines and Forfeitures	<u>\$ 7,381,860</u>	<u>\$ 7,381,860</u>	<u>\$ 5,422,296</u>	<u>\$ (1,959,564)</u>
<u>From Use of Money and Property</u>				
<u>Revenue from Use of Money:</u>				
Interest on Bank Deposits	\$ 6,947,757	\$ 6,947,757	\$ 4,695,168	\$ (2,252,589)
Interest - AIM Deposits 93 COP Debt Service	-	-	31,532	31,532
<u>Revenue from Use of Property:</u>				
Rent - Adam Thoroughgood House	35,575	35,575	18,385	(17,190)
Farmers Market-Merchants Dues and Promo Fees	4,680	4,680	4,425	(255)
Rent - Rudee Inlet Property	24,000	24,000	25,700	1,700
Rent - Town Center	172,649	172,649	184,348	11,699
Farmers Market Fees	95,000	95,000	116,822	21,822
Public Telephone Commissions	2,378	2,378	-	(2,378)
Sale School Grad Video Tapes	14,000	14,000	9,508	(4,492)
Sale of Police Weapons	-	-	415	415
Photocopying Machines	58,850	58,850	62,830	3,980
Bicycle Auctions - Unclaimed Property	11,000	11,000	8,693	(2,307)

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009**

Source	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>From Use of Money and Property</u>				
<u>Revenue from Use of Property (continued)</u>				
Special Events - Farmers Market	\$ 1,000	\$ 1,000	\$ 1,075	\$ 75
Rent - Convention Center	1,648,650	1,648,650	1,570,442	(78,208)
Concessions - Convention Center	797,500	797,500	1,131,550	334,050
Rudee Inlet Parking Permits	236	236	200	(36)
Farmers Market and Flea Market Vendor Fee	1,200	1,200	1,360	160
School Tours	1,200	1,200	1,534	334
Room Rentals, Aquarium	30,000	30,000	17,030	(12,970)
Rent - Owl Creek Golf Center	22,000	22,000	25,000	3,000
Rent - Law Library	60,000	60,000	60,000	-
Virginia Beach National Golf	100,000	110,000	76,745	(33,255)
Rent - Adult Probation	112,455	112,455	121,554	9,099
Rent - Community Diversion/Corrections	40,816	40,816	42,449	1,633
Rent - Virginia Bar Association - JC	3,400	3,400	2,300	(1,100)
Rent - Sprint Cellular Tower	10,556	10,556	10,490	(66)
Rent - Other Properties	783,314	783,314	348,286	(435,028)
Rent - Rooms	7,500	7,500	1,000	(6,500)
Rent - Nextel	67,540	67,540	23,942	(43,598)
Rent for Antennea	75,617	75,617	94,157	18,540
Rent - Agricultural Land	3,012	3,012	1,975	(1,037)
Rent - Water and Sewer Office	388,900	388,900	388,900	-
Sale of Trash Containers	180,000	180,000	126,900	(53,100)
Total from Use of Money and Property	<u>\$ 11,700,785</u>	<u>\$ 11,710,785</u>	<u>\$ 9,204,715</u>	<u>\$ (2,506,070)</u>
<u>Charges For Services</u>				
City Clerk Services	\$ 75	\$ 75	\$ -	\$ (75)
U S Passport Processing Fees	12,000	12,000	7,985	(4,015)
Excess Fees - Clerk	1,969,463	1,969,463	1,502,203	(467,260)
Court Costs	1,565	1,565	357	(1,208)
Court Order Administrative Fees	30,000	30,000	21,380	(8,620)
Public Defender Fees	75,146	75,146	95,949	20,803
Sale of Police Reports	145,000	145,000	213,374	68,374
Police - False Alarm Fees	1,113,909	1,116,083	152,544	(963,539)
Fire Services	320,000	320,000	135,102	(184,898)
Animal Disposal Fees	37,333	37,333	1,903	(35,430)
Animal Adoption Fees	66,171	66,171	53,626	(12,545)
Board and Impounding Fees	66,167	66,167	78,691	12,524
Refuse Disposal Charges	660,000	660,000	318,269	(341,731)
Refuse Disposal Charges - SPSA	1,138,266	1,138,266	257,169	(881,097)
Sale of Methane Gas - Trashmore	65,000	65,000	64,177	(823)
Obstetrical Services	-	-	826	826
Mental Health and Mental Retardation	1,714,195	1,714,195	1,836,571	122,376
Substance Abuse	170,277	170,277	130,135	(40,142)
Museums Gift Shop Sales	1,406,267	1,406,267	1,095,310	(310,957)
FLH-Admissions-Special Events/General Tours	19,300	19,300	13,561	(5,739)
Lynnhaven House Admissions	6,365	6,365	769	(5,596)
Aquarium Admissions	3,446,878	3,446,878	3,012,086	(434,792)
Aquarium Memberships	593,290	593,290	399,310	(193,980)
Aquarium IMAX Theater	1,828,340	1,828,340	863,687	(964,653)
Library Fines and Fees	304,544	304,544	300,117	(4,427)

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009**

Source	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Charges For Services (continued)</u>				
Sale of Publications	\$ 3,821	\$ 3,821	\$ 11,753	\$ 7,932
Sale of Maps - Planning Commission	193	193	-	(193)
Convention Center Staff Services	958,036	958,036	1,090,889	132,853
Maps and Digital Data	-	-	151	151
Data Processing Services	10,000	10,000	-	(10,000)
Courthouse Maintenance	146,461	146,461	164,935	18,474
Other Services Provided	2,555,475	2,555,475	2,414,529	(140,946)
Site Plan Review Fees	378,329	378,329	204,473	(173,856)
Reimbursement - FOIA - Req. Costs	-	-	69	69
State's Attorney	18,135	18,135	20,523	2,388
Water and Sewer Direct Charges	2,997,968	3,017,968	2,850,444	(167,524)
Water and Sewer In Lieu of Taxes	100,000	100,000	100,000	-
Water and Sewer Utility Yard Maintenance	177,841	177,841	155,620	(22,221)
Water and Sewer Landscape Services	301,492	301,492	257,519	(43,973)
Construction Plan Review Fees	34,334	34,334	5,401	(28,933)
Chesapeake Bay Preservation Act Variance Fees	37,823	37,823	22,500	(15,323)
Total Charges for Services	<u>\$ 22,909,459</u>	<u>\$ 22,931,633</u>	<u>\$ 17,853,907</u>	<u>\$ (5,077,726)</u>
<u>Miscellaneous Revenue</u>				
Indirect Costs - Public Utilities	\$ 2,365,531	\$ 2,365,531	\$ 1,837,022	\$ (528,509)
Indirect and Direct Costs - Storm Water Management	1,137,443	1,137,443	1,061,263	(76,180)
Indirect Costs-Housing & Neighborhood Preservation	304,240	304,240	306,980	2,740
Indirect and Direct Costs - Resort Parking	94,439	219,647	228,496	8,849
Indirect and Direct Cost - TGIF	2,000,000	2,000,000	2,000,000	-
Excess Property Processing	2,000	2,000	150	(1,850)
Miscellaneous	352,176	408,628	433,788	25,160
Returned Check Processing Charges	91,277	91,277	85,306	(5,971)
Campaign Financing	-	-	800	800
Donations	5,600	14,907	58,526	43,619
City Treasurer Charges	355,543	355,543	268,452	(87,091)
Aquarium Foundation	805,518	805,518	738,322	(67,196)
Farm Classification - Late Filing Fees	60	60	200	140
Convention Center Concessions	1,200	1,200	1,200	-
Sale of Properties	-	551	565	14
Sale of Salvage Materials	256,722	256,722	120,410	(136,312)
Refund of Surplus - Health Department	10,100	10,100	34,377	24,277
Medicaid Out -Station	68,125	68,125	115,556	47,431
Sale - Recyclable Materials	-	-	3,955	3,955
Sale of Video Reproductions	779	779	-	(779)
Beam Advertising	20,239	20,239	18,229	(2,010)
DVP Street Light Reimbursement	500,000	500,000	257,690	(242,310)
Reimbursement - Responsible Parties - HAZMAT	-	26,116	26,461	345
Reimbursement - DMV	136,743	511,743	530,624	18,881
Total Miscellaneous Revenue	<u>\$ 8,507,735</u>	<u>\$ 9,100,369</u>	<u>\$ 8,128,372</u>	<u>\$ (971,997)</u>
<u>From Commonwealth</u>				
Rolling Stock Tax	\$ 20,744	\$ 20,744	\$ 37,380	\$ 16,636
Mobile Homes Sales Tax	37,670	37,670	40,056	2,386
Passenger Car Rental Tax	1,047,257	1,047,257	898,463	(148,794)

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009**

Source	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>From Commonwealth (continued)</u>				
Demolished Vehicle	\$ -	\$ -	\$ (150)	\$ (150)
Reimbursement - Treasurer	840,995	840,995	761,406	(79,589)
Reimbursement - Commissioner of the Revenue	751,534	751,534	784,176	32,642
Reimbursement - General Registrar's Salary	100,319	100,319	99,240	(1,079)
Reimbursement - Clerk of Circuit Court	1,833,046	1,833,046	1,787,966	(45,080)
Reimbursement - Commonwealth's Attorney	2,556,041	2,556,041	2,518,633	(37,408)
Reimbursement - Medical Examiner	1,720	1,720	-	(1,720)
Reimbursement - Health Department Automobile	8,671	8,671	8,151	(520)
Reimbursement - State Aid Law Enforcement	13,002,430	13,002,430	10,831,308	(2,171,122)
State Prisoner Transportation	646,000	646,000	527,550	(118,450)
Mental Health, Mental Retardation and Substance Abuse	16,308,263	16,780,089	17,197,055	416,966
Circuit Court Clerk Technology	-	430,314	430,325	11
Maintenance of Roads	32,672,091	32,672,091	32,834,612	162,521
Recordation Fees	1,748,483	1,748,483	1,058,612	(689,871)
Clean Community	55,000	55,000	56,010	1,010
Public Assistance Grants	18,386,789	18,386,789	18,752,109	365,320
Medicaid	12,629,748	12,699,748	12,779,038	79,290
DMV Select Program	81,629	81,629	155,398	73,769
Virginia Commission For The Arts	5,000	5,000	5,000	-
Wireless E-911 Services Board	1,300,000	1,420,000	2,063,500	643,500
Spay and Neuter Services	-	-	1,246	1,246
Universal Service Funds	30,000	30,000	5,630	(24,370)
State Aid Library	262,455	262,455	262,001	(454)
Other State Revenue	(2,133,530)	(2,133,530)	-	2,133,530
Total From Commonwealth	<u>\$ 102,192,355</u>	<u>\$ 103,284,495</u>	<u>\$ 103,894,715</u>	<u>\$ 610,220</u>
<u>From Federal Government</u>				
Public Law 97-258	\$ -	\$ -	\$ 824	\$ 824
Public Law 95-469 - Refuge Revenue Sharing Act	171,091	171,091	128,113	(42,978)
Indirect Costs - Social Services	423,765	423,765	750,922	327,157
Federal Emergency Management Agency	42,000	42,000	52,914	10,914
SEVAMP Grant	83,572	83,572	81,788	(1,784)
Mental Health, Mental Retardation and Substance Abuse	2,498,754	2,636,771	2,810,882	174,111
USDA Juvenile Detention	102,500	102,500	99,647	(2,853)
Public Assistance Grants	20,079,836	20,079,836	18,138,458	(1,941,378)
City ARRA	-	-	271,831	271,831
Medicaid Out-Station	53,800	53,800	-	(53,800)
Total From Federal Government	<u>\$ 23,455,318</u>	<u>\$ 23,593,335</u>	<u>\$ 22,335,379</u>	<u>\$ (1,257,956)</u>
<u>Other Local Governments</u>				
City of Chesapeake	\$ 254,900	\$ 254,900	\$ 259,858	\$ 4,958
Virginia Beach Development Authority	155,099	155,099	180,668	25,569
	<u>\$ 409,999</u>	<u>\$ 409,999</u>	<u>\$ 440,526</u>	<u>\$ 30,527</u>
TOTAL REVENUES	<u>\$ 1,068,367,095</u>	<u>\$ 1,070,252,060</u>	<u>\$ 1,040,937,632</u>	<u>\$ (29,314,428)</u>
<u>Other Financing Sources</u>				
Transfers In	\$ 295,417	\$ 18,860,326	\$ 20,110,742	\$ 1,250,416
TOTAL REVENUE AND OTHER FINANCING SOURCES	<u>\$ 1,068,662,512</u>	<u>\$ 1,089,112,386</u>	<u>\$ 1,061,048,374</u>	<u>\$ (28,064,012)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Legislative Department</u>				
Municipal Council	\$ 584,244	\$ 595,737	\$ 595,247	\$ 490
City Clerk	624,982	649,089	634,629	14,460
Total Legislative Department	<u>\$ 1,209,226</u>	<u>\$ 1,244,826</u>	<u>\$ 1,229,876</u>	<u>\$ 14,950</u>
<u>Executive Department</u>				
City Manager	\$ 1,812,342	\$ 1,847,872	\$ 1,785,147	\$ 62,725
Organizational Development Office	367,613	367,613	336,222	31,391
Media and Communication Group	1,262,489	1,272,794	1,126,954	145,840
Volunteer Council	176,637	181,637	168,266	13,371
Total Executive Department	<u>\$ 3,619,081</u>	<u>\$ 3,669,916</u>	<u>\$ 3,416,589</u>	<u>\$ 253,327</u>
<u>Law Department</u>				
City Attorney	\$ 3,894,926	\$ 3,874,152	\$ 3,645,426	\$ 228,726
<u>Finance Department</u>				
Director of Finance:				
Director's Office	\$ 867,897	\$ 842,434	\$ 856,039	\$ (13,605)
Comptroller's Office	1,308,723	1,366,101	1,290,178	75,923
Payroll	662,147	662,147	639,886	22,261
Purchasing	1,142,694	1,144,813	1,069,828	74,985
Local Vehicle Registration	439,170	814,170	769,165	45,005
Total Director of Finance	<u>\$ 4,420,631</u>	<u>\$ 4,829,665</u>	<u>\$ 4,625,096</u>	<u>\$ 204,569</u>
Commissioner of the Revenue	3,929,241	3,977,575	3,899,329	78,246
Board of Equalization	18,914	18,914	7,728	11,186
City Real Estate Assessor	3,123,418	3,105,398	2,933,922	171,476
Treasurer	5,146,689	5,192,746	5,088,699	104,047
Total Finance Department	<u>\$ 16,638,893</u>	<u>\$ 17,124,298</u>	<u>\$ 16,554,774</u>	<u>\$ 569,524</u>
<u>Human Resources Department</u>				
Director's Office	\$ 959,533	\$ 1,035,094	\$ 979,087	\$ 56,007
Employee Relations	445,630	425,007	385,216	39,791
Staffing and Placement	1,267,789	1,219,467	1,108,066	111,401
Training and Development	684,127	895,865	693,621	202,244
Police Services	86,234	86,234	87,523	(1,289)
Benefits Administration	814,890	814,890	814,890	-
Employee Special Benefits	4,943,054	8,671,295	7,711,487	959,808
Occupational Safety	408,844	406,227	349,138	57,089
Occupational Health	784,815	789,749	770,504	19,245
Total Human Resources Department	<u>\$ 10,394,916</u>	<u>\$ 14,343,828</u>	<u>\$ 12,899,532</u>	<u>\$ 1,444,296</u>
<u>Judicial Department</u>				
Circuit Court	\$ 996,122	\$ 1,050,611	\$ 1,012,602	\$ 38,009
General District Court	315,772	483,953	448,361	35,592
Juvenile and Domestic Relations - District Court	166,299	165,341	160,246	5,095
Commonwealth's Attorney	6,912,705	7,038,697	6,913,253	125,444
Consumer Affairs	346,037	346,037	334,269	11,768
Victim/Witness	201,409	230,127	225,838	4,289
Clerk of the Circuit Court	2,818,599	3,246,470	3,190,495	55,975
Magistrates	128,343	127,604	127,464	140

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Judicial Department (continued)</u>				
Juvenile Probation	\$ 2,013,696	\$ 2,000,587	\$ 1,503,852	\$ 496,735
Youth Intervention CHINS Unit	294,489	294,489	220,798	73,691
Total Judicial Department	<u>\$ 14,193,471</u>	<u>\$ 14,983,916</u>	<u>\$ 14,137,178</u>	<u>\$ 846,738</u>
<u>Health Department</u>				
Preventive Medicine	\$ 3,399,228	\$ 3,190,650	\$ 3,071,005	\$ 119,645
<u>Human Services Department</u>				
Administration	\$ 5,198,603	\$ 4,763,472	\$ 4,754,575	\$ 8,897
Mental Health	17,213,541	19,079,078	18,370,641	708,437
Mental Retardation	17,858,565	18,707,284	16,921,970	1,785,314
Substance Abuse	5,504,306	5,667,043	5,391,932	275,111
Social Services	38,910,681	38,922,945	38,351,963	570,982
Biznet Village	3,583,674	3,587,452	3,798,542	(211,090)
Pendleton Child Service Center	1,947,144	1,949,823	1,748,383	201,440
Comprehensive Services Act Administration & Social Services	13,270,549	13,270,549	12,563,380	707,169
Juvenile Detention Center	5,254,600	5,256,982	4,831,500	425,482
Total Human Services Department	<u>\$ 108,741,663</u>	<u>\$ 111,204,628</u>	<u>\$ 106,732,886</u>	<u>\$ 4,471,742</u>
<u>Police Department</u>				
Director's Office	\$ 2,838,549	\$ 2,345,442	\$ 2,755,399	\$ (409,957)
Personnel and Training	3,892,225	4,149,414	3,789,713	359,701
Crime Prevention	818,622	818,397	725,408	92,989
Police Support	3,882,502	4,022,334	3,820,289	202,045
Uniform Patrol	48,339,691	48,386,037	47,317,695	1,068,342
Red Light Camera Program	1,255,169	1,255,169	49,017	1,206,152
Investigative Division	12,241,279	12,237,141	12,039,294	197,847
Special Investigative Unit	4,813,042	4,813,131	4,614,382	198,749
Police Helicopter Unit	1,596,890	1,603,666	1,602,356	1,310
Mounted Patrol	1,372,144	1,373,054	1,336,189	36,865
Marine Patrol	924,414	924,414	834,873	89,541
Commercial Extraditions	666,239	666,239	547,224	119,015
School Resource Officer Program	2,456,522	2,456,522	2,371,041	85,481
False Alarms	85,344	85,344	20,385	64,959
Animal Control	2,281,917	2,334,895	2,155,213	179,682
Total Police Department	<u>\$ 87,464,549</u>	<u>\$ 87,471,199</u>	<u>\$ 83,978,478</u>	<u>\$ 3,492,721</u>
<u>Public Works Department</u>				
Director's Office	\$ 182,701	\$ (136,382)	\$ 336,311	\$ (472,693)
Administration Services	6,101,918	6,086,586	6,247,950	(161,364)
Beach Management and Engineering	582,129	582,384	519,389	62,995
Waste Management/Administration	979,641	980,056	892,357	87,699
Bureau of Waste Disposal	12,481,690	23,681,968	20,072,060	3,609,908
Bureau of Waste Collection	11,504,455	11,504,455	11,807,030	(302,575)
Recycling Bureau	5,171,549	5,173,121	5,014,735	158,386
Real Estate Office	977,785	977,449	985,652	(8,203)
Engineering/Administration	762,777	760,060	757,148	2,912
Design	273,624	272,513	193,810	78,703

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Public Works Department (continued)				
Surveys	\$ 1,158,023	\$ 1,211,737	\$ 1,031,082	\$ 180,655
Drafting	559,001	588,552	404,557	183,995
Traffic Engineering	1,515,659	1,514,548	1,351,992	162,556
Project Management	1,025,026	1,119,665	998,765	120,900
Project Management/Buildings	756,755	663,047	654,212	8,835
Construction	1,152,446	1,140,468	971,915	168,553
Contracts	442,638	442,638	483,225	(40,587)
Customer Service/Administration	938,699	953,286	913,641	39,645
Planning, Estimating and Scheduling	654,047	650,547	672,652	(22,105)
Infrastructure Maintenance Contracts	634,773	630,773	606,551	24,222
Support Services and Systems Support	877,034	881,930	860,638	21,292
System Support	717,048	717,048	652,956	64,092
Street Maintenance	4,427,681	4,628,847	4,298,692	330,155
Dredging Operations	1,654,402	1,660,264	1,625,560	34,704
Technical Services	307,134	307,094	270,137	36,957
Mosquito Control	2,020,095	2,020,095	1,972,074	48,021
Traffic Operations	3,990,522	4,282,729	3,954,880	327,849
Beach Operations	1,232,015	1,236,211	1,200,452	35,759
Street Light Installation	500,000	500,000	529,730	(29,730)
Electrical	1,567,078	1,578,992	1,633,355	(54,363)
Bridge Maintenance	337,712	340,159	322,347	17,812
Management and Support	8,199,334	10,305,901	9,409,002	896,899
Heating and Air Conditioning	1,726,653	1,733,263	1,918,222	(184,959)
General Maintenance	3,280,006	3,320,604	3,363,676	(43,072)
Custodial	3,656,910	3,667,124	3,222,841	444,283
Resort Building Maintenance	585,741	589,681	434,350	155,331
Total Public Works Department	<u>\$ 82,934,701</u>	<u>\$ 96,567,413</u>	<u>\$ 90,583,946</u>	<u>\$ 5,983,467</u>
Library Department				
Director's Office	\$ 1,477,688	\$ 1,383,380	\$ 1,454,334	\$ (70,954)
Central Library	2,729,612	2,746,809	2,498,680	248,129
Great Neck Area Library	593,939	593,939	591,800	2,139
Bayside Area Library	1,108,455	1,109,090	1,083,140	25,950
Oceanfront Area Library	969,101	969,101	911,233	57,868
Kempsville Area Library	1,227,744	1,231,666	1,133,975	97,691
Windsor Woods Area Library	608,736	608,736	590,270	18,466
Pungo/Blackwater Area Library	405,795	405,795	348,440	57,355
Princess Anne Library	1,147,242	1,147,242	1,011,311	135,931
South Rosemont Youth Library	432,565	432,565	376,893	55,672
Mobil Services	269,877	269,877	203,876	66,001
Youth and Family Services	394,183	396,773	348,294	48,479
Municipal Reference	180,983	177,624	157,220	20,404
Records Management	420,210	489,756	413,459	76,297
Cataloging Services	952,818	960,165	803,982	156,183
Automated Services	700,379	728,089	708,786	19,303
Ready to Learn	127,930	127,930	122,724	5,206
Collections Management	2,904,731	3,261,093	2,643,650	617,443
Total Library Department	<u>\$ 16,651,988</u>	<u>\$ 17,039,630</u>	<u>\$ 15,402,067</u>	<u>\$ 1,637,563</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Planning Department</u>				
Director's Office	\$ 1,470,275	\$ 1,478,712	\$ 1,408,470	\$ 70,242
Comprehensive Planning	726,272	718,772	662,438	56,334
Environmental Management	216,173	408,505	343,654	64,851
Development Services	1,703,261	1,703,261	1,590,296	112,965
Public Utilities - Development Services	263,603	263,603	243,770	19,833
Current Planning	1,926,553	1,927,053	1,996,808	(69,755)
Permits Administration	1,215,909	1,438,526	1,114,835	323,691
Building Inspections	2,865,564	2,865,564	2,802,604	62,960
Total Planning Department	<u>\$ 10,387,610</u>	<u>\$ 10,803,996</u>	<u>\$ 10,162,875</u>	<u>\$ 641,121</u>
<u>Agriculture Department</u>				
Director's Office	\$ 343,698	\$ 388,646	\$ 390,471	\$ (1,825)
Virginia Cooperative Extension	271,842	271,842	253,685	18,157
Wetlands and Dunes Restoration	-	26,386	26,386	-
Farmers Market	215,645	221,795	212,940	8,855
Total Agriculture Department	<u>\$ 831,185</u>	<u>\$ 908,669</u>	<u>\$ 883,482</u>	<u>\$ 25,187</u>
<u>Economic Development Department</u>				
Director of Economic Development	\$ 2,657,158	\$ 2,848,997	\$ 2,656,922	\$ 192,075
<u>Convention and Visitor Development</u>				
Director's Office	\$ 1,011,127	\$ 962,580	\$ 983,349	\$ (20,769)
Resort Programs and Special Events	597,037	597,037	583,721	13,316
Tourism Marketing and Sales	412,787	412,787	326,181	86,606
Convention Marketing and Sales	1,074,453	1,074,453	1,072,166	2,287
Sports Marketing	540,531	540,531	543,117	(2,586)
Convention Center	6,734,195	6,791,732	5,787,492	1,004,240
Total Convention and Visitor Development	<u>\$ 10,370,130</u>	<u>\$ 10,379,120</u>	<u>\$ 9,296,026</u>	<u>\$ 1,083,094</u>
<u>Parks and Recreation Department</u>				
Landscape Administration	\$ 3,216,677	\$ 3,377,201	\$ 3,217,064	\$ 160,137
Grounds Maintenance	4,919,069	4,936,421	4,620,539	315,882
Parks Maintenance	3,749,180	3,768,930	3,616,605	152,325
Resort Area Landscaping	1,780,458	1,883,964	1,354,969	528,995
Total Parks and Recreation Department	<u>\$ 13,665,384</u>	<u>\$ 13,966,516</u>	<u>\$ 12,809,177</u>	<u>\$ 1,157,339</u>
<u>Boards and Commissions</u>				
General Registrar	\$ 1,379,042	\$ 1,744,203	\$ 1,498,690	\$ 245,513
Zoning Board of Appeals	46,866	48,198	27,969	20,229
Mass Transit Operations	2,879,034	2,879,034	2,879,034	-
Wetlands Board of Virginia Beach	14,100	14,100	7,727	6,373
Audit Services	532,949	597,068	588,955	8,113
Cultural Activities	395,067	417,841	402,612	15,229
COIG - General Operation Grants	695,334	698,334	602,254	96,080
Arts and Humanities Commissions	442,450	460,889	449,706	11,183
Sandler Center for Performing Arts	1,611,021	1,614,746	1,414,746	200,000
Regional Participation	2,030,954	2,060,954	2,033,150	27,804
Vehicle Replacements	3,019,524	3,260,193	2,900,835	359,358

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Boards and Commissions (continued)</u>				
Human Services Intergration - Info Tech	\$ -	\$ 479,843	\$ -	\$ 479,843
Revenue Reimbursements	15,231,546	16,076,546	15,997,512	79,034
Independent Financial Services	150,861	147,592	134,144	13,448
Total Boards and Commissions	<u>\$ 28,428,748</u>	<u>\$ 30,499,541</u>	<u>\$ 28,937,334</u>	<u>\$ 1,562,207</u>
<u>Fire Department</u>				
Fire Marshal's Office	\$ 4,808,799	\$ 4,776,533	\$ 4,632,964	\$ 143,569
Fire Operations	36,514,318	36,600,370	35,946,388	653,982
Emergency Management	252,317	252,317	240,738	11,579
Fire Training	1,133,295	1,133,295	956,902	176,393
Total Fire Department	<u>\$ 42,708,729</u>	<u>\$ 42,762,515</u>	<u>\$ 41,776,992</u>	<u>\$ 985,523</u>
<u>Communications and Information Technology</u>				
ComIT Business Center	\$ 710,014	\$ 531,079	\$ 617,728	\$ (86,649)
Applications Support	5,891,267	7,269,719	6,116,503	1,153,216
Operations Support	1,073,041	1,113,602	983,927	129,675
System Support	8,441,546	8,303,003	7,284,738	1,018,265
Center for GIS	1,642,953	1,645,473	1,448,231	197,242
Public Information Office	364,689	380,922	303,167	77,755
Information Security and Privacy Office	406,983	443,024	420,325	22,699
Emergency Communications	10,214,816	10,349,816	9,527,078	822,738
Technology Project Management	583,689	583,689	468,565	115,124
Video Services	1,531,233	1,621,233	1,533,420	87,813
Mail Services	275,171	275,171	283,858	(8,687)
Total Communications and Information Technology	<u>\$ 31,135,402</u>	<u>\$ 32,516,731</u>	<u>\$ 28,987,540</u>	<u>\$ 3,529,191</u>
<u>Housing and Neighborhood Preservation</u>				
Code Enforcement	\$ 1,746,341	\$ 1,819,393	\$ 1,723,431	\$ 95,962
<u>Museums Department</u>				
Francis Land House	\$ 99,804	\$ 114,848	\$ 49,687	\$ 65,161
Aquarium and Marine Science Center	1,486,049	1,417,705	1,553,575	(135,870)
Aquarium Research and Conservation	324,466	324,466	334,293	(9,827)
Aquarium Gift Shop	1,025,285	1,025,285	837,867	187,418
Aquarium IMAX Theater	1,293,479	1,283,006	815,323	467,683
Aquarium Exhibits	1,827,686	1,838,159	1,746,979	91,180
Education	640,177	640,177	506,564	133,613
Marketing	738,137	738,137	732,232	5,905
Aquarium Foundation	814,987	814,987	738,399	76,588
Historical Preservation	119,748	123,748	119,604	4,144
Adam Thoroughgood House	100,365	109,739	94,897	14,842
Lynnhaven House	89,164	105,943	55,255	50,688
Custodial Services	335,153	335,153	342,826	(7,673)
Historic Homes Administration	248,490	248,490	219,004	29,486
Total Museums Department	<u>\$ 9,142,990</u>	<u>\$ 9,119,843</u>	<u>\$ 8,146,505</u>	<u>\$ 973,338</u>
<u>Management Services Department</u>				
Director's Office	\$ 1,814,631	\$ 1,966,408	\$ 1,649,576	\$ 316,832
Facilities Management	2,196,654	2,410,891	1,930,005	480,886
Total Management Services Department	<u>\$ 4,011,285</u>	<u>\$ 4,377,299</u>	<u>\$ 3,579,581</u>	<u>\$ 797,718</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>Emergency Medical Services</u>				
Director's Office	\$ 608,350	\$ 570,476	\$ 580,477	\$ (10,001)
Operations	1,180,970	1,181,827	1,163,166	18,661
Training	586,526	588,219	516,726	71,493
Emergency Response System	2,963,884	2,963,915	2,857,729	106,186
Regulation & Enforcement	1,650,512	1,650,512	1,617,757	32,755
Total Emergency Medical Services	<u>\$ 6,990,242</u>	<u>\$ 6,954,949</u>	<u>\$ 6,735,855</u>	<u>\$ 219,094</u>
<u>Education</u>				
School Operating	\$ 339,239,378	\$ 336,451,846	\$ 321,583,464	\$ 14,868,382
School Instructional Technology	-	1,778,807	1,778,807	-
School Cafeterias	-	642,725	642,725	-
School Capital Projects	18,553,308	27,186,308	27,186,308	-
Total Education	<u>\$ 357,792,686</u>	<u>\$ 366,059,686</u>	<u>\$ 351,191,304</u>	<u>\$ 14,868,382</u>
Total Departmental Expenditures	<u>\$ 869,010,532</u>	<u>\$ 903,731,711</u>	<u>\$ 858,538,781</u>	<u>\$ 45,192,930</u>
<u>Other Financing Uses</u>				
Transfers Out:				
General Debt Service	\$ 84,552,057	\$ 84,552,057	\$ 83,478,779	\$ 1,073,278
Housing and Neighborhood Preservation	899,240	899,240	899,240	-
Tourism Advertising Program	9,351,323	9,375,323	8,972,703	402,620
Buildings Capital Projects	8,996,993	9,196,993	9,196,993	-
Engineering and Highways Capital Projects	11,918,499	12,068,499	12,068,499	-
Parks and Recreation Capital Projects	7,533,990	7,521,490	7,521,490	-
Economic & Tourism Capital Projects	11,382,539	11,328,244	11,543,494	(215,250)
Coastal Capital Projects	2,858,402	2,858,402	2,858,402	-
Sandbridge Special Service District	73,120	73,120	82,638	(9,518)
Major Projects	12,902,144	12,902,144	12,609,628	292,516
Open Spaces	3,898,497	3,898,497	3,853,696	44,801
Grants Consolidated	371,106	520,418	503,111	17,307
Mental Health and Mental Retardation	-	27,314	27,314	-
Sheriff's Department	12,956,975	12,991,171	12,953,424	37,747
Inmate Services	2,421	2,421	2,421	-
Tourism Growth Investment Program	17,696,611	17,696,611	16,921,988	774,623
Agriculture Reserve	4,891,598	4,891,598	4,521,228	370,370
Parks and Recreation - Dedicated Tax	12,186,003	12,186,003	12,186,003	-
City Garage	-	126,539	-	126,539
Parks and Recreation	4,037,263	4,036,509	4,036,509	-
Sportsplex	343,100	343,100	343,100	-
Storm Water Utility	57,498	57,498	57,498	-
Federal Section 8	256,606	256,606	256,606	-
Risk Management	2,200,000	2,200,000	2,200,000	-
Transitional Area	467,391	467,391	-	467,391
School Reserve	-	24,798,747	24,798,747	-
Total Other Financing Uses	<u>\$ 209,833,376</u>	<u>\$ 235,275,935</u>	<u>\$ 231,893,511</u>	<u>\$ 3,382,424</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 1,078,843,908</u></u>	<u><u>\$ 1,139,007,646</u></u>	<u><u>\$ 1,090,432,292</u></u>	<u><u>\$ 48,575,354</u></u>

**NONMAJOR
SPECIAL REVENUE FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or for major capital projects) that are legally restricted to be expended for specified purposes. The City has the following Special Revenue Funds:

Law Enforcement Block Grant - accounts for Federal Grant funds used for reducing crime and improving public safety.

Law Library - accounts for the revenues and expenditures of providing legal information and research.

Sandbridge Tax Increment Financing - accounts for future development project costs for the Sandbridge area.

E-911 Communication System - accounts for the revenues (utility taxes) and expenditures of the E-911 enhanced emergency telephone system installation, implementation and maintenance.

Housing and Neighborhood Preservation - accounts for the combined activities of the Federal Community Development Block Grant (CDBG), Federal Housing Assistance Grant, and Community Development Loan and programs. This fund supports the administration of both capital improvement projects in target neighborhoods and various other housing programs.

Lynnhaven Mall Tax Increment Financing - accounts for transportation and parking improvements in this shopping district.

Golf Courses – finances the operations of the Municipal Golf Courses. This fund is fully supported by the green fees, cart rentals, and concessions at the golf courses.

Town Center Special Service District – The Town Center Special Service District Special Revenue Fund was established to provide funds for the construction of public parking facilities in conjunction with realizing a long-term City Council goal of developing a town center in the Central Business District (CBD) within the Pembroke area of the City.

DEA Seized Property - accounts for City's share of Federal revenues derived from the sale of seized property by the Drug Enforcement Administration.

Access Channel Support - accounts for receipts from cable franchisee in accordance with the Cable Communication Policy Act.

Federal Section Eight Program - accounts for funds received from the federal government to provide rental assistance to low and moderate income families.

Comprehensive Services Act - accounts for State and local funding for at-risk youth and families.

Sheriff's Department - accounts for the cost of the care and custody of persons placed in the Virginia Beach Correctional Center by the courts.

Inmate Services - accounts for funds generated by inmate telephone use.

Parks and Recreation - accounts for the cost of providing recreational activities in the City.

Tourism Growth Investment - accounts for the TGIF projects and revenues and expenditures associated with these projects.

School Reserve – accounts for funds held to better position the School Board to respond to unexpected fiscal events.

Central Business District South Tax Increment Financing - accounts for funding of public parking and other public improvements in this business district.

**NONMAJOR
SPECIAL REVENUE FUNDS (continued)**

Sandbridge Special Service District - accounts for the revenues and expenditures associated with beach and shoreline restoration and maintenance within the Sandbridge District.

Agriculture Reserve Program - accounts for revenue to promote and encourage the preservation of farmland in the rural southern portion of the City, in which agricultural uses predominate, by means which are voluntary rather than regulatory.

Emergency FEMA - accounts for receipts from the Federal Emergency Management Agency (FEMA), and for the cost of providing urban search and rescue services in disaster situations.

Tourism Advertising Program - accounts for revenue for increased tourism advertising. Revenue is generated by a charge per hotel room night.

Proffer Impact - accounts for funds received from developers who donate funds to be used for neighborhood infrastructure development.

Virginia Aquarium and Marine Science Center - accounts for the operations of the museum.

Public Investment Protection Strategy - to account for the purchase of strategically located property.

Arts and Humanities Commission - accounts for various grants related to arts and humanities within the City.

Open Space - accounts for the acquisition and preservation of land in the City of Virginia Beach.

Major Projects - was established to provide funding for the rebuilding of the Convention Center, Replacement Theater and a parking lot for the Virginia Aquarium and Marine Science Center.

Transition Area - retains a portion of Real Estate Taxes generated from homes built in the Transition Area to be used as a source of financing for future infrastructure needs in that area.

Wetlands Board Mitigation - provides funds for the purchase of land and re-creation of wetlands.

Grants Consolidated - accounts for certain Commonwealth of Virginia and Federal Grants (with matching local funds, if required).



**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009**

	Law Enforcement Block Grant	Law Library	Sandbridge Tax Increment Financing	E-911 Communication System	Housing and Neighborhood Preservation
<u>ASSETS</u>					
Cash and Temporary Investments	\$ 16,849	\$ 291,555	\$ -	\$ -	\$ 91,358
Restricted Cash	-	-	8,323,900	-	-
Accounts Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	4,819,155
Due from Commonwealth	-	-	-	-	-
Due from Federal Government	-	-	-	-	11,386
Total Assets	<u>\$ 16,849</u>	<u>\$ 291,555</u>	<u>\$ 8,323,900</u>	<u>\$ -</u>	<u>\$ 4,921,899</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Vouchers and Accounts Payable	\$ -	\$ 9,429	\$ -	\$ -	\$ 89,129
Due to Commonwealth	-	-	-	-	-
Due to Federal Government	7,372	-	-	-	13,615
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>\$ 7,372</u>	<u>\$ 9,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,744</u>
Fund Balances:					
Reserved for:					
Encumbrances	\$ 483	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-	4,819,155
Unreserved, designated for:					
Special Projects	-	-	8,323,900	-	-
Encumbrances	-	1,753	-	-	-
Undesignated	8,994	280,373	-	-	-
Total Fund Balances	<u>\$ 9,477</u>	<u>\$ 282,126</u>	<u>\$ 8,323,900</u>	<u>\$ -</u>	<u>\$ 4,819,155</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,849</u>	<u>\$ 291,555</u>	<u>\$ 8,323,900</u>	<u>\$ -</u>	<u>\$ 4,921,899</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

Lynnhaven Mall Tax Increment Financing	Golf Courses	Town Center Special Service District	DEA Seized Property	Access Channel Support	Sub-Total (continued)
\$ -	\$ 270,922	\$ -	\$ 1,426,235	\$ 245,283	\$ 2,342,202
1,874,703	-	631,128	-	-	10,829,731
-	-	-	-	-	-
-	-	-	-	-	4,819,155
-	-	-	-	-	-
-	-	-	-	-	11,386
<u>\$ 1,874,703</u>	<u>\$ 270,922</u>	<u>\$ 631,128</u>	<u>\$ 1,426,235</u>	<u>\$ 245,283</u>	<u>\$ 18,002,474</u>
\$ 811,965	\$ 31,535	\$ 786	\$ -	\$ -	\$ 942,844
-	-	-	-	-	-
-	-	-	-	-	20,987
-	5,852	-	-	-	5,852
<u>\$ 811,965</u>	<u>\$ 37,387</u>	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 969,683</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 483
-	-	-	-	-	4,819,155
1,062,738	-	542,139	-	-	9,928,777
-	-	88,203	194,136	-	284,092
-	233,535	-	1,232,099	245,283	2,000,284
<u>\$ 1,062,738</u>	<u>\$ 233,535</u>	<u>\$ 630,342</u>	<u>\$ 1,426,235</u>	<u>\$ 245,283</u>	<u>\$ 17,032,791</u>
<u>\$ 1,874,703</u>	<u>\$ 270,922</u>	<u>\$ 631,128</u>	<u>\$ 1,426,235</u>	<u>\$ 245,283</u>	<u>\$ 18,002,474</u>

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009**

	Federal Section Eight Program	Comprehensive Services Act	Sheriff's Department	Inmate Services	Parks and Recreation
<u>ASSETS</u>					
Cash and Investments	\$ 2,428,830	\$ -	\$ 4,335,693	\$ 879,747	\$ 6,118,787
Restricted Cash	-	-	-	-	-
Accounts Receivable	-	-	-	49,222	136,434
Loans Receivable	-	-	-	-	-
Due from Commonwealth	-	-	1,221,251	-	-
Due from Federal Government	4,336	-	800	-	-
Total Assets	<u>\$ 2,433,166</u>	<u>\$ -</u>	<u>\$ 5,557,744</u>	<u>\$ 928,969</u>	<u>\$ 6,255,221</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Vouchers and Accounts Payable	\$ 144,404	\$ -	\$ 201,273	\$ 25,111	\$ 657,192
Due to Commonwealth	-	-	-	-	3,381
Due to Federal Government	93,143	-	-	-	-
Deferred Revenue	-	-	-	-	143,817
Total Liabilities	<u>\$ 237,547</u>	<u>\$ -</u>	<u>\$ 201,273</u>	<u>\$ 25,111</u>	<u>\$ 804,390</u>
Fund Balances:					
Reserved for:					
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-	-
Unreserved:					
Designated for Special Projects	-	-	-	-	-
Encumbrances	1,149	-	478,913	2,246	283,881
Undesignated	2,194,470	-	4,877,558	901,612	5,166,950
Total Fund Balances	<u>\$ 2,195,619</u>	<u>\$ -</u>	<u>\$ 5,356,471</u>	<u>\$ 903,858</u>	<u>\$ 5,450,831</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,433,166</u>	<u>\$ -</u>	<u>\$ 5,557,744</u>	<u>\$ 928,969</u>	<u>\$ 6,255,221</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

Tourism Growth Investment	School Reserve	Central Business District South Tax Increment Financing	Sandbridge Special Service District	Agriculture Reserve Program	Sub-Total (continued)
\$ 1,850,439	\$ 20,342,810	\$ -	\$ -	\$ 14,968,303	\$ 50,924,609
-	-	1,154,471	2,726,981	-	3,881,452
-	-	-	-	-	185,656
-	-	-	-	-	-
-	-	-	-	-	1,221,251
-	-	-	-	-	5,136
<u>\$ 1,850,439</u>	<u>\$ 20,342,810</u>	<u>\$ 1,154,471</u>	<u>\$ 2,726,981</u>	<u>\$ 14,968,303</u>	<u>\$ 56,218,104</u>
\$ 59,524	\$ -	\$ -	\$ -	\$ 7,242	\$ 1,094,746
-	-	-	-	-	3,381
-	-	-	-	-	93,143
-	-	-	-	-	143,817
<u>\$ 59,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,242</u>	<u>\$ 1,335,087</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	1,154,471	2,726,981	-	3,881,452
10,723	-	-	-	-	776,912
1,780,192	20,342,810	-	-	14,961,061	50,224,653
<u>\$ 1,790,915</u>	<u>\$ 20,342,810</u>	<u>\$ 1,154,471</u>	<u>\$ 2,726,981</u>	<u>\$ 14,961,061</u>	<u>\$ 54,883,017</u>
<u>\$ 1,850,439</u>	<u>\$ 20,342,810</u>	<u>\$ 1,154,471</u>	<u>\$ 2,726,981</u>	<u>\$ 14,968,303</u>	<u>\$ 56,218,104</u>

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009**

	Emergency FEMA	Tourism Advertising Program	Proffer Impact	Virginia Aquarium and Marine Science Center	Public Investment Protection Strategy
<u>ASSETS</u>					
Cash and Investments	\$ 1,742,441	\$ 1,154,663	\$ 217,541	\$ 8,624	\$ 61,926
Restricted Cash	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Due from Commonwealth	-	-	-	-	-
Due from Federal Government	24,480	-	-	-	-
Total Assets	<u>\$ 1,766,921</u>	<u>\$ 1,154,663</u>	<u>\$ 217,541</u>	<u>\$ 8,624</u>	<u>\$ 61,926</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Vouchers and Accounts Payable	\$ 59	\$ 958,160	\$ -	\$ 22	\$ -
Due to Commonwealth	-	-	-	-	-
Due to Federal Government	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>\$ 59</u>	<u>\$ 958,160</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ -</u>
Fund Balances:					
Reserved for:					
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-	-
Unreserved:					
Designated for Special Projects	-	-	-	-	-
Encumbrances	-	11,584	-	-	-
Undesignated	1,766,862	184,919	217,541	8,602	61,926
Total Fund Balances	<u>\$ 1,766,862</u>	<u>\$ 196,503</u>	<u>\$ 217,541</u>	<u>\$ 8,602</u>	<u>\$ 61,926</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,766,921</u>	<u>\$ 1,154,663</u>	<u>\$ 217,541</u>	<u>\$ 8,624</u>	<u>\$ 61,926</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009**

Arts and Humanities Commission	Open Space	Major Projects	Transitional Area	Wetlands Mitigation	Grants Consolidated	Totals
\$ -	\$ 5,039,310	\$ 14,528,842	\$ 304,244	\$ 88,446	\$ 2,031,578	\$ 78,444,426
-	-	-	-	-	1,614,854	16,326,037
-	-	-	-	-	-	185,656
-	-	-	-	-	-	4,819,155
-	-	-	-	-	122,940	1,344,191
-	-	-	-	-	1,650,347	1,691,349
<u>\$ -</u>	<u>\$ 5,039,310</u>	<u>\$ 14,528,842</u>	<u>\$ 304,244</u>	<u>\$ 88,446</u>	<u>\$ 5,419,719</u>	<u>\$ 102,810,814</u>
\$ -	\$ 8,941	\$ -	\$ -	\$ -	\$ 215,395	\$ 3,220,167
-	-	-	-	-	121,556	124,937
-	-	-	-	-	59,898	174,028
-	-	-	-	-	-	149,669
<u>\$ -</u>	<u>\$ 8,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,849</u>	<u>\$ 3,668,801</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 648,698	\$ 649,181
-	-	-	-	-	-	4,819,155
-	-	-	-	-	4,374,172	18,184,401
-	6,029	-	296,121	-	-	1,374,738
-	5,024,340	14,528,842	8,123	88,446	-	74,114,538
<u>\$ -</u>	<u>\$ 5,030,369</u>	<u>\$ 14,528,842</u>	<u>\$ 304,244</u>	<u>\$ 88,446</u>	<u>\$ 5,022,870</u>	<u>\$ 99,142,013</u>
<u>\$ -</u>	<u>\$ 5,039,310</u>	<u>\$ 14,528,842</u>	<u>\$ 304,244</u>	<u>\$ 88,446</u>	<u>\$ 5,419,719</u>	<u>\$ 102,810,814</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Law Enforcement Block Grant	Law Library	Sandbridge Tax Increment Financing	E-911 Communication System	Housing and Neighborhood Preservation
<u>REVENUES</u>					
General Property Taxes	\$ -	\$ -	\$ 10,414,174	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
From Use of Money and Property	4,044	7,765	177,297	-	12,706
Charges for Services	-	322,097	-	-	77,884
Miscellaneous	-	-	-	-	25,344
Fines and Forfeiture	-	-	-	-	-
From Commonwealth	-	-	-	-	-
From Federal Government	-	-	-	-	4,312,523
Total Revenues	<u>\$ 4,044</u>	<u>\$ 329,862</u>	<u>\$ 10,591,471</u>	<u>\$ -</u>	<u>\$ 4,428,457</u>
<u>EXPENDITURES</u>					
Judicial	\$ 1,031	\$ -	\$ -	\$ -	\$ -
Library	-	244,023	-	-	-
Police	17,635	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Agriculture	-	-	-	-	-
Communications and Information Technology	-	-	-	90,171	-
Convention and Visitor Development	-	-	-	-	-
Housing and Neighborhood Preservation	-	-	-	-	4,880,528
Human Services	-	-	-	-	-
Museums	-	-	-	-	-
General Government	-	-	-	-	-
Boards and Commissions	-	-	-	-	-
Emergency Medical Services	-	-	-	-	-
Total Expenditures	<u>\$ 18,666</u>	<u>\$ 244,023</u>	<u>\$ -</u>	<u>\$ 90,171</u>	<u>\$ 4,880,528</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>					
	<u>\$ (14,622)</u>	<u>\$ 85,839</u>	<u>\$ 10,591,471</u>	<u>\$ (90,171)</u>	<u>\$ (452,071)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 899,240
Transfers Out	-	(1,277)	(9,744,374)	(7,097,723)	(148,179)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (1,277)</u>	<u>\$ (9,744,374)</u>	<u>\$ (7,097,723)</u>	<u>\$ 751,061</u>
<u>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>					
	<u>\$ (14,622)</u>	<u>\$ 84,562</u>	<u>\$ 847,097</u>	<u>\$ (7,187,894)</u>	<u>\$ 298,990</u>
<u>FUND BALANCES - JULY 1</u>					
	<u>24,099</u>	<u>197,564</u>	<u>7,476,803</u>	<u>7,187,894</u>	<u>4,520,165</u>
<u>FUND BALANCES (DEFICITS) - JUNE 30</u>					
	<u>\$ 9,477</u>	<u>\$ 282,126</u>	<u>\$ 8,323,900</u>	<u>\$ -</u>	<u>\$ 4,819,155</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Lynnhaven Mall Tax Increment Financing	Golf Courses	Town Center Special Service District	DEA Seized Property	Access Channel Support	Sub-Total (continued)
\$ 2,064,661	\$ -	\$ 1,603,901	\$ -	\$ -	\$ 14,082,736
-	-	-	-	-	-
20,640	173,418	13,089	33,949	8,305	451,213
-	2,003,440	-	-	-	2,403,421
-	5,332	-	2,888	-	33,564
-	-	-	-	-	-
-	-	-	232,309	-	232,309
-	-	-	8,489	-	4,321,012
<u>\$ 2,085,301</u>	<u>\$ 2,182,190</u>	<u>\$ 1,616,990</u>	<u>\$ 277,635</u>	<u>\$ 8,305</u>	<u>\$ 21,524,255</u>
\$ -	\$ -	\$ -	\$ 190,732	\$ -	\$ 191,763
-	-	-	-	-	244,023
-	-	-	672,520	-	690,155
-	-	-	-	-	-
-	-	-	-	-	-
-	2,171,439	-	-	-	2,171,439
-	-	-	-	-	-
-	-	-	-	-	90,171
-	-	-	-	-	-
-	-	-	-	-	4,880,528
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,398,232	-	-	1,398,232
1,983,114	-	-	-	-	1,983,114
-	-	-	-	-	-
<u>\$ 1,983,114</u>	<u>\$ 2,171,439</u>	<u>\$ 1,398,232</u>	<u>\$ 863,252</u>	<u>\$ -</u>	<u>\$ 11,649,425</u>
<u>\$ 102,187</u>	<u>\$ 10,751</u>	<u>\$ 218,758</u>	<u>\$ (585,617)</u>	<u>\$ 8,305</u>	<u>\$ 9,874,830</u>
\$ -	\$ -	\$ -	\$ 572	\$ -	\$ 899,812
-	(270,691)	(1,118,110)	-	(280,333)	(18,660,687)
<u>\$ -</u>	<u>\$ (270,691)</u>	<u>\$ (1,118,110)</u>	<u>\$ 572</u>	<u>\$ (280,333)</u>	<u>\$ (17,760,875)</u>
\$ 102,187	\$ (259,940)	\$ (899,352)	\$ (585,045)	\$ (272,028)	\$ (7,886,045)
960,551	493,475	1,529,694	2,011,280	517,311	24,918,836
<u>\$ 1,062,738</u>	<u>\$ 233,535</u>	<u>\$ 630,342</u>	<u>\$ 1,426,235</u>	<u>\$ 245,283</u>	<u>\$ 17,032,791</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Federal Section Eight Program	Comprehensive Services Act	Sheriff's Department	Inmate Services	Parks and Recreation
<u>REVENUES</u>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
From Use of Money and Property	6,654	22,971	54,474	17,197	1,043,369
Charges for Services	-	-	2,813,229	832,337	11,092,183
Miscellaneous	264,699	-	44,739	-	92,763
Fines and Forfeiture	-	-	-	-	-
From Commonwealth	-	-	13,686,824	-	-
From Federal Government	15,630,145	-	5,839,428	-	1,525
Total Revenues	<u>\$ 15,901,498</u>	<u>\$ 22,971</u>	<u>\$ 22,438,694</u>	<u>\$ 849,534</u>	<u>\$ 12,229,840</u>
<u>EXPENDITURES</u>					
Judicial	\$ -	\$ -	\$ 34,775,642	\$ 590,763	\$ -
Library	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	27,320,655
Agriculture	-	-	-	-	-
Communications and Information Technology	-	-	-	-	-
Convention and Visitor Development	-	-	-	-	-
Housing and Neighborhood Preservation	15,226,466	-	-	-	-
Human Services	-	-	-	-	-
Museums	-	-	-	-	-
General Government	-	-	-	-	-
Boards and Commissions	-	-	-	-	-
Emergency Medical Services	-	-	-	-	-
Total Expenditures	<u>\$ 15,226,466</u>	<u>\$ -</u>	<u>\$ 34,775,642</u>	<u>\$ 590,763</u>	<u>\$ 27,320,655</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$ 675,032</u>	<u>\$ 22,971</u>	<u>\$ (12,336,948)</u>	<u>\$ 258,771</u>	<u>\$ (15,090,815)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 256,606	\$ -	\$ 13,203,424	\$ 2,421	\$ 16,565,612
Transfers Out	(35,483)	(561,727)	(161,962)	(285,450)	(59,492)
Total Other Financing Sources (Uses)	<u>\$ 221,123</u>	<u>\$ (561,727)</u>	<u>\$ 13,041,462</u>	<u>\$ (283,029)</u>	<u>\$ 16,506,120</u>
<u>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>					
	\$ 896,155	\$ (538,756)	\$ 704,514	\$ (24,258)	\$ 1,415,305
<u>FUND BALANCES - JULY 1</u>	<u>1,299,464</u>	<u>538,756</u>	<u>4,651,957</u>	<u>928,116</u>	<u>4,035,526</u>
<u>FUND BALANCES (DEFICITS) - JUNE 30</u>	<u>\$ 2,195,619</u>	<u>\$ -</u>	<u>\$ 5,356,471</u>	<u>\$ 903,858</u>	<u>\$ 5,450,831</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Tourism Growth Investment	School Reserve	Central Business District South Tax Increment Financing	Sandbridge Special Service District	Agriculture Reserve Program	Sub-Total (continued)
\$ -	\$ -	\$ 5,171,173	\$ 826,275	\$ -	\$ 5,997,448
-	-	-	920,264	-	920,264
396,730	-	342,539	58,553	247,147	2,189,634
-	-	-	-	-	14,737,749
369,822	-	-	-	-	772,023
350,435	-	-	-	-	350,435
-	-	-	-	-	13,686,824
-	-	-	-	-	21,471,098
<u>\$ 1,116,987</u>	<u>\$ -</u>	<u>\$ 5,513,712</u>	<u>\$ 1,805,092</u>	<u>\$ 247,147</u>	<u>\$ 60,125,475</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,366,405
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	27,320,655
-	-	-	-	169,362	169,362
-	-	-	-	-	-
6,447,685	-	-	-	-	6,447,685
-	-	-	-	-	15,226,466
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,744,906	-	-	4,744,906
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,447,685</u>	<u>\$ -</u>	<u>\$ 4,744,906</u>	<u>\$ -</u>	<u>\$ 169,362</u>	<u>\$ 89,275,479</u>
<u>\$ (5,330,698)</u>	<u>\$ -</u>	<u>\$ 768,806</u>	<u>\$ 1,805,092</u>	<u>\$ 77,785</u>	<u>\$ (29,150,004)</u>
\$ 16,921,988	\$ 24,798,747	\$ -	\$ 1,956,110	\$ 4,521,228	\$ 78,226,136
(12,073,682)	(8,800,000)	(5,296,567)	(3,460,626)	(3,213,130)	(33,948,119)
<u>\$ 4,848,306</u>	<u>\$ 15,998,747</u>	<u>\$ (5,296,567)</u>	<u>\$ (1,504,516)</u>	<u>\$ 1,308,098</u>	<u>\$ 44,278,017</u>
\$ (482,392)	\$ 15,998,747	\$ (4,527,761)	\$ 300,576	\$ 1,385,883	\$ 15,128,013
2,273,307	4,344,063	5,682,232	2,426,405	13,575,178	39,755,004
<u>\$ 1,790,915</u>	<u>\$ 20,342,810</u>	<u>\$ 1,154,471</u>	<u>\$ 2,726,981</u>	<u>\$ 14,961,061</u>	<u>\$ 54,883,017</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Emergency FEMA	Tourism Advertising Program	Proffer Impact	Virginia Aquarium and Marine Science Center	Public Investment Protection Strategy
<u>REVENUES</u>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
From Use of Money and Property	-	47,607	4,058	-	1,150
Charges for Services	-	140,961	-	-	-
Miscellaneous	-	51,891	3,439	7,868	-
Fines and Forfeiture	-	-	-	-	-
From Commonwealth	-	-	-	-	-
From Federal Government	1,107,545	-	-	32,039	-
Total Revenues	<u>\$ 1,107,545</u>	<u>\$ 240,459</u>	<u>\$ 7,497</u>	<u>\$ 39,907</u>	<u>\$ 1,150</u>
<u>EXPENDITURES</u>					
Judicial	\$ -	\$ -	\$ -	\$ -	\$ -
Library	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Agriculture	-	-	-	-	-
Communications and Information Technology	-	-	-	-	-
Convention and Visitor Development	-	9,556,743	-	-	-
Housing and Neighborhood Preservation	-	-	-	-	-
Human Services	-	-	-	-	-
Museums	-	-	-	12,437	-
General Government	1,027,610	-	-	-	-
Boards and Commissions	-	-	-	-	-
Emergency Medical Services	-	-	-	-	-
Total Expenditures	<u>\$ 1,027,610</u>	<u>\$ 9,556,743</u>	<u>\$ -</u>	<u>\$ 12,437</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>					
	<u>\$ 79,935</u>	<u>\$ (9,316,284)</u>	<u>\$ 7,497</u>	<u>\$ 27,470</u>	<u>\$ 1,150</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ -	\$ 8,972,703	\$ -	\$ -	\$ -
Transfers Out	(100,000)	(111,348)	(4,058)	(168,526)	-
Total Other Financing Sources (Uses)	<u>\$ (100,000)</u>	<u>\$ 8,861,355</u>	<u>\$ (4,058)</u>	<u>\$ (168,526)</u>	<u>\$ -</u>
<u>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>					
	<u>\$ (20,065)</u>	<u>\$ (454,929)</u>	<u>\$ 3,439</u>	<u>\$ (141,056)</u>	<u>\$ 1,150</u>
<u>FUND BALANCES - JULY 1</u>					
	<u>1,786,927</u>	<u>651,432</u>	<u>214,102</u>	<u>149,658</u>	<u>60,776</u>
<u>FUND BALANCES (DEFICITS) - JUNE 30</u>					
	<u>\$ 1,766,862</u>	<u>\$ 196,503</u>	<u>\$ 217,541</u>	<u>\$ 8,602</u>	<u>\$ 61,926</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Arts and Humanities Commission	Open Space	Major Projects	Transitional Area	Wetlands Mitigation	Grants Consolidated	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,080,184
-	-	-	-	-	-	920,264
-	101,098	401,389	8,123	1,483	-	3,205,755
-	-	-	-	-	24	17,282,155
-	-	-	-	15,938	231,811	1,116,534
-	-	-	-	-	-	350,435
-	-	-	-	-	2,973,410	16,892,543
-	-	-	-	-	10,246,397	37,178,091
<u>\$ -</u>	<u>\$ 101,098</u>	<u>\$ 401,389</u>	<u>\$ 8,123</u>	<u>\$ 17,421</u>	<u>\$ 13,451,642</u>	<u>\$ 97,025,961</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,973	\$ 35,921,141
-	-	-	-	-	5,999	250,022
-	-	-	-	-	1,371,205	2,061,360
-	-	-	-	-	1,404,033	1,404,033
-	-	-	-	-	15,000	15,000
-	58,595	-	-	-	163	29,550,852
-	-	-	-	-	-	169,362
-	-	-	-	-	33,583	123,754
-	-	-	-	-	-	16,004,428
-	-	-	-	-	1,195,434	21,302,428
-	-	-	-	-	8,249,429	8,249,429
-	-	-	-	-	-	12,437
-	271,268	-	-	-	41,515	7,483,531
-	-	-	-	-	-	1,983,114
-	-	-	-	-	419,650	419,650
<u>\$ -</u>	<u>\$ 329,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,098,984</u>	<u>\$ 124,950,541</u>
\$ -	\$ (228,765)	\$ 401,389	\$ 8,123	\$ 17,421	\$ 352,658	\$ (27,924,580)
\$ -	\$ 3,853,696	\$ 16,937,794	\$ -	\$ -	\$ 957,011	\$ 109,847,152
(37,237)	(4,918,029)	(30,629,970)	-	-	(777,800)	(89,355,774)
<u>\$ (37,237)</u>	<u>\$ (1,064,333)</u>	<u>\$ (13,692,176)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,211</u>	<u>\$ 20,491,378</u>
\$ (37,237)	\$ (1,293,098)	\$ (13,290,787)	\$ 8,123	\$ 17,421	\$ 531,869	\$ (7,433,202)
37,237	6,323,467	27,819,629	296,121	71,025	4,491,001	106,575,215
<u>\$ -</u>	<u>\$ 5,030,369</u>	<u>\$ 14,528,842</u>	<u>\$ 304,244</u>	<u>\$ 88,446</u>	<u>\$ 5,022,870</u>	<u>\$ 99,142,013</u>

CITY OF VIRGINIA BEACH, VIRGINIA
LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Actual Amounts</u>
<u>REVENUES</u>	
From Use of Money and Property	\$ 4,044
<u>EXPENDITURES</u>	
Law Enforcement	\$ 18,666
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	\$ (14,622)
<u>FUND BALANCE - JULY 1</u>	24,099
<u>FUND BALANCE - JUNE 30</u>	\$ 9,477

CITY OF VIRGINIA BEACH, VIRGINIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 6,948	\$ 6,948	\$ 7,765	\$ 817
Charges for Services	276,000	276,000	322,097	46,097
Total Revenues	<u>\$ 282,948</u>	<u>\$ 282,948</u>	<u>\$ 329,862</u>	<u>\$ 46,914</u>
<u>EXPENDITURES</u>				
Law Library	<u>\$ 282,948</u>	<u>\$ 299,562</u>	<u>\$ 244,023</u>	<u>\$ 55,539</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ -</u>	<u>\$ (16,614)</u>	<u>\$ 85,839</u>	<u>\$ 102,453</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>\$ -</u>	<u>\$ (1,277)</u>	<u>\$ (1,277)</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ -</u>	<u>\$ (17,891)</u>	<u>\$ 84,562</u>	<u>\$ 102,453</u>
<u>FUND BALANCE - JULY 1</u>				
	<u>197,564</u>	<u>197,564</u>	<u>197,564</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u><u>\$ 197,564</u></u>	<u><u>\$ 179,673</u></u>	<u><u>\$ 282,126</u></u>	<u><u>\$ 102,453</u></u>

CITY OF VIRGINIA BEACH, VIRGINIA
SANDBRIDGE TAX INCREMENT FINANCING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
General Property Taxes	\$ 10,148,736	\$ 10,148,736	\$ 10,414,174	\$ 265,438
From Use of Money and Property	504,934	504,934	177,297	(327,637)
Total Revenues	<u>\$ 10,653,670</u>	<u>\$ 10,653,670</u>	<u>\$ 10,591,471</u>	<u>\$ (62,199)</u>
<u>EXPENDITURES</u>				
Sandbridge TIF	\$ 9,909,296	\$ 909,296	\$ -	\$ 909,296
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>\$ 744,374</u>	<u>\$ 9,744,374</u>	<u>\$ 10,591,471</u>	<u>\$ 847,097</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ (744,374)	\$ (9,744,374)	\$ (9,744,374)	\$ -
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>	\$ -	\$ -	\$ 847,097	\$ 847,097
<u>FUND BALANCE - JULY 1</u>				
	<u>7,476,803</u>	<u>7,476,803</u>	<u>7,476,803</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 7,476,803</u>	<u>\$ 7,476,803</u>	<u>\$ 8,323,900</u>	<u>\$ 847,097</u>

CITY OF VIRGINIA BEACH, VIRGINIA
E-911 COMMUNICATION SYSTEM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Communication Division	\$ -	\$ 141,358	\$ 90,171	\$ 51,187
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	\$ -	\$ (141,358)	\$ (90,171)	\$ 51,187
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ (6,487,139)	\$ (6,502,139)	\$ (7,097,723)	\$ (595,584)
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ (6,487,139)	\$ (6,643,497)	\$ (7,187,894)	\$ (544,397)
<u>FUND BALANCE - JULY 1</u>	<u>7,187,894</u>	<u>7,187,894</u>	<u>7,187,894</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 700,755</u>	<u>\$ 544,397</u>	<u>\$ -</u>	<u>\$ (544,397)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
HOUSING AND NEIGHBORHOOD PRESERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 12,706	\$ 12,706
Charges for Services	87,500	87,500	77,884	(9,616)
Miscellaneous	374,930	542,908	25,344	(517,564)
From Federal Government	3,836,848	3,836,848	4,312,523	475,675
Total Revenues	\$ 4,299,278	\$ 4,467,256	\$ 4,428,457	\$ (38,799)
<u>EXPENDITURES</u>				
Housing and Neighborhood Preservation	\$ 5,072,926	\$ 5,218,317	\$ 4,880,528	\$ 337,789
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	\$ (773,648)	\$ (751,061)	\$ (452,071)	\$ (298,990)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 899,240	\$ 899,240	\$ 899,240	\$ -
Transfers Out	(125,592)	(148,179)	(148,179)	-
Total Other Financing Sources (Uses)	\$ 773,648	\$ 751,061	\$ 751,061	\$ -
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>				
	\$ -	\$ -	\$ 298,990	\$ 298,990
<u>FUND BALANCE - JULY 1</u>				
	4,520,165	4,520,165	4,520,165	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 4,520,165	\$ 4,520,165	\$ 4,819,155	\$ 298,990

CITY OF VIRGINIA BEACH, VIRGINIA
LYNNHAVEN MALL TAX INCREMENT FINANCING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
General Property Taxes	\$ 2,123,649	\$ 2,123,649	\$ 2,064,661	\$ (58,988)
From Use of Money and Property	-	-	20,640	20,640
Total Revenues	<u>\$ 2,123,649</u>	<u>\$ 2,123,649</u>	<u>\$ 2,085,301</u>	<u>\$ (38,348)</u>
<u>EXPENDITURES</u>				
Mass Transit	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Lynnhaven Mall	1,873,649	1,873,649	1,733,114	140,535
Total Expenditures	<u>\$ 2,123,649</u>	<u>\$ 2,123,649</u>	<u>\$ 1,983,114</u>	<u>\$ 140,535</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,187</u>	<u>\$ 102,187</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,187</u>	<u>\$ 102,187</u>
<u>FUND BALANCE - JULY 1</u>				
	<u>960,551</u>	<u>960,551</u>	<u>960,551</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 960,551</u>	<u>\$ 960,551</u>	<u>\$ 1,062,738</u>	<u>\$ 102,187</u>

CITY OF VIRGINIA BEACH, VIRGINIA
GOLF COURSES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 197,000	\$ 192,000	\$ 173,418	\$ (18,582)
Charges for Services	2,597,155	2,502,155	2,003,440	(498,715)
Miscellaneous	-	-	5,332	5,332
Total Revenues	<u>\$ 2,794,155</u>	<u>\$ 2,694,155</u>	<u>\$ 2,182,190</u>	<u>\$ (511,965)</u>
<u>EXPENDITURES</u>				
Redwing Golf Course	\$ 856,369	\$ 856,369	\$ 752,447	\$ 103,922
Bow Creek Golf Course	616,614	616,614	525,714	90,900
Kempsville Greens Golf Course	729,618	729,618	645,014	84,604
Golf Administration	302,004	302,004	248,264	53,740
Total Expenditures	<u>\$ 2,504,605</u>	<u>\$ 2,504,605</u>	<u>\$ 2,171,439</u>	<u>\$ 333,166</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ 289,550</u>	<u>\$ 189,550</u>	<u>\$ 10,751</u>	<u>\$ (178,799)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>\$ (289,550)</u>	<u>\$ (270,691)</u>	<u>\$ (270,691)</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ -</u>	<u>\$ (81,141)</u>	<u>\$ (259,940)</u>	<u>\$ (178,799)</u>
<u>FUND BALANCE - JULY 1</u>				
	<u>493,475</u>	<u>493,475</u>	<u>493,475</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 493,475</u>	<u>\$ 412,334</u>	<u>\$ 233,535</u>	<u>\$ (178,799)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
TOWN CENTER SPECIAL SERVICE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
General Property Taxes	\$ 1,673,141	\$ 1,673,141	\$ 1,603,901	\$ (69,240)
From Use of Money and Property	-	-	13,089	13,089
Total Revenues	<u>\$ 1,673,141</u>	<u>\$ 1,673,141</u>	<u>\$ 1,616,990</u>	<u>\$ (56,151)</u>
<u>EXPENDITURES</u>				
Town Center Parking Operations	\$ 1,613,941	\$ 1,613,941	\$ 1,340,878	\$ 273,063
Town Center Operations	59,200	61,915	57,354	4,561
Total Expenditures	<u>\$ 1,673,141</u>	<u>\$ 1,675,856</u>	<u>\$ 1,398,232</u>	<u>\$ 277,624</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ -</u>	<u>\$ (2,715)</u>	<u>\$ 218,758</u>	<u>\$ 221,473</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>\$ (1,118,110)</u>	<u>\$ (1,118,110)</u>	<u>\$ (1,118,110)</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ (1,118,110)</u>	<u>\$ (1,120,825)</u>	<u>\$ (899,352)</u>	<u>\$ 221,473</u>
<u>FUND BALANCE - JULY 1</u>				
	<u>1,529,694</u>	<u>1,529,694</u>	<u>1,529,694</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 411,584</u>	<u>\$ 408,869</u>	<u>\$ 630,342</u>	<u>\$ 221,473</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DEA SEIZED PROPERTY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 33,949	\$ 33,949
Miscellaneous	-	-	2,888	2,888
From Commonwealth	-	-	232,309	232,309
From Federal Government	-	-	8,489	8,489
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,635</u>	<u>\$ 277,635</u>
<u>EXPENDITURES</u>				
Commonwealth Attorney	\$ 160,000	\$ 250,136	\$ 190,732	\$ 59,404
Uniform Patrol	-	965,136	662,520	302,616
Special Investigative Division	-	11,000	10,000	1,000
Total Expenditures	<u>\$ 160,000</u>	<u>\$ 1,226,272</u>	<u>\$ 863,252</u>	<u>\$ 363,020</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ (160,000)</u>	<u>\$ (1,226,272)</u>	<u>\$ (585,617)</u>	<u>\$ 640,655</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572</u>	<u>\$ 572</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ (160,000)</u>	<u>\$ (1,226,272)</u>	<u>\$ (585,045)</u>	<u>\$ 641,227</u>
<u>FUND BALANCE - JULY 1</u>				
	<u>2,011,280</u>	<u>2,011,280</u>	<u>2,011,280</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 1,851,280</u>	<u>\$ 785,008</u>	<u>\$ 1,426,235</u>	<u>\$ 641,227</u>

CITY OF VIRGINIA BEACH, VIRGINIA
ACCESS CHANNEL SUPPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 8,305	\$ 8,305
<u>EXPENDITURES</u>				
Access Channel Support	\$ -	\$ -	\$ -	\$ -
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	\$ -	\$ -	\$ 8,305	\$ 8,305
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ (272,028)	\$ (272,028)	\$ (280,333)	\$ (8,305)
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ (272,028)	\$ (272,028)	\$ (272,028)	\$ -
<u>FUND BALANCE - JULY 1</u>				
	517,311	517,311	517,311	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 245,283	\$ 245,283	\$ 245,283	\$ -

CITY OF VIRGINIA BEACH, VIRGINIA
FEDERAL SECTION EIGHT PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Federal Government	\$ 13,028,461	\$ 14,678,071	\$ 15,630,145	\$ 952,074
From Use of Money and Property	-	-	6,654	6,654
Miscellaneous	18,000	63,000	264,699	201,699
Total Revenues	<u>\$ 13,046,461</u>	<u>\$ 14,741,071</u>	<u>\$ 15,901,498</u>	<u>\$ 1,160,427</u>
<u>EXPENDITURES</u>				
Rental Subsidy Program	<u>\$ 14,594,067</u>	<u>\$ 15,740,143</u>	<u>\$ 15,226,466</u>	<u>\$ 513,677</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ (1,547,606)</u>	<u>\$ (999,072)</u>	<u>\$ 675,032</u>	<u>\$ 1,674,104</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 256,606	\$ 256,606	\$ 256,606	\$ -
Transfers Out	-	(35,483)	(35,483)	-
Total Other Financing Sources (Uses)	<u>\$ 256,606</u>	<u>\$ 221,123</u>	<u>\$ 221,123</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ (1,291,000)</u>	<u>\$ (777,949)</u>	<u>\$ 896,155</u>	<u>\$ 1,674,104</u>
<u>FUND BALANCE - JULY 1</u>	<u>1,299,464</u>	<u>1,299,464</u>	<u>1,299,464</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 8,464</u>	<u>\$ 521,515</u>	<u>\$ 2,195,619</u>	<u>\$ 1,674,104</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMPREHENSIVE SERVICES ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Actual Amounts</u>
<u>REVENUES</u>	
From Use of Money and Property	\$ 22,971
<u>EXPENDITURES</u>	
Human Services	\$ -
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ 22,971
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers Out	\$ (561,727)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	\$ (538,756)
<u>FUND BALANCE - JULY 1</u>	538,756
<u>FUND BALANCE - JUNE 30</u>	\$ -

CITY OF VIRGINIA BEACH, VIRGINIA
SHERIFF'S DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 54,474	\$ 54,474
Charges for Services	2,240,460	2,240,460	2,813,229	572,769
Miscellaneous	33,215	33,215	44,739	11,524
From Commonwealth	19,373,660	19,548,307	13,686,824	(5,861,483)
From Federal Government	240,900	289,327	5,839,428	5,550,101
Total Revenues	\$ 21,888,235	\$ 22,111,309	\$ 22,438,694	\$ 327,385
<u>EXPENDITURES</u>				
Judicial	\$ 36,099,537	\$ 36,427,075	\$ 34,775,642	\$ 1,651,433
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	\$ (14,211,302)	\$ (14,315,766)	\$ (12,336,948)	\$ 1,978,818
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 13,206,975	\$ 13,241,171	\$ 13,203,424	\$ (37,747)
Transfers Out	-	(161,962)	(161,962)	-
Total Other Financing Sources (Uses)	\$ 13,206,975	\$ 13,079,209	\$ 13,041,462	\$ (37,747)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>				
	\$ (1,004,327)	\$ (1,236,557)	\$ 704,514	\$ 1,941,071
<u>FUND BALANCE - JULY 1</u>				
	4,651,957	4,651,957	4,651,957	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 3,647,630	\$ 3,415,400	\$ 5,356,471	\$ 1,941,071

CITY OF VIRGINIA BEACH, VIRGINIA
INMATE SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 15,000	\$ 15,000	\$ 17,197	\$ 2,197
Charges for Services	925,412	925,412	832,337	(93,075)
Total Revenues	<u>\$ 940,412</u>	<u>\$ 940,412</u>	<u>\$ 849,534</u>	<u>\$ (90,878)</u>
<u>EXPENDITURES</u>				
Inmate Services	<u>\$ 669,912</u>	<u>\$ 659,013</u>	<u>\$ 590,763</u>	<u>\$ 68,250</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ 270,500</u>	<u>\$ 281,399</u>	<u>\$ 258,771</u>	<u>\$ (22,628)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 2,421	\$ 2,421	\$ 2,421	\$ -
Transfers Out	(274,551)	(285,450)	(285,450)	-
Total Other Financing Sources (Uses)	<u>\$ (272,130)</u>	<u>\$ (283,029)</u>	<u>\$ (283,029)</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ (1,630)	\$ (1,630)	\$ (24,258)	\$ (22,628)
<u>FUND BALANCE - JULY 1</u>				
	<u>928,116</u>	<u>928,116</u>	<u>928,116</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 926,486</u>	<u>\$ 926,486</u>	<u>\$ 903,858</u>	<u>\$ (22,628)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
PARKS AND RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 1,086,451	\$ 1,086,451	\$ 1,043,369	\$ (43,082)
Charges for Services	10,997,126	10,997,126	11,092,183	95,057
Miscellaneous	114,800	114,800	92,763	(22,037)
From Federal Government	1,000	1,000	1,525	525
Total Revenues	<u>\$ 12,199,377</u>	<u>\$ 12,199,377</u>	<u>\$ 12,229,840</u>	<u>\$ 30,463</u>
<u>EXPENDITURES</u>				
Citywide Recreation Programs	\$ 10,625,479	\$ 10,528,284	\$ 10,568,183	\$ (39,899)
Sportsplex Operations	391,388	391,388	314,818	76,570
Parks Operations and Services	2,605,427	2,630,586	2,501,886	128,700
Athletic Complex	185,228	192,118	251,755	(59,637)
Recreation Centers	11,438,053	11,757,823	10,034,656	1,723,167
Maintenance	3,205,983	3,356,597	3,081,820	274,777
USFHA Field Hockey Training Center	73,803	73,803	69,777	4,026
Human Resources	385,991	385,991	368,976	17,015
City Beautification and Recreation	104,391	121,224	128,784	(7,560)
Total Expenditures	<u>\$ 29,015,743</u>	<u>\$ 29,437,814</u>	<u>\$ 27,320,655</u>	<u>\$ 2,117,159</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ (16,816,366)</u>	<u>\$ (17,238,437)</u>	<u>\$ (15,090,815)</u>	<u>\$ 2,147,622</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 16,566,366	\$ 16,565,612	\$ 16,565,612	\$ -
Transfers Out	-	(30,000)	(59,492)	(29,492)
Total Other Financing Sources (Uses)	<u>\$ 16,566,366</u>	<u>\$ 16,535,612</u>	<u>\$ 16,506,120</u>	<u>\$ (29,492)</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	<u>\$ (250,000)</u>	<u>\$ (702,825)</u>	<u>\$ 1,415,305</u>	<u>\$ 2,118,130</u>
<u>FUND BALANCE - JULY 1</u>				
	<u>4,035,526</u>	<u>4,035,526</u>	<u>4,035,526</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 3,785,526</u>	<u>\$ 3,332,701</u>	<u>\$ 5,450,831</u>	<u>\$ 2,118,130</u>

CITY OF VIRGINIA BEACH, VIRGINIA
TOURISM GROWTH INVESTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 297,000	\$ 297,000	\$ 396,730	\$ 99,730
Fines and Forfeitures	569,051	569,051	350,435	(218,616)
Miscellaneous	293,324	293,324	369,822	76,498
Total Revenues	<u>\$ 1,159,375</u>	<u>\$ 1,159,375</u>	<u>\$ 1,116,987</u>	<u>\$ (42,388)</u>
<u>EXPENDITURES</u>				
Economic Development	\$ 3,163,119	\$ 3,197,239	\$ 3,161,089	\$ 36,150
Direct Costs	2,000,000	2,000,000	2,000,000	-
Mass Transit Operations	427,721	427,731	427,722	9
Cultural Activities	50,500	50,500	50,500	-
Recycling	-	20,000	9,420	10,580
Landscaping	33,213	33,213	31,930	1,283
Maintenance	366,344	416,478	386,018	30,460
Contractual Services	1,065,012	1,005,043	381,006	624,037
Total Expenditures	<u>\$ 7,105,909</u>	<u>\$ 7,150,204</u>	<u>\$ 6,447,685</u>	<u>\$ 702,519</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>\$ (5,946,534)</u>	<u>\$ (5,990,829)</u>	<u>\$ (5,330,698)</u>	<u>\$ 660,131</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 17,696,611	\$ 17,696,611	\$ 16,921,988	\$ (774,623)
Transfers Out	(11,750,077)	(11,755,916)	(12,073,682)	(317,766)
Total Other Financing Sources (Uses)	<u>\$ 5,946,534</u>	<u>\$ 5,940,695</u>	<u>\$ 4,848,306</u>	<u>\$ (1,092,389)</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ -	\$ (50,134)	\$ (482,392)	\$ (432,258)
<u>FUND BALANCE - JULY 1</u>	<u>2,273,307</u>	<u>2,273,307</u>	<u>2,273,307</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 2,273,307</u>	<u>\$ 2,223,173</u>	<u>\$ 1,790,915</u>	<u>\$ (432,258)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
School Reserve	\$ -	\$ 15,998,747	\$ -	\$ 15,998,747
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ -	\$ (15,998,747)	\$ -	\$ 15,998,747
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ -	\$ 24,798,747	\$ 24,798,747	\$ -
Transfers Out	-	(8,800,000)	(8,800,000)	-
Total Other Financing Sources (Uses)	\$ -	\$ 15,998,747	\$ 15,998,747	\$ -
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	\$ -	\$ -	\$ 15,998,747	\$ 15,998,747
<u>FUND BALANCE - JULY 1</u>	4,344,063	4,344,063	4,344,063	-
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 4,344,063</u>	<u>\$ 4,344,063</u>	<u>\$ 20,342,810</u>	<u>\$ 15,998,747</u>

CITY OF VIRGINIA BEACH, VIRGINIA
CENTRAL BUSINESS DISTRICT SOUTH TAX INCREMENT FINANCING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
General Property Taxes	\$ 5,188,969	\$ 5,188,969	\$ 5,171,173	\$ (17,796)
From Use of Money and Property	55,970	55,970	342,539	286,569
Total Revenues	<u>\$ 5,244,939</u>	<u>\$ 5,244,939</u>	<u>\$ 5,513,712</u>	<u>\$ 268,773</u>
<u>EXPENDITURES</u>				
CBD South	\$ -	\$ 5,247,500	\$ 4,744,906	\$ 502,594
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>\$ 5,244,939</u>	<u>\$ (2,561)</u>	<u>\$ 768,806</u>	<u>\$ 771,367</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ (5,296,567)	\$ (5,296,567)	\$ (5,296,567)	\$ -
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>\$ (51,628)</u>	<u>\$ (5,299,128)</u>	<u>\$ (4,527,761)</u>	<u>\$ 771,367</u>
<u>AND OTHER FINANCING USES</u>				
<u>FUND BALANCE - JULY 1</u>	<u>5,682,232</u>	<u>5,682,232</u>	<u>5,682,232</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 5,630,604</u>	<u>\$ 383,104</u>	<u>\$ 1,154,471</u>	<u>\$ 771,367</u>

CITY OF VIRGINIA BEACH, VIRGINIA
SANDBRIDGE SPECIAL SERVICE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
General Property Taxes	\$ 807,850	\$ 807,850	\$ 826,275	\$ 18,425
Other Local Taxes	851,836	851,836	920,264	68,428
From Use of Money and Property	73,183	73,183	58,553	(14,630)
Total Revenues	<u>\$ 1,732,869</u>	<u>\$ 1,732,869</u>	<u>\$ 1,805,092</u>	<u>\$ 72,223</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ 1,732,869</u>	<u>\$ 1,732,869</u>	<u>\$ 1,805,092</u>	<u>\$ 72,223</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 1,464,571	\$ 1,464,571	\$ 1,956,110	\$ 491,539
Transfers Out	(3,460,626)	(3,460,626)	(3,460,626)	-
Total Other Financing Sources (Uses)	<u>\$ (1,996,055)</u>	<u>\$ (1,996,055)</u>	<u>\$ (1,504,516)</u>	<u>\$ 491,539</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ (263,186)	\$ (263,186)	\$ 300,576	\$ 563,762
<u>FUND BALANCE - JULY 1</u>				
	<u>2,426,405</u>	<u>2,426,405</u>	<u>2,426,405</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 2,163,219</u>	<u>\$ 2,163,219</u>	<u>\$ 2,726,981</u>	<u>\$ 563,762</u>

CITY OF VIRGINIA BEACH, VIRGINIA
AGRICULTURE RESERVE PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 247,147	\$ 247,147
<u>EXPENDITURES</u>				
Agriculture Reserve Program	\$ 1,363,514	\$ 1,361,749	\$ 169,362	\$ 1,192,387
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	\$ (1,363,514)	\$ (1,361,749)	\$ 77,785	\$ 1,439,534
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 4,891,598	\$ 4,891,598	\$ 4,521,228	\$ (370,370)
Transfers Out	(3,528,635)	(3,529,849)	(3,213,130)	316,719
Total Other Financing Sources (Uses)	\$ 1,362,963	\$ 1,361,749	\$ 1,308,098	\$ (53,651)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>				
	\$ (551)	\$ -	\$ 1,385,883	\$ 1,385,883
<u>FUND BALANCE - JULY 1</u>				
	13,575,178	13,575,178	13,575,178	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 13,574,627	\$ 13,575,178	\$ 14,961,061	\$ 1,385,883

CITY OF VIRGINIA BEACH, VIRGINIA
EMERGENCY FEMA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Federal Government	\$ -	\$ 2,021,110	\$ 1,107,545	\$ (913,565)
<u>EXPENDITURES</u>				
FEMA Operations	\$ -	\$ 1,921,110	\$ 1,027,610	\$ 893,500
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	\$ -	\$ 100,000	\$ 79,935	\$ (20,065)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ -	\$ (100,000)	\$ (100,000)	\$ -
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ -	\$ -	\$ (20,065)	\$ 20,065
<u>FUND BALANCE - JULY 1</u>				
	1,786,927	1,786,927	1,786,927	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 1,786,927	\$ 1,786,927	\$ 1,766,862	\$ 20,065

CITY OF VIRGINIA BEACH, VIRGINIA
TOURISM ADVERTISING PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 48,442	\$ 48,442	\$ 47,607	\$ (835)
Charges for Services	300,950	300,950	140,961	(159,989)
Miscellaneous	40,000	40,000	51,891	11,891
Total Revenues	<u>\$ 389,392</u>	<u>\$ 389,392</u>	<u>\$ 240,459</u>	<u>\$ (148,933)</u>
<u>EXPENDITURES</u>				
Visitor Information Center	\$ 1,003,690	\$ 1,003,690	\$ 926,704	\$ 76,986
Tourism and Convention Advertising	8,681,301	8,654,442	8,630,039	24,403
Total Expenditures	<u>\$ 9,684,991</u>	<u>\$ 9,658,132</u>	<u>\$ 9,556,743</u>	<u>\$ 101,389</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	<u>\$ (9,295,599)</u>	<u>\$ (9,268,740)</u>	<u>\$ (9,316,284)</u>	<u>\$ (47,544)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 9,351,323	\$ 9,375,323	\$ 8,972,703	\$ (402,620)
Transfers Out	(55,724)	(111,348)	(111,348)	-
Total Other Financing Sources (Uses)	<u>\$ 9,295,599</u>	<u>\$ 9,263,975</u>	<u>\$ 8,861,355</u>	<u>\$ (402,620)</u>
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ -	\$ (4,765)	\$ (454,929)	\$ (450,164)
<u>FUND BALANCE - JULY 1</u>				
	<u>651,432</u>	<u>651,432</u>	<u>651,432</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 651,432</u>	<u>\$ 646,667</u>	<u>\$ 196,503</u>	<u>\$ (450,164)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
PROFFER IMPACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	Actual Amounts
<u>REVENUES</u>	
From Use of Money and Property	\$ 4,058
Miscellaneous	3,439
Total Revenues	\$ 7,497
<u>EXPENDITURES</u>	
Proffer	\$ -
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	
	\$ 7,497
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers Out	\$ (4,058)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	
	\$ 3,439
<u>FUND BALANCE - JULY 1</u>	214,102
<u>FUND BALANCE - JUNE 30</u>	\$ 217,541

CITY OF VIRGINIA BEACH, VIRGINIA
VIRGINIA AQUARIUM AND MARINE SCIENCE CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Miscellaneous	\$ -	\$ -	\$ 7,868	\$ 7,868
From Federal Government	31,000	31,000	32,039	1,039
Total Revenues	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 39,907</u>	<u>\$ 8,907</u>
<u>EXPENDITURES</u>				
Aquarium & Marine Science Center	\$ 31,000	\$ 31,000	\$ 12,437	\$ 18,563
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,470</u>	<u>\$ 27,470</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ (119,526)	\$ -	\$ (168,526)	\$ (168,526)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>				
	\$ (119,526)	\$ -	\$ (141,056)	\$ (141,056)
<u>FUND BALANCE - JULY 1</u>				
	<u>149,658</u>	<u>149,658</u>	<u>149,658</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>				
	<u>\$ 30,132</u>	<u>\$ 149,658</u>	<u>\$ 8,602</u>	<u>\$ (141,056)</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
PUBLIC INVESTMENT PROTECTION STRATEGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Actual Amounts</u>
<u>REVENUES</u>	
From Use of Money and Property	\$ 1,150
<u>EXPENDITURES</u>	
Public Investment Protection	\$ -
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ 1,150
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers Out	\$ -
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	\$ 1,150
<u>FUND BALANCE - JULY 1</u>	60,776
<u>FUND BALANCE - JUNE 30</u>	\$ 61,926

CITY OF VIRGINIA BEACH, VIRGINIA
ARTS AND HUMANITIES COMMISSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	\$ -	\$ -	\$ -	\$ -
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ -	\$ -	\$ -	\$ -
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	\$ -	\$ (18,439)	\$ (37,237)	\$ (18,798)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	\$ -	\$ (18,439)	\$ (37,237)	\$ (18,798)
<u>FUND BALANCE - JULY 1</u>	37,237	37,237	37,237	-
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 37,237</u>	<u>\$ 18,798</u>	<u>\$ -</u>	<u>\$ (18,798)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 216,578	\$ 216,578	\$ 101,098	\$ (115,480)
<u>EXPENDITURES</u>				
Open Space Program	\$ 419,250	\$ 419,446	\$ 329,863	\$ 89,583
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	\$ (202,672)	\$ (202,868)	\$ (228,765)	\$ (25,897)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 3,898,497	\$ 3,898,497	\$ 3,853,696	\$ (44,801)
Transfers Out	(4,918,029)	(4,918,029)	(4,918,029)	-
Total Other Financing Sources (Uses)	\$ (1,019,532)	\$ (1,019,532)	\$ (1,064,333)	\$ (44,801)
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ (1,222,204)	\$ (1,222,400)	\$ (1,293,098)	\$ (70,698)
<u>FUND BALANCE - JULY 1</u>				
	6,323,467	6,323,467	6,323,467	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 5,101,263	\$ 5,101,067	\$ 5,030,369	\$ (70,698)

CITY OF VIRGINIA BEACH, VIRGINIA
MAJOR PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ 733,457	\$ 733,457	\$ 401,389	\$ (332,068)
<u>EXPENDITURES</u>				
Major Projects Expenditures	\$ -	\$ -	\$ -	\$ -
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>				
	\$ 733,457	\$ 733,457	\$ 401,389	\$ (332,068)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 17,375,776	\$ 17,375,776	\$ 16,937,794	\$ (437,982)
Transfers Out	(20,763,789)	(30,615,039)	(30,629,970)	(14,931)
Total Other Financing Sources (Uses)	\$ (3,388,013)	\$ (13,239,263)	\$ (13,692,176)	\$ (452,913)
<u>EXCESS OF REVENUES AND</u>				
<u>OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>				
	\$ (2,654,556)	\$ (12,505,806)	\$ (13,290,787)	\$ (784,981)
<u>FUND BALANCE - JULY 1</u>				
	27,819,629	27,819,629	27,819,629	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 25,165,073	\$ 15,313,823	\$ 14,528,842	\$ (784,981)

CITY OF VIRGINIA BEACH, VIRGINIA
TRANSITIONAL AREA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 8,123	\$ 8,123
<u>EXPENDITURES</u>				
Transitional Area Services	\$ 467,391	\$ 467,391	\$ -	\$ 467,391
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	\$ (467,391)	\$ (467,391)	\$ 8,123	\$ 475,514
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 467,391	\$ 467,391	\$ -	\$ (467,391)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>				
	\$ -	\$ -	\$ 8,123	\$ 8,123
<u>FUND BALANCE - JULY 1</u>				
	296,121	296,121	296,121	-
<u>FUND BALANCE - JUNE 30</u>				
	\$ 296,121	\$ 296,121	\$ 304,244	\$ 8,123

CITY OF VIRGINIA BEACH, VIRGINIA
WETLANDS MITIGATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Actual Amounts</u>
<u>REVENUES</u>	
From Use of Money and Property	\$ 1,483
Miscellaneous	15,938
Total Revenues	\$ 17,421
<u>EXPENDITURES</u>	
Wetlands Mitigation	\$ -
<u>EXCESS OF REVENUES OVER</u>	
<u>(UNDER) EXPENDITURES</u>	\$ 17,421
<u>FUND BALANCE - JULY 1</u>	71,025
<u>FUND BALANCE - JUNE 30</u>	\$ 88,446



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DEBT SERVICE FUND

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CITY OF VIRGINIA BEACH, VIRGINIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 796,406	\$ 796,406
<u>EXPENDITURES</u>				
Principal	\$ 73,218,108	\$ 73,218,108	\$ 72,662,009	\$ 556,099
Interest	50,490,504	50,490,504	48,401,666	2,088,838
Total Expenditures	<u>\$ 123,708,612</u>	<u>\$ 123,708,612</u>	<u>\$ 121,063,675</u>	<u>\$ 2,644,937</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>\$ (123,708,612)</u>	<u>\$ (123,708,612)</u>	<u>\$ (120,267,269)</u>	<u>\$ 3,441,343</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 123,409,926	\$ 123,409,926	\$ 121,387,428	\$ (2,022,498)
Transfers Out	(3,294,308)	(3,294,308)	(3,294,308)	-
Premium on Bonds Sold	-	-	4,384,080	4,384,080
Total Other Financing Sources (Uses)	<u>\$ 120,115,618</u>	<u>\$ 120,115,618</u>	<u>\$ 122,477,200</u>	<u>\$ 2,361,582</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>				
	<u>\$ (3,592,994)</u>	<u>\$ (3,592,994)</u>	<u>\$ 2,209,931</u>	<u>\$ 5,802,925</u>
FUND BALANCE - JULY 1	<u>19,006,999</u>	<u>19,006,999</u>	<u>19,006,999</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u><u>\$ 15,414,005</u></u>	<u><u>\$ 15,414,005</u></u>	<u><u>\$ 21,216,930</u></u>	<u><u>\$ 5,802,925</u></u>

GENERAL GOVERNMENT

CAPITAL PROJECTS

GENERAL GOVERNMENT CAPITAL PROJECTS

The General Government Capital Projects Fund is used to account for all revenues and expenditures related to the construction of the City's fixed assets and infrastructure. The categories of projects accounted for in this fund are engineering and highways, buildings, parks and recreation, coastal and economic and tourism development.

CITY OF VIRGINIA BEACH, VIRGINIA
ENGINEERING AND HIGHWAYS CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009

Project Number	Project Name	Local Funding	Public Facility Revenue Bonds	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
2007	SHIPP'S CORNER RD BRIDGE REPLACEMENT	\$ 2,695,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,695,378
2018	MAJOR INTERSECTION IMPROVEMENTS	4,259,613	-	500,000	750,000	-	-	5,509,613
2021	RURAL ROAD IMPROVEMENTS	6,280,959	-	-	-	-	-	6,280,959
2025	WITCHDUCK ROAD - PHASE II	876,900	-	-	2,715,000	-	-	3,591,900
2031	STREET RECONSTRUCTION	2,041,151	-	-	-	-	-	2,041,151
2035	AVALON WOODS - AVALON AVENUE	1,650,000	-	-	-	-	-	1,650,000
2039	COMPUTERIZED TRAFFIC SIGNAL SYS UPGRADE/REPL	1,196,833	-	-	15,000,000	4,969,000	-	21,165,833
2048	PRINCESS ANNE RD/KEMPS RD INTERSECTION IMPR	14,343,491	-	-	24,879,363	-	-	39,222,854
2052	TRAFFIC SIGNAL REHABILITATION	2,350,000	-	-	-	-	-	2,350,000
2053	ACCESS ROAD FOR ELEMENTARY SCHOOL 2008	1,000,000	-	-	-	-	-	1,000,000
2065	ELBOW ROAD EXTENDED - PHASE II-A	3,164,200	-	-	1,217,000	-	-	4,381,200
2067	SANDBRIDGE ROAD SAFETY IMPROVEMENTS	5,307,000	-	-	-	-	-	5,307,000
2071	BAKER ROAD EXTENDED	3,225,000	-	-	-	-	-	3,225,000
2072	FIRST COLONIAL RD/VB BLVD INTERSECTION IMPR	9,020,414	-	-	-	-	-	9,020,414
2073	BUCKNER ROAD EXTENDED	2,121,000	-	-	-	-	-	2,121,000
2074	LYNNHAVEN PARKWAY INTERCHANGE/GREAT NECK RD.	3,300,000	-	-	-	-	-	3,300,000
2076	LASKIN ROAD GATEWAY	16,396,121	-	-	-	-	-	16,396,121
2083	DIAMOND SPRINGS ROAD BRIDGE REPLACEMENT	4,120,000	-	-	-	-	-	4,120,000
2089	SOUTHEASTERN PARKWAY AND GREENBELT (PARTIAL)	23,071,744	-	-	-	378,011	-	23,449,755
2091	NIMMO PARKWAY - PHASES II AND III	60,000	-	-	-	-	-	60,000
2107	SEABOARD ROAD	6,991,000	-	-	-	-	-	6,991,000
2115	SHORE DRIVE INTERSECTIONS - DEMO PROJECT	5,502,806	-	-	-	-	-	5,502,806
2116	SHORE DRIVE CORRIDOR IMPRV-PHASE II	500,000	-	-	-	-	-	500,000
2117	SHORE DRIVE CORRIDOR IMPRV-PHASE III	950,000	-	-	-	-	-	950,000
2118	SHORE DRIVE CORRIDOR IMPRV-PHASE IV	1,250,000	-	-	-	-	-	1,250,000
2121	NIMMO PARKWAY - PHASE V-A	5,181,232	-	-	-	-	-	5,181,232
2129	PAVEMENT MAINTENANCE PROGRAM-PHASE II	8,160,500	-	-	-	-	-	8,160,500
2137	GREAT NECK RD IV/LONDON BRIDGE RD III	1,170,854	-	-	5,152,840	-	-	6,323,694
2143	LASKIN ROAD GATEWAY-PHASE I-A	5,400,000	-	-	-	-	-	5,400,000
2145	WESLEYAN DRIVE	800,000	-	-	7,238,550	-	-	8,038,550
2149	BIRDNECK ROAD - PHASE II	5,312,710	-	-	6,174,000	-	-	11,486,710
2150	SALEM RD/PA ROAD INTERSECTION IMPROVEMENT	-	-	-	600,000	300,000	-	900,000
2152	ELBOW ROAD EXTENDED - PHASE II	2,389,800	-	-	7,052,000	-	-	9,441,800
2156	LASKIN ROAD - PHASE I (VDOT)	4,125,000	-	-	-	-	-	4,125,000
2157	LYNNHAVEN PARKWAY - PHASE IX	3,330,000	-	-	7,150,300	-	-	10,480,300
2158	HOLLAND ROAD - PHASE VI (PARTIAL)	1,350,200	-	-	-	-	-	1,350,200
2160	CITY WIDE STREET LGHTG IMPRVMNTS-PHASE II	60,000	-	-	-	-	-	60,000
2161	TRAFFIC SIGNAL RETIMING	599,800	-	-	600,500	555,791	-	1,756,091
2163	SHORE DRIVE BIKE AND PEDESTRIAN SAFETY	-	-	-	-	36,288	-	36,288
2165	LASKIN ROAD - PHASE II	591,879	-	-	1,404,000	-	-	1,995,879
2166	PACIFIC AVE BIKE AND PEDESTRIAN SAFETY	-	-	-	-	63,540	-	63,540
2167	LYNNHAVEN PARKWAY - PHASE XI	1,864,190	-	-	-	-	-	1,864,190
2168	LESNER BRIDGE REPLACEMENT	9,124,406	-	-	1,000,000	-	-	10,124,406
2172	LED TRAFFIC SIGNAL UPGRADE	400,000	-	-	-	-	-	400,000
2176	TRANSPORTATION NETWORK ANALYSIS	1,650,000	-	-	-	-	-	1,650,000
2177	HSIP GRANT- HIGH ACCIDENT LOCATIONS	-	-	-	-	1,682,000	-	1,682,000
2178	HSIP GRANT- BICYCLE/PEDESTRIAN SAFETY	-	-	-	-	1,565,000	-	1,565,000
2186	NORFOLK SOUTHERN RIGHT-OF-WAY	450,000	-	-	-	-	-	450,000
2190	CONGESTION RELIEF/SAFETY IMPRV PROGRAM	2,100,000	-	-	-	1,947,000	-	4,047,000
2195	PRINCESS ANNE RD-INTERSECTION IMPRV MNTS	5,223,000	-	-	-	-	-	5,223,000
2200	SHORE DRIVE DEMO PROJECT PAHSES II & III	575,090	-	-	-	-	-	575,090
2208	CONSTITUTION DRIVE EXTENDED	7,176,912	-	2,000,000	-	-	-	9,176,912
2211	SECONDARY STREET IMPROVEMENTS	1,346,686	-	-	-	-	-	1,346,686
2238	PEMBROKE AREA COMP TRANSPORTATION PLAN	925,000	-	-	-	-	-	925,000
2256	INDIAN RIVER ROAD - PHASE VII	3,299,000	-	-	15,549,000	-	-	18,848,000
2257	LYNNHAVEN PARKWAY/VOLVO PARKWAY	1,003,762	-	-	-	-	-	1,003,762
2263	MAJOR BRIDGE REHABILITATION	7,206,475	-	-	-	-	-	7,206,475
2268	WETLANDS MITIGATION BANKING	1,302,000	-	-	-	-	-	1,302,000
2284	STREET ASPHALT RESURFACING	68,498,600	-	94,000	-	-	-	68,592,600
2285	TRAFFIC SAFETY IMPROVEMENTS - PHASE II	14,674,223	-	-	744,980	684,000	-	16,103,203
2300	TRAFFIC SAFETY IMPROVEMENTS - PHASE III	1,200,000	-	-	-	-	-	1,200,000
2305	PRINCESS ANNE RD - PH IV (FERRELL - PH II)	13,354,137	-	-	-	-	-	13,354,137
2502	WEST NECK ROAD (TAN)	3,996,489	-	-	94,614	-	-	4,091,103
2731	SHORE DRIVE INTERIM SAFETY IMPROVEMENTS	1,000,000	-	-	-	-	-	1,000,000
2837	VARIOUS COST PARTICIPATION PROJECTS	4,132,595	-	-	-	61,759	-	4,194,354
2931	WITCHDUCK ROAD - PHASE I	2,870,469	-	-	16,206,318	-	-	19,076,787
	TOTAL ENGINEERING & HIGHWAY CAPITAL PROJECTS	\$ 313,518,619	\$ -	\$ 2,594,000	\$ 113,528,465	\$ 12,242,389	\$ -	\$ 441,883,473

CITY OF VIRGINIA BEACH, VIRGINIA
ENGINEERING AND HIGHWAYS CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Project Number	Project Name	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
2007	SHIPP'S CORNER RD BRIDGE REPLACEMENT	\$ 2,695,378	\$ 19,931	\$ 2,646,016	\$ -	\$ 1,298	\$ 48,064
2018	MAJOR INTERSECTION IMPROVEMENTS	5,509,613	628,648	1,678,283	1,678,283	981,562	2,849,768
2021	RURAL ROAD IMPROVEMENTS	6,280,959	35,405	4,544,856	4,544,856	1,736,103	-
2025	WITCHDUCK ROAD - PHASE II	3,591,900	163,304	660,166	660,166	829,956	2,101,778
2031	STREET RECONSTRUCTION	2,041,151	235,235	1,701,740	-	16,885	322,526
2035	AVALON WOODS - AVALON AVENUE	1,650,000	25,319	135,293	135,293	41,331	1,473,376
2039	COMPUTERIZED TRAFFIC SIGNAL SYS UPGRADE/REPL	21,165,833	2,410,934	10,293,387	10,293,387	9,376,073	1,496,373
2048	PRINCESS ANNE RD/KEMPSVILLE RD INTERSECTION IMPR	39,222,854	16,044,898	23,869,831	-	2,382,970	12,970,053
2052	TRAFFIC SIGNAL REHABILITATION	2,350,000	469,986	2,008,590	-	47,038	294,372
2053	ACCESS ROAD FOR ELEMENTARY SCHOOL 2008	1,000,000	-	1,000,000	-	-	-
2065	ELBOW ROAD EXTENDED - PHASE II-A	4,381,200	90,139	4,150,204	-	16,661	214,335
2067	SANDBRIDGE ROAD SAFETY IMPROVEMENTS	5,307,000	19,324	4,223,771	4,223,771	337,184	746,045
2071	BAKER ROAD EXTENDED	3,225,000	14,959	186,805	186,805	62,567	2,975,628
2072	FIRST COLONIAL RD/VB BLVD INTERSECTION IMPR	9,020,414	903,738	4,295,765	-	581,521	4,143,128
2073	BUCKNER ROAD EXTENDED	2,121,000	106,194	208,248	208,248	82,982	1,829,770
2074	LYNNHAVEN PARKWAY INTERCHANGE/GREAT NECK RD.	3,300,000	-	2,903,382	-	110,250	286,368
2076	LASKIN ROAD GATEWAY	16,396,121	444,693	14,705,712	14,705,712	557,602	1,132,807
2083	DIAMOND SPRINGS ROAD BRIDGE REPLACEMENT	4,120,000	1,787,412	2,236,966	2,236,966	1,053,467	829,567
2089	SOUTHEASTERN PARKWAY AND GREENBELT (PARTIAL)	23,449,755	1,553,251	23,113,109	-	336,646	-
2091	NIMMO PARKWAY - PHASES II AND III	60,000	-	40,697	-	-	19,303
2107	SEABOARD ROAD	6,991,000	753,477	2,400,263	2,400,263	4,499,163	91,574
2115	SHORE DRIVE INTERSECTIONS - DEMO PROJECT	5,502,806	344,629	4,899,742	-	319,496	283,568
2116	SHORE DRIVE CORRIDOR IMPRV-PHASE II	500,000	148	148	148	-	499,852
2117	SHORE DRIVE CORRIDOR IMPRV-PHASE III	950,000	-	-	-	100,000	850,000
2118	SHORE DRIVE CORRIDOR IMPRV-PHASE IV	1,250,000	60,402	398,437	398,437	351,639	499,924
2121	NIMMO PARKWAY - PHASE V-A	5,181,232	37,188	56,653	56,653	3,271	5,121,308
2129	PAVEMENT MAINTENANCE PROGRAM-PHASE II	8,160,500	7,941,835	7,941,835	-	218,665	-
2137	GREAT NECK RD IV/LONDON BRIDGE RD III	6,323,694	-	5,628,425	-	419,594	275,675
2143	LASKIN ROAD GATEWAY-PHASE I-A	5,400,000	366,306	366,306	366,306	1,834,440	3,199,254
2145	WESLEYAN DRIVE	8,038,550	-	9,780	9,780	1,035,834	6,992,936
2149	BIRDNECK ROAD - PHASE II	11,486,710	281,345	6,293,299	6,293,299	2,207,801	2,985,610
2150	SALEM RD/PA ROAD INTERSECTION IMPROVEMENT	900,000	81,408	104,213	104,213	3,132	792,655
2152	ELBOW ROAD EXTENDED - PHASE II	9,441,800	333,640	3,586,767	3,586,767	529,064	5,325,969
2156	LASKIN ROAD - PHASE I (VDOT)	4,125,000	24,303	1,878,554	1,878,554	216,078	2,030,368
2157	LYNNHAVEN PARKWAY - PHASE IX	10,480,300	1,743,962	7,790,674	7,790,674	1,741,182	948,444
2158	HOLLAND ROAD - PHASE VI (PARTIAL)	1,350,200	51,613	532,163	532,163	11,579	806,458
2160	CITY WIDE STREET LGHTG IMPRVMTS-PHASE II	60,000	53,741	53,741	-	5,438	821
2161	TRAFFIC SIGNAL RETIMING	1,756,091	899,732	902,231	902,231	322,852	531,008
2163	SHORE DRIVE BIKE AND PEDESTRIAN SAFETY	36,288	321	321	321	24,000	11,967
2165	LASKIN ROAD - PHASE II	1,995,879	98	625,137	625,137	1,370,742	-
2166	PACIFIC AVE BIKE AND PEDESTRIAN SAFETY	63,540	2,743	2,743	2,743	-	60,797
2167	LYNNHAVEN PARKWAY - PHASE XI	1,864,190	5,448	209,955	209,955	-	1,654,235
2168	LESNER BRIDGE REPLACEMENT	10,124,406	2,918,009	5,310,228	5,310,228	3,188,551	1,625,627
2172	LED TRAFFIC SIGNAL UPGRADE	400,000	-	367,016	-	17,073	15,911
2176	TRANSPORTATION NETWORK ANALYSIS	1,650,000	57,800	708,319	708,319	390,666	551,015
2177	HSIP GRANT- HIGH ACCIDENT LOCATIONS	1,682,000	-	-	-	1,682,000	-
2178	HSIP GRANT- BICYCLE/PEDESTRIAN SAFETY	1,565,000	6,651	6,651	6,651	1,558,349	-
2186	NORFOLK SOUTHERN RIGHT-OF-WAY	450,000	14,858	15,883	15,883	346,114	88,003
2190	CONGESTION RELIEF/SAFETY IMPRV PROGRAM	4,047,000	25,210	66,583	66,583	3,980,417	-
2195	PRINCESS ANNE RD-INTERSECTION IMPRVMTS	5,223,000	16,550	2,068,376	2,068,376	1,883,176	1,271,448
2200	SHORE DRIVE DEMO PROJECT PHASES II & III	575,090	53,046	555,003	-	16,887	3,200
2208	CONSTITUTION DRIVE EXTENDED	9,176,912	673,804	934,555	934,555	137,588	8,104,769
2211	SECONDARY STREET IMPROVEMENTS	1,346,686	74,276	1,329,358	-	5,008	12,320
2238	PEMBROKE AREA COMP TRANSPORTATION PLAN	925,000	71,022	822,453	822,453	48,072	54,475
2256	INDIAN RIVER ROAD - PHASE VII	18,848,000	1,481,472	3,287,365	3,287,365	8,409,827	7,150,808
2257	LYNNHAVEN PARKWAY/VOLVO PARKWAY	1,003,762	24,599	359,684	-	115,167	528,911
2263	MAJOR BRIDGE REHABILITATION	7,206,475	138,530	4,812,676	4,812,676	141,233	2,252,566
2268	WETLANDS MITIGATION BANKING	1,302,000	-	153,645	153,645	21,597	1,126,758
2284	STREET ASPHALT RESURFACING	68,592,600	491,198	68,312,197	-	250,266	30,137
2285	TRAFFIC SAFETY IMPROVEMENTS - PHASE II	16,103,203	93,235	14,408,598	-	1,694,605	-
2300	TRAFFIC SAFETY IMPROVEMENTS - PHASE III	1,200,000	139,626	139,626	139,626	1,005,024	55,350
2305	PRINCESS ANNE RD - PH IV (FERRELL - PH II)	13,354,137	320,392	2,443,721	2,443,721	39,319	10,871,097
2502	WEST NECK ROAD (TAN)	4,091,103	146,834	635,895	635,895	3,455,208	-
2731	SHORE DRIVE INTERIM SAFETY IMPROVEMENTS	1,000,000	30,412	78,326	78,326	25,880	895,794
2837	VARIOUS COST PARTICIPATION PROJECTS	4,194,354	83,416	4,139,115	-	612	54,627
2931	WITCHDUCK ROAD - PHASE I	19,076,787	728,764	13,127,716	13,127,716	5,543,974	405,097
	TOTAL ENGINEERING & HIGHWAY CAPITAL PROJECTS	\$ 441,883,473	\$ 45,525,413	\$ 272,367,197	\$ 98,643,148	\$ 67,722,679	\$ 101,793,597

**CITY OF VIRGINIA BEACH, VIRGINIA
BUILDINGS CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Local Funding	Public Facility Revenue Bonds	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
3009	PUBLIC SAFETY EMERGENCY COMMUNICATIONS SYSTEM	\$ 1,710,403	\$ -	\$ 1,421,686	\$ -	\$ -	\$ -	\$ 3,132,089
3017	FIRE AND RESCUE STATION - FIRST LANDING	5,892,000	-	60,000	-	-	-	5,952,000
3021	FIRE AN RESCUE STATION - THALIA	7,000,000	-	-	-	-	-	7,000,000
3023	SOCIAL SERVICES BUILDING REPLACEMENT	2,863	-	-	-	-	9,497,137	9,500,000
3024	VIRGINIA BEACH JUVENILE DETENTION CENTER	6,734,881	-	-	6,034,514	-	-	12,769,395
3027	LAW ENFORCEMENT TRAINING ACADEMY	887,112	-	2,100,000	-	-	-	2,987,112
3033	FIRE FACILITY REHABILITATION AND RENEWAL	2,348,997	-	-	-	-	-	2,348,997
3035	CIT-CRIMINAL JUSTICE AUTO-SYS ANALYSIS	300,000	-	-	-	-	-	300,000
3038	VARIOUS BUILDINGS REHABILITATION AND RENEWAL	14,277,886	-	104,000	-	109,018	-	14,490,904
3041	VMSM ELEVATED PEDESTRIAN CROSSWALK	512,179	-	-	-	-	-	512,179
3043	CIT-IN-VEHICLE MAPPING	424,716	-	-	-	-	-	424,716
3045	CIT-ENTERPRISE DATA & INFO MGMT PLAN-PH I	414,000	-	-	-	-	-	414,000
3048	CIT-SOFTWARE INFRASTRUCTURE	286,000	-	-	-	-	-	286,000
3050	CIT-PLANNING ADDRESS PROCESS CONVERSION	100,000	-	-	-	-	-	100,000
3052	CIT-IT SERVICE CONTINUITY	2,214,000	-	-	-	-	-	2,214,000
3053	CIT-INFORMATION MANAGEMENT-PHASE II	100,000	-	-	-	-	-	100,000
3054	ANIMAL CONTROL & K-9 REPLACEMENTS	973,400	-	-	-	-	-	973,400
3058	GREAT NECK RESCUE STATION SITE IMPROVE	750,000	-	-	-	-	-	750,000
3061	CIT-HANSEN V.8 UPGRADE	277,790	-	447,210	-	-	-	725,000
3068	CIT-IT NETWORK INFRSTR REPLCMT-PH II	564,803	-	-	-	-	-	564,803
3073	COLONIAL EDUC CONS & LAND ACQUIS	676,100	-	-	75,000	344,000	-	1,095,100
3076	CIT-CONVERSION-VIRTUALIZATION ANALYSIS	60,000	-	-	-	-	-	60,000
3077	CIT-DATA CTR SUSTAINABILITY/RISK REDUCTN	250,000	-	-	-	-	-	250,000
3078	CIT-GIS WEB INFRASTRUCTURE UPGRADE	150,000	-	-	-	-	-	150,000
3079	CIT-CITY-WIDE MUNICIPAL WAN-PH II	700,000	-	-	-	-	-	700,000
3081	CIT-HR/PAYROLL SYS-LAG/WORK WEEK CHNG	275,000	-	-	-	-	-	275,000
3082	CIT-IPV6 ANALYSIS	50,000	-	-	-	-	-	50,000
3083	CIT-SYSTEM CENTER CONFIGURATION MGMT	150,000	-	-	-	-	-	150,000
3084	CIT-EGIS-DIGITAL SUBMISSION-CONS PLANS	104,000	-	-	-	-	-	104,000
3085	CIT-ERS-AUTOMATE EMER MEDICL DISPATCH	205,910	-	-	-	-	-	205,910
3086	CIT-EMS-HANDHELD FIELD REPORTING	73,000	-	-	-	-	-	73,000
3087	CIT-HNP-FIELD AUTOMATION ANALYSIS	136,000	-	-	-	-	-	136,000
3088	CIT-ODO COLLABORATIVE LEARNING	412,000	-	-	-	-	-	412,000
3090	CIT-P&R-CLASS/INSITE INTERFACE	69,760	-	-	-	-	-	69,760
3091	CIT-PLANNING-ADDRSSING SYS INTEGRATION	220,000	-	-	-	-	-	220,000
3092	CIT-PLANNING-BUS SYS INTEGRATION ANALY	72,800	-	-	-	-	-	72,800
3094	CIT-POLICE-TELESTAFF T&M MODULE	83,200	-	-	-	-	-	83,200
3096	CIT-POLICE-MDT INCREASED FUNCTIONALITY	281,324	-	-	-	-	-	281,324
3100	VARIOUS BUILDINGS HVAC REHABILITATION & RENEWAL	6,264,734	-	-	-	-	-	6,264,734
3104	FIRE STA #19-STUMPY LAKE/SALEM-REPAIRS	765,142	-	-	-	-	-	765,142
3109	LIBRARY AUTOMATION SYSTEM REPLACEMENT	1,300,000	-	-	-	-	-	1,300,000
3114	BEAUTIFICATION PILOT PROJECT	580,000	-	-	-	-	-	580,000
3119	CIT-CABLE ACCESS INFRASTRUCTURE REPLACE	660,647	-	-	-	-	-	660,647
3124	COPS INTEROPERABLE COMM TECH GRNT - PH II	339,100	-	1,750,000	-	6,000,000	-	8,089,100
3133	FIRE TRAINING CTR IMPROVE-PHASE III	-	-	400,000	-	-	-	400,000
3138	UASI INTEROPERABLE COMMUNICATIONS TECHN	-	-	-	-	3,213,780	-	3,213,780
3140	ENERGY PERFORMANCE CONTRACTS (CITY)	-	-	5,000,000	-	-	-	5,000,000
3143	UASI INTEROPERABLE COMM TECH GRANT PH II	-	-	-	-	4,000,000	-	4,000,000
3144	MUNICIPAL CENTER PARKING - COURTS	325,000	-	-	-	-	-	325,000
3173	EMER COMMUNICATIONS/EMER OPS CENTERS	1,938,500	7,264,000	-	-	993,500	-	10,196,000
3175	SOUTH ROSEMONT AREA LIBRARY	7,417,865	-	-	-	-	-	7,417,865
3185	FIRE APPARATUS REPLACEMENT	2,387,313	4,780,000	3,522,687	-	-	-	10,690,000
3200	REV ASSESSMENT & COLLECTION SYS	1,278,079	8,200,000	2,446,720	-	-	-	11,924,799
3207	CIT-PH 2 PERMITS/INSPECT INTRACTV INTRNT	1,927,984	-	-	-	-	-	1,927,984
3209	CIT-ENTERPRISE ELCTRNC RECORDS MGMT SYS	1,750,000	-	-	-	-	-	1,750,000
3212	CIT - IT NETWORK INFRASTRUCTURE REPLACE	2,250,000	-	406,000	-	-	-	2,656,000
3214	CIT - CODE ENFORCEMENT DATABASE	400,000	-	243,000	-	-	-	643,000
3217	CIT - MH CLIENT INFORMATION SYSTEM	700,000	-	2,200,000	-	-	-	2,900,000
3227	POLICE REPLACE & HANGER EXPAN	2,355,000	-	1,320,000	-	-	-	3,675,000
3229	POLICE TRNG FACILITY-SITE SELECTION/DESIGN	4,880,000	-	80,000	-	-	-	4,960,000
3244	FIRE/RESCUE STATION-CHESAPEAKE BEACH	2,300,000	-	-	-	-	-	2,300,000
3248	FIRE/RESCUE STATION-BLACKWATER	600,000	-	-	-	-	-	600,000
3262	TIDEWATER COMMUNITY COLLEGE EXPANSION	18,003,290	-	-	-	-	-	18,003,290
3275	VMSM RENEWAL & REPLACEMENT	291,200	-	375,000	-	-	-	666,200
3278	VA AQUARIUM RENEWAL & REPLACEMENT-PH II	200,000	-	-	-	-	-	200,000
3280	CIT-CITY HUMAN RESOURCES/PAYROLL SYSTEM	635,000	300,000	9,348,061	-	-	-	10,283,061
3281	CIT-COMMUNICATION INFRASTRUCTURE REPLACE	9,454,849	4,683,012	9,987,139	-	-	-	24,125,000
3282	MUNICIPAL BUILDING SECURITY ENHANCEMENTS	950,000	-	-	-	-	-	950,000
3283	PAVILION THEATER REPLACEMENT	5,000,000	30,000,000	-	-	-	12,000,000	47,000,000
3286	CIT-ADDRESS LOCATION REPLACE	-	-	490,000	-	-	-	490,000
3289	CIT-POLICE-CITIZEN INTERNET SOFTWARE MOD	206,726	-	-	-	-	-	206,726
3292	VA AQUARIUM ANIMAL CARE ANNEX	2,338,924	-	-	-	-	-	2,338,924

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
BUILDINGS CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
3009	PUBLIC SAFETY EMERGENCY COMMUNICATIONS SYSTEM	\$ 3,132,089	\$ -	\$ 3,085,103	\$ -	\$ -	\$ 46,986
3017	FIRE AND RESCUE STATION - FIRST LANDING	5,952,000	-	5,838,924	-	1,976	111,100
3021	FIRE AN RESCUE STATION - THALIA	7,000,000	6,286	29,319	29,319	1,450,000	5,520,681
3023	SOCIAL SERVICES BUILDING REPLACEMENT	9,500,000	59,009	9,314,220	-	64,754	121,026
3024	VIRGINIA BEACH JUVENILE DETENTION CENTER	12,769,395	-	12,680,295	-	-	89,100
3027	LAW ENFORCEMENT TRAINING ACADEMY	2,987,112	7,087	2,963,752	-	1,000	22,360
3033	FIRE FACILITY REHABILITATION AND RENEWAL	2,348,997	-	2,348,997	-	-	-
3035	CIT-CRIMINAL JUSTICE AUTO-SYS ANALYSIS	300,000	15,604	15,604	15,604	17,646	266,750
3038	VARIOUS BUILDINGS REHABILITATION AND RENEWAL	14,490,904	946,257	14,148,767	-	77,297	264,840
3041	VMSM ELEVATED PEDESTRIAN CROSSWALK	512,179	-	397,628	397,628	114,551	-
3043	CIT-IN-VEHICLE MAPPING	424,716	85,053	85,053	85,053	133,440	206,223
3045	CIT-ENTERPRISE DATA & INFO MGMT PLAN-PH I	414,000	-	881	881	48,044	365,075
3048	CIT-SOFTWARE INFRASTRUCTURE	286,000	77,745	126,514	126,514	118,656	40,830
3050	CIT-PLANNING ADDRESS PROCESS CONVERSION	100,000	-	-	-	74,450	25,550
3052	CIT-IT SERVICE CONTINUITY	2,214,000	327,494	1,022,196	1,022,196	165,498	1,026,306
3053	CIT-INFORMATION MANAGEMENT-PHASE II	100,000	2,276	88,535	88,535	7,866	3,599
3054	ANIMAL CONTROL & K-9 REPLACEMENTS	973,400	63,929	63,929	63,929	-	909,471
3058	GREAT NECK RESCUE STATION SITE IMPROVE	750,000	722,171	722,171	-	-	27,829
3061	CIT-HANSEN V.8 UPGRADE	725,000	219,766	290,087	290,087	228,735	206,178
3068	CIT-IT NETWORK INFRSTR REPLCMNT-PH II	564,803	-	-	-	-	564,803
3073	COLONIAL EDUC CONS & LAND ACQUIS	1,095,100	598,034	739,034	739,034	-	356,066
3076	CIT-CONVERSION-VIRTUALIZATION ANALYSIS	60,000	1,009	1,009	-	32,838	26,153
3077	CIT-DATA CTR SUSTAINABILITY/RISK REDUCTN	250,000	65,960	65,960	65,960	450	183,590
3078	CIT-GIS WEB INFRASTRUCTURE UPGRADE	150,000	46,157	46,157	46,157	20,024	83,819
3079	CIT-CITY-WIDE MUNICIPAL WAN-PH II	700,000	15,194	15,194	15,194	-	684,806
3081	CIT-HR/PAYROLL SYS-LAG/WORK WEEK CHNG	275,000	247,060	247,060	-	-	27,940
3082	CIT-IPV6 ANALYSIS	50,000	-	-	-	-	50,000
3083	CIT-SYSTEM CENTER CONFIGURATION MGMT	150,000	61,469	61,469	61,469	4,236	84,295
3084	CIT-EGIS-DIGITAL SUBMISSION-CONS PLANS	104,000	-	-	-	-	104,000
3085	CIT-ERS-AUTOMATE EMER MEDICL DISPATCH	205,910	-	-	-	52,394	153,516
3086	CIT-EMS-HANDHELD FIELD REPORTING	73,000	51,237	51,237	51,237	17,882	3,881
3087	CIT-HNP-FIELD AUTOMATION ANALYSIS	136,000	-	-	-	-	136,000
3088	CIT-ODO COLLABORATIVE LEARNING	412,000	184,290	184,290	184,290	81,239	146,471
3090	CIT-P&R-CLASS/INSITE INTERFACE	69,760	-	-	-	-	69,760
3091	CIT-PLANNING-ADDRSSNG SYS INTEGRATION	220,000	-	-	-	-	220,000
3092	CIT-PLANNING-BUS SYS INTEGRATION ANALY	72,800	-	-	-	-	72,800
3094	CIT-POLICE-TELESTAFF T&M MODULE	83,200	-	-	-	-	83,200
3096	CIT-POLICE-MDT INCREASED FUNCTIONALITY	281,324	-	-	-	-	281,324
3100	VARIOUS BUILDINGS HVAC REHABILITATION AND RENEWAL	6,264,734	140,715	6,225,383	-	34,073	5,278
3104	FIRE STA #19-STUMPY LAKE/SALEM-REPAIRS	765,142	86,127	86,127	86,127	35,738	643,277
3109	LIBRARY AUTOMATION SYSTEM REPLACEMENT	1,300,000	-	1,244,357	1,244,357	-	55,643
3114	BEAUTIFICATION PILOT PROJECT	580,000	1,825	492,173	492,173	1,025	86,802
3119	CIT-CABLE ACCESS INFRASTRUCTURE REPLACE	660,647	276,257	276,257	276,257	35,160	349,230
3124	COPS INTEROPERABLE COMM TECH GRNT - PH II	8,089,100	633,394	3,653,715	3,653,715	125,127	4,310,258
3133	FIRE TRAINING CTR IMPROVE-PHASE III	400,000	-	-	-	-	400,000
3138	UASI INTEROPERABLE COMMUNICATIONS TECHN	3,213,780	60,544	1,282,720	1,282,720	66,519	1,864,541
3140	ENERGY PERFORMANCE CONTRACTS (CITY)	5,000,000	244,428	244,428	-	112,035	4,643,537
3143	UASI INTEROPERABLE COMM TECH GRANT PH II	4,000,000	-	-	-	-	4,000,000
3144	MUNICIPAL CENTER PARKING - COURTS	325,000	21,291	21,291	21,291	3,684	300,025
3173	EMER COMMUNICATIONS/EMER OPS CENTERS	10,196,000	-	10,128,389	-	31,020	36,591
3175	SOUTH ROSEMONT AREA LIBRARY	7,417,865	689,934	844,525	844,525	1,631	6,571,709
3185	FIRE APPARATUS REPLACEMENT	10,690,000	62,576	10,689,804	-	196	-
3200	REV ASSESSMENT & COLLECTION SYS	11,924,799	801,369	8,428,355	-	1,484,656	2,011,788
3207	CIT-PH 2 PERMITS/INSPECT INTRACTV INTRNT	1,927,984	189,824	303,899	303,899	769,082	855,003
3209	CIT-ENTERPRISE ELCTRNC RECORDS MGMT SYS	1,750,000	69,754	92,991	92,991	81,176	1,575,833
3212	CIT - IT NETWORK INFRASTRUCTURE REPLACE	2,656,000	425,096	1,861,799	1,861,799	6,930	787,271
3214	CIT - CODE ENFORCEMENT DATABASE	643,000	38,737	564,802	-	-	78,198
3217	CIT - MH CLIENT INFORMATION SYSTEM	2,900,000	184,241	2,050,090	2,050,090	338,857	511,053
3227	POLICE REPLACE & HANGER EXPAN	3,675,000	1,017,280	3,667,694	-	-	7,306
3229	POLICE TRNG FACILITY-SITE SELECTION/DESIGN	4,960,000	2,555,323	4,204,783	-	158,656	596,561
3244	FIRE/RESCUE STATION-CHESAPEAKE BEACH	2,300,000	1,354,947	1,362,147	1,362,147	125	937,728
3248	FIRE/RESCUE STATION-BLACKWATER	600,000	-	6,291	6,291	-	593,709
3262	TIDEWATER COMMUNITY COLLEGE EXPANSION	18,003,290	360,689	10,192,909	10,192,909	27,694	7,782,687
3275	VMSM RENEWAL & REPLACEMENT	666,200	14,440	508,565	-	16,741	140,894
3278	VA AQUARIUM RENEWAL & REPLACEMENT-PH II	200,000	181,329	181,329	-	-	18,671
3280	CIT-CITY HUMAN RESOURCES/PAYROLL SYSTEM	10,283,061	1,205,636	9,682,959	-	50,106	549,996
3281	CIT-COMMUNICATION INFRASTRUCTURE REPLACE	24,125,000	2,169,198	14,281,944	14,281,944	976,066	8,866,990
3282	MUNICIPAL BUILDING SECURITY ENHANCEMENTS	950,000	55,734	773,176	773,176	100,230	76,594
3283	PAVILION THEATER REPLACEMENT	47,000,000	112,847	46,437,145	-	323,747	239,108
3286	CIT-ADDRESS LOCATION REPLACE	490,000	332	450,378	450,378	31,214	8,408
3289	CIT-POLICE-CITIZEN INTERNET SOFTWARE MOD	206,726	1,743	179,232	179,232	10,328	17,166
3292	VA AQUARIUM ANIMAL CARE ANNEX	2,338,924	66,344	1,580,268	1,580,268	758,656	-

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CITY OF VIRGINIA BEACH, VIRGINIA
BUILDINGS CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009

Project Number	Project Name	Local Funding	Public Facility Revenue Bonds	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
3299	SHERIFFS WORKFORCE/RELEASE FACILITY	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000
3300	FERRY PLANTATION HOUSE	-	-	-	-	115,000	30,000	145,000
3322	VMSM ORIGINAL EXHIBIT GALLERY RENOVATION	11,747,682	-	-	-	167,506	-	11,915,188
3340	CIT - TELECOMMUNICATIONS REPLACEMENT	-	-	1,910,000	-	-	-	1,910,000
3343	ADAM THOROUGHGOOD HOUSE EXTERIOR MOISTURE DA	150,000	-	-	-	150,000	-	300,000
3344	POLICE FOURTH PRECINCT-REPLACEMENT	680,150	-	69,850	-	-	-	750,000
3346	CIT-AUTOMATIC VEHICLE LOCATOR SYSTEM	-	-	1,313,500	-	-	-	1,313,500
3349	CIT-HUMAN SRVCS IT SYSTEMS INTERGRATION	-	-	-	-	340,500	-	340,500
3359	BLDG MODERN, RENEWALS AND REPLACEMENTS	923,000	-	-	-	-	-	923,000
3365	FIRE FACILITY REHAB AND RENEWAL PH II	2,797,635	-	-	-	-	-	2,797,635
3366	VAR BLDGS HVAC REHAB AND RENEWAL PH II	5,321,140	-	-	-	-	-	5,321,140
3367	VAR BLDGS REHAB AND RENEWAL PH II	10,477,290	-	-	-	-	-	10,477,290
3368	VARIOUS SITE ACQUISITIONS	18,868,900	-	-	-	2,385,050	162,400	21,416,350
3369	LEROY DR MASTER PLAN/FACILITY REPLACE	320,000	-	-	-	-	-	320,000
3371	FIRE APPARATUS-PHASE II	2,456,519	-	1,824,663	-	-	-	4,281,182
3413	BAYSIDE LIBRARY & POLICE PRECINCT	6,761,687	-	-	-	-	-	6,761,687
3441	CORRECTION CENTER ADDITION III/BUILDING & LANDSCA	48,447,497	-	241,603	12,000,000	-	-	60,689,100
3447	LIBRARY RENOVATIONS AND REPLACEMENTS	9,654,586	-	-	-	-	-	9,654,586
	TOTAL BUILDING CAPITAL PROJECTS	\$ 245,845,563	\$ 55,227,012	\$ 47,661,119	\$ 18,109,514	\$ 17,818,354	\$ 21,689,537	\$ 406,351,099

**CITY OF VIRGINIA BEACH, VIRGINIA
BUILDINGS CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
3299	SHERIFF'S WORKFORCE/RELEASE FACILITY	\$ 600,000	\$ 49,794	\$ 222,482	\$ 222,482	\$ 365,435	\$ 12,083
3300	FERRY PLANTATION HOUSE	145,000	-	11,925	11,925	5,827	127,248
3322	VMSM ORIGINAL EXHIBIT GALLERY RENOVATION	11,915,188	3,125,065	11,409,166	-	408,884	97,138
3340	CIT - TELECOMMUNICATIONS REPLACEMENT	1,910,000	584,438	1,347,124	1,347,124	324,986	237,890
3343	ADAM THOROUGHGOOD HOUSE EXTERIOR MOISTURE DAMAGE	300,000	2,945	55,085	-	22,749	222,166
3344	POLICE FOURTH PRECINCT-REPLACEMENT	750,000	-	-	-	-	750,000
3346	CIT-AUTOMATIC VEHICLE LOCATOR SYSTEM	1,313,500	389,820	389,820	389,820	342,682	580,998
3349	CIT-HUMAN SRVCS IT SYSTEMS INTERGRATION	340,500	-	-	-	-	340,500
3359	BLDG MODERN, RENEWALS AND REPLACEMENTS	923,000	5,524	797,019	797,019	11,146	114,835
3365	FIRE FACILITY REHAB AND RENEWAL PH II	2,797,635	244,559	1,791,106	1,791,105	224,523	782,006
3366	VAR BLDGS HVAC REHAB AND RENEWAL PH II	5,321,140	807,664	3,151,572	-	727,342	1,442,226
3367	VAR BLDGS REHAB AND RENEWAL PH II	10,477,290	1,291,809	4,377,893	4,377,893	923,951	5,175,446
3368	VARIOUS SITE ACQUISITIONS	21,416,350	1,565,169	18,847,084	-	2,152	2,567,114
3369	LEROY DR MASTER PLAN/FACILITY REPLACE	320,000	143,041	319,217	-	783	-
3371	FIRE APPARATUS-PHASE II	4,281,182	2,166,380	3,535,543	-	626	745,013
3413	BAYSIDE LIBRARY & POLICE PRECINCT	6,761,687	9,403	6,725,315	-	32,785	3,587
3441	CORRECTION CENTER ADDITION III/BUILDING & LANDSCAPE	60,689,100	440,559	60,304,533	-	44,575	339,992
3447	LIBRARY RENOVATIONS AND REPLACEMENTS	9,654,586	539,815	9,045,934	9,045,934	416,485	192,167
	TOTAL BUILDING CAPITAL PROJECTS	\$ 406,351,099	\$ 28,191,026	\$ 318,964,128	\$ 62,302,678	\$ 12,148,379	\$ 75,238,592

**CITY OF VIRGINIA BEACH, VIRGINIA
PARKS AND RECREATION CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Local Funding	Public Facility Revenue Bonds	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
4004	OPEN SPACE PROGRAM SITE ACQUISITION	\$ 11,805,000	\$ 25,750,000	\$ 11,295,765	\$ -	\$ 500,000	\$ 188,992	\$ 49,539,757
4008	MARSHVIEW PROPERTY PLANNING	87,039	-	-	-	-	-	87,039
4009	COMMUNITY RECREATION CENTERS RENEWALS AND REPL	5,638,576	-	800,000	-	-	-	6,438,576
4010	EXISTING TRAILS REPAIRS	1,500,000	-	-	-	-	-	1,500,000
4013	COMMUNITY REC CTRS REPAIRS & RENOV-PH II	12,086,637	-	-	-	-	20,000	12,106,637
4016	DST/COMM PRKS/SPEC USE FAC DEV/REN-PH II	2,630,511	-	-	-	-	-	2,630,511
4017	GOLF COURSES EQUIP & INFRASTRUCTURE-PH II	500,000	-	-	-	-	-	500,000
4018	GREENWAYS AND SCENIC WATERWAYS-PHASE II	449,946	-	-	-	-	-	449,946
4019	NEW PRINCESS ANNE ATHLETIC FIELDS	4,523,793	-	-	-	-	11,325,406	15,849,199
4020	SHORE DRIVE CORRIDOR TRAILS	287,779	-	-	250,000	-	-	537,779
4023	NEIGHBORHOOD PARKS ACQUISITION/DEV-PH II	500,000	-	-	-	-	97,546	597,546
4024	PARK PLAYGROUND REOVATIONS	3,890,000	-	-	-	-	31,000	3,921,000
4028	MULTI-USE RECREATION FIELDS	2,854,764	-	808,451	-	-	-	3,663,215
4030	REC OFFICE & STORAGE AT SCH SITES PH II	78,000	-	200,000	-	-	-	278,000
4034	REC CENTERS ROOF MAIN AND REPLACE (ON-GOING)	2,603,000	-	1,000,000	-	-	-	3,603,000
4035	NATURAL AREA PRESERVES	187,634	-	-	-	-	-	187,634
4036	TENNIS COURT RENOVATIONS-PHASE II	1,092,987	-	-	-	-	-	1,092,987
4042	RED WING LAKE GOLF COURSE IMPROVEMENTS	3,250,000	-	1,750,000	-	-	-	5,000,000
4051	STUMPY LAKE GC INFRASTRUCTURE IMPROVMNTS	2,300,000	-	-	-	-	-	2,300,000
4055	OPEN SPACE PARK DEVELOPMENT & MAINT	5,000,000	-	-	-	-	-	5,000,000
4058	PACIFIC AVENUE TRAIL EXTENSION	355,843	-	-	-	793,046	-	1,148,889
4063	ATHLETIC FIELDS UPGRADE & LIGHTING PH II	525,000	-	-	-	-	-	525,000
4070	OPEN SPACE PRGM SITE AQUISITION-PHII	1,000,000	-	-	91,305	-	8,000	1,099,305
4072	BAYSIDE COMMUNITY CENTER	800,000	-	-	-	-	-	800,000
4073	KEMPSVILLE PONY LEAGUE FIELDS RELOCATION	2,250,000	-	-	-	-	-	2,250,000
4074	CITY BIKEWAYS & TRAILS IMPROVEMENTS PH I	781,650	-	-	-	-	-	781,650
4075	PEDESTRIAN SYSTEM IMPROVEMENTS-PHASE 1	837,980	-	-	-	-	162,020	1,000,000
4309	MT TRASHMORE DISTRICT PARK RENOV-PH II	250,000	-	-	-	-	-	250,000
4949	DIST/COMM PARK DEVELOPMENT & RENOVATIONS (ONGOING)	5,494,334	-	-	-	-	-	5,494,334
4970	PARK PLAYGROUNDS RENOVATIONS	2,091,535	-	-	-	-	285,820	2,377,355
4971	MOUNT TRASHMORE PARK RENOVATIONS	1,600,000	-	-	-	-	-	1,600,000
	TOTAL PARKS & RECREATION CAPITAL PROJECTS	\$ 77,252,008	\$ 25,750,000	\$ 15,854,216	\$ 341,305	\$ 1,293,046	\$ 12,118,784	\$ 132,609,359

**CITY OF VIRGINIA BEACH, VIRGINIA
PARKS AND RECREATION CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
4004	OPEN SPACE PROGRAM SITE ACQUISITION	\$ 49,539,757	\$ 3,813,542	\$ 41,581,431	\$ -	\$ 43,543	\$ 7,914,783
4008	MARSHVIEW PROPERTY PLANNING	87,039	6,373	81,329	6,373	905	4,805
4009	COMMUNITY RECREATION CENTERS RENEWALS AND REPL	6,438,576	49,118	6,111,303	-	72,435	254,838
4010	EXISTING TRAILS REPAIRS	1,500,000	54,672	1,483,050	-	-	16,950
4013	COMMUNITY REC CTRS REPAIRS & RENOV-PH II	12,106,637	2,126,894	3,818,684	3,818,684	422,105	7,865,848
4016	DST/COMM PRKS/SPEC USE FAC DEV/REN-PH II	2,630,511	502,270	1,503,118	1,503,118	148,042	979,351
4017	GOLF COURSES EQUIP & INFRASTRUCTURE-PH II	500,000	103,024	435,037	-	2,469	62,494
4018	GREENWAYS AND SCENIC WATERWAYS-PHASE II	449,946	30,825	44,843	44,843	55,987	349,116
4019	NEW PRINCESS ANNE ATHLETIC FIELDS	15,849,199	42,345	15,532,838	-	139,548	176,813
4020	SHORE DRIVE CORRIDOR TRAILS	537,779	68,463	376,935	-	160,753	91
4023	NEIGHBORHOOD PARKS ACQUISITION/DEV-PH II	597,546	138,263	346,196	346,196	3,779	247,571
4024	PARK PLAYGROUND REOVATIONS	3,921,000	680,746	3,328,725	-	104,967	487,308
4028	MULTI-USE RECREATION FIELDS	3,663,215	34,260	3,663,215	-	-	-
4030	REC OFFICE & STORAGE AT SCH SITES PH II	278,000	-	185,493	185,492	-	92,507
4034	REC CENTERS ROOF MAIN AND REPLACE (ON-GOING)	3,603,000	-	2,927,563	-	-	675,437
4035	NATURAL AREA PRESERVES	187,634	16	97,610	-	7,918	82,106
4036	TENNIS COURT RENOVATIONS-PHASE II	1,092,987	162,630	766,903	766,903	114,547	211,537
4042	RED WING LAKE GOLF COURSE IMPROVEMENTS	5,000,000	4,922	4,990,728	-	9,272	-
4051	STUMPY LAKE GC INFRASTRUCTURE IMPROVMNTS	2,300,000	448,200	835,732	835,732	488,374	975,894
4055	OPEN SPACE PARK DEVELOPMENT & MAINT	5,000,000	307,389	2,454,875	2,454,875	55,644	2,489,481
4058	PACIFIC AVENUE TRAIL EXTENSION	1,148,889	385,587	450,058	450,058	697,000	1,831
4063	ATHLETIC FIELDS UPGRADE & LIGHTING PH II	525,000	113,467	220,964	220,964	-	304,036
4070	OPEN SPACE PRGM SITE AQUISITION-PHII	1,099,305	-	-	-	-	1,099,305
4072	BAYSIDE COMMUNITY CENTER	800,000	171,653	483,649	483,649	43,118	273,233
4073	KEMPSVILLE PONY LEAGUE FIELDS RELOCATION	2,250,000	158,112	2,212,406	-	24,265	13,329
4074	CITY BIKEWAYS & TRAILS IMPROVEMENTS PH I	781,650	56,169	471,465	471,465	59,558	250,627
4075	PEDESTRIAN SYSTEM IMPROVEMENTS-PHASE I	1,000,000	83,107	309,766	309,766	505,450	184,784
4309	MT TRASHMORE DISTRICT PARK RENOV-PH II	250,000	-	-	-	-	250,000
4949	DIST/COMM PARK DEVELOPMENT & RENOVATIONS (ONGOING)	5,494,334	2,650	5,489,807	-	3,494	1,033
4970	PARK PLAYGROUNDS RENOVATIONS	2,377,355	174,770	2,377,355	-	-	-
4971	MOUNT TRASHMORE PARK RENOVATIONS	1,600,000	112,058	1,474,751	-	21,982	103,267
	TOTAL PARKS & RECREATION CAPITAL PROJECTS	<u>\$ 132,609,359</u>	<u>\$ 9,831,525</u>	<u>\$ 104,055,829</u>	<u>\$ 11,898,118</u>	<u>\$ 3,185,155</u>	<u>\$ 25,368,375</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
COASTAL CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Local Funding	Public Facility Revenue Bonds	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
8002	BEACH PROFILE MONITORING PROGRAM	\$ 300,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,487
8003	LANDFILL #2 PHASE I CLOSURE	2,533,220	-	2,973,780	-	-	-	5,507,000
8004	VARIOUS MINOR DREDGING PROJECTS	1,186,269	-	-	-	-	-	1,186,269
8005	W BRANCH LYNNHAVEN RIVER MAINT DREDGING	3,417,013	-	-	-	-	-	3,417,013
8007	RUDEE INLET OUTER CHANNEL MAINT DREDGE	1,415,995	-	-	-	-	-	1,415,995
8008	BEACH REPLENISHMENT	9,306,621	-	550,000	-	-	-	9,856,621
8014	LYNNHAVEN INLET MAINTENANCE DREDGING	2,024,913	-	-	-	-	-	2,024,913
8023	SANDBRIDGE BEACH ACCESS IMPRV/SAND MGMT	575,000	-	-	-	-	-	575,000
8110	EASTERN BRANCH LYNNHAVEN RIVER DREDGING	195,589	-	-	-	-	-	195,589
8282	SANDBRIDGE EMERGENCY BEACH RESTORATION	13,375,578	-	19,788,808	2,800,000	-	-	35,964,386
8830	RUDEE INLET DREDGING	5,473,077	-	-	-	806,065	-	6,279,142
8933	LANDFILL #2 - EXPANSION	7,789,202	-	14,059,860	-	-	2,099,340	23,948,402
	TOTAL COASTAL CAPITAL PROJECTS	\$ 47,592,964	\$ -	\$ 37,372,448	\$ 2,800,000	\$ 806,065	\$ 2,099,340	\$ 90,670,817

**CITY OF VIRGINIA BEACH, VIRGINIA
COASTAL CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
8002	BEACH PROFILE MONITORING PROGRAM	\$ 300,487	\$ 2,015	\$ 202,501	\$ -	\$ -	\$ 97,986
8003	LANDFILL #2 PHASE I CLOSURE	5,507,000	-	-	-	-	5,507,000
8004	VARIOUS MINOR DREDGING PROJECTS	1,186,269	169,730	410,824	-	23,850	751,595
8005	W BRANCH LYNNHAVEN RIVER MAINT DREDGING	3,417,013	96,906	291,381	-	388,504	2,737,128
8007	RUDEE INLET OUTER CHANNEL MAINT DREDGE	1,415,995	-	1,155,995	-	-	260,000
8008	BEACH REPLENISHMENT	9,856,621	1,124,128	4,383,855	-	42,178	5,430,588
8014	LYNNHAVEN INLET MAINTENANCE DREDGING	2,024,913	113,073	1,673,830	-	-	351,083
8023	SANDBRIDGE BEACH ACCESS IMPRV/SAND MGMT	575,000	21,381	21,381	-	302,681	250,938
8110	EASTERN BRANCH LYNNHAVEN RIVER DREDGING	195,589	-	-	-	-	195,589
8282	SANDBRIDGE EMERGENCY BEACH RESTORATION	35,964,386	288,083	20,936,956	-	39,922	14,987,508
8830	RUDEE INLET DREDGING	6,279,142	65,099	5,553,418	-	2,400	723,324
8933	LANDFILL #2 - EXPANSION	23,948,402	819,586	20,535,175	-	585,798	2,827,429
	TOTAL COASTAL CAPITAL PROJECTS	\$ 90,670,817	\$ 2,700,001	\$ 55,165,316	\$ -	\$ 1,385,333	\$ 34,120,168

**CITY OF VIRGINIA BEACH, VIRGINIA
ECONOMIC AND TOURISM CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Local Funding	Public Facility Revenue Bonds	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
9010	VIRGINIA MARINE SCIENCE MUSEUM - PHASE III (DESIGN)	\$ 21,000	\$ -	\$ -	\$ 2,000,000	\$ 63,744	\$ -	\$ 2,084,744
9016	TOWN CENTER INFRASTRUCTURE	8,684,829	-	-	-	-	-	8,684,829
9018	CONVENTION CENTER REPLACEMENT	9,851,250	160,721,000	32,598,513	148,750	-	3,525,000	206,844,513
9034	NEIGHBORHOOD REVITALIZATION STRAT PLAN	400,000	-	-	-	-	-	400,000
9035	TOWN CENTER PEDESTRIAN BRIDGE (DESIGN)	400,000	-	-	-	-	-	400,000
9036	19TH ST CORRIDOR DESIGN & IMPROVEMENTS	745,515	-	320,000	-	-	-	1,065,515
9048	BOARDWALK REVITALIZATION	3,373,523	-	133,939	-	-	-	3,507,462
9052	PUBLIC BEACH IMPROVEMENT PROGRAM (PARTIAL)	203,000	-	166,864	-	-	46,500	416,364
9058	RUDEE WALK (PARTIAL) - PHASE I	254,000	-	-	-	-	-	254,000
9060	OCEANA/INTERFAC TRAF AREA CONFORM & ACQ	22,911,815	-	3,700,000	22,500,000	1,458,252	-	50,570,067
9061	17TH STREET PARK STORAGE FACILITY	-	-	100,000	-	-	-	100,000
9069	19TH STREET CORRIDOR IMPROVEMENTS	12,700,000	-	-	-	-	-	12,700,000
9070	ACQUISITION OF 9TH STREET GARAGE	-	9,750,000	-	-	-	-	9,750,000
9076	ECONOMIC DEVELOPMENT INITIATIVES	100,000	-	-	-	-	-	100,000
9081	STATEGIC GROWTH AREA PROGRAM	3,000,000	-	-	-	-	-	3,000,000
9082	OCEANFRONT GARAGES CAPITAL MAINTENANCE	1,250,000	-	-	-	-	-	1,250,000
9083	TOWN CENTER GARAGE & PLAZA CAPITAL MAINT	-	-	1,118,110	-	-	-	1,118,110
9084	TOWN CENTER PEDESTRIAN SAFETY IMPROVEMENTS	208,000	-	-	-	-	-	208,000
9141	ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (ONGOING)	32,862,456	-	-	-	-	-	32,862,456
9199	CONFERENCE/CONVENTION FACILITY RENOVATION (ONGOING)	1,710,000	-	840,000	-	-	-	2,550,000
9260	ECONOMIC AND TOURISM DEVELOPMENT PARTNERSHIPS	12,459,568	-	790,000	-	-	2,062,701	15,312,269
9275	CAPE HENRY LIGHTHOUSE RESTORATION	-	-	-	-	160,000	40,000	200,000
9302	RUDEE LOOP DEVELOPMENT - PHASE I (PARTIAL)	14,302,000	-	34,155	-	-	-	14,336,155
9336	SPOT BLIGHT ABATEMENT PROGRAM	-	-	-	-	-	312,778	312,778
9704	BEACH EROSION CONTROL AND HURRICANE PROTECTION	42,121,703	-	-	-	2,700,000	-	44,821,703
	TOTAL ECONOMIC AND TOURISM DEVELOPMENT CAPITAL PROJECT REVENUES	\$ 167,558,659	\$ 170,471,000	\$39,801,581	\$ 24,648,750	\$ 4,381,996	\$5,986,979	\$412,848,965

**CITY OF VIRGINIA BEACH, VIRGINIA
ECONOMIC AND TOURISM CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

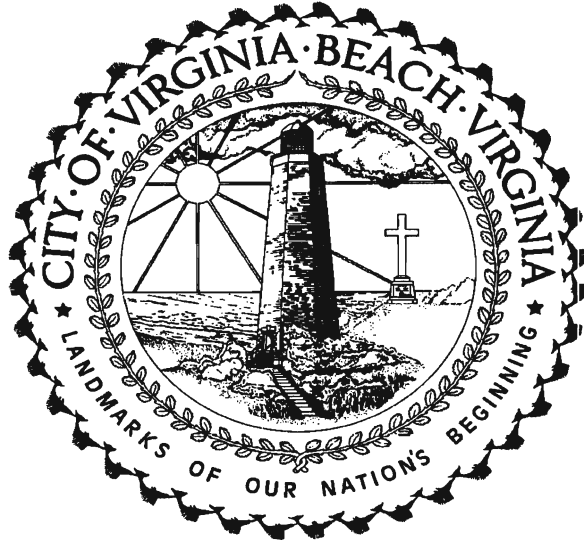
Project Number	Project Name	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
9010	VIRGINIA MARINE SCIENCE MUSEUM - PHASE III (DESIGN)	\$ 2,084,744	\$ -	\$ 1,569,483	\$ -	\$ 3,817	\$ 511,444
9016	TOWN CENTER INFRASTRUCTURE	8,684,829	1,015	8,580,553	-	102,533	1,743
9018	CONVENTION CENTER REPLACEMENT	206,844,513	85,876	205,521,363	-	1,179,118	144,032
9034	NEIGHBORHOOD REVITALIZATION STRAT PLAN	400,000	26,663	339,940	339,940	2,273	57,787
9035	TOWN CENTER PEDESTRIAN BRIDGE (DESIGN)	400,000	-	400,000	-	-	-
9036	19TH ST CORRIDOR DESIGN & IMPROVEMENTS	1,065,515	7,624	1,035,255	1,035,255	26,312	3,948
9048	BOARDWALK REVITALIZATION	3,507,462	-	3,507,462	-	-	-
9052	PUBLIC BEACH IMPROVEMENT PROGRAM (PARTIAL)	416,364	-	392,465	-	-	23,899
9058	RUDEE WALK (PARTIAL) - PHASE I	254,000	683	169,543	169,543	-	84,457
9060	OCEANA/INTERFAC TRAF AREA CONFORM & ACQ	50,570,067	18,692,082	46,331,474	-	2,353,943	1,884,650
9061	17TH STREET PARK STORAGE FACILITY	100,000	285	96,520	-	-	3,480
9069	19TH STREET CORRIDOR IMPROVEMENTS	12,700,000	2,273,743	2,509,957	2,509,957	248,704	9,941,339
9070	ACQUISITION OF 9TH STREET GARAGE	9,750,000	-	9,750,000	-	-	-
9076	ECONOMIC DEVELOPMENT INITIATIVES	100,000	-	53,800	-	-	46,200
9081	STATEGIC GROWTH AREA PROGRAM	3,000,000	80,019	80,019	80,019	450,000	2,469,981
9082	OCEANFRONT GARAGES CAPITAL MAINTENANCE	1,250,000	180,795	180,795	-	219,291	849,914
9083	TOWN CENTER GARAGE & PLAZA CAPITAL MAINT	1,118,110	1,118,110	1,118,110	-	-	-
9084	TOWN CENTER PEDESTRIAN SAFETY IMPROVMENTS	208,000	52,148	52,148	-	107,321	48,531
9141	ECONOMIC DEVELOPMENT INVESTMENT PROGRAM (ONGOING)	32,862,456	887,631	30,571,913	-	1,497,260	793,283
9199	CONFERENCE/CONVENTION FACILITY RENOVATION (ONGOING)	2,550,000	-	2,420,194	-	-	129,806
9260	ECONOMIC AND TOURISM DEVELOPMENT PARTNERSHIPS	15,312,269	-	15,256,478	-	5,137	50,654
9275	CAPE HENRY LIGHTHOUSE RESTORATION	200,000	-	41,141	-	-	158,859
9302	RUDEE LOOP DEVELOPMENT - PHASE I (PARTIAL)	14,336,155	-	14,075,830	-	-	260,325
9336	SPOT BLIGHT ABATEMENT PROGRAM	312,778	931	217,077	-	-	95,701
9704	BEACH EROSION CONTROL AND HURRICANE PROTECTION	44,821,703	-	44,817,810	-	3,619	274
	TOTAL ECONOMIC AND TOURISM DEVELOPMENT CAPITAL PROJECT EXPENDITURES	\$ 412,848,965	\$ 23,407,605	\$ 389,089,330	\$ 4,134,714	\$ 6,199,328	\$ 17,560,307

CITY OF VIRGINIA BEACH, VIRGINIA
SUMMARY OF GENERAL GOVERNMENT CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009

Project Type	Local Funding	Revenue Bond Funding	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
ENGINEERING AND HIGHWAYS	\$ 313,518,619	\$ -	\$ 2,594,000	\$ 113,528,465	\$ 12,242,389	\$ -	\$ 441,883,473
BUILDINGS	245,845,563	55,227,012	47,661,119	18,109,514	17,818,354	21,689,537	406,351,099
PARKS AND RECREATION	77,252,008	25,750,000	15,854,216	341,305	1,293,046	12,118,784	132,609,359
COASTAL	47,592,964	-	37,372,448	2,800,000	806,065	2,099,340	90,670,817
ECONOMIC AND TOURISM	<u>167,558,659</u>	<u>170,471,000</u>	<u>39,801,581</u>	<u>24,648,750</u>	<u>4,381,996</u>	<u>5,986,979</u>	<u>412,848,965</u>
TOTAL GENERAL GOVERNMENT CAPITAL PROJECT REVENUES	<u>\$ 851,767,813</u>	<u>\$ 251,448,012</u>	<u>\$ 143,283,364</u>	<u>\$ 159,428,034</u>	<u>\$ 36,541,850</u>	<u>\$ 41,894,640</u>	<u>\$ 1,484,363,713</u>

CITY OF VIRGINIA BEACH, VIRGINIA
SUMMARY OF GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Project Type	Budget To Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
ENGINEERING AND HIGHWAYS	\$ 441,883,473	\$ 45,525,413	\$ 272,367,197	\$ 98,643,148	\$ 67,722,679	\$ 101,793,597
BUILDINGS	406,351,099	28,191,026	318,964,128	62,302,678	12,148,379	75,238,592
PARKS AND RECREATION	132,609,359	9,831,525	104,055,829	11,898,118	3,185,155	25,368,375
COASTAL	90,670,817	2,700,001	55,165,316	-	1,385,333	34,120,168
ECONOMIC AND TOURISM	<u>412,848,965</u>	23,407,605	<u>389,089,330</u>	<u>4,134,714</u>	<u>6,199,328</u>	<u>17,560,307</u>
GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES	<u>\$ 1,484,363,713</u>	\$ 109,655,570	<u>\$ 1,139,641,800</u>	<u>\$ 176,978,658</u>	<u>\$ 90,640,874</u>	<u>\$ 254,081,039</u>
CLOSED CAPITAL PROJECTS EXPENDITURES		441,826				
GENERAL GOVERNMENT CAPITAL PROJECTS		<u>\$ 110,097,396</u>				
TRANSFER TO SCHOOL BOARD		33,018,747				
TOTAL CURRENT YEAR GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES		<u>\$ 143,116,143</u>				



**WATER AND SEWER
ENTERPRISE FUND**

WATER AND SEWER ENTERPRISE FUND

The Water and Sewer Enterprise Fund operates the water distribution and sanitary sewer collection systems. The mission of this fund is to provide public water, including water for fire protection, and public sanitary sewer service to the urban areas of Virginia Beach.

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2009**

ASSETS

Current Assets:

Cash and Temporary Investments	\$ 97,331,378
Accounts Receivable - Net of Estimated Uncollectibles	14,658,547
Intergovernmental Receivables	111,018
Inventory	2,129,975
Total Current Assets	<u>\$ 114,230,918</u>

Non-current Assets

Cash and Temporary Investments - Restricted	\$ 15,527,066
Deferred Charges	2,855,047
Capital Assets:	
Land	12,426,777
Buildings	3,590,809
Utility System	828,860,511
Office Furniture and Fixtures	1,494,319
Machinery and Equipment	17,702,328
Construction in Progress	33,515,164
Less: Accumulated Depreciation	(311,244,178)
Total Capital Assets	<u>\$ 586,345,730</u>
Total Non-current Assets	<u>\$ 604,727,843</u>
Total Assets	<u>\$ 718,958,761</u>

LIABILITIES

Current Liabilities:

Vouchers and Accounts Payable	\$ 2,929,827
Deposits Payable	288,445
Accrued Interest Payable	2,064,869
Construction Contracts Payable	4,771,741
Deferred Revenue	204,875
Current Portion of Long-term Liabilities	6,101,430
Total Current Liabilities	<u>\$ 16,361,187</u>

Long-Term Liabilities (less current portion):

Double Barrel and Revenue Bonds and Notes	\$ 117,324,719
Premium on Refunding Bonds	3,210,699
Accrued Compensated Leave	1,594,911
Total Long-Term Liabilities (less current portion)	<u>\$ 122,130,329</u>
Total Liabilities	<u>\$ 138,491,516</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 460,428,713
Restricted for Debt Service	15,527,066
Restricted for Operations	104,511,466
Total Net Assets	<u>\$ 580,467,245</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

OPERATING REVENUES

Service Charges	\$ 47,429,733
Sale of Water	44,285,797
Tap Fees	342,796
Fire Hydrant Rental	7,750
Navy Wheelage Charges	150,124
Miscellaneous	398,711
Total Operating Revenues	<u>\$ 92,614,911</u>

OPERATING EXPENSES

Cost of Goods Sold - Water Purchases	\$ 25,251,195
Personal Services	19,530,542
Fringe Benefits	6,296,104
Contractual Services	4,176,142
Internal Services	2,370,243
Other Charges	12,449,928
Depreciation	20,471,892
Total Operating Expenses	<u>\$ 90,546,046</u>

OPERATING INCOME (LOSS)**\$ 2,068,865****NONOPERATING REVENUES (EXPENSES)**

Interest Income	\$ 2,368,140
Connection Fees	2,520,898
Gain (Loss) From Sale of Assets	193,838
Interest on Double Barrel/Revenue Bonds and Notes	(4,499,135)
Total Nonoperating Revenues (Expenses) Net	<u>\$ 583,741</u>

CAPITAL CONTRIBUTIONS**\$ 2,252,090****TRANSFERS**

Transfers In	\$ 256,537
Transfers Out	(160,625)
Total Transfers Net	<u>\$ 95,912</u>

CHANGE IN NET ASSETS**\$ 5,000,608****TOTAL NET ASSETS - BEGINNING****575,466,637****TOTAL NET ASSETS - ENDING****\$ 580,467,245**

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 92,004,335
Receipts from (Payments for) Interfund Services Provided	1,972,242
Other Operating Cash Receipts	398,711
Cash Payments To Suppliers of Goods and Services	(45,094,360)
Cash Payments To Employees for Services	(25,710,395)
Net Cash Provided By Operating Activities	<u>\$ 23,570,533</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Receipts from Other Funds	\$ 256,537
Payments to Other Funds/Entities	(160,625)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>\$ 95,912</u>

CASH FLOWS FROM CAPITAL**AND RELATED FINANCING ACTIVITIES:**

Interest Paid on Long-term Debt	\$ (5,757,570)
Acquisition and Construction of Capital Assets	(28,615,922)
Proceeds from Sale of Salvage	193,838
Receipts of Capital Contributions	2,520,898
Principal Paid on Long-term Debt	(4,897,576)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>\$ (36,556,332)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received	\$ 2,368,140
Net Cash Provided By Investing Activities	<u>\$ 2,368,140</u>

Net Increase (Decrease) in Cash and Temporary Investments \$ (10,521,747)

Cash and Temporary Investments, July 1 123,380,191

Cash and Temporary Investments, June 30 \$ 112,858,444

RECONCILIATION OF OPERATING INCOME (LOSS)**TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ 2,068,865
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:	
Depreciation	20,471,892
(Increase)/Decrease in Accounts Receivable	(211,865)
(Increase)/Decrease in Intergovernmental Receivables	1,972,242
(Increase)/Decrease in Inventory	(200,197)
Increase/(Decrease) in Vouchers and Accounts Payable	(623,124)
Increase/(Decrease) in Deposits Payable	10,793
Increase/(Decrease) in Deferred Revenue	(34,324)
Increase/(Decrease) in Accrued Compensated Leave	116,251
Total Adjustments	<u>\$ 21,501,668</u>
Net Cash Provided By Operating Activities	<u>\$ 23,570,533</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital Contributions of Fixed Assets	<u>\$ 2,252,090</u>
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**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF CHANGES IN RESTRICTED ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

CASH - DESIGNATED FOR CONSTRUCTION

Balance - July 1	\$ 13,031,812
Receipts:	
Miscellaneous Receipts	\$ 10
Water and Sewer Enterprise	13,938,360
Transfer from WRRF	1,741,451
Total Receipts	<u>\$ 15,679,821</u>
Disbursements:	
Water and Sewer Construction Expenditures	\$ 27,807,270
Accrued Expenditures Not Paid in Current Year	904,363
Total Disbursements	<u>\$ 28,711,633</u>
Balance - June 30 Designated for Construction	<u><u>\$ -</u></u>

CASH - WATER RESOURCE RECOVERY FEES

Balance - July 1	\$ -
Receipts:	
Fees	\$ 1,741,451
Disbursements:	
Construction Expenditures	1,741,451
Balance - June 30 Water Resource Recovery Fees	<u><u>\$ -</u></u>

CASH - WATER AND SEWER DEBT SERVICE

Balance - July 1	\$ 10,699,741
Net Disbursements and Receipts	20,000
Balance - June 30 Water and Sewer Debt Service	<u><u>\$ 10,719,741</u></u>

CASH - WITH FISCAL AGENT

Balance - July 1	\$ 4,674,036
Net Disbursements and Receipts	133,289
Balance - June 30 Cash With Fiscal Agent	<u><u>\$ 4,807,325</u></u>

TOTAL RESTRICTED CASH

	<u><u>\$ 15,527,066</u></u>
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CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<u>Director of Public Utilities</u>			
Personal Services	\$ 257,214	\$ 254,676	\$ 2,538
Fringe Benefits	82,173	82,876	(703)
Contractual Services	8,200	3,498	4,702
Internal Services	7,863	9,079	(1,216)
Other Charges	46,250	42,164	4,086
Total Director of Public Utilities	<u>\$ 401,700</u>	<u>\$ 392,293</u>	<u>\$ 9,407</u>
<u>Engineering Staff</u>			
Personal Services	\$ 5,048,198	\$ 4,498,493	\$ 549,705
Fringe Benefits	1,540,650	1,393,519	147,131
Contractual Services	191,346	62,477	128,869
Internal Services	198,278	161,716	36,562
Other Charges	217,873	147,769	70,104
Total Engineering Staff	<u>\$ 7,196,345</u>	<u>\$ 6,263,974</u>	<u>\$ 932,371</u>
<u>Operations and Maintenance Administration</u>			
Personal Services	\$ 1,193,652	\$ 1,176,807	\$ 16,845
Fringe Benefits	385,110	384,098	1,012
Contractual Services	993,965	887,997	105,968
Internal Services	120,048	117,139	2,909
Other Charges	437,994	440,248	(2,254)
Total Operations and Maintenance Administration	<u>\$ 3,130,769</u>	<u>\$ 3,006,289</u>	<u>\$ 124,480</u>
<u>Water Distribution</u>			
Personal Services	\$ 2,106,711	\$ 2,179,008	\$ (72,297)
Fringe Benefits	673,923	665,947	7,976
Contractual Services	103,472	56,165	47,307
Internal Services	368,263	346,331	21,932
Other Charges	447,698	351,950	95,748
Total Water Distribution	<u>\$ 3,700,067</u>	<u>\$ 3,599,401</u>	<u>\$ 100,666</u>
<u>Lake Gaston Facilities</u>			
Contractual Services	\$ 1,718,316	\$ 1,321,559	\$ 396,757
Internal Services	16,800	21,582	(4,782)
Other Charges	1,226,400	1,125,924	100,476
Total Lake Gaston Facilities	<u>\$ 2,961,516</u>	<u>\$ 2,469,065</u>	<u>\$ 492,451</u>
<u>Water Pump Stations</u>			
Personal Services	\$ 1,363,830	\$ 1,333,506	\$ 30,324
Fringe Benefits	434,823	410,138	24,685
Contractual Services	270,267	93,145	177,122
Internal Services	125,600	140,710	(15,110)
Other Charges	502,714	514,332	(11,618)
Total Water Pump Stations	<u>\$ 2,697,234</u>	<u>\$ 2,491,831</u>	<u>\$ 205,403</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<u>Sewer Collection Systems</u>			
Personal Services	\$ 3,189,714	\$ 2,975,867	\$ 213,847
Fringe Benefits	985,701	886,794	98,907
Contractual Services	148,327	118,038	30,289
Internal Services	712,354	769,771	(57,417)
Other Charges	702,572	604,046	98,526
Total Sewer Collection Systems	<u>\$ 5,738,668</u>	<u>\$ 5,354,516</u>	<u>\$ 384,152</u>
<u>Sewer Pump Stations</u>			
Personal Services	\$ 2,831,070	\$ 2,750,504	\$ 80,566
Fringe Benefits	962,106	913,521	48,585
Contractual Services	244,645	128,655	115,990
Internal Services	269,930	297,117	(27,187)
Other Charges	1,964,043	2,074,442	(110,399)
Total Sewer Pump Stations	<u>\$ 6,271,794</u>	<u>\$ 6,164,239</u>	<u>\$ 107,555</u>
<u>Customer Services</u>			
Personal Services	\$ 2,589,261	\$ 2,560,578	\$ 28,683
Fringe Benefits	951,984	909,298	42,686
Contractual Services	1,807,703	1,480,939	326,764
Internal Services	538,464	387,056	151,408
Other Charges	872,900	739,394	133,506
Total Customer Services	<u>\$ 6,760,312</u>	<u>\$ 6,077,265</u>	<u>\$ 683,047</u>
<u>Water Purchases</u>			
	<u>\$ 26,373,000</u>	<u>\$ 25,251,195</u>	<u>\$ 1,121,805</u>
<u>Meter Operations</u>			
Personal Services	\$ 1,887,874	\$ 1,801,034	\$ 86,840
Fringe Benefits	682,041	649,913	32,128
Contractual Services	29,050	23,738	5,312
Internal Services	125,504	119,742	5,762
Other Charges	654,268	819,400	(165,132)
Total Meter Operations	<u>\$ 3,378,737</u>	<u>\$ 3,413,827</u>	<u>\$ (35,090)</u>
<u>General Fund Charges</u>			
Office Rental	\$ 388,900	\$ 388,900	\$ -
Landscape Services	301,492	257,519	43,973
Support Personnel	765,455	736,331	29,124
Building Maintenance	177,841	155,620	22,221
Radio Maintenance	138,624	138,624	-
Water Assistance Program	250,000	111,600	138,400
Communication Technology Charges	1,844,643	1,844,643	-
Payment in Lieu of Taxes	100,000	100,000	-
Indirect Cost Allocation	2,385,531	1,857,022	528,509
Total General Fund Charges	<u>\$ 6,352,486</u>	<u>\$ 5,590,259</u>	<u>\$ 762,227</u>
Total Budgeted Operating Expenses	<u>\$ 74,962,628</u>	<u>\$ 70,074,154</u>	<u>\$ 4,888,474</u>
<u>Depreciation</u>			
	<u>-</u>	<u>20,471,892</u>	<u>(20,471,892)</u>
Total Operating Expenses	<u>\$ 74,962,628</u>	<u>\$ 90,546,046</u>	<u>\$ (15,583,418)</u>

Note: Total General Fund Charges reclassified as Other Charges. Budget does not include Reserves.

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
WATER CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Local Funding	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
5001	COMP EMER RESPONSE & TRAINING - PH I	\$ 2,260,000	\$ -	\$ -	\$ 95,923	\$ -	\$ 2,355,923
5006	WATER APPURTENANCES EVAL & IMP	125,000	-	-	-	-	125,000
5007	CUSTOMER INFORMATION SYSTEM REPLACEMENT	2,841,490	-	-	-	-	2,841,490
5008	BIRDNECK ROAD - PHASE II	206,488	-	-	-	-	206,488
5013	WATER SCADA SYSTEM UPGRADE	1,074,000	-	-	-	-	1,074,000
5017	PUBLIC ACCESS RENOVATIONS - BLDG 2	767,500	-	-	-	-	767,500
5067	COURTHOUSE AND SANDBRIDGE TANK MODIFICATIONS	278,909	-	-	-	-	278,909
5083	STUMPY LAKE-WTR RESVR/PMP FACILITIES IMP	3,365,000	-	-	-	-	3,365,000
5084	SYSTEM EXPAN COST PART AGREEMENTS-PH II	606,715	-	-	-	-	606,715
5086	COMP WATER MASTER PLANNING-PHASE V	350,000	-	-	-	-	350,000
5087	BAYWAY ROAD WATER IMPROVEMENTS-51%	230,000	-	-	-	-	230,000
5088	SMALL LINE IMPROVEMENTS-PHASE V	500,000	-	-	-	-	500,000
5089	VAR ROADWAY/STRM WTR COORDINATION-PH V	200,000	-	-	-	-	200,000
5090	LYNNHAVEN PARKWAY - PHASE XI	25,198	-	-	-	-	25,198
5091	WATER REQUEST & AGREEMENTS-51% PROG-PH V	40,000	-	-	-	-	40,000
5092	LANDSTOWN YARD IMPROVEMENTS - PHASE III	3,605,000	-	-	-	-	3,605,000
5119	FLOW MONITORING SYSTEM	950,000	-	-	-	-	950,000
5130	LYNNHAVEN PARKWAY EXTENDED	139,073	-	-	-	-	139,073
5131	TANK UPGRADE PROGRAM - PHASE II	3,396,000	-	-	-	-	3,396,000
5138	COMP WATER MASTER PLANNING - PH IV	1,471,329	-	-	-	-	1,471,329
5148	ELBOW RD EXT - PH I & II	379,663	-	-	-	-	379,663
5149	INDIAN RIVER RD - PHASE VII	68,548	-	-	-	-	68,548
5162	BACKFLOW PREVENTN/CROSS CONN CONTROL PRG	875,000	-	-	-	-	875,000
5163	VAR WATER INFRASTRUCTURE MAINT SUPP PRG	720,000	-	-	-	-	720,000
5164	IVR/CTI, BILL PRNT, AUTO PYMT SOL DSGN	608,510	-	-	-	-	608,510
5165	SHORE DRIVE WATER LINE IMPROVEMENTS	1,649,994	-	-	-	-	1,649,994
5166	AUTOMATED MOBILE WATER METER READING SYS	560,000	-	-	-	-	560,000
5167	WATER TANK UPGRADE PROGRAM-PHASE III	799,959	-	-	-	-	799,959
5202	LASKIN RD IMPRV - PH II & GATEWAY	1,177,953	-	-	-	-	1,177,953
5203	LOTUS GARDEN WATER IMPROVEMENTS-51% PRG	2,020,000	-	-	-	-	2,020,000
5207	LASKIN ROAD - PHASE I	3,661,845	-	-	-	-	3,661,845
5302	POTABLE WELLS EVALUATION PROGRAM PH II	550,000	-	-	-	-	550,000
5303	WATER QUALITY PROGRAM PHASE III	350,000	-	-	-	-	350,000
5400	FIRE HYDRANT PROGRAM PHASE II	150,000	-	-	-	-	150,000
5401	RECORD MANAGEMENT IMPROVEMENTS	100,000	-	-	-	-	100,000
5402	FLOW MONITORING PROGRAM-PHASE II	75,000	-	-	-	-	75,000
5403	SERVICE ORDER AUTOMATION SOLUTION DESIGN	100,000	-	-	-	-	100,000
5404	COMPUTERIZED MAPPING/INFRAS MGMT-PHII	497,495	-	-	-	-	497,495
5405	CUSTOMER INFO SYSTEM VERSION MIGRATION	225,000	-	-	-	-	225,000
5451	ENGINEERING SERVICES-VARIOUS PROJECTS	100,000	-	-	-	-	100,000
5501	WTR PUMP STATION/TANK UPGRADE PRG-PH I	50,000	-	-	-	-	50,000
5600	29TH STREET WATER TANK REPLACEMENT	3,275,041	-	-	-	-	3,275,041
5601	FIRST COLONIAL/VB BLVD INTERSECTION IMPV	130,000	-	-	-	-	130,000
5602	PA ROAD/KEMPSVILLE RD INTERSECTION IMPROVE	70,000	-	-	-	-	70,000
5604	PA ROAD WATER IMPROVEMENTS-PHASE VII	850,000	-	-	-	-	850,000
5708	RESORT AREA NEIGHBORHOOD REVITALIZATION	2,946,636	-	-	-	-	2,946,636
5710	19TH STREET CORRIDOR WATER IMPROVEMENTS	275,000	-	-	-	-	275,000
5752	HVAC IMPROVEMENTS 2ND FLR BLDG #20	107,500	-	-	-	-	107,500
5802	UTILITY CROSSINGS CONDITION ASSESSMENT	140,000	-	-	-	-	140,000
5803	WATER VALVE CONDITION ASSESSMENT & MAINT	100,000	-	-	-	-	100,000
5805	WTR SYS AGING INFRASTRUCTURE PRG-PH I	250,000	-	-	-	-	250,000
5944	PRINCESS ANNE ROAD - PHASE IV	157,145	-	-	-	-	157,145
5951	WATER TAP INSTALLATION PROGRAM	480,000	-	-	-	-	480,000
5952	WATER PUMP STA FLOW MONITOR/DATA STORAGE	210,000	-	-	-	-	210,000
5964	WATER RESOURCES - LAKE GASTON	128,282,532	25,583,333	-	-	-	153,865,865
5965	WATER RESOURCES	400,000	-	-	-	-	400,000
5967	WTR RESOURCES INVESTIGATN/PLANNING-PH I	100,000	-	-	-	-	100,000
		\$ 174,924,523	\$ 25,583,333	\$ -	\$ 95,923	\$ -	\$ 200,603,779

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
WATER CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Project Number	Project Name	Budget to Date	Total Expenditures	Current Year Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
5001	COMP EMER RESPONSE & TRAINING - PH I	\$ 2,355,923	\$ 2,085,434	\$ 276,086	\$ 2,085,434	\$ 62,421	\$ 208,068
5006	WATER APPURTENANCES EVAL & IMP	125,000	113,132	26,185	113,132	-	11,868
5007	CUSTOMER INFORMATION SYSTEM REPLACEMENT	2,841,490	2,827,988	-	-	3,200	10,302
5008	BIRDNECK ROAD - PHASE II	206,488	178,053	3,208	178,053	28,434	1
5013	WATER SCADA SYSTEM UPGRADE	1,074,000	907,750	67,678	907,750	158,138	8,112
5017	PUBLIC ACCESS RENOVATIONS - BLDG 2	767,500	90,801	24,427	90,801	136,169	540,530
5067	COURTHOUSE AND SANDBRIDGE TANK MODIFICATIONS	278,909	278,908	-	278,908	-	1
5083	STUMPY LAKE-WTR RESVR/PMP FACILITIES IMP	3,365,000	1,250,262	330,586	1,250,262	1,536,432	578,306
5084	SYSTEM EXPAN COST PART AGREEMENTS-PH II	606,715	16,638	6,138	16,638	-	590,077
5086	COMP WATER MASTER PLANNING-PHASE V	350,000	113,577	113,577	113,577	29,637	206,786
5087	BAYWAY ROAD WATER IMPROVEMENTS-51%	230,000	154,479	149,485	154,479	28,511	47,010
5088	SMALL LINE IMPROVEMENTS-PHASE V	500,000	245,342	63,114	245,342	34,650	220,008
5089	VAR ROADWAY/STRM WTR COORDINATION-PH V	200,000	-	-	-	6,214	193,786
5090	LYNNHAVEN PARKWAY - PHASE XI	25,198	642	-	642	24,555	1
5091	WATER REQUEST & AGREEMENTS-51% PROG-PH V	40,000	40,000	-	40,000	-	-
5092	LANDSTOWN YARD IMPROVEMENTS - PHASE III	3,605,000	528,861	158,264	485,524	2,234,747	841,392
5119	FLOW MONITORING SYSTEM	950,000	663,824	-	-	-	286,176
5130	LYNNHAVEN PARKWAY EXTENDED	139,073	12,225	-	-	111,382	15,466
5131	TANK UPGRADE PROGRAM - PHASE II	3,396,000	3,084,109	50,383	-	186,414	125,477
5138	COMP WATER MASTER PLANNING - PH IV	1,471,329	1,468,289	12,365	-	3,039	1
5148	ELBOW RD EXT - PH I & II	379,663	379,662	-	-	-	1
5149	INDIAN RIVER RD - PHASE VII	68,548	58,224	-	-	10,324	-
5162	BACKFLOW PREVENTN/CROSS CONN CONTROL PRG	875,000	532,322	124,571	532,322	339,127	3,551
5163	VAR WATER INFRASTRUCTURE MAINT SUPP PRG	720,000	661,887	62,144	661,887	58,113	-
5164	IVR/CTI, BILL PRNT, AUTO PYMT SOL DSGN	608,510	548,186	133,147	548,186	38,811	21,513
5165	SHORE DRIVE WATER LINE IMPROVEMENTS	1,649,994	1,397,956	-	-	123,191	128,847
5166	AUTOMATED MOBILE WATER METER READING SYS	560,000	-	-	-	278,548	281,452
5167	WATER TANK UPGRADE PROGRAM-PHASE III	799,959	220,500	184,956	220,500	187,324	392,135
5202	LASKIN RD IMPRV - PH II & GATEWAY	1,177,953	917,937	-	-	260,015	1
5203	LOTUS GARDEN WATER IMPROVEMENTS-51% PRG	2,020,000	25,244	25,244	25,244	-	1,994,756
5207	LASKIN ROAD - PHASE I	3,661,845	155,606	1,906	155,606	7,198	3,499,041
5302	POTABLE WELLS EVALUATION PROGRAM PH II	550,000	502,361	132,000	502,361	47,000	639
5303	WATER QUALITY PROGRAM PHASE III	350,000	146,449	60,079	146,449	88,650	114,901
5400	FIRE HYDRANT PROGRAM PHASE II	150,000	90,270	32,142	90,270	54,348	5,382
5401	RECORD MANAGEMENT IMPROVEMENTS	100,000	17,809	4,110	17,809	3,965	78,226
5402	FLOW MONITORING PROGRAM-PHASE II	75,000	-	-	-	-	75,000
5403	SERVICE ORDER AUTOMATION SOLUTION DESIGN	100,000	-	-	-	-	100,000
5404	COMPUTERIZED MAPPING/INFRAS MGMT-PHII	497,495	81,354	68,343	81,354	20,264	395,877
5405	CUSTOMER INFO SYSTEM VERSION MIGRATION	225,000	12,198	12,198	12,198	-	212,802
5451	ENGINEERING SERVICES-VARIOUS PROJECTS	100,000	50,790	50,790	50,790	49,210	-
5501	WTR PUMP STATION/TANK UPGRADE PRG-PH I	50,000	43,725	43,725	43,725	6,215	60
5600	29TH STREET WATER TANK REPLACEMENT	3,275,041	2,010,223	2,004,610	2,010,223	1,263,517	1,301
5601	FIRST COLONIAL/VB BLVD INTERSECTION IMPV	130,000	-	-	-	-	130,000
5602	PA ROAD/KEMPSVILLE RD INTERSECTION IMPROVE	70,000	-	-	-	-	70,000
5604	PA ROAD WATER IMPROVEMENTS-PHASE VII	850,000	-	-	-	-	850,000
5708	RESORT AREA NEIGHBORHOOD REVITALIZATION	2,946,636	1,624,787	315,461	1,624,787	313,731	1,008,118
5710	19TH STREET CORRIDOR WATER IMPROVEMENTS	275,000	-	-	-	-	275,000
5752	HVAC IMPROVEMENTS 2ND FLR BLDG #20	107,500	95,608	-	95,608	-	11,892
5802	UTILITY CROSSINGS CONDITION ASSESSMENT	140,000	49,805	40,383	49,805	76,737	13,458
5803	WATER VALVE CONDITION ASSESSMENT & MAINT	100,000	99,008	99,008	99,008	-	992
5805	WTR SYS AGING INFRASTRUCTURE PRG-PH I	250,000	42,345	42,345	42,345	22,731	184,924
5944	PRINCESS ANNE ROAD - PHASE IV	157,145	46,753	15,663	46,753	60,392	50,000
5951	WATER TAP INSTALLATION PROGRAM	480,000	356,033	100,562	356,033	20,000	103,967
5952	WATER PUMP STA FLOW MONITOR/DATA STORAGE	210,000	-	-	-	-	210,000
5964	WATER RESOURCES - LAKE GASTON	153,865,865	152,192,258	122,424	-	71,236	1,602,371
5965	WATER RESOURCES	400,000	166,550	53,000	-	22,952	210,498
5967	WTR RESOURCES INVESTIGATN/PLANNING-PH I	100,000	-	-	-	-	100,000
TOTAL WATER CAPITAL PROJECT EXPENDITURES		\$ 200,603,779	\$ 176,586,164	\$ 5,010,307	\$ 13,373,805	\$ 8,007,542	\$ 16,010,073

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
SEWER CAPITAL PROJECTS BUDGETED REVENUES
FOR THE YEAR ENDED JUNE 30, 2009

Project Number	Project Name	Local Funding	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
6018	COMPREHENSIVE SEWER EVALUATION/REHABILITATION PROGR	\$ 8,125,000	\$ -	\$ -	\$ -	\$ -	\$ 8,125,000
6019	RESORT AREA NEIGHBORHOOD REVITALIZATION	5,510,000	-	-	-	-	5,510,000
6027	KENLEY ROAD/BONNEY ROAD SEWER IMP - 51%	345,000	-	-	-	-	345,000
6028	COMPREHENSIVE EMERGENCY RESPONSE AND PLANNING	1,280,000	-	-	-	-	1,280,000
6030	LITTLE NECK POINT (PARTIAL)	8,520,000	-	-	-	-	8,520,000
6031	SEWER APPURTENANCES EVALUATION	75,000	-	-	-	-	75,000
6033	INFILTRATION, INFLOW, AND REHABILITATION - PHASE II	6,315,125	-	-	-	-	6,315,125
6038	SEWER SCADA SYSTEM UPGRADE	1,115,830	-	-	-	-	1,115,830
6051	INDIAN RIVER ROAD - PHASE VII	14,717	-	-	-	-	14,717
6065	INFILTRATION, INFLOW, AND REHAB - PHASE IV	25,315,000	-	-	-	-	25,315,000
6066	PUMP STATION MODIFICATIONS - PHASE IV (PARTIAL)	26,078,000	-	-	-	-	26,078,000
6067	VAR RDWAY/STRMWTR COORD - PH IV	443,198	-	-	-	-	443,198
6069	BIRDNECK ROAD - PHASE II	2,555,931	-	-	-	-	2,555,931
6075	LASKIN ROAD - PHASE I	30	-	-	-	-	30
6081	LASKIN RD - PH II & GATEWAY IMPROVEMENTS	1,290,419	-	-	-	-	1,290,419
6085	SANITARY SEWER AGING INFRASTR PRG - PH II	4,800,000	-	-	-	-	4,800,000
6086	PU PUBLIC ACCESS RENOVATIONS - BLDG 2	767,500	-	-	-	-	767,500
6089	COMP SEWER MASTER PLANNING-PHASE IV	900,000	-	-	-	-	900,000
6106	VAR ROADWAY/STRM WTR COORDINATION-PH V	100,000	-	-	-	-	100,000
6138	LANDSTOWN YARD IMPROVEMENTS - PHASE III	3,815,230	-	-	-	-	3,815,230
6139	BAYWAY ROAD SEWER IMPROVEMENTS - 51%	230,000	-	-	-	-	230,000
6148	SYSTEM EXPAN COST PART AGREEMENTS-PH II	2,045,000	-	-	-	-	2,045,000
6149	PRINCESS ANNE SEWER FORCE MAIN - PHASE IV	62,752	-	-	-	-	62,752
6169	IVR/CTI, BILL PRNT, AUTO PYMT SOL DSGN	624,260	-	-	-	-	624,260
6178	MIDDLE SCHOOL WATER & SEWER IMPROVE	310,000	-	-	-	-	310,000
6203	LOTUS GARDEN SEWER IMPROVEMENTS-51% PRG	1,625,000	-	-	-	-	1,625,000
6401	RECORDS MANAGEMENT IMPROVEMENTS	100,000	-	-	-	-	100,000
6403	SERVICE ORDER AUTOMATION SOLUTION DESIGN	100,000	-	-	-	-	100,000
6404	COMPUTERIZED MAPPING/INFRAS MGMT - PH II	150,000	-	-	-	-	150,000
6405	CUSTOMER INFO SYSTEM VERNON MIGRATION	225,000	-	-	-	-	225,000
6411	CIT-SRV AREA MSTR PLAN/INFO SYS (SAMPIS)	800,000	-	-	-	-	800,000
6451	ENGINEERING SERVICES - VARIOUS PROJECTS	100,000	-	-	-	-	100,000
6505	PRINCESS ANNE PLAZA REHABILITATION-PH II	4,658,583	-	-	-	-	4,658,583
6506	SAN SEWER SYS REVITALIZATION	6,850,000	-	-	-	-	6,850,000
6601	FIRST COLONIAL/VB BLVD INTERSECTION IMPV	190,000	-	-	-	-	190,000
6602	PA ROAD/KEMPSVILLE RD INTERSECTON IMPRV	200,000	-	-	-	-	200,000
6603	WITCHDUCK ROAD-PHASE I SEWER IMPROVEMENTS	70,000	-	-	-	-	70,000
6604	WITCHDUCK ROAD-PHASE II SEWER IMPROVEMENTS	50,000	-	-	-	-	50,000
6612	PUMP STATION WET WELL REVITALIZATION	1,700,000	-	-	-	-	1,700,000
6613	AUX POWER PRG SEW PUMP STA PH II	1,450,000	-	-	-	-	1,450,000
6752	HVAC IMPROVEMEMTS 2ND FLR BLDG #30	107,500	-	-	-	-	107,500
6801	VAR SWR INFRASTRUCTURE MAINT SUP-PH II	50,000	-	-	-	-	50,000
6802	UTILITY CROSSINGS CONDITION ASSESSMENT	140,000	-	-	-	-	140,000
6803	SEWER VALVE CONDITION ASSESSMENT & MAINT	100,000	-	-	-	-	100,000
6804	SANIT SWR REGULATORY COMPLIANCE PRG-PH I	4,372,452	-	-	-	-	4,372,452
6938	PRINCESS ANNE PLAZA REHABILITATION	14,818,572	-	-	-	-	14,818,572
6951	SEWER TAP INSTALLATION PROGRAM	1,320,000	-	-	-	-	1,320,000
6952	SWR PUMP STA FLOW MONITOR/DATA STORAGE	1,015,000	-	-	-	-	1,015,000
6973	SANITARY SEWER CAPACITY PROGRAM-PHASE I	1,500,000	-	-	-	-	1,500,000
TOTAL SEWER CAPITAL PROJECT REVENUES		\$ 142,330,099	\$ -	\$ -	\$ -	\$ -	\$ 142,330,099

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
SEWER CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Budget to Date	Total Expenditures	Current Year Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
6018	COMPREHENSIVE SEWER EVALUATION/REHABILITATION	\$ 8,125,000	\$ 7,859,786	\$ 395,774	\$ -	\$ 265,214	\$ -
6019	RESORT AREA NEIGHBORHOOD REVITALIZATION	5,510,000	2,985,627	1,051,020	2,985,627	754,857	1,769,516
6027	KENLEY ROAD/BONNEY ROAD SEWER IMP - 51%	345,000	-	-	-	-	345,000
6028	COMPREHENSIVE EMERGENCY RESPONSE AND PLANNING	1,280,000	1,021,829	101,112	1,021,829	40,794	217,377
6030	LITTLE NECK POINT (PARTIAL)	8,520,000	8,464,843	-	-	-	55,157
6031	SEWER APPURTENANCES EVALUATION	75,000	52,197	14,750	52,197	-	22,803
6033	INFILTRATION, INFLOW, AND REHABILITATION - PHASE II	6,315,125	6,219,751	7,517	-	69,267	26,107
6038	SEWER SCADA SYSTEM UPGRADE	1,115,830	960,509	58,427	-	154,836	485
6051	INDIAN RIVER ROAD - PHASE VII	14,717	9,473	-	9,473	5,244	-
6065	INFILTRATION, INFLOW, AND REHAB - PHASE IV	25,315,000	20,099,081	2,970,762	-	2,659,092	2,556,827
6066	PUMP STATION MODIFICATIONS - PHASE IV (PARTIAL)	26,078,000	18,010,950	3,642,870	63,379	4,453,212	3,613,838
6067	VAR RDWAY/STRMWTR COORD - PH IV	443,198	365,033	25,951	-	72,617	5,548
6069	BIRDNECK ROAD - PHASE II	2,555,931	2,215,256	300,893	-	340,674	1
6075	LASKIN ROAD - PHASE I	30	30	-	30	-	-
6081	LASKIN RD - PH II & GATEWAY IMPROVEMENTS	1,290,419	1,058,328	30,051	1,058,328	3,801	228,290
6085	SANITARY SEWER AGING INFRASTR PRG - PH II	4,800,000	4,252,090	3,014,420	4,243,081	381,047	166,863
6086	PU PUBLIC ACCESS RENOVATIONS - BLDG 2	767,500	81,244	31,340	81,244	142,828	543,428
6089	COMP SEWER MASTER PLANNING-PHASE IV	900,000	624,122	348,882	624,122	231,844	44,034
6106	VAR ROADWAY/STRM WTR COORDINATION-PH V	100,000	61,937	61,937	61,937	20,000	18,063
6138	LANDSTOWN YARD IMPROVEMENTS - PHASE III	3,815,230	798,881	206,322	755,543	2,406,541	609,808
6139	BAYWAY ROAD SEWER IMPROVEMENTS - 51%	230,000	154,829	149,535	154,829	28,986	46,185
6148	SYSTEM EXPAN COST PART AGREEMENTS-PH II	2,045,000	372,742	281,199	372,742	11,515	1,660,743
6149	PRINCESS ANNE SEWER FORCE MAIN - PHASE IV	62,752	34,763	6,330	-	27,989	-
6169	IVR/CTI, BILL PRNT, AUTO PYMT SOL DSGN	624,260	540,867	133,147	540,867	38,811	44,582
6178	MIDDLE SCHOOL WATER & SEWER IMPROVE	310,000	-	-	-	-	310,000
6203	LOTUS GARDEN SEWER IMPROVEMENTS-51% PRG	1,625,000	42,982	42,982	42,982	-	1,582,018
6401	RECORDS MANAGEMENT IMPROVEMENTS	100,000	14,451	750	14,451	3,965	81,584
6403	SERVICE ORDER AUTOMATION SOLUTION DESIGN	100,000	-	-	-	-	100,000
6404	COMPUTERIZED MAPPING/INFRASTR MGMT - PH II	150,000	86,419	73,408	86,419	20,263	43,318
6405	CUSTOMER INFO SYSTEM VERNON MIGRATION	225,000	12,198	12,198	12,198	-	212,802
6411	CIT-SRV AREA MSTR PLAN/INFO SYS (SAMPIS)	800,000	744,033	80,408	744,033	6,016	49,951
6451	ENGINEERING SERVICES - VARIOUS PROJECTS	100,000	65,438	30,981	65,438	32,024	2,538
6505	PRINCESS ANNE PLAZA REHABILITATION-PH II	4,658,583	2,871,190	1,466,393	2,871,190	168,063	1,619,330
6506	SAN SEWER SYS REVITALIZATION	6,850,000	6,341,025	2,686,241	6,341,025	231,819	277,156
6601	FIRST COLONIAL/VB BLVD INTERSECTION IMPV	190,000	-	-	-	-	190,000
6602	PA ROAD/KEMPSVILLE RD INTERSECTON IMPRV	200,000	-	-	-	-	200,000
6603	WITCHDUCK ROAD-PHASE I SEWER IMPROVEMENTS	70,000	-	-	-	-	70,000
6604	WITCHDUCK ROAD-PHASE II SEWER IMPROVEMENTS	50,000	-	-	-	46,499	3,501
6612	PUMP STATION WET WELL REVITALIZATION	1,700,000	1,684,876	696,759	1,684,876	6,255	8,869
6613	AUX POWER PRG SEW PUMP STA PH II	1,450,000	1,344,384	749,639	1,344,384	39,695	65,921
6752	HVAC IMPROVEMNTS 2ND FLR BLDG #30	107,500	95,608	-	95,608	-	11,892
6801	VAR SWR INFRASTRUCTURE MAINT SUP-PH II	50,000	14,850	14,850	14,850	20	35,130
6802	UTILITY CROSSINGS CONDITION ASSESSMENT	140,000	30,717	21,295	30,717	76,267	33,016
6803	SEWER VALVE CONDITION ASSESSMENT & MAINT	100,000	31,716	31,716	31,716	-	68,284
6804	SANIT SWR REGULATORY COMPLIANCE PRG-PH I	4,372,452	2,650,123	2,650,123	2,324,877	1,197,146	525,183
6938	PRINCESS ANNE PLAZA REHABILITATION	14,818,572	13,991,965	236,283	-	266,205	560,402
6951	SEWER TAP INSTALLATION PROGRAM	1,320,000	865,726	287,758	865,726	50,044	404,230
6952	SWR PUMP STA FLOW MONITOR/DATA STORAGE	1,015,000	1,024	1,024	1,024	-	1,013,976
6973	SANITARY SEWER CAPACITY PROGRAM-PHASE I	1,500,000	928,679	928,679	742,130	418,025	153,296
TOTAL SEWER CAPITAL PROJECT EXPENDITURES		<u>\$ 142,330,099</u>	<u>\$ 108,061,572</u>	<u>\$ 22,843,726</u>	<u>\$ 29,338,872</u>	<u>\$ 14,671,475</u>	<u>\$ 19,597,052</u>
WATER AND SEWER CAPITAL PROJECTS		<u>\$ 342,933,878</u>	<u>\$ 284,647,736</u>	<u>\$ 27,854,033</u>	<u>\$ 42,712,677</u>	<u>\$ 22,679,017</u>	<u>\$ 35,607,125</u>
CURRENT YEAR EXPENDITURES ON CLOSED PROJECTS				54,304			
CURRENT YEAR EXPENDITURES ON CAPITAL PROJECTS				<u>\$ 27,908,337</u>			
CAPITALIZED INTEREST REMAINING IN CONSTRUCTION IN PROGRESS					2,132,314		
OTHER ENTITIES SHARE OF WATER AND SEWER PROJECTS					<u>(11,329,827)</u>		
WATER AND SEWER FUND CONSTRUCTION IN PROGRESS					<u>\$ 33,515,164</u>		



**STORM WATER
ENTERPRISE FUND**

STORM WATER ENTERPRISE FUND

The Storm Water Enterprise Fund operates the city's drainage and storm water management system. This fund addresses the City Council destination points and city strategies of creating an effective drainage system and storm water management system, protect natural resources and enhance quality of land and waterways, to maintain the city's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure.



**CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2009**

ASSETS

Current Assets:

Cash and Temporary Investments	\$ 10,644,758
Accounts Receivable - Net of Estimated Uncollectibles	3,016,931
Total Current Assets	<u>\$ 13,661,689</u>

Non-current Assets:

Cash and Investments - Restricted	\$ 1,028,953
Capital Assets:	
Land	128,882,313
Utility System	93,576,192
Machinery and Equipment	8,858,287
Construction in Progress	36,699,923
Less: Accumulated Depreciation	(43,670,232)
Total Capital Assets	<u>\$ 224,346,483</u>
Total Non-current Assets	<u>\$ 225,375,436</u>
Total Assets	<u>\$ 239,037,125</u>

LIABILITIES

Current Liabilities:

Vouchers and Accounts Payable	\$ 266,154
Accrued Interest Payable	186,046
Current Portion of Long-term Liabilities	1,214,394
Total Current Liabilities	<u>\$ 1,666,594</u>

Long-Term Liabilities (less current portion):

Double Barrel and Revenue Bonds and Notes	\$ 7,600,000
General Obligation Bonds	1,393,938
Accrued Compensated Leave	220,568
Total Long-Term Liabilities (less current portion)	<u>\$ 9,214,506</u>
Total Liabilities	<u>\$ 10,881,100</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 214,797,540
Restricted for Debt Service	764,003
Restricted for Operations	12,594,482
Total Net Assets	<u>\$ 228,156,025</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

OPERATING REVENUES

Service Charges	\$ 17,547,326
Miscellaneous	23
Total Operating Revenues	\$ 17,547,349

OPERATING EXPENSES

Personal Services	\$ 4,292,271
Fringe Benefits	1,350,963
Contractual Services	283,417
Internal Services	910,647
Other Charges	1,570,756
Land, Structures and Improvements	2,199,572
Depreciation	2,014,734
Total Operating Expenses	\$ 12,622,360

OPERATING INCOME (LOSS)**\$ 4,924,989****NONOPERATING REVENUES (EXPENSES)**

Interest Income	\$ 414,800
From Commonwealth	5,216,559
Gain (Loss) From Sale of Assets	12,162
Interest and Fiscal Charges	(404,994)
Total Nonoperating Revenues (Expenses) Net	\$ 5,238,527

TRANSFERS

Transfers In	\$ 70,327
Transfers Out	(360,782)
Total Transfers Net	\$ (290,455)

CHANGE IN NET ASSETS**\$ 9,873,061****TOTAL NET ASSETS - BEGINNING****218,282,964****TOTAL NET ASSETS - ENDING****\$ 228,156,025**

**CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 17,191,763
Receipts from (Payments for) Interfund Services Provided	(910,647)
Cash Payments to Suppliers of Goods and Services	(4,411,095)
Cash Payments to Employees for Services	(5,579,182)
Net Cash Provided By Operating Activities	<u>\$ 6,290,839</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Intergovernmental Receipts	\$ 5,216,559
Receipts from Other Funds	70,327
Payments to Other Funds	(360,782)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>\$ 4,926,104</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:**

Interest Paid on Long-term Debt	\$ (597,289)
Acquisition and Construction of Capital Assets	(8,356,643)
Proceeds from Sale of Salvage	12,162
Principal Paid on Long-term Debt	(801,100)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>\$ (9,742,870)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received	\$ 414,800
Net Cash Provided By Investing Activities	<u>\$ 414,800</u>
Net Increase (Decrease) in Cash and Temporary Investments	\$ 1,888,873
Cash and Temporary Investments, July 1	<u>9,784,838</u>
Cash and Temporary Investments, June 30	<u>\$ 11,673,711</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ 4,924,989
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:	
Depreciation Expense	2,014,734
(Increase) in Accounts Receivable	(355,586)
Increase in Vouchers and Accounts Payable	(357,350)
Increase in Accrued Compensated Leave	64,052
Total Adjustments	<u>\$ 1,365,850</u>
Net Cash Provided By Operating Activities	<u>\$ 6,290,839</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital Contributions of Fixed Assets	<u>\$ -</u>
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CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance - Positive (Negative)
<u>Project Management</u>			
Personal Services	\$ 770,653	\$ 736,898	\$ 33,755
Fringe Benefits	237,293	226,386	10,907
Contractual Services	239,850	175,957	63,893
Internal Services	15,340	10,623	4,717
Other Charges	60,959	77,149	(16,190)
Total Project Management	<u>\$ 1,324,095</u>	<u>\$ 1,227,013</u>	<u>\$ 97,082</u>
<u>Customer Services</u>			
Personal Services	\$ 94,154	\$ 99,707	\$ (5,553)
Fringe Benefits	26,433	27,829	(1,396)
Contractual Services	13,260	-	13,260
Internal Services	6,064	1,359	4,705
Other Charges	7,140	2,989	4,151
Total Customer Services	<u>\$ 147,051</u>	<u>\$ 131,884</u>	<u>\$ 15,167</u>
<u>Operations and Maintenance</u>			
Personal Services	\$ 3,088,626	\$ 3,096,104	\$ (7,478)
Fringe Benefits	1,017,109	993,445	23,664
Contractual Services	211,169	107,406	103,763
Internal Services	893,147	870,205	22,942
Other Charges	528,126	420,437	107,689
Land Structures and Improvements	2,677,975	2,199,572	478,403
Total Operations and Maintenance	<u>\$ 8,416,152</u>	<u>\$ 7,687,169</u>	<u>\$ 728,983</u>
<u>Inspections and Environmental Spill Response</u>			
Personal Services	\$ 293,023	\$ 320,900	\$ (27,877)
Fringe Benefits	89,987	88,302	1,685
Contractual Services	2,222	54	2,168
Internal Services	13,703	17,961	(4,258)
Other Charges	17,291	8,843	8,448
Total Inspections and Environmental Spill Response	<u>\$ 416,226</u>	<u>\$ 436,060</u>	<u>\$ (19,834)</u>
<u>Residential Street Sweeping</u>			
Personal Services	\$ 40,156	\$ 38,662	\$ 1,494
Fringe Benefits	15,064	15,001	63
Contractual Services	328	-	328
Internal Services	9,451	10,499	(1,048)
Other Charges	1,409	75	1,334
Total Residential Street Sweeping	<u>\$ 66,408</u>	<u>\$ 64,237</u>	<u>\$ 2,171</u>

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance - Positive (Negative)
<u>General Fund Charges</u>			
Direct Cost Allocations	\$ 501,523	\$ 501,523	\$ -
Indirect Cost Allocations	610,954	537,084	73,870
Landscape Services	24,966	22,656	2,310
Total General Fund Charges	<u>\$ 1,137,443</u>	<u>\$ 1,061,263</u>	<u>\$ 76,180</u>
Total Budgeted Operating Expenses	\$ 11,507,375	\$ 10,607,626	\$ 899,749
<u>Depreciation</u>	<u>-</u>	<u>2,014,734</u>	<u>(2,014,734)</u>
Total Operating Expenses	<u>\$ 11,507,375</u>	<u>\$ 12,622,360</u>	<u>\$ (1,114,985)</u>

Note: Total General Fund Charges reclassified as Other Charges.

**CITY OF VIRGINIA BEACH
STORM WATER CAPITAL PROJECTS BUDGETED REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Local Funding	Dedicated Funding	State Funding	Federal Funding	Other Funding	Total Funding
7004	STORM WATER INFRASTRUCTURE REHABILITATION	\$ 3,701,415	\$ -	\$ -	\$ -	\$ -	\$ 3,701,415
7005	NORTH LAKE HOLLY WATERSHED	11,689,929	-	23,706	-	-	11,713,635
7010	ELIZABETH RIVER SHORES (PARTIAL)	1,280,450	-	-	-	-	1,280,450
7012	FAIR MEADOWS DRAINAGE	1,838,000	-	-	-	-	1,838,000
7016	SOUTH LAKE HOLLY WATERSHED (PARTIAL)	7,483,000	-	-	-	-	7,483,000
7027	SWM MSTR PLANNING, ANALYSIS, & INVENTORY	845,906	-	-	-	-	845,906
7031	KEMPS GREENS GC COMM STRM WTR BK STABIL	740,000	-	-	-	-	740,000
7033	STORM WATER MAINTENANCE BACKLOG	6,800,000	-	-	-	-	6,800,000
7035	LAWSON FOREST DRAINAGE	630,000	-	-	-	-	630,000
7091	RESIDENTIAL DRAINAGE COST PART PRG	350,000	-	-	-	-	350,000
7145	ARTIC AVENUE - BALTIC AVENUE	8,253,333	-	-	-	-	8,253,333
7152	DAM & SPILLWAY STRUCTURAL IMPROVEMENTS	4,474,895	-	-	-	-	4,474,895
7153	LYNNHAVEN WATERSHED RESTORATION	2,210,397	-	73,500	-	-	2,283,897
7157	LYNNHAVEN RIVER ENC RESTORATION STUDY	1,500,000	-	-	-	-	1,500,000
7159	WATER QUALITY PARTICIPATION PROJECTS	700,000	-	101,500	-	-	801,500
7183	STORM WATER QUALITY ENHANCEMENTS	3,227,240	200,000	10,000	-	-	3,437,240
7902	NORTH BEACH DRAINAGE	23,572,523	-	-	-	-	23,572,523
	TOTAL STORM WATER UTILITY CAPITAL PROJECTS	\$ 79,297,088	\$ 200,000	\$ 208,706	\$ -	\$ -	\$ 79,705,794

**CITY OF VIRGINIA BEACH
STORM WATER CAPITAL PROJECTS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
7004	STORM WATER INFRASTRUCTURE REHABILITATION	\$ 3,701,415	\$ 954,039	\$ 3,605,657	\$ 3,605,657	\$ 95,758	\$ -
7005	NORTH LAKE HOLLY WATERSHED	11,713,635	33,616	5,099,284	5,099,284	624,939	5,989,412
7010	ELIZABETH RIVER SHORES (PARTIAL)	1,280,450	133,366	347,751	347,751	44,776	887,923
7012	FAIR MEADOWS DRAINAGE	1,838,000	-	1,624,193	-	-	213,807
7016	SOUTH LAKE HOLLY WATERSHED (PARTIAL)	7,483,000	157,820	731,022	731,022	2,840,998	3,910,980
7027	SWM MSTR PLANNING, ANALYSIS, & INVENTORY	845,906	49,456	472,910	472,910	188,827	184,169
7031	KEMPS GREENS GC COMM STRM WTR BK STABIL	740,000	585,468	680,495	680,495	49,457	10,048
7033	STORM WATER MAINTENANCE BACKLOG	6,800,000	267,196	555,731	555,731	699,554	5,544,715
7035	LAWSON FOREST DRAINAGE	630,000	-	-	-	-	630,000
7091	RESIDENTIAL DRAINAGE COST PART PRG	350,000	8,576	135,996	135,996	204,689	9,315
7145	ARTIC AVENUE - BALTIC AVENUE	8,253,333	1,602,100	6,958,686	6,958,686	1,225,667	68,980
7152	DAM & SPILLWAY STRUCTURAL IMPROVEMENTS	4,474,895	315,725	2,622,648	2,622,648	1,758,455	93,792
7153	LYNNHAVEN WATERSHED RESTORATION	2,283,897	305,050	1,919,773	1,919,773	219,420	144,704
7157	LYNNHAVEN RIVER ENC RESTORATION STUDY	1,500,000	201,968	1,428,847	1,428,847	3,011	68,142
7159	WATER QUALITY PARTICIPATION PROJECTS	801,500	92,593	267,680	267,680	-	533,820
7183	STORM WATER QUALITY ENHANCEMENTS	3,437,240	439,738	2,070,966	2,070,966	885,117	481,157
7902	NORTH BEACH DRAINAGE	23,572,523	584,255	8,198,872	8,198,872	1,436,881	13,936,770
	TOTAL STORM WATER UTILITY CAPITAL PROJECTS	<u>\$ 79,705,794</u>	<u>\$ 5,730,966</u>	<u>\$ 36,720,511</u>	<u>\$ 35,096,318</u>	<u>\$ 10,277,549</u>	<u>\$ 32,707,734</u>
	CURRENT YEAR EXPENDITURES ON CLOSED PROJECTS		1,522,840				
	CURRENT YEAR EXPENDITURES ON CAPITAL PROJECTS		<u>\$ 7,253,806</u>				
	CAPITALIZED INTEREST				1,603,605		
	STORM WATER FUND CONSTRUCTION IN PROGRESS				<u>\$ 36,699,923</u>		



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. The City has established Internal Service Funds for the following activities:

City Garage - provides vehicles repairs, parts, fuel and related services to City departments.

Risk Management - provides insurance, claims handling, risk identification, and consulting services to City departments.

Print Shop - provides for the printing and copying needs of City departments and the School Board.

Information Technology – prior to FY07, this fund provided computer operations and data communication services for City and School agencies. Beginning in FY07, units were transitioned to the General Fund, the Telecommunications Fund, and the Subscriptions Fund. Remaining units provides services to City agencies and funding for capital improvements.

School Site Landscaping - provides for landscaping services for City and Schools.

Telecommunications – provides maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, moves, adds, and changes for the City's telephone system.

Subscriptions - for the collection and support of specific service agreements between customer departments and Communications and Information Technology. These specific agreements relate to specialized applications, services, and/or hardware associated with the customer department, not enterprise needs.

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	City Garage	Risk Management	Print Shop
<u>ASSETS</u>			
Current Assets:			
Cash and Temporary Investments	\$ 2,145,659	\$ 6,232,378	\$ 638,368
Accounts Receivable	3,453	-	-
Inventory	614,814	-	18,989
Total Current Assets	<u>\$ 2,763,926</u>	<u>\$ 6,232,378</u>	<u>\$ 657,357</u>
Noncurrent Assets:			
Capital Assets:			
Site Improvements	\$ 265,782	\$ -	\$ -
Machinery and Equipment	1,683,715	293,215	990,164
Total Property, Plant and Equipment	<u>\$ 1,949,497</u>	<u>\$ 293,215</u>	<u>\$ 990,164</u>
Less Accumulated Depreciation	1,814,823	293,215	990,164
Net Property, Plant and Equipment	<u>\$ 134,674</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u>\$ 2,898,600</u>	<u>\$ 6,232,378</u>	<u>\$ 657,357</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Vouchers and Accounts Payable	\$ 543,322	\$ 324,291	\$ 189,026
Deposits Payable	-	12,901	-
Current Portion of Long-term Liabilities	61,989	5,360,127	65,979
Total Current Liabilities	<u>\$ 605,311</u>	<u>\$ 5,697,319</u>	<u>\$ 255,005</u>
Noncurrent Liabilities:			
Long-term Liabilities (less current portion)	\$ 528,509	\$ 14,046,340	\$ 49,980
Total Noncurrent Liabilities	<u>\$ 528,509</u>	<u>\$ 14,046,340</u>	<u>\$ 49,980</u>
Total Liabilities	<u>\$ 1,133,820</u>	<u>\$ 19,743,659</u>	<u>\$ 304,985</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, net of related debt	\$ 134,674	\$ -	\$ -
Unrestricted	1,630,106	(13,511,281)	352,372
Total Net Assets (Deficits)	<u>\$ 1,764,780</u>	<u>\$ (13,511,281)</u>	<u>\$ 352,372</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009**

Information Technology	School Site Landscaping	Telecommunications	Subscriptions	Totals
\$ 327,049	\$ 1,605,274	\$ 798,015	\$ 3,016,480	\$ 14,763,223
-	-	-	-	3,453
-	-	-	-	633,803
<u>\$ 327,049</u>	<u>\$ 1,605,274</u>	<u>\$ 798,015</u>	<u>\$ 3,016,480</u>	<u>\$ 15,400,479</u>
\$ -	\$ -	\$ -	\$ -	\$ 265,782
7,536,651	2,299,668	-	184,694	12,988,107
<u>\$ 7,536,651</u>	<u>\$ 2,299,668</u>	<u>\$ -</u>	<u>\$ 184,694</u>	<u>\$ 13,253,889</u>
7,208,594	1,545,680	-	20,562	11,873,038
<u>\$ 328,057</u>	<u>\$ 753,988</u>	<u>\$ -</u>	<u>\$ 164,132</u>	<u>\$ 1,380,851</u>
<u>\$ 655,106</u>	<u>\$ 2,359,262</u>	<u>\$ 798,015</u>	<u>\$ 3,180,612</u>	<u>\$ 16,781,330</u>
\$ -	\$ 65,439	\$ 68,067	\$ 171,942	\$ 1,362,087
-	-	-	-	12,901
-	118,688	48,791	-	5,655,574
<u>\$ -</u>	<u>\$ 184,127</u>	<u>\$ 116,858</u>	<u>\$ 171,942</u>	<u>\$ 7,030,562</u>
\$ -	\$ 21,196	\$ -	\$ -	\$ 14,646,025
<u>\$ -</u>	<u>\$ 21,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,646,025</u>
<u>\$ -</u>	<u>\$ 205,323</u>	<u>\$ 116,858</u>	<u>\$ 171,942</u>	<u>\$ 21,676,587</u>
\$ 328,057	\$ 753,988	\$ -	\$ 164,132	\$ 1,380,851
327,049	1,399,951	681,157	2,844,538	(6,276,108)
<u>\$ 655,106</u>	<u>\$ 2,153,939</u>	<u>\$ 681,157</u>	<u>\$ 3,008,670</u>	<u>\$ (4,895,257)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>City Garage</u>	<u>Risk Management</u>	<u>Print Shop</u>
<u>OPERATING REVENUES</u>			
Billings to Departments	\$ 15,783,638	\$ 8,977,542	\$ 3,080,361
Insurance Recovery	-	65,920	-
Miscellaneous	104	95	70
Total Operating Revenues	<u>\$ 15,783,742</u>	<u>\$ 9,043,557</u>	<u>\$ 3,080,431</u>
<u>OPERATING EXPENSES</u>			
Cost of Goods Sold	\$ 9,033,952	\$ -	\$ 158,116
Personal Services	4,029,096	343,606	554,053
Fringe Benefits	1,407,355	115,909	177,011
Contractual Services	337,353	1,289,848	753,640
Internal Services	215,482	13,961	132,185
Other Charges	402,549	10,440,523	42,561
Leases and Rentals	-	-	1,321,661
Land Structures and Improvements	-	-	-
Depreciation	79,655	-	-
Total Operating Expenses	<u>\$ 15,505,442</u>	<u>\$ 12,203,847</u>	<u>\$ 3,139,227</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ 278,300</u>	<u>\$ (3,160,290)</u>	<u>\$ (58,796)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Income	\$ 121,162	\$ 181,178	\$ 10,685
Transfers In	-	2,200,000	-
Transfers Out	-	-	-
Gain (Loss) on Disposition of Assets	73,939	51	-
Total Nonoperating Revenues (Expenses)	<u>\$ 195,101</u>	<u>\$ 2,381,229</u>	<u>\$ 10,685</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	<u>\$ 473,401</u>	<u>\$ (779,061)</u>	<u>\$ (48,111)</u>
<u>TOTAL NET ASSETS - BEGINNING</u>	<u>1,291,379</u>	<u>(12,732,220)</u>	<u>400,483</u>
<u>TOTAL NET ASSETS - ENDING</u>	<u>\$ 1,764,780</u>	<u>\$ (13,511,281)</u>	<u>\$ 352,372</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

Information Technology	School Site Landscaping	Telecommunications	Subscriptions	Totals
\$ -	\$ 3,867,990	\$ 2,565,824	\$ 2,088,462	\$ 36,363,817
-	-	-	-	65,920
-	-	-	-	269
<u>\$ -</u>	<u>\$ 3,867,990</u>	<u>\$ 2,565,824</u>	<u>\$ 2,088,462</u>	<u>\$ 36,430,006</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,192,068
-	1,873,832	694,927	46,982	7,542,496
-	783,458	209,909	-	2,693,642
-	36,686	241,273	805,902	3,464,702
-	365,564	23,372	13,006	763,570
-	305,952	626,061	572,281	12,389,927
-	-	-	-	1,321,661
-	150,512	-	-	150,512
358,310	335,133	-	18,726	791,824
<u>\$ 358,310</u>	<u>\$ 3,851,137</u>	<u>\$ 1,795,542</u>	<u>\$ 1,456,897</u>	<u>\$ 38,310,402</u>
<u>\$ (358,310)</u>	<u>\$ 16,853</u>	<u>\$ 770,282</u>	<u>\$ 631,565</u>	<u>\$ (1,880,396)</u>
\$ 65,633	\$ 9,530	\$ 2,571	\$ 53,321	\$ 444,080
-	-	-	-	2,200,000
(5,422,149)	-	(250,000)	-	(5,672,149)
-	12,368	-	-	86,358
<u>\$ (5,356,516)</u>	<u>\$ 21,898</u>	<u>\$ (247,429)</u>	<u>\$ 53,321</u>	<u>\$ (2,941,711)</u>
\$ (5,714,826)	\$ 38,751	\$ 522,853	\$ 684,886	\$ (4,822,107)
6,369,932	2,115,188	158,304	2,323,784	(73,150)
<u>\$ 655,106</u>	<u>\$ 2,153,939</u>	<u>\$ 681,157</u>	<u>\$ 3,008,670</u>	<u>\$ (4,895,257)</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>City Garage</u>	<u>Risk Management</u>	<u>Print Shop</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Customers and Users	\$ 15,809,129	\$ 8,977,542	\$ 3,083,222
Other Operating Cash Receipts	104	66,015	70
Cash Payments to Suppliers of Goods and Services	(10,019,829)	(10,252,695)	(2,392,682)
Cash Payments to Employees for Services	(5,411,181)	(447,106)	(721,682)
Net Cash Provided (Used) By Operating Activities	<u>\$ 378,223</u>	<u>\$ (1,656,244)</u>	<u>\$ (31,072)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Receipts from Other Funds	\$ -	\$ 2,200,000	\$ -
Payments to Other Funds	-	-	-
Net Cash Provided By Noncapital Financing Activities	<u>\$ -</u>	<u>\$ 2,200,000</u>	<u>\$ -</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	\$ -	\$ -	\$ -
Proceeds from Sale of Salvage	73,939	51	-
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>\$ 73,939</u>	<u>\$ 51</u>	<u>\$ -</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends Received	<u>\$ 121,162</u>	<u>\$ 181,178</u>	<u>\$ 10,685</u>
Net Cash Provided By Investing Activities	<u>\$ 121,162</u>	<u>\$ 181,178</u>	<u>\$ 10,685</u>
Net Increase (Decrease) in Cash and Temporary Investments	\$ 573,324	\$ 724,985	\$ (20,387)
Cash and Temporary Investments, July 1	<u>1,572,335</u>	<u>5,507,393</u>	<u>658,755</u>
Cash and Temporary Investments, June 30	<u>\$ 2,145,659</u>	<u>\$ 6,232,378</u>	<u>\$ 638,368</u>

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Information Technology	School Site Landscaping	Telecommunications	Subscriptions	Totals
\$ -	\$ 3,867,990	\$ 2,565,855	\$ 2,088,462	\$ 36,392,200
-	-	-	-	66,189
-	(875,532)	(876,324)	(1,345,940)	(25,763,002)
-	(2,673,485)	(921,124)	(46,982)	(10,221,560)
<u>\$ -</u>	<u>\$ 318,973</u>	<u>\$ 768,407</u>	<u>\$ 695,540</u>	<u>\$ 473,827</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,200,000
(5,422,149)	-	(250,000)	-	(5,672,149)
<u>\$ (5,422,149)</u>	<u>\$ -</u>	<u>\$ (250,000)</u>	<u>\$ -</u>	<u>\$ (3,472,149)</u>
\$ -	\$ (187,613)	\$ -	\$ (129,628)	\$ (317,241)
-	12,368	-	-	86,358
<u>\$ -</u>	<u>\$ (175,245)</u>	<u>\$ -</u>	<u>\$ (129,628)</u>	<u>\$ (230,883)</u>
\$ 65,633	\$ 9,530	\$ 2,571	\$ 53,321	\$ 444,080
<u>\$ 65,633</u>	<u>\$ 9,530</u>	<u>\$ 2,571</u>	<u>\$ 53,321</u>	<u>\$ 444,080</u>
\$ (5,356,516)	\$ 153,258	\$ 520,978	\$ 619,233	\$ (2,785,125)
5,683,565	1,452,016	277,037	2,397,247	17,548,348
<u>\$ 327,049</u>	<u>\$ 1,605,274</u>	<u>\$ 798,015</u>	<u>\$ 3,016,480</u>	<u>\$ 14,763,223</u>

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>City Garage</u>	<u>Risk Management</u>	<u>Print Shop</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO</u>			
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$ 278,300	\$ (3,160,290)	\$ (58,796)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:			
Depreciation Expense	\$ 79,655	\$ -	\$ -
(Increase) Decrease in Accounts Receivable	25,491	-	2,861
(Increase) Decrease in Inventory	202,769	-	10,398
(Increase) Decrease in Prepaid Support and Maintenance	6,984	-	-
Increase (Decrease) in Vouchers and Accounts Payable	(240,246)	(208,486)	5,083
Increase (Decrease) in Deposits Payable	-	4,860	-
Increase (Decrease) in Estimated Claims and Judgments	-	1,695,263	-
Increase (Decrease) in Accrued Compensated Leave	25,270	12,409	9,382
Total Adjustments	<u>\$ 99,923</u>	<u>\$ 1,504,046</u>	<u>\$ 27,724</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 378,223</u>	<u>\$ (1,656,244)</u>	<u>\$ (31,072)</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

Information Technology	School Site Landscaping	Telecommunications	Subscriptions	Totals
\$ (358,310)	\$ 16,853	\$ 770,282	\$ 631,565	\$ (1,880,396)
\$ 358,310	\$ 335,133	\$ -	\$ 18,726	\$ 791,824
-	-	31	-	28,383
-	-	-	-	213,167
-	-	-	-	6,984
-	(16,817)	14,382	45,249	(400,835)
-	-	-	-	4,860
-	-	-	-	1,695,263
-	(16,196)	(16,288)	-	14,577
<u>\$ 358,310</u>	<u>\$ 302,120</u>	<u>\$ (1,875)</u>	<u>\$ 63,975</u>	<u>\$ 2,354,223</u>
<u>\$ -</u>	<u>\$ 318,973</u>	<u>\$ 768,407</u>	<u>\$ 695,540</u>	<u>\$ 473,827</u>



AGENCY FUNDS

AGENCY FUNDS

The Agency Funds are used to account for the assets held by a governmental unit as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency Funds do not involve the measurement of results of operations, as they are custodial in nature (assets = liabilities). The City has the following Agency Funds:

Escheat Property – funds held on behalf of others payable to the Commonwealth of Virginia.

Special Welfare - is established under the authority of Section 63.1-51, Code of Virginia, as amended. This fund accounts for Social Security or Veteran's Administration benefits for specific individuals for which the City is acting as the custodian. It also accounts for donations and the provision for emergency assistance to indigent citizens.

CITY OF VIRGINIA BEACH, VIRGINIA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2009

	<u>Escheat Property</u>	<u>Special Welfare</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Temporary Investments	\$ 5,758	\$ 326,237	\$ 331,995
Due from Commonwealth	-	7,466	7,466
Total Assets	<u>\$ 5,758</u>	<u>\$ 333,703</u>	<u>\$ 339,461</u>
<u>LIABILITIES</u>			
Vouchers and Accounts Payable	\$ 5,758	\$ 333,703	\$ 339,461
Total Liabilities	<u>\$ 5,758</u>	<u>\$ 333,703</u>	<u>\$ 339,461</u>
<u>NET ASSETS</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF VIRGINIA BEACH, VIRGINIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>SPECIAL WELFARE</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 279,565	\$ 1,055,909	\$ 1,009,237	\$ 326,237
Due from Commonwealth	-	7,466	-	7,466
Total Assets	<u>\$ 279,565</u>	<u>\$ 1,063,375</u>	<u>\$ 1,009,237</u>	<u>\$ 333,703</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 279,565</u>	<u>\$ 1,063,375</u>	<u>\$ 1,009,237</u>	<u>\$ 333,703</u>
<u>ESCHEAT PROPERTY</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	<u>\$ 7,210</u>	<u>\$ 374,945</u>	<u>\$ 376,397</u>	<u>\$ 5,758</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 7,210</u>	<u>\$ 374,945</u>	<u>\$ 376,397</u>	<u>\$ 5,758</u>
<u>TOTALS-ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 286,775	\$ 1,430,854	\$ 1,385,634	\$ 331,995
Due from Commonwealth	-	7,466	-	7,466
Total Assets	<u>\$ 286,775</u>	<u>\$ 1,438,320</u>	<u>\$ 1,385,634</u>	<u>\$ 339,461</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 286,775</u>	<u>\$ 1,438,320</u>	<u>\$ 1,385,634</u>	<u>\$ 339,461</u>



**NONMAJOR
COMPONENT UNITS**

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET ASSETS
OTHER COMPONENT UNITS
JUNE 30, 2009

	Virginia Beach Development Authority	Community Development Corporation	Totals
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 7,368,169	\$ 627,848	\$ 7,996,017
Short-Term Investments	-	639,261	639,261
Accounts Receivable - Net	1,806,846	97,877	1,904,723
Notes Receivable	-	969,023	969,023
Accrued Interest Receivable	-	312,888	312,888
Due from Other Governments	-	80,961	80,961
Replacement Reserves and Security Deposits	-	879,830	879,830
Deferred Charges	474,480	-	474,480
Inventory	-	2,159,575	2,159,575
Total Current Assets	<u>\$ 9,649,495</u>	<u>\$ 5,767,263</u>	<u>\$ 15,416,758</u>
Noncurrent Assets:			
Cash and Investments - Restricted	\$ 9,033,311	\$ -	\$ 9,033,311
Land Held for Resale	17,971,424	-	17,971,424
Capital Assets:			
Land	18,347,468	3,593,302	21,940,770
Buildings	101,422,536	20,316,150	121,738,686
Vehicles	-	28,941	28,941
Construction In Progress	500,359	-	500,359
Less: Accumulated Depreciation	<u>(12,319,127)</u>	<u>(4,952,697)</u>	<u>(17,271,824)</u>
Total Capital Assets	<u>\$ 107,951,236</u>	<u>\$ 18,985,696</u>	<u>\$ 126,936,932</u>
Total Noncurrent Assets	<u>\$ 134,955,971</u>	<u>\$ 18,985,696</u>	<u>\$ 153,941,667</u>
Total Assets	<u>\$ 144,605,466</u>	<u>\$ 24,752,959</u>	<u>\$ 169,358,425</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Vouchers and Accounts Payable	\$ 8,200,392	\$ 93,925	\$ 8,294,317
Deposits Payable	165,000	57,140	222,140
Accrued Interest Payable	1,370,465	38,462	1,408,927
Deferred Revenue	-	22,943	22,943
Current Portion of:			
Bonds and Notes Payable	<u>3,385,000</u>	<u>513,326</u>	<u>3,898,326</u>
Total Current Liabilities	<u>\$ 13,120,857</u>	<u>\$ 725,796</u>	<u>\$ 13,846,653</u>
Noncurrent Liabilities:			
Bonds Payable	\$ 89,989,790	\$ 9,420,721	\$ 99,410,511
Notes Payable - Other	<u>4,744,530</u>	<u>-</u>	<u>4,744,530</u>
Total Noncurrent Liabilities	<u>\$ 94,734,320</u>	<u>\$ 9,420,721</u>	<u>\$ 104,155,041</u>
Total Liabilities	<u>\$ 107,855,177</u>	<u>\$ 10,146,517</u>	<u>\$ 118,001,694</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 11,028,906	\$ 11,211,224	\$ 22,240,130
Unrestricted	<u>2,451,301</u>	<u>-</u>	<u>2,451,301</u>
Total Net Assets	<u>\$ 23,270,082</u>	<u>\$ 3,395,218</u>	<u>\$ 26,665,300</u>
	<u>\$ 36,750,289</u>	<u>\$ 14,606,442</u>	<u>\$ 51,356,731</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
OTHER COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenues			Net Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Virginia Beach Development Authority	Community Development Corporation	Total
Virginia Beach Development Authority							
Governmental-type Activities	\$ -	\$ -	\$ -	\$ 416,210	\$ 416,210	\$ -	\$ 416,210
Business-type Activities	10,226,437	3,130,929	9,505,079	5,627,453	8,037,024	-	8,037,024
Community Development Corporation							
Business-type Activities	3,755,063	2,121,111	2,097,213	-	-	463,261	463,261
Total Component Units	<u>\$ 13,981,500</u>	<u>\$ 5,252,040</u>	<u>\$ 11,602,292</u>	<u>\$ 6,043,663</u>	<u>\$ 8,453,234</u>	<u>\$ 463,261</u>	<u>\$ 8,916,495</u>
General Revenues:							
Unrestricted Investment Earnings					\$ 177,640	\$ 78,081	\$ 255,721
Miscellaneous					-	269,547	269,547
Special Items:							
Donation of Town Center Plaza Sculpture					25,259	-	25,259
Payment of infrastructure to Primary Government					(2,038,138)	-	(2,038,138)
Total General Revenue and Special Items					<u>\$ (1,835,239)</u>	<u>\$ 347,628</u>	<u>\$ (1,487,611)</u>
Change in Net Assets					\$ 6,617,995	\$ 810,889	\$ 7,428,884
Net Assets at Beginning of Year					30,132,294	13,795,553	43,927,847
Net Assets at End of Year					<u>\$ 36,750,289</u>	<u>\$ 14,606,442</u>	<u>\$ 51,356,731</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
OTHER COMPONENT UNITS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Virginia Beach Development Authority	Community Development Corporation	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts From Customers and Users	\$ 2,933,232	\$ 2,176,402	\$ 5,109,634
Other Operating Cash Receipts	2,287,981	311,620	2,599,601
Cash Payments to Employees for Services	(2,723,285)	(1,584,209)	(4,307,494)
Other Operating Cash Payments	(2,052,980)	(854,680)	(2,907,660)
Net Cash Provided (Used) By Operating Activities	<u>\$ 444,948</u>	<u>\$ 49,133</u>	<u>\$ 494,081</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Intergovernmental Receipts	\$ -	\$ 2,743,868	\$ 2,743,868
Reserve Deposits	-	(689,980)	(689,980)
Financing Activities	<u>\$ -</u>	<u>\$ 2,053,888</u>	<u>\$ 2,053,888</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital Contributions	\$ 549,506	\$ -	\$ 549,506
Interest Paid on Long-term Debt	(4,684,374)	(409,752)	(5,094,126)
Capital Contributions From City	9,129,564	-	9,129,564
Purchases of Capital Assets	(51,845)	(64,672)	(116,517)
Acquisition and Construction of Capital Assets	(709,255)	(1,834,409)	(2,543,664)
Charity Golf Outing Proceeds, net	1,461	-	1,461
Proceeds From Debt	-	4,379,862	4,379,862
Principal Paid on Capital Debt	(3,727,018)	(4,545,565)	(8,272,583)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>\$ 508,039</u>	<u>\$ (2,474,536)</u>	<u>\$ (1,966,497)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends Received	<u>\$ 177,640</u>	<u>\$ (2,234)</u>	<u>\$ 175,406</u>
Net Increase (Decrease) in Cash and Temporary Investments	\$ 1,130,627	\$ (373,749)	\$ 756,878
Cash and Temporary Investments, July 1	<u>14,149,990</u>	<u>1,001,597</u>	<u>15,151,587</u>
Cash and Temporary Investments, June 30	<u>\$ 15,280,617</u>	<u>\$ 627,848</u>	<u>\$ 15,908,465</u>
<u>RECONCILIATION OF COMPONENT UNITS CASH AND TEMPORARY INVESTMENTS:</u>			
Business-Type Activities	\$ 15,280,617	\$ 627,848	\$ 15,908,465
Governmental Activities	<u>1,120,863</u>	<u>-</u>	<u>1,120,863</u>
Total per Exhibit 35	<u>\$ 16,401,480</u>	<u>\$ 627,848</u>	<u>\$ 17,029,328</u>

(continued)

**CITY OF VIRGINIA BEACH, VIRGINIA
OTHER COMPONENT UNITS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Virginia Beach Development Authority	Community Development Corporation	Totals
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>			
<u>TO NET CASH PROVIDED (USED) BY</u>			
<u>OPERATING ACTIVITIES:</u>			
Operating Loss	\$ (2,551,355)	\$ (1,294,518)	\$ (3,845,873)
Adjustments to Reconcile Operating Income to			
Net Cash Used By Operating Activities:			
Depreciation Expense	2,797,477	708,134	3,505,611
Non Cash Selling Expense and Gain on Sale	-	9,662	9,662
Changes in Assets and Liabilities:			
Receivables, Net	2,243,533	618,969	2,862,502
Accounts and Other Payables	(2,010,908)	1,326	(2,009,582)
Accrued Expenses	15,000	(66,397)	(51,397)
Land and Building Inventory	29,292	71,957	101,249
Capitalized Assets	(78,091)	-	(78,091)
Net Cash Provided (Used) By Operating Activities	<u>\$ 444,948</u>	<u>\$ 49,133</u>	<u>\$ 494,081</u>
Noncash Transactions:			
Donation of Town Center Plaza sculpture	\$ 25,259		
Amortization of Bond Discount/Premium	(106,446)		
EDIP Appropriations	882,539		

DISCRETELY PRESENTED
SCHOOL BOARD COMPONENT UNIT

DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT

Governmental Funds:

School Operating Special Revenue Fund - accounts for the revenue and expenditures of the City's elementary and secondary education system.

School Grants Special Revenue Fund - accounts for certain Commonwealth of Virginia and Federal Grants of the school system.

School Capital Projects Fund - accounts for the acquisition and construction of School System capital facilities other than those financed by School Board Proprietary and Trust Funds.

School Athletics Special Revenue Fund - accounts for the revenues and expenditures associated with School Athletic Program.

School Cafeterias Special Revenue Fund - accounts for revenues received from and expenses associated with the operation of School System food service facilities.

School Textbook Special Revenue Fund - accounts for the financing and acquisition of textbooks used in the School system.

School Communication Towers/Technology Special Revenue Fund - accounts for the rental of communication towers on School Board property.

School Vending Operations - accounts for receipts/expenditures relating to the soft drink vending operations for the School Board.

School Instructional Technology - accounts for funding designated to increase the level of technology in schools.

School Equipment Replacement - accounts for the accumulation of funds and the replacement of school equipment.

Proprietary Fund:

School Risk Management Internal Service Fund - provides for insurance and the administration thereof for the School Board.

School Health Insurance Internal Service Fund - accounts for premiums for both the City and School health insurance.

Fiduciary Funds:

Payroll Deductions Agency Fund - accounts for payroll deductions and the deferred compensation plan under section 457 of the Internal Revenue Code.

Fringe Benefits Agency Fund - accounts for employer contributions on certain fringe benefits,

School Activity Agency Fund - accounts for the student activity monies maintained on behalf of the students at each school.

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities
<u>ASSETS</u>	
Current Assets:	
Cash and Temporary Investments	\$ 265,647,020
Accounts Receivable	177,715
Due from Commonwealth	9,718,664
Due from Federal Government	8,118,608
Inventories	1,207,205
Prepaid Items	597,672
Total Current Assets	\$ 285,466,884
Noncurrent Assets:	
Capital Assets:	
Land	\$ 29,881,022
Buildings, Improvements, Equipment and Vehicles (net of accumulated depreciation)	239,903,866
Construction in Progress	114,317,998
Total Noncurrent Assets	\$ 384,102,886
Total Assets	\$ 669,569,770
<u>LIABILITIES</u>	
Current Liabilities:	
Salaries Payable	\$ 56,936,315
Vouchers and Accounts Payable	28,727,773
Deposits Payable	45,000
Due to Commonwealth	2,952
Due to Federal Government	87,914
Unearned Revenue	6,248,806
Long-term Liabilities (due within one year)	20,107,945
Total Current Liabilities	\$ 112,156,705
Noncurrent Liabilities:	
Long-term Liabilities (due in more than one year)	14,915,988
Total Liabilities	\$ 127,072,693
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 384,102,886
Restricted for:	
Capital Projects	69,172,375
Grants	674,003
Unrestricted	88,547,813
Total Net Assets	\$ 542,497,077

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Expenses	Program Revenues			Net (Expenses) Revenues and Change In Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>GOVERNMENTAL ACTIVITIES</u>					
Instruction	\$ 602,074,151	\$ 3,134,713	\$ 121,961,672	\$ 11,075,378	\$ (465,902,388)
Admin, Attendance, & Health	20,480,010	-	-	-	(20,480,010)
Pupil Transportation	31,046,691	-	-	-	(31,046,691)
Operations and Maintenance	106,804,955	440,686	24,425	-	(106,339,844)
Cafeterias	25,803,414	14,126,748	11,621,179	-	(55,487)
Total Governmental Activities	<u>\$ 786,209,221</u>	<u>\$ 17,702,147</u>	<u>\$ 133,607,276</u>	<u>\$ 11,075,378</u>	<u>\$ (623,824,420)</u>

General Revenues:

Local Sources:

Local Government	\$ 384,210,051
Miscellaneous	461,504

Federal and State Aid not Restricted to Specific Purposes:

State Basic Aid	217,584,685
State Sales Tax	69,168,038
Federal Impact Aid	11,437,201
Interest Earnings	2,339,038

Total General Revenues	<u>\$ 685,200,517</u>
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Change in Net Assets	<u>\$ 61,376,097</u>
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Total Net Assets - July 1	<u>481,120,980</u>
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Total Net Assets - June 30	<u>\$ 542,497,077</u>
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CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	School Operating	School Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Temporary Investments	\$ 67,857,943	\$ -	\$ 80,982,156	\$ 44,439,298	\$ 193,279,397
Accounts Receivable	148,819	-	-	20,305	169,124
Due from Other Funds	3,058,612	-	-	-	3,058,612
Due from Commonwealth	9,147,941	490,727	-	-	9,638,668
Due from Federal Government	232,580	7,194,212	-	683,530	8,110,322
Inventories	-	-	-	1,207,205	1,207,205
Prepaid Items	430,209	-	-	92,279	522,488
Total Assets	<u>\$ 80,876,104</u>	<u>\$ 7,684,939</u>	<u>\$ 80,982,156</u>	<u>\$ 46,442,617</u>	<u>\$ 215,985,816</u>
<u>LIABILITIES</u>					
Salaries Payable	\$ 52,480,436	\$ 3,414,370	\$ 13,432	\$ 1,026,314	\$ 56,934,552
Vouchers and Accounts Payable	12,352,079	470,765	11,708,435	834,015	25,365,294
Deposits Payable	-	-	-	45,000	45,000
Due to Other Funds	-	3,058,612	-	-	3,058,612
Due to Commonwealth	-	2,952	-	-	2,952
Due to Federal Government	-	-	87,914	-	87,914
Deferred Revenue	192,576	64,237	-	302,050	558,863
Total Liabilities	<u>\$ 65,025,091</u>	<u>\$ 7,010,936</u>	<u>\$ 11,809,781</u>	<u>\$ 2,207,379</u>	<u>\$ 86,053,187</u>
<u>FUND BALANCES</u>					
Reserved for:					
Encumbrances	\$ 15,420,804	\$ -	\$ 33,472,959	\$ 59,620	\$ 48,953,383
Inventories	-	-	-	1,207,205	1,207,205
Prepaid Items	430,209	-	-	92,279	522,488
Unreserved, reported in:					
Designated:					
Capital Projects Fund	-	-	35,699,416	-	35,699,416
Special Revenue Funds	-	674,003	-	7,691,030	8,365,033
Undesignated:					
Special Revenue Funds	-	-	-	35,185,104	35,185,104
Total Fund Balances	<u>\$ 15,851,013</u>	<u>\$ 674,003</u>	<u>\$ 69,172,375</u>	<u>\$ 44,235,238</u>	<u>\$ 129,932,629</u>
Total Liabilities and Fund Balances	<u>\$ 80,876,104</u>	<u>\$ 7,684,939</u>	<u>\$ 80,982,156</u>	<u>\$ 46,442,617</u>	<u>\$ 215,985,816</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 38) are different from amounts reported for governmental funds in this exhibit because:

Total Fund Balances - Governmental Funds (this exhibit)	\$ 129,932,629
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

	\$ 621,358,319	
Cost of Capital Assets		
less: Accumulated Depreciation	237,255,433	384,102,886

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of the following:

	\$ 21,503,544	
Compensated Absences		
Net Pension Obligation	70,436	(21,573,980)

Internal Service Funds are used to account for the risk management and health insurance programs; and related charges to the various governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.

	\$ 72,539,680	
Total Assets		
less: Total Liabilities	22,504,138	
Total Net Assets		50,035,542

Total Net Assets - Governmental Activities (Exhibit 38)	\$ 542,497,077
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CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	School Operating	School Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
From Use of Money and Property	\$ 440,686	\$ -	\$ 1,051,757	\$ 1,653,930	\$ 3,146,373
Charges for Services	1,532,520	-	-	14,659,806	16,192,326
Miscellaneous	1,307,577	3,624	-	233,095	1,544,296
From Local Government	321,098,771	-	60,205,055	2,906,225	384,210,051
From Commonwealth	361,368,662	7,213,779	11,075,378	5,590,254	385,248,073
From Federal Government	14,100,023	31,939,471	-	11,204,705	57,244,199
Total Revenues	<u>\$ 699,848,239</u>	<u>\$ 39,156,874</u>	<u>\$ 72,332,190</u>	<u>\$ 36,248,015</u>	<u>\$ 847,585,318</u>
<u>EXPENDITURES</u>					
Current:					
Instruction	\$ 530,115,750	\$ 41,623,113	\$ 2,088,764	\$ 9,176,075	\$ 583,003,702
Admin, Attendance, & Health	20,077,785	-	141,329	-	20,219,114
Pupil Transportation	29,608,135	-	7,061	-	29,615,196
Operations and Maintenance	98,407,125	-	9,802,713	26,045,470	134,255,308
Capital Outlay	6,560,320	325,493	73,089,520	1,628,876	81,604,209
Total Expenditures	<u>\$ 684,769,115</u>	<u>\$ 41,948,606</u>	<u>\$ 85,129,387</u>	<u>\$ 36,850,421</u>	<u>\$ 848,697,529</u>
<u>EXCESS (DEFICIENCY) OF</u>					
<u>REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>					
	<u>\$ 15,079,124</u>	<u>\$ (2,791,732)</u>	<u>\$ (12,797,197)</u>	<u>\$ (602,406)</u>	<u>\$ (1,112,211)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ -	\$ 2,887,011	\$ 175,000	\$ 6,752,661	\$ 9,814,672
Transfers Out	(9,639,672)	-	-	(175,000)	(9,814,672)
Total Other Financing Sources (Uses)	<u>\$ (9,639,672)</u>	<u>\$ 2,887,011</u>	<u>\$ 175,000</u>	<u>\$ 6,577,661</u>	<u>\$ -</u>
<u>NET CHANGE IN</u>					
<u>FUND BALANCES</u>					
	\$ 5,439,452	\$ 95,279	\$ (12,622,197)	\$ 5,975,255	\$ (1,112,211)
<u>FUND BALANCES - JULY 1</u>	<u>10,411,561</u>	<u>578,724</u>	<u>81,794,572</u>	<u>38,259,983</u>	<u>131,044,840</u>
<u>FUND BALANCES - JUNE 30</u>	<u>\$ 15,851,013</u>	<u>\$ 674,003</u>	<u>\$ 69,172,375</u>	<u>\$ 44,235,238</u>	<u>\$ 129,932,629</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts reported for governmental activities in the Statement of Activities (Exhibit 39) are different from amounts reported for governmental funds in this exhibit because:

Net Change in Fund Balances - Governmental Funds (this exhibit) \$ (1,112,211)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeded depreciation expense (including other transactions (e.g., loss on disposals)) for the fiscal year.

Capital Outlay	\$ 81,604,209	
Depreciation and Other	<u>(17,204,848)</u>	64,399,361

Compensated absences (annual, sick, and personal leave) are reported in governmental funds as expenditures, which are measured by the amount of financial resources used (essentially, the amounts actually paid). However, for governmental activities those costs are shown and measured by the net of the amounts of leave used and earned for the fiscal year in the Statement of Activities.

Leave Used	\$ 9,921,267	
Leave Earned	<u>(9,725,637)</u>	195,630

Net Pension Obligation (NPO) for the nonprofessional employees in the Virginia Retirement System (VRS) are not reported in governmental funds. However, for governmental activities the net change in the NPO to VRS for the fiscal year is reported in the Statement of Activities.

NPO - June 30, 2008	\$ (70,487)	
NPO - June 30, 2009	<u>(70,436)</u>	51

Internal Service Funds are used to account for the risk management and health insurance programs, and related charges to the various governmental funds. The change in net assets for the Internal Service Funds for the fiscal year is reported with governmental activities in the Statement of Activities.

Risk Management	\$ 6,365,651	
Health Insurance	<u>9,704,716</u>	16,070,367

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a "tenancy in common" with the School Board whenever the City incurs "on-behalf" of debt for any school property owned by the School Board which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable "on-behalf" of debt at June 30, 2009. This amount is the applicable Net Book Value change and depreciation expense for the fiscal year.

(18,177,101)

Change in Net Assets of governmental activities in the Statement of Activities (Exhibit 39) \$ 61,376,097

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL OPERATING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>REVENUES</u>				
<u>From Use of Money and Property</u>				
Rents	\$ 450,000	\$ 450,000	\$ 440,686	\$ (9,314)
<u>Charges for Services</u>				
Tuition and Educational Fees	\$ 1,896,945	\$ 1,896,945	\$ 1,532,520	\$ (364,425)
<u>Miscellaneous Revenue</u>				
Sale of School Buses & Vehicles	\$ 15,000	\$ 15,000	\$ 147,551	\$ 132,551
Sale of Salvage	12,000	12,000	78,263	66,263
Insurance Proceeds	-	-	38,011	38,011
Flex Benefit Forfeitures	15,000	15,000	-	(15,000)
Donations	-	-	3,775	3,775
Miscellaneous	95,000	95,000	187,861	92,861
Indirect Costs	350,000	350,000	475,433	125,433
SECEP-Reach	-	-	376,683	376,683
Total Miscellaneous Revenue	\$ 487,000	\$ 487,000	\$ 1,307,577	\$ 820,577
<u>From Local Government</u>	\$ 339,239,378	\$ 335,967,153	\$ 321,098,771	\$ (14,868,382)
<u>From Commonwealth</u>				
Basic Aid	\$ 213,122,921	\$ 213,122,921	\$ 217,584,685	\$ 4,461,764
Reimbursement-Social Security	10,828,647	10,828,647	10,869,652	41,005
Reimbursement-Retirement	14,003,311	14,003,311	14,056,337	53,026
Reimbursement-Life Insurance	478,374	478,374	480,185	1,811
Remedial Education	2,913,732	2,913,732	2,924,766	11,034
Remedial Education-Summer School	1,344,110	1,344,110	1,187,818	(156,292)
Special Education	21,787,760	21,787,760	21,870,264	82,504
Special Education-Regional Program	9,251,889	9,251,889	8,295,301	(956,588)
Special Education-Homebound	48,198	48,198	73,060	24,862
Special Education-Foster Children	-	-	292,696	292,696
Foster Home Children	495,726	495,726	206,807	(288,919)
Vocational	3,696,526	3,696,526	3,710,524	13,998
Vocational-Occupational/Tech	305,492	305,492	219,613	(85,879)
Vocational-Adult Education	-	-	18,613	18,613
Vocational-Equipment-State	-	-	96,210	96,210
General Adult Education	59,977	59,977	-	(59,977)
Sales Tax	75,934,465	75,934,465	69,168,038	(6,766,427)
Class Size Initiative	3,901,463	3,901,463	3,984,904	83,441
Enrollment Loss	1,765,590	1,765,590	1,607,281	(158,309)
At-Risk Initiative	1,937,204	1,937,204	1,944,560	7,356
English as a Second Language	639,359	639,359	686,555	47,196

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL OPERATING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>REVENUES (continued)</u>				
<u>From Commonwealth (continued)</u>				
Visually Impaired	\$ -	\$ -	\$ 23,808	\$ 23,808
Industry Credentials for Students	-	-	24,131	24,131
Dual Enrollment	-	-	74,359	74,359
Gifted and Talented Aid	1,956,984	1,956,984	1,964,395	7,411
Other State Funds	-	-	4,100	4,100
Total From Commonwealth	<u>\$ 364,471,728</u>	<u>\$ 364,471,728</u>	<u>\$ 361,368,662</u>	<u>\$ (3,103,066)</u>
<u>From Federal Government</u>				
Public Law 874	\$ 12,461,723	\$ 12,461,723	\$ 8,150,249	\$ (4,311,474)
Public Law 874-Special Education	-	-	1,074,339	1,074,339
Adult Basic Education	134,408	134,408	-	(134,408)
Dept of the Navy-NJROTC	100,000	100,000	276,017	176,017
Department of Defense	1,500,000	1,500,000	2,212,613	712,613
Medicaid Reimbursement	575,000	575,000	2,251,767	1,676,767
Other Federal Funds	-	-	135,038	135,038
Total From Federal Government	<u>\$ 14,771,131</u>	<u>\$ 14,771,131</u>	<u>\$ 14,100,023</u>	<u>\$ (671,108)</u>
 Total Revenues	 <u>\$ 721,316,182</u>	 <u>\$ 718,043,957</u>	 <u>\$ 699,848,239</u>	 <u>\$ (18,195,718)</u>
<u>EXPENDITURES</u>				
<u>Current</u>				
<u>Instruction</u>				
Elementary Classroom	\$ 141,493,238	\$ 142,224,725	\$ 136,574,582	\$ 5,650,143
Senior High Classroom	85,661,581	81,379,965	79,683,410	1,696,555
Technical and Career Education	21,482,632	20,736,653	20,033,657	702,996
Gifted and Magnet Programs	13,342,872	13,487,782	12,866,433	621,349
Special Education	82,885,660	81,018,054	80,546,012	472,042
Summer School	3,531,233	3,115,103	2,713,829	401,274
General Adult Education	2,361,534	1,899,898	1,644,847	255,051
Open Campus High School	1,983,820	1,987,035	1,952,909	34,126
Student Activities	2,902,480	2,902,480	2,825,544	76,936
Office/Principal - Elementary	24,220,098	24,241,860	23,855,347	386,513
Office/Principal - Senior High	10,496,439	10,658,464	10,385,447	273,017
Office/Principal - Tech & Career	542,901	545,895	515,115	30,780
Guidance Services	16,560,847	16,675,412	16,444,237	231,175
Social Work Services	2,541,334	2,614,394	2,607,243	7,151
Media and Communications	1,732,450	1,694,725	1,510,636	184,089
Instructional Support	15,652,122	13,988,585	13,460,876	527,709
Organizational Development	2,351,727	1,980,737	1,287,027	693,710
Special Education Support	2,830,944	2,892,144	2,678,261	213,883
Gifted & Magnet Programs Support	2,198,548	2,195,438	2,007,998	187,440

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL OPERATING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>EXPENDITURES (continued)</u>				
<u>Current (continued)</u>				
<u>Instruction (continued)</u>				
Media Services Support	\$ 13,124,310	\$ 13,208,644	\$ 12,877,688	\$ 330,956
Research, Evaluation, & Assessment	2,880,539	2,388,418	2,092,360	296,058
Middle School Classroom	61,212,085	60,457,698	58,668,355	1,789,343
Remedial Education	7,429,883	7,474,780	6,999,450	475,330
Office/Principal - Middle Schools	9,077,548	9,096,925	8,965,348	131,577
Homebound Services	1,041,271	1,161,271	1,156,666	4,605
Technical and Career Ed Support	1,011,218	1,011,218	983,988	27,230
Student Leadership	1,335,406	1,335,056	1,233,711	101,345
Psychological Services	3,297,154	3,347,511	3,230,763	116,748
Audiological Services	415,268	472,853	417,189	55,664
School Administration	1,343,059	1,343,059	1,137,038	206,021
Alternative Education	3,614,740	4,280,884	3,881,197	399,687
Technology Category	12,908,719	15,876,793	14,878,587	998,206
Total Instruction	<u>\$ 553,463,660</u>	<u>\$ 547,694,459</u>	<u>\$ 530,115,750</u>	<u>\$ 17,578,709</u>
<u>Admin, Attendance, & Health</u>				
Board, Legal, & Governmental	\$ 1,160,672	\$ 1,160,672	\$ 892,263	\$ 268,409
Office of the Superintendent	1,339,727	1,309,727	884,610	425,117
Department of Budget & Finance	3,731,508	3,711,329	3,029,819	681,510
Department of Human Resources	4,606,095	4,509,950	3,890,784	619,166
Internal Audit	372,597	372,597	343,591	29,006
Purchasing	1,060,950	1,049,550	1,007,367	42,183
Organizational Development	2,410,665	2,362,665	1,642,720	719,945
Benefits Office	1,660,598	1,475,059	992,501	482,558
Health Services	6,892,512	6,742,512	6,430,857	311,655
Technology Category	970,795	1,030,386	963,273	67,113
Total Admin, Attendance, & Health	<u>\$ 24,206,119</u>	<u>\$ 23,724,447</u>	<u>\$ 20,077,785</u>	<u>\$ 3,646,662</u>
<u>Pupil Transportation</u>				
Management	\$ 2,074,463	\$ 2,074,463	\$ 2,036,375	\$ 38,088
Vehicle Operation	23,063,363	22,756,971	22,190,066	566,905
Vehicle Maintenance	2,957,132	2,957,132	2,846,390	110,742
Monitoring Services	2,859,405	2,659,405	2,514,358	145,047
Technology Category	19,857	21,047	20,946	101
Total Pupil Transportation	<u>\$ 30,974,220</u>	<u>\$ 30,469,018</u>	<u>\$ 29,608,135</u>	<u>\$ 860,883</u>
<u>Operations and Maintenance</u>				
Facility Planning & Construction	\$ 751,031	\$ 751,031	\$ 684,103	\$ 66,928
School Plant	50,062,727	52,311,117	47,986,837	4,324,280
Supply Services	1,383,370	1,496,968	1,287,732	209,236

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL OPERATING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>EXPENDITURES (continued)</u>				
<u>Current (continued)</u>				
<u>Operations and Maintenance (continued)</u>				
Grounds Services	\$ 3,867,990	\$ 3,867,990	\$ 3,867,990	\$ -
Custodial Services	27,291,650	27,248,891	26,716,304	532,587
Security Services	6,298,248	6,407,431	6,368,272	39,159
Vehicle Services	905,835	905,835	730,533	175,302
Telecommunications	1,641,735	1,417,621	1,035,099	382,522
Technology Category	9,616,474	10,536,409	9,730,255	806,154
Total Operations & Maintenance	<u>\$ 101,819,060</u>	<u>\$ 104,943,293</u>	<u>\$ 98,407,125</u>	<u>\$ 6,536,168</u>
	<u>\$ 710,463,059</u>	<u>\$ 706,831,217</u>	<u>\$ 678,208,795</u>	<u>\$ 28,622,422</u>
<u>Capital Outlay</u>				
Instruction	\$ 937,958	\$ 943,231	\$ 173,448	\$ 769,783
Admin, Attendance & Health	-	45,749	45,652	97
Pupil Transportation	-	7,131,841	3,738,957	3,392,884
Operations and Maintenance	201,053	1,884,474	1,482,344	402,130
Technology Category	9,555	1,464,563	1,119,919	344,644
	<u>\$ 1,148,566</u>	<u>\$ 11,469,858</u>	<u>\$ 6,560,320</u>	<u>\$ 4,909,538</u>
Total Expenditures	<u>\$ 711,611,625</u>	<u>\$ 718,301,075</u>	<u>\$ 684,769,115</u>	<u>\$ 33,531,960</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>\$ 9,704,557</u>	<u>\$ (257,118)</u>	<u>\$ 15,079,124</u>	<u>\$ 15,336,242</u>
<u>OTHER FINANCING SOURCES SOURCES (USES)</u>				
Transfers Out	\$ (9,226,557)	\$ (9,327,627)	\$ (9,172,072)	\$ 155,555
Transfers Out-Technology Category	(478,000)	(478,000)	(467,600)	10,400
Total Transfers Out	<u>\$ (9,704,557)</u>	<u>\$ (9,805,627)</u>	<u>\$ (9,639,672)</u>	<u>\$ 165,955</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	\$ -	\$ (10,062,745)	\$ 5,439,452	\$ 15,502,197
<u>FUND BALANCE - JULY 1</u>	<u>10,411,561</u>	<u>10,411,561</u>	<u>10,411,561</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 10,411,561</u>	<u>\$ 348,816</u>	<u>\$ 15,851,013</u>	<u>\$ 15,502,197</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ 15,796	\$ 3,624	\$ (12,172)
From Commonwealth	11,410,155	10,268,069	7,213,779	(3,054,290)
From Federal Government	34,848,581	39,535,272	31,939,471	(7,595,801)
Contingency	5,731,349	1,586,800	-	(1,586,800)
Total Revenues	<u>\$ 51,990,085</u>	<u>\$ 51,405,937</u>	<u>\$ 39,156,874</u>	<u>\$ (12,249,063)</u>
EXPENDITURES				
Current				
Adult Basic Education-ABE FY09	\$ -	\$ 387,854	\$ 383,306	\$ 4,548
Advanced Placement Program FY09	-	1,566	1,566	-
Algebra Readiness FY08	-	27,997	27,997	-
Algebra Readiness FY09	627,220	698,902	674,015	24,887
Allstate Fdn Safe Teen Driving FY07	-	10,000	1,180	8,820
Career Switcher FY09	-	15,000	15,000	-
C.Perkins Vocational & Tech Act FY09	997,057	944,397	942,743	1,654
Chesapeake Restoration Grant FY08	-	11,450	9,467	1,983
Delta Kappa Gamma Educ Fdn FY05	-	480	480	-
Early Reading Initiative FY08	-	26,364	26,364	-
Early Reading Initiative FY09	1,293,319	1,178,150	1,159,304	18,846
English Literacy/Civics Education FY09	37,795	58,757	58,757	-
GED Expansion Grant FY09	10,000	10,000	10,000	-
General Adult Education FY09	-	38,885	38,885	-
HSTW-Bayside FY09	15,000	15,000	14,905	95
HSTW-Cox FY09	15,000	15,000	14,920	80
HSTW-First Colonial FY09	15,000	15,000	13,543	1,457
HSTW-Green Run FY09	15,000	15,000	14,964	36
HSTW-Salem FY09	15,000	15,000	14,623	377
HSTW-Tallwood FY09	15,000	15,000	14,831	169
Industry Credentials for Students FY09	-	35,635	35,635	-
ISAEP FY09	62,869	62,869	62,869	-
Jail Education Program FY09	222,152	229,152	179,131	50,021
Juvenile Detention Ctr FY09	858,426	864,850	831,588	33,262
Leaders Mentoring Leaders FY07	-	66,610	66,610	-
McKinney Homeless FY08	-	6,361	6,361	-
McKinney Homeless FY09	55,200	68,000	26,140	41,860
Natl. Board Certified Tchrs. Stipend FY09	-	182,500	182,500	-
National Science Foundation/VCU FY09	-	50,000	50,000	-
New Teacher Mentor FY09	94,141	58,713	58,713	-
NJROTC FY09	-	18,637	18,637	-
Preschool Incentive Grant FY08	38,224	37,564	37,564	-
Preschool Incentive Grant FY09	514,353	505,205	425,730	79,475
Race to GED FY09	30,801	47,265	47,265	-
Safe and Drug Free Schools FY08	-	45,174	45,174	-

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Safe and Drug Free Schools FY09	\$ 277,215	\$ 233,383	\$ 200,485	\$ 32,898
Safe Routes to Schools FY09	-	25,000	24,425	575
Startalk Elementary Chinese Acad FY09	-	50,791	1,475	49,316
Teaching American History-WHO FY06	375,911	435,577	317,046	118,531
Tech Prep Grant FY09	-	1,462	1,462	-
Technology Initiative FY07	1,439,553	100,724	100,724	-
Technology Initiative FY08	2,805,600	2,868,000	2,085,782	782,218
Technology Initiative FY09	2,805,600	2,805,600	-	2,805,600
Title I Part A 128-07 FY07	-	2,184	2,184	-
Title I Part A 128-08 FY08	126,350	583,450	583,450	-
Title I Part A 128-09 FY09	11,011,858	12,245,699	10,811,545	1,434,154
Title I Part D FY07	-	40,860	40,860	-
Title I Part D FY08	121,989	121,989	121,989	-
Title I Part D FY09	121,989	146,294	32,658	113,636
Title I Part D Subpart 1 FY08	-	15,591	15,591	-
Title I Part D Subpart 1 FY09	-	40,223	21,472	18,751
Title II NCLB128-07 FY08	518,578	572,809	572,809	-
Title II NCLB128-08 FY09	2,745,945	2,798,879	2,104,537	694,342
Title II Part B Math and Science FY07	-	53,359	50,008	3,351
Title II Part D FY08	37,368	62,536	27,555	34,981
Title II Part D FY09	-	105,334	37,518	67,816
Title III Part A Immigrant & Youth FY08	-	24,280	24,280	-
Title III Part A Immigrant & Youth FY09	-	21,939	-	21,939
Title III Part A Language Acquisition FY08	134,882	124,550	101,837	22,713
Title III Part A Language Acquisition FY09	150,882	131,166	989	130,177
Title IV Pell Grant FY09	-	15,220	15,220	-
Title V 128-T5-07 FY07	10,171	14,841	14,841	-
Title V 128-T5-08 FY08	73,099	75,295	73,618	1,677
Title VI B PL 105-17 FY08	2,492,736	4,345,089	4,028,177	316,912
Title VI B PL 105-17 FY09	14,881,897	14,855,612	10,453,113	4,402,499
VA Initiative-At Risk Four-Year Olds FY09	4,012,800	4,224,000	4,215,669	8,331
VCU-VDH Olweus Bullying Prev. FY08	-	2,950	2,950	-
VA Geographic Alliance FY03	-	5,316	1,964	3,352
VA Middle School Teacher Corps FY09	-	20,000	20,000	-
Virtual Advanced Placement FY09	-	2,964	2,964	-
Virtual Enterprise MOU FY08	-	3,815	2,090	1,725
Virtual Enterprise MOU FY09	-	5,000	1,059	3,941
Contingency	5,731,349	1,586,800	-	1,586,800
Total Current	\$ 54,807,329	\$ 54,546,918	\$ 41,623,113	\$ 12,923,805
Capital Outlay	65,082	325,493	325,493	-
Total Expenditures	\$ 54,872,411	\$ 54,872,411	\$ 41,948,606	\$ 12,923,805

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
SCHOOL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ (2,882,326)	\$ (3,466,474)	\$ (2,791,732)	\$ 674,742
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>2,882,326</u>	<u>3,466,474</u>	<u>2,887,011</u>	<u>(579,463)</u>
<u>NET CHANGE IN FUND BALANCE</u>	\$ -	\$ -	\$ 95,279	\$ 95,279
<u>FUND BALANCE - JULY 1</u>	<u>578,724</u>	<u>578,724</u>	<u>578,724</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 578,724</u>	<u>\$ 578,724</u>	<u>\$ 674,003</u>	<u>\$ 95,279</u>



CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2009

	School Athletics	School Cafeterias	School Textbooks
<u>ASSETS</u>			
Cash and Investments	\$ 919,060	\$ 2,251,691	\$ 22,987,708
Accounts Receivable	2,188	16,840	599
Due from Federal Government	-	683,530	-
Inventories	-	1,207,205	-
Prepaid Items	91,730	549	-
Total Assets	<u>\$ 1,012,978</u>	<u>\$ 4,159,815</u>	<u>\$ 22,988,307</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Salaries Payable	\$ 15,062	\$ 1,010,255	\$ 167
Vouchers and			
Accounts Payable	16,108	226,738	21,441
Deposits Payable	-	-	-
Deferred Revenue	-	302,050	-
Total Liabilities	<u>\$ 31,170</u>	<u>\$ 1,539,043</u>	<u>\$ 21,608</u>
Fund Balances:			
Reserved for:			
Encumbrances	\$ 2,634	\$ 50,811	\$ 2,835
Inventories	-	1,207,205	-
Prepaid Items	91,730	549	-
Unreserved:			
Designated for Subsequent Year's Operating Budget	24,000	-	3,437,992
Undesignated	863,444	1,362,207	19,525,872
Total Fund Balances	<u>\$ 981,808</u>	<u>\$ 2,620,772</u>	<u>\$ 22,966,699</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,012,978</u>	 <u>\$ 4,159,815</u>	 <u>\$ 22,988,307</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2009

School Communication Towers/ Technology	School Vending Operations	School Instructional Technology	School Equipment Replacement	Totals
\$ 2,199,645	\$ 741,168	\$ 12,476,075	\$ 2,863,951	\$ 44,439,298
678	-	-	-	20,305
-	-	-	-	683,530
-	-	-	-	1,207,205
-	-	-	-	92,279
<u>\$ 2,200,323</u>	<u>\$ 741,168</u>	<u>\$ 12,476,075</u>	<u>\$ 2,863,951</u>	<u>\$ 46,442,617</u>
\$ -	\$ 830	\$ -	\$ -	\$ 1,026,314
-	-	147,006	422,722	834,015
45,000	-	-	-	45,000
-	-	-	-	302,050
<u>\$ 45,000</u>	<u>\$ 830</u>	<u>\$ 147,006</u>	<u>\$ 422,722</u>	<u>\$ 2,207,379</u>
\$ -	\$ -	\$ -	\$ 3,340	\$ 59,620
-	-	-	-	1,207,205
-	-	-	-	92,279
300,000	359,799	2,915,947	653,292	7,691,030
1,855,323	380,539	9,413,122	1,784,597	35,185,104
<u>\$ 2,155,323</u>	<u>\$ 740,338</u>	<u>\$ 12,329,069</u>	<u>\$ 2,441,229</u>	<u>\$ 44,235,238</u>
<u>\$ 2,200,323</u>	<u>\$ 741,168</u>	<u>\$ 12,476,075</u>	<u>\$ 2,863,951</u>	<u>\$ 46,442,617</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	School Athletics	School Cafeterias	School Textbooks
<u>REVENUES</u>			
From Use of Money and Property	\$ 57,618	\$ 30,961	\$ 385,403
Charges for Services	494,940	13,984,508	366
Miscellaneous	-	142,241	90,854
From Local Government	-	250,000	-
From Commonwealth	-	416,474	5,173,780
From Federal Government	-	11,204,705	-
Total Revenues	<u>\$ 552,558</u>	<u>\$ 26,028,889</u>	<u>\$ 5,650,403</u>
<u>EXPENDITURES</u>			
Current			
Instruction	\$ 4,513,664	\$ -	\$ 2,942,922
Operations and Maintenance	-	26,045,470	-
Capital Outlay	56,699	38,992	-
Total Expenditures	<u>\$ 4,570,363</u>	<u>\$ 26,084,462</u>	<u>\$ 2,942,922</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	<u>\$ (4,017,805)</u>	<u>\$ (55,573)</u>	<u>\$ 2,707,481</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	\$ 4,187,115	\$ -	\$ 2,565,546
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 4,187,115</u>	<u>\$ -</u>	<u>\$ 2,565,546</u>
<u>NET CHANGES IN FUND BALANCES</u>	<u>\$ 169,310</u>	<u>\$ (55,573)</u>	<u>\$ 5,273,027</u>
<u>FUND BALANCES - JULY 1</u>	<u>812,498</u>	<u>2,676,345</u>	<u>17,693,672</u>
<u>FUND BALANCES - JUNE 30</u>	<u>\$ 981,808</u>	<u>\$ 2,620,772</u>	<u>\$ 22,966,699</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

School Communication Towers/ Technology	School Vending Operations	School Instructional Technology	School Equipment Replacement	Totals
\$ 404,792	\$ 13,421	\$ 720,500	\$ 41,235	\$ 1,653,930
-	179,992	-	-	14,659,806
-	-	-	-	233,095
-	-	763,500	1,892,725	2,906,225
-	-	-	-	5,590,254
-	-	-	-	11,204,705
<u>\$ 404,792</u>	<u>\$ 193,413</u>	<u>\$ 1,484,000</u>	<u>\$ 1,933,960</u>	<u>\$ 36,248,015</u>
\$ -	\$ 432,089	\$ 797,146	\$ 490,254	9,176,075
-	-	-	-	26,045,470
-	40,287	-	1,492,898	1,628,876
<u>\$ -</u>	<u>\$ 472,376</u>	<u>\$ 797,146</u>	<u>\$ 1,983,152</u>	<u>\$ 36,850,421</u>
<u>\$ 404,792</u>	<u>\$ (278,963)</u>	<u>\$ 686,854</u>	<u>\$ (49,192)</u>	<u>\$ (602,406)</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,752,661
-	-	(175,000)	-	(175,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,000)</u>	<u>\$ -</u>	<u>\$ 6,577,661</u>
\$ 404,792	\$ (278,963)	\$ 511,854	\$ (49,192)	\$ 5,975,255
<u>1,750,531</u>	<u>1,019,301</u>	<u>11,817,215</u>	<u>2,490,421</u>	<u>38,259,983</u>
<u>\$ 2,155,323</u>	<u>\$ 740,338</u>	<u>\$ 12,329,069</u>	<u>\$ 2,441,229</u>	<u>\$ 44,235,238</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	School Risk Management	School Health Insurance	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Investments	\$ 24,234,788	\$ 48,132,835	\$ 72,367,623
Accounts Receivable	-	8,591	8,591
Due from Commonwealth	-	79,996	79,996
Due from Federal Government	-	8,286	8,286
Prepaid Items	75,184	-	75,184
Total Assets	<u>\$ 24,309,972</u>	<u>\$ 48,229,708</u>	<u>\$ 72,539,680</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Salaries Payable	\$ 217	\$ 1,546	\$ 1,763
Vouchers and Accounts Payable	218,672	3,143,807	3,362,479
Unearned Revenue	-	5,689,943	5,689,943
Estimated Claims and Judgements (due within one year)	4,518,596	5,568,869	10,087,465
Total Current Liabilities	<u>\$ 4,737,485</u>	<u>\$ 14,404,165</u>	<u>\$ 19,141,650</u>
Noncurrent Liabilities:			
Estimated Claims and Judgements (due in more than one year)	1,506,198	1,856,290	3,362,488
Total Liabilities	<u>\$ 6,243,683</u>	<u>\$ 16,260,455</u>	<u>\$ 22,504,138</u>
<u>NET ASSETS</u>			
Unrestricted	\$ 18,066,289	\$ 31,969,253	\$ 50,035,542
Total Net Assets	<u>\$ 18,066,289</u>	<u>\$ 31,969,253</u>	<u>\$ 50,035,542</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	School Risk Management	School Health Insurance	Totals
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 11,819,357	\$ 103,254,854	\$ 115,074,211
Miscellaneous Revenue	37,824	-	37,824
Total Operating Revenues	<u>\$ 11,857,181</u>	<u>\$ 103,254,854</u>	<u>\$ 115,112,035</u>
<u>OPERATING EXPENSES</u>			
Personnel Services	\$ 315,242	\$ 244,041	\$ 559,283
Fringe Benefits	93,501	73,057	166,558
Other Charges	5,453,630	93,962,037	99,415,667
Total Operating Expenses	<u>\$ 5,862,373</u>	<u>\$ 94,279,135</u>	<u>\$ 100,141,508</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ 5,994,808</u>	<u>\$ 8,975,719</u>	<u>\$ 14,970,527</u>
<u>NONOPERATING REVENUES</u>			
From Federal Government	\$ -	\$ 8,286	\$ 8,286
Interest Income	370,843	720,711	1,091,554
Total Nonoperating Revenues	<u>\$ 370,843</u>	<u>\$ 728,997</u>	<u>\$ 1,099,840</u>
<u>CHANGES IN NET ASSETS</u>	<u>\$ 6,365,651</u>	<u>\$ 9,704,716</u>	<u>\$ 16,070,367</u>
<u>TOTAL NET ASSETS - JULY 1</u>	<u>11,700,638</u>	<u>22,264,537</u>	<u>33,965,175</u>
<u>TOTAL NET ASSETS - JUNE 30</u>	<u>\$ 18,066,289</u>	<u>\$ 31,969,253</u>	<u>\$ 50,035,542</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	School Risk Management	School Health Insurance	Totals
<u>CASH FLOWS FROM OPERATING</u>			
<u>ACTIVITIES:</u>			
Receipts from Customers and Users	\$ 11,859,360	\$ 103,348,124	\$ 115,207,484
Payments to Vendors for Goods and Services	(4,649,656)	(93,117,960)	(97,767,616)
Payments to Employees for Services	(408,526)	(2,774,506)	(3,183,032)
Net Cash Provided By Operating Activities	<u>\$ 6,801,178</u>	<u>\$ 7,455,658</u>	<u>\$ 14,256,836</u>
<u>CASH FLOWS FROM NONCAPITAL</u>			
<u>FINANCING ACTIVITIES:</u>			
Intergovernmental Receipts	<u>\$ -</u>	<u>\$ 8,286</u>	<u>\$ 8,286</u>
<u>CASH FLOWS FROM INVESTING</u>			
<u>ACTIVITIES:</u>			
Interest Received on Investments	<u>\$ 370,843</u>	<u>\$ 720,711</u>	<u>\$ 1,091,554</u>
<u>NET INCREASE (DECREASE) IN</u>			
<u>CASH AND TEMPORARY INVESTMENTS</u>	<u>\$ 7,172,021</u>	<u>\$ 8,184,655</u>	<u>\$ 15,356,676</u>
<u>CASH AND TEMPORARY INVESTMENTS,</u>			
<u>BEGINNING OF YEAR</u>	<u>17,062,767</u>	<u>39,948,180</u>	<u>57,010,947</u>
<u>CASH AND TEMPORARY INVESTMENTS,</u>			
<u>END OF YEAR</u>	<u>\$ 24,234,788</u>	<u>\$ 48,132,835</u>	<u>\$ 72,367,623</u>
<u>RECONCILIATION OF OPERATING</u>			
<u>INCOME TO NET CASH PROVIDED</u>			
<u>BY OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	<u>\$ 5,994,808</u>	<u>\$ 8,975,719</u>	<u>\$ 14,970,527</u>
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
(Increase) Decrease in Assets			
Accounts Receivable	\$ 2,179	\$ 60	\$ 2,239
Due from Commonwealth	-	42,105	42,105
Due From Federal Government	-	(8,286)	(8,286)
Prepaid Items	(45,096)	-	(45,096)
Increase (Decrease) in Liabilities			
Salaries Payable	217	(36)	181
Vouchers and Accounts Payable	105,612	(1,123,454)	(1,017,842)
Deferred Revenue	-	59,391	59,391
Estimated Claims and Judgments	743,458	(489,841)	253,617
Total Adjustments	<u>\$ 806,370</u>	<u>\$ (1,520,061)</u>	<u>\$ (713,691)</u>
Net Cash Provided By Operating Activities	<u>\$ 6,801,178</u>	<u>\$ 7,455,658</u>	<u>\$ 14,256,836</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>PAYROLL DEDUCTIONS</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 4,617,368	\$ 125,233,275	\$ 125,445,770	\$ 4,404,873
Accounts Receivable	400	-	400	-
Total Assets	<u>\$ 4,617,768</u>	<u>\$ 125,233,275</u>	<u>\$ 125,446,170</u>	<u>\$ 4,404,873</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 4,617,768</u>	<u>\$ 125,233,275</u>	<u>\$ 125,446,170</u>	<u>\$ 4,404,873</u>
 <u>FRINGE BENEFITS</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 8,494,575	\$ 102,870,163	\$ 103,691,276	\$ 7,673,462
Due From Commonwealth	-	308,052	-	308,052
Total Assets	<u>\$ 8,494,575</u>	<u>\$ 103,178,215</u>	<u>\$ 103,691,276</u>	<u>\$ 7,981,514</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 8,494,575</u>	<u>\$ 103,178,215</u>	<u>\$ 103,691,276</u>	<u>\$ 7,981,514</u>
 <u>SCHOOL ACTIVITY ACCOUNTS</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 3,403,529	\$ 13,288,955	\$ 12,934,655	\$ 3,757,829
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 3,403,529</u>	<u>\$ 13,288,955</u>	<u>\$ 12,934,655</u>	<u>\$ 3,757,829</u>
 <u>TOTAL - AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash and Temporary Investments	\$ 16,515,472	\$ 241,392,393	\$ 242,071,701	\$ 15,836,164
Accounts Receivable	400	-	400	-
Due from Commonwealth	-	308,052	-	308,052
Total Assets	<u>\$ 16,515,872</u>	<u>\$ 241,700,445</u>	<u>\$ 242,072,101</u>	<u>\$ 16,144,216</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	<u>\$ 16,515,872</u>	<u>\$ 241,700,445</u>	<u>\$ 242,072,101</u>	<u>\$ 16,144,216</u>
Total Liabilities	<u>\$ 16,515,872</u>	<u>\$ 241,700,445</u>	<u>\$ 242,072,101</u>	<u>\$ 16,144,216</u>



STATISTICAL SECTION

Statistical Section

This part of the City of Virginia Beach comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	241
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	248
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	253
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	257
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	259

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2002. Schedules presenting government-wide information begin in that year. Tables are noted where information was not available.



CITY OF VIRGINIA BEACH, VIRGINIA
NET ASSETS BY COMPONENT
Last Eight Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<u>Governmental Activities</u>								
Invested In Capital Assets,								
Net of Related Debt	\$ 1,685,289,901	\$ 1,728,551,660	\$ 1,812,254,909	\$ 1,870,618,904	\$ 1,951,641,519	\$ 2,052,211,968	\$ 2,135,340,973	\$ 2,325,729,590
Restricted	62,046,827	58,944,520	68,963,315	61,524,387	50,526,035	42,538,035	70,189,359	48,960,721
Unrestricted	79,711,914	99,876,754	102,042,576	95,315,158	114,120,819	73,594,691	87,649,323	63,591,564
Total Governmental								
Activities Net Assets	<u>\$ 1,827,048,642</u>	<u>\$ 1,887,372,934</u>	<u>\$ 1,983,260,800</u>	<u>\$ 2,027,458,449</u>	<u>\$ 2,116,288,373</u>	<u>\$ 2,168,344,694</u>	<u>\$ 2,293,179,655</u>	<u>\$ 2,438,281,875</u>
<u>Business-type Activities</u>								
Invested In Capital Assets,								
Net of Related Debt	\$ 631,177,496	\$ 648,215,266	\$ 653,808,639	\$ 652,587,954	\$ 655,303,756	\$ 658,871,000	\$ 665,969,934	\$ 677,714,227
Restricted	102,655,026	96,941,853	104,999,266	97,751,915	106,104,443	117,241,789	133,124,575	118,523,348
Unrestricted	2,694,778	307,667	359,573	831,059	1,280,507	1,531,804	1,316,241	18,205,841
Total Business-type								
Activities Net Assets	<u>\$ 736,527,300</u>	<u>\$ 745,464,786</u>	<u>\$ 759,167,478</u>	<u>\$ 751,170,928</u>	<u>\$ 762,688,706</u>	<u>\$ 777,644,593</u>	<u>\$ 800,410,750</u>	<u>\$ 814,443,416</u>
<u>Primary Government</u>								
Invested In Capital Assets,								
Net of Related Debt	\$ 2,316,467,397	\$ 2,376,766,926	\$ 2,466,063,548	\$ 2,523,206,858	\$ 2,606,945,275	\$ 2,711,082,968	\$ 2,801,310,907	\$ 3,003,443,817
Restricted	164,701,853	155,886,373	173,962,581	159,276,302	156,630,478	159,779,824	203,313,934	167,484,069
Unrestricted	82,406,692	100,184,421	102,402,149	96,146,217	115,401,326	75,126,495	88,965,564	81,797,405
Total Primary Government								
Net Assets	<u>\$ 2,563,575,942</u>	<u>\$ 2,632,837,720</u>	<u>\$ 2,742,428,278</u>	<u>\$ 2,778,629,377</u>	<u>\$ 2,878,977,079</u>	<u>\$ 2,945,989,287</u>	<u>\$ 3,093,590,405</u>	<u>\$ 3,252,725,291</u>

Source: City Department of Finance

Note: GASB 34 was implemented by the City of Virginia Beach in FY 2002. Data for this schedule prior to FY 2002 is not available.

CITY OF VIRGINIA BEACH, VIRGINIA
CHANGES IN NET ASSETS
Last Eight Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental Activities:								
Legislative	\$ 984,638	\$ 1,012,510	\$ 981,325	\$ 1,068,789	\$ 1,148,231	\$ 1,210,187	\$ 1,190,152	\$ 1,238,465
Executive	2,054,510	2,064,752	2,113,543	2,357,456	2,333,573	3,633,899	3,595,144	3,453,309
Law	2,979,220	3,047,980	3,072,955	3,254,158	3,682,586	3,587,873	3,708,452	3,676,002
Finance	15,061,710	15,251,872	15,269,331	16,059,407	16,595,809	16,216,901	16,661,856	16,701,143
Human Resources	5,115,421	5,353,319	5,419,976	6,172,047	7,194,174	7,839,373	13,400,793	12,892,046
Judicial	33,389,794	37,296,673	44,811,106	39,564,502	44,249,522	48,721,693	49,472,871	51,554,786
Health	2,565,034	2,578,949	2,807,217	2,855,928	2,935,714	3,123,044	3,220,239	3,074,767
Police	61,922,164	64,523,717	68,335,750	73,577,299	77,546,607	84,975,027	88,937,127	89,576,973
Human Services	37,926,047	39,011,111	38,939,054	87,080,754	92,858,627	98,924,690	108,144,955	115,570,958
Public Works	87,856,372	93,550,640	97,304,705	134,770,994	117,466,722	139,806,780	125,719,748	135,253,381
Parks and Recreation	22,495,167	23,236,623	23,587,739	43,768,959	42,723,800	43,896,040	44,780,014	44,262,172
Library	12,362,192	12,915,983	14,257,803	16,346,257	16,986,896	15,873,880	15,845,140	15,698,203
Planning	8,329,336	8,432,938	9,036,272	9,751,358	9,910,293	9,849,490	10,286,282	10,298,643
Agriculture	994,038	1,092,462	1,104,806	1,063,296	1,079,789	1,055,102	937,265	1,049,910
Economic Development	2,897,373	4,572,788	3,052,588	1,847,524	1,919,560	2,522,273	2,168,890	2,669,821
Convention and Visitor Development	14,122,848	15,327,892	16,703,585	41,784,374	25,478,450	23,659,756	30,236,487	28,340,921
Communication and Information Technology	3,479,318	5,528,594	5,688,567	6,166,747	6,328,211	21,791,364	19,895,881	31,951,307
General Services	24,833,263	26,142,318	27,638,640	-	-	-	-	-
Boards and Commissions	8,424,295	11,259,637	10,698,105	12,526,023	14,596,241	19,192,200	31,611,562	28,300,724
Fire	29,191,613	31,254,897	34,985,948	37,980,843	38,446,066	42,765,415	43,731,113	44,862,957
Management Services	1,293,550	1,422,152	1,437,220	3,092,356	3,234,762	3,542,392	3,704,939	3,610,377
Mental Health and Retardation	27,237,445	29,744,703	31,691,000	-	-	-	-	-
Education	243,307,988	269,339,046	284,577,178	311,448,492	319,810,179	357,791,746	363,554,215	370,277,459
Housing and Neighborhood Preservation	14,620,789	16,494,330	18,661,652	19,566,425	17,870,757	21,500,671	22,857,744	22,855,827
Museums	6,848,681	7,204,334	7,431,946	7,492,376	7,844,418	8,842,411	7,854,366	8,158,217
Emergency Medical Services	3,994,572	3,052,395	3,536,700	6,077,137	6,841,877	7,392,858	7,251,081	7,346,945
General Government	40,601,695	11,633,492	45,235,256	54,789,640	25,652,192	51,462,207	22,967,787	16,831,294
Interest on Long-term Debt	29,382,707	29,674,169	36,881,222	39,969,923	42,544,140	42,652,225	46,906,778	48,918,428
Total Governmental Activities Expenses	\$ 744,271,780	\$ 772,020,276	\$ 855,261,189	\$ 980,433,064	\$ 947,279,196	\$ 1,081,829,497	\$ 1,088,640,881	\$ 1,118,425,035
Business-Type Activities:								
Water and Sewer	\$ 75,639,898	\$ 80,769,987	\$ 80,538,848	\$ 84,634,492	\$ 90,434,001	\$ 90,745,302	\$ 94,410,608	\$ 95,332,140
Storm Water	11,797,257	12,538,982	15,631,258	13,257,532	15,191,577	14,420,597	14,231,356	13,027,354
Resort Parking	1,719,121	1,976,293	1,989,947	1,742,820	1,388,167	1,636,979	1,675,539	1,430,534
Golf Courses	2,289,061	2,265,138	2,319,660	-	-	-	-	-
Total Business-type Activities Expenses	\$ 91,445,337	\$ 97,550,400	\$ 100,479,713	\$ 99,634,844	\$ 107,013,745	\$ 106,802,878	\$ 110,317,503	\$ 109,790,028
Total Primary Government Expenses	\$ 835,717,117	\$ 869,570,676	\$ 955,740,902	\$ 1,080,067,908	\$ 1,054,292,941	\$ 1,188,632,375	\$ 1,198,958,384	\$ 1,228,215,063
Program Revenues								
Governmental Activities:								
Charges for services:								
Judicial	\$ 10,398,784	\$ 2,531,659	\$ 3,145,182	\$ 3,217,122	\$ 3,307,011	\$ 3,981,479	\$ 4,025,927	\$ 3,946,053
Police	1,837,292	1,019,763	1,187,622	1,444,457	1,162,299	1,029,473	1,425,005	1,567,617
Human Services	2,127,602	1,990,526	2,326,495	3,315,732	2,417,055	3,318,504	3,383,220	4,723,828
Public Works	1,927,828	1,299,951	2,015,889	1,902,690	2,926,714	3,562,368	1,810,874	3,469,383
Parks and Recreation	9,021,571	9,214,908	8,836,600	12,266,970	12,737,487	14,466,702	14,586,938	14,620,812
Library	467,786	519,766	555,447	589,842	553,406	648,003	672,183	679,091
Planning	4,380,942	4,772,200	5,546,695	5,503,737	6,378,599	5,936,100	5,307,304	4,026,124
Agriculture	93,966	97,109	103,263	88,697	123,007	162,355	145,130	145,454
Economic Development	77,999	-	-	-	-	-	691,207	-
Convention and Visitor Development	1,147,649	1,308,461	1,404,295	1,284,839	2,066,935	3,444,555	3,012,735	3,506,706
Fire	59,613	80,890	228,971	181,804	184,929	271,360	202,543	354,061
Housing and Neighborhood Preservation	294,427	121,332	133,944	259,014	207,385	478,923	183,588	174,560

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Program Revenues (continued)								
Governmental Activities: (continued)								
Charges for services: (continued)								
Museums	\$ 4,887,288	\$ 5,745,407	\$ 5,479,477	\$ 5,522,133	\$ 5,952,650	\$ 6,371,707	\$ 5,547,623	\$ 5,493,504
General Services	1,441,019	328,398	314,167	-	-	-	-	-
General Government	6,235,767	7,747,088	8,701,176	8,725,746	9,416,710	10,177,882	10,412,161	9,756,013
Other Activities	363,082	442,024	379,107	389,396	381,996	352,329	975,039	524,362
Operating grants and contributions	97,989,212	130,029,607	155,268,182	151,298,914	157,781,650	169,205,494	189,987,751	202,479,091
Capital grants and contributions	125,453,720	18,814,831	64,634,349	63,449,638	26,653,064	39,329,430	49,331,573	88,794,495
Total Governmental Activities Program Revenues	\$ 268,205,547	\$ 186,063,920	\$ 260,260,861	\$ 259,440,731	\$ 232,250,897	\$ 262,736,664	\$ 291,700,801	\$ 344,261,154
Business-type Activities:								
Charges for services:								
Water and Sewer	\$ 81,657,507	\$ 80,719,115	\$ 89,029,816	\$ 82,148,096	\$ 89,378,218	\$ 93,104,033	\$ 97,364,528	\$ 95,308,313
Storm Water	10,470,610	11,590,672	12,629,702	13,812,037	12,351,619	14,537,968	15,728,693	17,559,488
Parking	1,905,859	2,174,164	2,362,984	2,453,757	2,624,955	2,259,617	2,319,168	2,390,391
Golf Courses	2,221,207	1,959,712	2,216,771	-	-	-	-	-
Operating grants and contributions	7,329,099	4,536,019	4,747,358	4,971,618	5,182,290	5,405,170	5,602,177	5,216,559
Capital grants and contributions	28,670,371	4,842,986	2,101,653	3,336,142	6,103,382	1,257,077	6,491,686	2,442,568
Total Business-type Activities Program Revenues	\$ 132,254,653	\$ 105,822,668	\$ 113,088,284	\$ 106,721,650	\$ 115,640,464	\$ 116,563,865	\$ 127,506,252	\$ 122,917,319
Total Primary Government Program Revenues	\$ 400,460,200	\$ 291,886,588	\$ 373,349,145	\$ 366,162,381	\$ 347,891,361	\$ 379,300,529	\$ 419,207,053	\$ 467,178,473
Net (Expenses) Revenues								
Governmental Activities	\$ (476,066,233)	\$ (585,956,356)	\$ (595,000,328)	\$ (720,992,333)	\$ (715,028,299)	\$ (819,092,833)	\$ (796,940,080)	\$ (774,163,881)
Business-type Activities	40,809,316	8,272,268	12,608,571	7,086,806	8,626,719	9,760,987	17,188,749	13,127,291
Total Primary Government Net Expenses	\$ (435,256,917)	\$ (577,684,088)	\$ (582,391,757)	\$ (713,905,527)	\$ (706,401,580)	\$ (809,331,846)	\$ (779,751,331)	\$ (761,036,590)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes:								
General Property Taxes -								
Real Estate & Personal Property	\$ 384,601,184	\$ 374,793,839	\$ 406,780,757	\$ 436,458,576	\$ 465,863,881	\$ 528,091,785	\$ 576,420,840	\$ 589,973,045
Sales	41,487,812	41,769,580	47,153,039	49,623,269	51,544,664	54,125,457	54,121,980	51,007,274
Utility	36,137,909	37,751,838	39,842,996	40,227,571	40,876,918	39,229,570	42,071,272	47,340,874
Business Licenses	28,693,305	29,214,895	34,173,969	36,444,397	40,841,567	40,117,510	41,834,619	40,919,033
Meal	31,769,848	33,988,710	38,143,540	41,792,636	44,088,252	48,162,200	48,069,618	48,138,128
Lodging	14,364,477	18,050,830	19,560,691	19,687,529	21,598,763	23,364,668	23,623,107	22,734,965
Amusement	3,784,834	4,033,833	4,228,092	4,595,065	4,648,949	4,881,693	5,020,312	5,427,458
City Tax on Deeds and Wills	4,104,627	4,861,218	6,989,136	10,828,120	12,396,672	10,660,889	8,892,283	6,569,411
Cigarette	8,370,693	9,775,806	12,243,891	11,747,980	11,024,720	11,040,079	11,503,774	13,062,433
Automobile Licenses	7,727,033	7,539,075	9,129,316	8,845,748	8,935,321	8,815,226	8,945,576	8,985,629
Emergency 911 Telephone	6,113,897	5,648,093	6,406,420	6,403,011	7,414,387	6,351,737	7,281,412	5,970
Other Taxes	7,477,474	6,363,556	6,555,413	6,323,789	7,124,271	6,759,400	9,074,242	8,875,610
Grants and contributions not restricted	24,200	48,993,582	46,744,198	56,977,798	62,678,516	53,506,370	53,413,358	53,413,096
Investment Earnings	5,205,963	4,827,610	3,968,766	5,049,118	14,718,334	15,401,732	16,206,742	7,727,438
Miscellaneous	5,671,132	9,880,060	6,521,421	13,353,979	10,103,008	15,799,971	15,295,906	13,178,417
Special Items	-	8,788,123	2,446,549	-	-	-	-	-
Total Governmental Activities	\$ 585,534,388	\$ 646,280,648	\$ 690,888,194	\$ 748,358,586	\$ 803,858,223	\$ 866,308,287	\$ 921,775,041	\$ 917,358,781
Business-type Activities:								
Investment Earnings	\$ 26,537	\$ 1,858,783	\$ 1,388,430	\$ 1,899,612	\$ 3,701,118	\$ 5,599,105	\$ 6,003,643	\$ 2,820,444
Miscellaneous	765,743	(1,193,565)	(294,309)	(151,572)	(810,059)	(404,205)	(426,235)	(1,915,069)
Total Business-type Activities	\$ 792,280	\$ 665,218	\$ 1,094,121	\$ 1,748,040	\$ 2,891,059	\$ 5,194,900	\$ 5,577,408	\$ 905,375
Total Primary Government	\$ 586,326,668	\$ 646,945,866	\$ 691,982,315	\$ 750,106,626	\$ 806,749,282	\$ 871,503,187	\$ 927,352,449	\$ 918,264,156
Change in Net Assets								
Governmental Activities	\$ 109,468,155	\$ 60,324,292	\$ 95,887,866	\$ 27,366,253	\$ 88,829,924	\$ 47,215,454	\$ 124,834,961	\$ 143,194,900
Business-type Activities	41,601,596	8,937,486	13,702,692	8,834,846	11,517,778	14,955,887	22,766,157	14,032,666
Total Primary Government	\$ 151,069,751	\$ 69,261,778	\$ 109,590,558	\$ 36,201,099	\$ 100,347,702	\$ 62,171,341	\$ 147,601,118	\$ 157,227,566

Source: City Department of Finance

Note: GASB 34 was implemented by the City of Virginia Beach in FY 2002. Data for this schedule prior to FY 2002 is not available.

**CITY OF VIRGINIA BEACH, VIRGINIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Eight Fiscal Years
(Unaudited)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 8,960,919	\$ 8,688,878	\$ 8,219,429	\$ 7,052,123	\$ 6,615,475	\$ 6,466,689	\$ 10,977,275	\$ 11,202,854
Unreserved, Designated for, reported in:								
Encumbrances	2,823,698	3,697,762	3,280,063	3,279,481	5,832,895	6,525,570	4,826,489	5,617,694
School Capital Projects & Other	21,149,154	14,817,264	20,026,602	17,225,004	17,203,669	14,690,129	33,065,747	8,822,489
Future Programs	9,002,297	9,884,460	7,916,811	10,456,269	9,734,213	19,867,675	10,226,371	10,245,662
Capital Projects	3,184,578	2,386,742	8,243,900	4,829,031	9,875,976	25,393,638	13,884,232	35,055,222
Unreserved, Undesignated	59,459,248	63,035,338	72,999,485	96,559,674	123,383,644	103,559,334	120,084,927	92,737,202
Total General Fund	<u>\$ 104,579,894</u>	<u>\$ 102,510,444</u>	<u>\$ 120,686,290</u>	<u>\$ 139,401,582</u>	<u>\$ 172,645,872</u>	<u>\$ 176,503,035</u>	<u>\$ 193,065,041</u>	<u>\$ 163,681,123</u>
All Other Governmental Funds								
Reserved for:								
Capital Project Funds	\$ 46,846,123	\$ 25,192,321	\$ 21,951,858	\$ 112,683,267	\$ 103,640,549	\$ 95,114,150	\$ 79,040,684	\$ 90,851,335
Special Revenue Funds	1,628,724	1,536,245	2,417,666	2,264,921	3,380,918	1,825,909	2,270,513	5,468,336
Unreserved, Designated for, reported in:								
Special Revenue Funds	12,170,985	14,413,507	20,811,494	26,840,025	22,445,367	20,936,359	27,289,949	19,559,139
Debt Service Fund	29,756,492	31,839,365	29,118,824	18,474,698	11,557,911	13,993,113	19,006,999	21,216,930
Capital Projects Fund	-	-	105,738,728	-	-	-	-	-
Unreserved, Undesignated, reported in:								
Special Revenue Funds	35,242,342	46,968,546	65,327,290	73,294,814	65,864,155	73,859,499	75,107,433	74,114,538
Capital Projects Fund	-	-	-	-	-	80,549,409	87,513,646	125,587,633
Total All Other Governmental Funds	<u>\$ 125,644,666</u>	<u>\$ 119,949,984</u>	<u>\$ 245,365,860</u>	<u>\$ 233,557,725</u>	<u>\$ 206,888,900</u>	<u>\$ 286,278,439</u>	<u>\$ 290,229,224</u>	<u>\$ 336,797,911</u>

Source: City Department of Finance

Note: GASB 34 was implemented by the City of Virginia Beach in FY 2002. Data for this schedule prior to FY 2002 is not available.



CITY OF VIRGINIA BEACH, VIRGINIA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Eight Fiscal Years
(Unaudited)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES								
Real Estate Taxes	\$ 293,591,326	\$ 319,706,919	\$ 347,845,767	\$ 383,332,354	\$ 397,942,907	\$ 462,811,968	\$ 499,776,925	\$ 515,768,880
Personal Property Taxes	96,878,086	96,737,104	106,240,955	113,324,693	128,971,440	123,507,637	127,939,149	123,593,895
Total General Property Taxes	390,469,412	416,444,023	454,086,722	496,657,047	526,914,347	586,319,605	627,716,074	639,362,775
Other Local Taxes								
General Sales	40,619,190	41,782,279	46,328,049	49,315,425	51,391,606	53,962,203	54,071,427	51,439,533
Utility	36,137,909	37,751,838	39,842,996	40,702,879	40,876,918	39,741,626	42,071,272	45,764,804
Utility Taxes-E911	5,617,931	5,655,344	5,935,367	6,403,011	6,901,160	3,337,179	52,326	-
Business Licenses	28,693,305	29,214,895	34,173,969	36,444,397	40,611,370	39,931,411	41,801,475	41,047,807
Franchise Taxes-Cox Communications	4,410,861	4,407,527	4,526,609	4,644,304	4,863,393	5,178,485	5,487,236	5,891,384
VA Communications Tax	-	-	-	-	-	3,014,558	7,230,257	-
PEG-Capital Fees	-	-	-	-	-	264,591	306,406	-
Automobile Licenses	7,727,033	7,539,075	9,129,316	8,845,748	8,935,321	8,815,226	8,945,576	8,962,613
Bank Stock	2,427,798	1,575,352	1,554,429	1,427,672	1,623,110	1,520,710	2,261,296	2,071,296
City Tax on Deeds	4,035,112	4,800,099	6,870,092	10,663,918	12,339,628	10,501,703	8,803,558	6,492,325
City Tax on Wills	69,515	61,119	119,044	78,938	57,044	159,186	88,725	77,086
Cigarette	8,370,693	9,775,806	12,243,891	11,747,980	11,024,720	11,040,079	11,503,774	11,786,853
Amusement	3,784,834	4,033,833	4,228,092	4,595,065	4,648,949	4,881,693	5,020,312	5,422,767
Hotel Taxes	13,743,842	17,669,887	19,103,583	19,175,967	20,982,033	22,616,459	23,623,107	22,955,423
Restaurant Meals	31,887,442	34,377,007	38,144,787	41,565,553	45,025,727	46,743,465	48,069,618	48,304,462
Transient Occupancy Taxes	620,635	380,943	457,108	511,562	616,730	748,209	861,559	920,264
Total Other Taxes	188,146,100	199,025,004	222,657,332	236,122,419	249,897,709	252,456,783	260,197,924	251,136,617
Fines and Forfeitures	4,544,400	3,993,054	4,705,366	5,108,116	5,126,218	5,712,654	6,155,497	5,772,731
Permits, Privilege, and Regulatory License	4,074,179	4,251,659	5,226,392	5,050,051	5,834,259	5,400,602	5,008,807	4,158,778
From Use of Money and Property	7,254,530	7,301,739	6,263,924	15,139,965	19,854,097	23,604,498	23,872,972	13,223,279
Charges for Services	22,695,165	23,636,412	25,390,069	27,841,547	29,650,776	37,847,747	35,704,240	35,136,062
Miscellaneous	7,024,621	9,171,224	7,632,596	9,600,932	10,932,347	13,815,781	11,207,659	15,871,120
Sale of Property	-	9,072,113	2,446,549	-	-	159,500	-	-
From Other Local Governments	440,059	344,608	338,044	691,082	1,002,094	482,343	2,922,656	440,526
From Commonwealth	94,201,233	90,476,616	98,222,480	127,646,619	107,708,516	123,386,258	133,829,900	137,486,037
From Federal Government	36,641,102	40,140,245	61,437,864	55,306,915	54,056,213	67,866,759	62,879,529	72,236,638
Total Revenues	\$ 755,490,801	\$ 803,856,697	\$ 888,407,338	\$ 979,164,693	\$ 1,010,976,576	\$ 1,117,052,530	\$ 1,169,495,258	\$ 1,174,824,563
EXPENDITURES								
Legislative	\$ 988,674	\$ 1,002,617	\$ 969,139	\$ 1,071,326	\$ 1,139,038	\$ 1,200,362	\$ 1,184,474	\$ 1,229,876
Executive	2,041,220	2,085,428	2,080,615	2,348,873	2,326,096	3,577,193	3,626,970	3,416,589
Law	2,872,720	3,039,608	3,081,811	3,250,441	3,668,542	3,561,072	3,718,122	3,645,426
Finance	14,863,706	15,260,977	15,301,485	16,055,188	16,604,300	16,312,033	16,554,091	16,554,774
Human Resources	5,033,197	5,296,544	5,345,747	6,181,109	7,188,192	7,821,314	13,417,794	12,899,532
Judicial	32,906,554	33,183,276	36,462,225	38,834,721	43,178,030	47,995,556	49,170,602	50,058,319
Health	2,569,211	2,577,238	2,822,446	2,849,083	2,933,999	3,116,338	3,232,255	3,071,005
Police	63,324,239	64,193,421	68,612,314	73,583,189	75,741,221	81,333,569	88,122,541	86,039,838
Human Services	64,785,640	68,600,227	70,321,357	87,033,955	92,454,033	98,480,042	108,245,640	114,982,315

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	
EXPENDITURES (continued)									
Public Works	\$ 55,673,399	\$ 56,823,767	\$ 59,257,259	\$ 74,141,032	\$ 76,533,960	\$ 80,067,766	\$ 81,007,280	\$ 90,598,946	
Parks and Recreation	20,698,083	21,494,838	21,841,790	37,441,179	38,857,569	40,682,352	42,119,693	42,360,029	
Library	12,058,148	12,688,503	14,002,101	16,348,866	17,084,795	15,920,138	16,059,880	15,652,089	
Planning	8,234,063	8,331,725	8,886,525	9,710,312	9,843,203	9,770,085	10,331,341	10,162,875	
Agriculture	979,661	1,049,851	1,078,859	1,066,336	1,049,519	1,056,038	930,862	1,052,844	
Economic Development	1,658,092	2,070,931	1,798,044	1,840,570	1,900,804	2,530,958	2,145,140	2,656,922	
Convention and Visitor Development	14,007,712	15,594,473	17,015,252	20,483,117	23,659,037	23,607,692	25,441,881	25,300,454	
Communications and Information Technology	2,117,381	2,306,533	2,539,128	2,992,256	2,966,769	18,507,578	19,118,141	29,111,294	
General Services	24,644,344	25,325,418	27,362,418	-	-	-	-	-	
Boards and Commissions	8,389,086	11,217,932	10,707,122	12,557,380	18,685,239	22,375,925	31,381,050	30,920,448	
Fire	30,522,542	30,759,777	33,843,537	37,237,309	38,303,099	41,760,077	43,471,843	43,181,025	
Management Services	1,282,788	1,401,867	1,412,190	3,059,944	3,363,527	3,493,535	3,676,965	3,579,581	
Education	236,238,913	262,009,555	277,310,403	334,162,882	320,964,984	354,158,779	345,208,610	387,081,807	
Housing and Neighborhood Preservation	14,744,668	16,714,245	18,804,395	19,592,928	18,110,672	21,759,797	23,140,526	23,025,859	
Museums	6,109,509	6,482,527	6,729,933	7,470,421	7,817,722	8,797,003	7,829,887	8,158,942	
General Government	6,260,857	6,950,658	28,022,006	10,025,942	11,346,910	10,605,800	11,114,894	7,483,531	
Emergency Medical Service	3,954,671	3,037,690	3,448,849	5,968,527	6,769,991	7,135,542	7,265,956	7,155,505	
Capital Outlay	82,591,447	107,142,932	144,566,419	124,646,815	145,902,457	163,139,877	175,645,583	107,225,640	
Debt Service:									
Principal Retirement	48,178,383	51,192,365	53,414,591	57,714,598	61,003,591	62,581,830	65,114,538	72,662,009	
Interest and Fiscal Charges	29,148,442	30,835,882	37,084,954	39,467,989	41,703,346	43,477,348	45,750,215	48,401,666	
Total Expenditures	\$ 796,877,350	\$ 868,670,805	\$ 974,122,914	\$ 1,047,136,288	\$ 1,091,100,645	\$ 1,194,825,599	\$ 1,244,026,774	\$ 1,247,669,140	
Excess (Deficiency) of Revenues over Expenditures	\$ (41,386,549)	\$ (64,814,108)	\$ (85,715,576)	\$ (67,971,595)	\$ (80,124,069)	\$ (77,773,069)	\$ (74,531,516)	\$ (72,844,577)	
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 181,885,691	\$ 192,882,034	\$ 209,520,906	\$ 225,275,016	\$ 267,684,774	\$ 278,985,024	\$ 278,337,221	\$ 329,930,834	
Transfers Out	(182,685,834)	(190,750,083)	(211,072,889)	(224,910,444)	(265,263,920)	(272,265,926)	(277,520,986)	(324,543,593)	
Issuance of Capital Leases	2,954,429	-	-	-	-	-	-	-	
Issuance of Debt	101,440,139	100,397,694	218,200,000	192,705,000	80,000,000	150,280,000	141,625,000	78,350,705	
Premium on Refunding Bonds	4,379,284	-	-	-	-	-	2,616,503	-	
Premium on Bonds Sold	-	12,156,422	12,659,281	18,841,952	4,278,680	4,020,673	4,065,030	4,384,080	
Discount on Sale of Bonds	-	(112,576)	-	-	-	-	-	-	
Payment to Refunding Bonds Escrow Agent	(30,879,166)	(57,520,515)	-	(137,338,627)	-	-	(54,078,461)	-	
Total Other Financing Sources (Uses)	\$ 77,094,543	\$ 57,052,976	\$ 229,307,298	\$ 74,572,897	\$ 86,699,534	\$ 161,019,771	\$ 95,044,307	\$ 88,122,026	
Net Change in Fund Balance	\$ 35,707,994	\$ (7,761,132)	\$ 143,591,722	\$ 6,601,302	\$ 6,575,465	\$ 83,246,702	\$ 20,512,791	\$ 15,277,449	

Debt Service as a Percentage of Noncapital Expenditures 10.8% 10.8% 10.9% 10.5% 10.9% 10.3% 10.4% 10.6%

Source: City Department of Finance

Note: The implementation of this table begins with Fiscal Year 2002. Information prior to this date would distort comparability as a result of the growth of Special Revenue Funds.

CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Taxes										
Real Estate	\$ 263,916,207	\$ 276,515,023	\$ 293,591,326	\$ 319,261,524	\$ 347,360,112	\$ 382,632,555	\$ 397,431,699	\$ 462,811,968	\$ 499,776,925	\$ 515,768,880
Personal Property	90,545,837	90,791,185	96,878,086	97,182,499	106,726,610	114,024,492	129,482,648	123,507,637	127,939,149	123,593,895
General Sales	38,212,293	39,712,323	40,619,190	41,782,279	46,328,049	49,315,425	51,391,606	53,962,203	54,071,427	51,439,533
Utility	37,643,752	39,746,094	41,755,840	43,407,182	45,778,363	47,105,890	47,778,078	46,357,954	49,660,261	45,764,804
Business Licenses	27,112,961	29,164,132	28,693,305	29,214,895	34,173,969	36,444,397	40,611,370	39,931,411	41,801,475	41,047,807
Franchise Taxes	3,330,952	4,042,811	4,410,861	4,407,527	4,526,609	4,644,304	4,863,393	5,178,485	5,487,236	5,891,384
Automobile Licenses	7,269,775	7,505,645	7,727,033	7,539,075	9,129,316	8,845,748	8,935,321	8,815,226	8,945,576	8,962,613
Bank Stock	1,733,741	2,011,039	2,427,798	1,575,352	1,554,429	1,427,672	1,623,110	1,520,710	2,261,296	2,071,296
City Tax on Deeds	2,997,251	3,149,461	4,035,112	4,800,099	6,870,092	10,663,918	12,339,628	10,501,703	8,803,558	6,492,325
City Tax on Wills	54,863	54,265	69,515	61,119	119,044	78,938	57,044	159,186	88,725	77,086
Cigarette	6,697,871	6,790,959	8,370,693	9,775,806	12,243,891	11,747,980	11,024,720	11,040,079	11,503,774	11,786,853
Amusement	3,702,447	3,676,492	3,784,834	4,033,833	4,228,092	4,595,065	4,648,949	4,881,693	5,020,312	5,422,767
Hotel Taxes	11,275,203	11,794,127	13,743,842	17,669,887	19,103,583	19,175,967	20,982,033	22,616,459	23,623,107	22,955,423
Restaurant Meals	24,436,808	25,320,531	31,887,442	34,377,007	38,144,787	41,565,553	45,025,727	46,743,465	48,069,618	48,304,462
Transient Occupancy	413,765	527,309	620,635	380,943	457,108	511,562	616,730	748,209	861,559	920,264
Total	\$ 519,343,726	\$ 540,801,396	\$ 578,615,512	\$ 615,469,027	\$ 676,744,054	\$ 732,779,466	\$ 776,812,056	\$ 838,776,388	\$ 887,913,998	\$ 890,499,392

Source: City Department of Finance

Note: Franchise Taxes are represented by Cox Communications

CITY OF VIRGINIA BEACH, VIRGINIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property Assessed Value		Personal Property Assessed Value		Public Service Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Residential	Commercial					
2000	\$ 17,044,575,925	\$ 3,952,830,074	\$ 2,127,985,607	\$ 597,173,343	\$ 677,545,782	\$ 24,400,110,731	\$ 1.4890	\$ 24,400,110,731	100.0%
2001	17,936,485,345	4,148,966,072	2,222,661,066	647,929,937	705,956,994	25,661,999,414	1.4893	25,661,999,414	100.0%
2002	19,059,902,303	4,320,606,845	2,323,789,727	591,700,772	731,786,118	27,027,785,765	1.4748	27,027,785,765	100.0%
2003	21,434,954,497	4,514,290,861	2,367,600,955	636,937,587	753,259,714	29,707,043,614	1.4567	29,707,043,614	100.0%
2004	22,767,618,113	4,746,370,613	2,485,568,403	766,618,714	743,170,991	31,509,346,834	1.4608	31,509,346,834	100.0%
2005	25,956,007,302	5,325,837,162	2,707,998,050	661,169,653	624,562,746	35,275,574,913	1.4169	35,275,574,913	100.0%
2006	32,231,908,260	6,147,104,498	2,935,301,133	775,663,085	530,465,288	42,620,442,264	1.2394	42,620,442,264	100.0%
2007	39,343,218,144	6,778,924,250	2,918,848,554	869,072,522	545,140,581	50,455,204,051	1.1754	50,455,204,051	100.0%
2008	47,862,927,769	7,283,463,230	3,260,237,123	892,229,360	647,905,245	59,946,762,727	1.0691	59,946,762,727	100.0%
2009	48,889,366,712	7,877,386,575	2,807,028,410	905,268,622	807,890,384	61,286,940,703	1.0736	61,286,940,703	100.0%

Sources: Office of Real Estate Assessor
Commissioner of the Revenue
City Adopted Resource Management Plan

Note:
1 The Direct Tax Rate is calculated using a weighted formula that includes the City's current tax rate of \$0.89 for Real Property and \$3.70 for Personal Property

CITY OF VIRGINIA BEACH, VIRGINIA
REVENUE RATES
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property Tax Rate	Additional Real Property Tax Rate Sandbridge SSD	Additional Real Property Tax Rate Town Center SSD	Personal Property Tax Rate	Direct Tax Rate
2000	\$ 1.2200	\$ 0.1200	\$ -	\$ 3.7000	\$ 1.4890
2001	1.2200	0.1200	-	3.7000	1.4893
2002	1.2200	0.1200	0.5700	3.7000	1.4748
2003	1.2200	0.1200	0.5700	3.7000	1.4567
2004	1.2200	0.1200	0.5700	3.7000	1.4608
2005	1.1964	0.1200	0.5700	3.7000	1.4169
2006	1.0239	0.1200	0.5700	3.7000	1.2394
2007	0.9900	0.0600	0.5700	3.7000	1.1754
2008	0.8900	0.0600	0.5000	3.7000	1.0691
2009	0.8900	0.0600	0.4500	3.7000	1.0736

Source: City Adopted Resource Management Plan

Note:

- 1 Assessments under Town Center Special Service District began in Fiscal Year 2002.
- 2 The Real Estate Tax Rate was \$0.89 for the fiscal years 2008 and 2009. The Real Estate Tax Rate for Town Center Special Service District was \$0.50 in fiscal year 2008 and changed in fiscal year 2009 to \$0.45.
- 3 The Direct Tax Rate is calculated using a weighted formula that includes the City's current tax rate of \$0.89 for Real Property and \$3.70 for Personal Property.

**CITY OF VIRGINIA BEACH, VIRGINIA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)**

	2009			2000		
	Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank	Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank
Virginia Electric & Power Company	\$ 403,879,706	0.71 %	1	\$ 319,768,063	1.52 %	1
Armada Hoffer **	342,153,200	0.60	2	-	-	-
Lynnhaven Mall LLC*	307,053,500	0.54	3	200,843,673	0.96	2
Ramon W Breeden, Jr	244,311,638	0.43	4	89,896,808	0.43	5
E. D. & A. F. Ruffin & B. L. Thompson **	232,574,200	0.41	5	-	-	-
Pembroke Square Associates	216,725,700	0.38	6	101,473,635	0.48	4
Verizon Virginia, Inc.	197,735,879	0.35	7	193,238,310	0.92	3
Sandler at Ashville Park LLC **	177,826,960	0.31	8	-	-	-
Atlantic Shores Cooperative, Etc.	177,139,140	0.31	9	62,940,711	0.30	10
Christian Broadcasting Assoc./Net, Inc.	149,112,600	0.26	10	66,659,593	0.32	8
Thomas J. Lyons, Jr.	-	-		81,815,068	0.39	6
Tidewater Oxford Ltd Partnership	-	-		70,849,150	0.34	7
Virginia Natural Gas	-	-		63,322,469	0.30	9
Totals	<u>\$ 2,448,512,523</u>	<u>4.30 %</u>		<u>\$ 1,250,807,480</u>	<u>5.96 %</u>	

Sources: The following sources were used in compiling the above information:
Office of Real Estate Assessor
Commissioner of the Revenue
2000 Comprehensive Annual Financial Report

* Formerly Knickerbocker Properties

** Information not available for Fiscal Year 2000.

CITY OF VIRGINIA BEACH, VIRGINIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 367,377,661	\$ 342,033,400	93.1 %	\$ 18,460,827	\$ 360,494,227	98.1 %
2001	388,489,478	358,291,746	92.2	20,340,949	378,632,695	97.5
2002	420,060,733	396,051,828	94.3	16,855,079	412,906,907	98.3
2003	445,787,734	420,490,211	94.3	17,630,938	438,121,149	98.3
2004	458,846,761	421,236,325	91.8	17,959,958	439,196,283	95.7
2005	505,050,845	468,796,012	92.8	19,855,520	488,651,532	96.8
2006	531,438,288	483,649,302	91.0	13,568,431	497,217,733	93.6
2007	527,465,143	505,518,196	95.8	15,820,521	521,338,717	98.8
2008	562,044,329	537,526,149	95.6	15,943,343	553,469,492	98.5
2009	570,582,069	547,934,162	96.0	-	547,934,162	96.0

Source: City Department of Finance

Note: Collections in subsequent years represents delinquent accounts collected during the course of the fiscal year for all prior fiscal years.

**CITY OF VIRGINIA BEACH, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities								Business Type Activities					Total Primary Government*	Percentage of Personal Income**	Per Capita
	General Obligation Bonds	State Literary Fund Loans	Public Facility Revenue Bonds	Obligations Under Capital Leases	Certificates of Participation	Williams Farm Property	Agriculture Reserve Program	Virginia Beach Development Authority Support Agreements	General Obligation Bonds	Double Barrel and Revenue	Obligations Under Capital Leases					
2000	\$ 509,369,548	\$ 10,878,546	\$ -	\$ 1,373,126	\$ 24,100,000	\$ -	\$ 12,638,005	\$ -	\$ 15,155,515	\$ 75,625,160	\$ -	\$ 649,139,900	4.4%	\$ 1,312		
2001	514,872,967	9,897,046	-	984,961	22,400,000	-	14,804,763	-	13,668,835	109,904,950	-	686,533,522	4.2%	1,310		
2002	536,358,908	16,415,546	-	3,428,408	20,625,000	-	18,449,152	23,855,000	12,182,735	103,046,391	340,000	734,701,140	4.4%	1,428		
2003	539,226,717	15,059,046	-	2,119,178	18,760,000	-	20,463,086	23,855,000	9,881,635	124,648,408	175,000	754,188,070	4.2%	1,418		
2004	555,079,595	13,702,546	153,200,000	1,068,013	16,805,000	4,037,500	21,542,452	35,655,000	5,840,535	120,177,375	-	927,108,016	5.0%	1,814		
2005	503,425,737	12,446,046	227,185,000	279,049	5,155,000	3,612,500	22,342,090	61,705,000	4,399,435	115,499,614	-	956,049,471	5.0%	1,894		
2006	533,993,827	11,189,546	218,450,000	4,711	5,155,000	3,187,500	22,643,426	64,845,000	3,418,336	146,143,893	-	1,009,031,239	4.7%	1,944		
2007	559,423,497	9,933,046	279,715,000	-	5,155,000	2,762,500	24,541,566	89,085,000	2,912,237	140,758,924	-	1,114,286,770	5.2%	2,213		
2008	597,155,459	8,676,546	269,380,000	-	5,155,000	2,337,500	26,807,090	87,450,000	2,406,137	135,598,356	-	1,134,966,088	5.2%	2,262		
2009	621,800,655	7,620,046	257,075,000	-	2,645,000	1,912,500	30,534,384	84,790,000	1,900,038	130,405,780	-	1,138,683,403	5.1%	2,275		

Source: City Department of Finance and Annual Long Term Debt Report

Notes: * Total Primary Government Debt excludes 1998 Social Services Lease Revenue Bond, as it is Virginia Beach Development Authority debt service.

** For calculation of Percentage of Personal Income, the per Capital Personal Income information is per the Bureau of Economic Analysis, except for 2008 and 2009, which are estimated. Debt Per Capita includes all tax supported debt.

CITY OF VIRGINIA BEACH, VIRGINIA
RATIOS OF OUTSTANDING GENERAL BONDED DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	State Literary Fund Loans	Total	Percentage of Estimated Actual Full Value of Property	Overall Net Debt Per Capita
2000	\$ 524,525,063	\$ 10,878,546	\$ 535,403,609	2.2%	\$ 1,312
2001	528,541,802	9,897,046	538,438,848	2.1%	1,310
2002	548,541,643	16,415,546	564,957,189	2.1%	1,428
2003	549,108,352	15,059,046	564,167,398	1.9%	1,418
2004	560,920,130	13,702,546	574,622,676	1.8%	1,814
2005	507,825,172	12,446,046	520,271,218	1.5%	1,894
2006	537,412,163	11,189,546	548,601,709	1.3%	1,944
2007	562,335,734	9,933,046	572,268,780	1.1%	2,213
2008	599,561,596	8,676,546	608,238,142	1.0%	2,262
2009	623,700,693	7,620,046	631,320,739	1.0%	2,275

Sources: The following sources were used in compiling the above information:
City Department of Finance
Annual Long Term Debt Report

**CITY OF VIRGINIA BEACH, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Years
(Unaudited)**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 2,167,495,178	\$ 2,279,140,841	\$ 2,411,229,527	\$ 2,670,250,507	\$ 2,825,715,972	\$ 3,190,640,721	\$ 3,860,707,700	\$ 4,630,515,462	\$ 5,579,429,624	\$ 5,757,464,367
Total Net Debt Applicable to limit	535,403,609	553,243,611	583,406,341	584,630,486	596,165,128	542,613,308	571,245,135	596,810,346	635,045,232	661,855,123
Legal Debt Margin	<u>\$ 1,632,091,569</u>	<u>\$ 1,725,897,230</u>	<u>\$ 1,827,823,186</u>	<u>\$ 2,085,620,021</u>	<u>\$ 2,229,550,844</u>	<u>\$ 2,648,027,413</u>	<u>\$ 3,289,462,565</u>	<u>\$ 4,033,705,116</u>	<u>\$ 4,944,384,392</u>	<u>\$ 5,095,609,244</u>
Total Net Debt applicable to the limit as a percentage of debt limit	24.70%	24.27%	24.20%	21.89%	21.10%	17.01%	14.80%	12.89%	11.38%	11.50%

<u>Legal Debt Margin Calculation For Fiscal Year 2009</u>	
Assessed Value of Real Property (Taxable):	
Regular	\$ 56,766,753,287
Public Service	807,890,384
Total Assessed Value of Real Property	<u>\$ 57,574,643,671</u>
Debt limit (10% of Total Assessed Value)	\$ 5,757,464,367
Debt applicable to limit:	
Total Net Debt Applicable to limit	661,855,123
Legal Debt Margin	<u>\$ 5,095,609,244</u>

Source: The following sources were used in compiling the above information:
City Department of Finance
Annual Long Term Debt Report

Note: Under state law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. However, the City has established financial affordability indicators in addition to keeping debt per capita at \$2,400 or less. The affordability indicators are as follows:

- The total annual debt service for general government supported debt will not exceed 10% of general government expenditures (excluding interfund transfers).
- The City's overall net debt will not exceed 3.5% of the estimated full value of taxable real property.
- The City's overall net debt per capita will not exceed \$2,400.
- The City's overall net debt per capita shall not exceed 6.5% of per capita personal income.

CITY OF VIRGINIA BEACH, VIRGINIA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Water and Sewer Double Barrel and Revenue Bonds									
Fiscal Year	Water and Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage		
				Principal	Interest (1)	Total			
2000	\$ 84,600,568	\$ 54,538,243	\$ 30,062,325	\$ 8,187,017	\$ 4,195,998	\$ 12,383,015	2.43		
2001	81,827,081	56,886,082	24,940,999	6,595,211	4,973,740	11,568,951	2.16		
2002	84,902,347	58,787,862	26,114,485	7,638,559	5,622,432	13,260,991	1.97		
2003	82,465,995	60,660,147	21,805,848	7,972,983	5,716,644	13,689,627	1.59		
2004	90,508,637	59,814,993	30,693,644	7,776,033	5,926,331	13,702,364	2.24		
2005	83,586,588	62,957,398	20,629,190	5,372,761	5,617,775	10,990,536	1.88		
2006	92,976,270	66,636,149	26,340,121	2,675,721	5,816,897	8,492,618	3.10		
2007	99,337,488	67,722,280	31,615,208	6,719,969	4,609,355	11,329,324	2.79		
2008	102,003,685	70,253,344	31,750,341	4,880,568	5,941,524	10,822,092	2.93		
2009	97,503,949	70,074,154	27,429,795	4,897,576	5,757,570	10,655,146	2.57		

(1) Includes Bank Charges

Source: City Department of Finance

Note: Water and Sewer Revenue Bonds are obligations of the City, payable solely from pledged revenues of the System (Water and Sewer Fund), subject to the prior application thereof to the payment of Operating Expenses. The City will fix, charge, collect and revise its fees, rates and other charges for the use of and for the services furnished by the system so as to produce revenues sufficient to meet its cash requirements each fiscal year.

Coverage: The Master Water and Sewer Revenue Bond Resolution, Section 601, states that the City shall fix charge and collect such rates, fees and other charges for the use of and for the services furnished by the system, and shall, from time to time and as often as shall appear necessary, revise such rates, fees and other charges so as to meet two independent requirements.

CITY OF VIRGINIA BEACH, VIRGINIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Number of City Employees	Education Level In Years of Formal Schooling	School Enrollment	Unemployment Rate
2000	425,257	\$ 12,841,606	\$ 30,109	32.0	5,774	14.1	76,773	2.2%
2001	426,800	13,330,833	31,170	32.3	5,927	13.7	76,065	3.0%
2002	426,900	13,934,242	32,347	32.7	6,137	13.7	75,518	3.5%
2003	428,200	14,839,877	34,021	33.8	6,228	12.7	75,436	3.7%
2004	434,000	15,828,870	36,045	34.2	6,378	13.3	75,151	3.4%
2005	433,470	16,729,819	38,232	34.4	6,580	13.6	74,091	3.3%
2006	431,820	17,947,386	40,984	34.7	6,831	13.5	72,953	2.9%
2007	430,349	18,627,138	42,821	35.0	6,898	13.8	71,452	2.7%
2008	431,451 *	19,559,894 *	45,080 *	36.0	7,131	13.6	70,473	3.7%
2009	431,451 *	20,492,650 *	47,338 *	36.6	7,700	14.0	69,335	6.4%

Sources: City Department of Finance
Bureau of Economic Analysis
Virginia Employment Commission

Note: * Projected figures from City Department of Finance.

CITY OF VIRGINIA BEACH, VIRGINIA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

	Approximate Number of Employees	Percent of Total City Employment	Rank	Approximate Number of Employees	Percent of Total City Employment	Rank
	2009			2000		
City of Virginia Beach / Schools	18,455	8.51 %	1	16,018	8.00 %	1
Lynnhaven Mall	2,600	1.20	2	3,000	1.50	2
Stihl, Inc.	2,016	0.93	3	800	0.40	10
GEICO Direct	2,000	0.92	4	1,000	0.50	8
Navy Exchange Service Command *	2,000	0.92	5	-	-	-
Michael Baker Jr., Inc. *	1,700	0.78	6	-	-	-
VT Milcom *	1,653	0.76	7	-	-	-
Amerigroup Corp. *	1,400	0.65	8	-	-	-
Hall Auto Group *	1,300	0.60	9	-	-	-
Cox Communications *	1,200	0.55	10	-	-	-
Pembroke Mall	-	-	-	2,300	1.15	3
Christian Broadcasting Network, Inc.	-	-	-	1,932	0.97	4
Tidewater Health Care	-	-	-	1,800	0.90	5
Lillian Vernon Corp.	-	-	-	1,500	0.75	6
Sentara Bayside Hospital	-	-	-	1,200	0.60	7
Avis Rent a Car System, Inc.	-	-	-	1,000	0.50	9
Totals	<u>34,324</u>	<u>15.82 %</u>		<u>30,550</u>	<u>15.27 %</u>	

Source: City Department of Economic Development. Data reported for FY 2009 is based on December 2008 update.

* Information not available for Fiscal Year 2000.

CITY OF VIRGINIA BEACH, VIRGINIA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Department	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Agriculture	16	16	15	15	15	15	15	15	15	14
City Auditor	-	6	6	6	6	6	6	6	6	6
City Manager	10	18	18	18	30	30	32	32	33	30
City Real Estate Assessor	33	33	34	35	35	35	35	35	35	38
City Treasurer	77	78	78	78	80	80	79	77	77	77
Commissioner of the Revenue	75	71	69	69	62	62	63	64	63	64
Commonwealth's Attorney	72	73	75	75	82	82	83	83	92	93
Communications and Information Technology	216	248	264	279	276	276	309	309	310	314
Community Corrections	6	7	9	9	9	-	-	-	-	-
Comprehensive Services Act	1	1	1	1	1	-	-	-	-	-
Convention and Visitor Bureau	71	72	74	81	114	114	122	136	137	135
Courts and Courts' Support	17	17	19	20	19	19	76	76	76	76
Economic Development	14	14	15	15	15	15	16	16	17	17
Emergency Medical Services	16	17	17	19	53	53	57	57	57	57
Finance	61	60	62	62	60	60	63	64	63	57
Fire	388	401	433	440	453	453	470	473	470	470
General Register	13	16	16	16	12	12	12	12	12	12
General Services	479	485	495	497	499	-	-	-	-	-
Health	5	10	10	10	11	11	11	11	11	11
Housing and Neighborhood Preservation	60	60	63	67	69	69	69	69	69	69
Human Resources	44	47	47	48	51	51	56	57	58	54
Human Services	330	333	339	342	913	913	990	1,014	1,076	1,085
Law	41	42	44	44	42	42	43	43	43	43
Legislative	18	18	18	18	18	18	18	18	18	18
Library	202	205	228	228	262	262	265	265	265	263
MH/MR/SA	404	448	457	475	471	-	-	-	-	-
Management Services	-	16	19	19	21	21	21	22	22	21
Museums and Cultural Arts	71	71	133	133	133	133	143	141	152	152
Non-Departmental	-	-	-	-	-	-	2	5	5	3
Parks and Recreation	608	606	603	607	859	859	864	869	873	875
Planning and Community Development	123	124	130	127	129	129	128	128	127	125
Police	944	959	966	967	1,008	1,008	1,008	1,016	1,015	1,007
Public Utilities	376	380	382	389	393	393	396	400	400	402
Public Works	584	582	594	604	852	852	878	874	873	877
Sheriff and Corrections	375	393	405	415	507	507	502	512	523	524
Total City Positions	5,750	5,927	6,138	6,228	7,560	6,580	6,832	6,899	6,993	6,989
Total School Positions	9,021	10,154	10,176	10,390	10,534	10,515	10,548	10,635	10,542	10,519
TOTAL POSITIONS	14,771	16,081	16,314	16,618	18,094	17,095	17,380	17,534	17,535	17,508

Sources: Adopted Biennial Resource Management Plan FY 2008-09 and 2009-10

CITY OF VIRGINIA BEACH, VIRGINIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

FUNCTION	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Number of physical arrests	25,799	27,430	27,333	27,461	25,257	26,597	24,504	25,326	26,802	26,632
Number of calls answered	318,057	293,380	308,427	329,206	351,315	319,166	311,904	314,355	323,161	450,123
Number of traffic accidents	9,046	8,804	8,754	9,725	9,740	9,414	9,457	9,303	9,250	9,021
Fire										
Number of fire related incidents	3,958	4,087	2,258	1,476	1,301	1,269	1,128	1,397	1,301	1,166
Number of rescue incidents	12,096	12,642	14,642	15,630	15,386	15,146	15,136	16,758	16,921	17,162
Public Utilities										
Number of Water Connections	123,066	124,630	126,093	127,534	128,718	129,376	130,005	130,647	131,085	131,367
Public Works										
Number of building permits issued	10,544	14,570	15,019	15,563	16,906	16,136	14,241	13,552	11,374	9,889
Number of street lights	40,388	41,127	41,489	40,077	41,334	42,026	41,807	42,066	43,960	47,627
Highways and Streets										
Arterial lane miles	719	719	719	728	734	734	738	738	738	717
Collector/local miles	2,418	2,443	2,452	2,475	2,515	2,539	2,554	2,554	2,641	2,662
Sanitation and Refuse										
Number of homes receiving refuse collection	116,000	118,000	120,000	122,000	123,500	125,000	122,600	123,161	123,740	123,668
Number of tons of garbage collected	191,316	186,871	191,749	205,839	212,820	206,075	207,427	204,619	196,501	189,604
Culture and Recreation										
Number of visitations to recreation centers	1,783,605	1,794,955	1,726,690	1,731,611	1,787,229	1,688,772	1,609,047	1,575,539	1,636,823	1,473,331
Number of recreation centers	6	6	6	6	6	6	6	6	6	6
Education										
Student membership	76,773	76,065	75,518	75,436	75,436	74,091	72,953	71,452	70,473	69,335
Number of elementary schools	54	54	54	54	54	54	55	55	56	56
Number of secondary schools	23	23	24	24	24	24	24	24	24	24
Number of specialty schools	9	9	9	9	10	11	11	11	11	11
General										
Number of full time city employees	4,673	4,787	4,914	5,011	5,107	5,918	6,176	6,228	6,295	6,034
Number of school employees	10,011	9,860	10,108	10,669	10,347	10,515	10,548	10,815	10,817	10,755

Sources: Various City Departments

Note: Indicators are not available for all governmental functions.

CITY OF VIRGINIA BEACH, VIRGINIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

FUNCTION	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles Units - Marked	303	292	366	267	267	274	277	268	259	256
Helicopter	2	2	2	2	2	2	2	2	2	3
Airplane	1	1	1	1	1	1	*	*	*	*
Watercraft:										
Boats	10	10	10	10	10	10	10	10	10	8
Fire										
Stations	18	18	18	19	19	19	19	19	19	19
Fire Trucks	52	53	52	47	47	44	44	47	48	51
Emergency Medical Services										
Ambulances	47	49	39	40	40	44	30	30	35	34
Public Works										
Miles of streets:										
Lane miles:										
Arterial	719	719	719	728	734	734	738	738	738	717
Collector/Local	2,418	2,443	2,452	2,475	2,515	2,539	2,554	2,554	2,641	2,662
Center Lane miles:										
Arterial	193	193	193	193	194	194	194	194	192	189
Collector/Local	1,190	1,199	1,203	1,213	1,232	1,244	1,251	1,251	1,291	1,300
Number of Street Lights	40,388	41,127	41,489	40,077	41,334	42,026	41,807	42,066	43,960	47,627
Collection Trucks	*	*	*	*	101	103	101	103	104	103
Culture and Recreation										
Number of Developed District Parks	9	9	9	9	9	9	9	7	7	7
Number of Developed Community Parks	8	8	8	8	10	10	10	11	11	11
Number of Developed Neighborhood Parks	152	204	204	170	198	179	181	183	166	166
Number of Natural Parks	*	*	*	*	3	26	29	3	3	3
Other Park Areas	24	35	43	44	13	13	14	28	59	59
Number of Acres in Developed Parks	2,500	2,041	2,635	2,658	1,452	1,465	1,387	1,711	1,736	1,757
Golf Courses (City Owned)	3	3	4	4	4	4	4	5	5	5
Recreation Centers	6	6	6	6	6	6	6	6	6	6
Water										
Miles of Water Lines	1,388	1,398	1,409	1,427	1,432	1,443	1,456	1,459	1,477	1,482
Water Pumping Stations	10	10	10	10	9	9	9	9	9	8
Sewer										
Miles of Sewer Lines	1,466	1,486	1,505	1,526	1,535	1,546	1,569	1,572	1,609	1,621
Sewer Pumping Stations	385	386	386	389	391	393	400	401	403	405

Source: Various City Departments

* Information is not available for all fiscal years.



SINGLE AUDIT SECTION



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Honorable Members of City Council
City of Virginia Beach, Virginia

We have audited the financial statements of the City of Virginia Beach, Virginia (the "City") as of and for the year ended June 30, 2009, and have issued our report thereon dated November 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. . We did not audit the financial statements of the Virginia Beach Community Development Corporation, which represents 15% and 79%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Virginia Beach Community Development Corporation, is based on the report of other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekert + Holland, L.L.P.

Virginia Beach, Virginia
November 24, 2009



**Independent Auditors' Report on Compliance With Requirements Applicable
to Each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133**

The Honorable Members of City Council
City of Virginia Beach, Virginia

We have audited the compliance of the City of Virginia Beach, Virginia (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekant & Holland, L.L.P.

Virginia Beach, Virginia
November 24, 2009



City of Virginia Beach
Schedule of Findings and Questioned Costs
Year ended June 30, 2009

I. Summary of Auditors' Results

- (a) The type of report issued on the basic financial statements: **unqualified opinion**
- (b) Significant deficiencies in internal control were disclosed by the auditor of the financial statements: **no**
- Material weaknesses: **no**
- (c) Noncompliance which is material to the basic financial statements: **no**
- (d) Significant deficiencies in internal control over major programs: **no**
- Material weaknesses: **no**
- (e) The type of report issued on compliance for major programs: **unqualified opinion**
- (f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **no**
- (g) Major Programs:
- Department of Housing and Urban Development – Housing Choice Voucher Program (Section 8); CFDA 14.871
 - Department of Labor – Workforce Investment Cluster; CFDA 17.258/17.259/17.260
 - Department of Education – ARRA – State Fiscal Stabilization Fund; CFDA 84.397
 - Department of Transportation – Urban Construction Initiative/Highway Planning and Construction; CFDA 20.205
- (h) Dollar threshold used to distinguish between Type A Programs and Type B Programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **yes**

II. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None

III. Findings and Questioned Costs Relating to Federal Awards:

None

IV Resolution of Prior Year's Findings

There were no findings in the prior year.

**CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Granting Agency/Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Realized Revenue	Expenditures
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Direct Payments:</u>			
Summer Food Service Program for Children	10.559	\$ 45,313	\$ 45,313
<u>Pass Through Payments:</u>			
<u>Department of Agriculture</u>			
Food Distribution Program (Donated USDA Food)	10.550	1,488,383	1,488,383
<u>Department of Social Services</u>			
Food Stamps Program - Administration	10.561	2,972,609	2,972,609
<u>Department of Education</u>			
School Breakfast Program	10.553	2,334,861	2,167,629
National School Lunch Program	10.555	7,902,234	7,385,936
Total Department of Agriculture		<u>\$ 14,743,400</u>	<u>\$ 14,059,870</u>
<u>DEPARTMENT OF COMMERCE (NOAA):</u>			
<u>Pass Through Payments:</u>			
<u>Department of Environmental Quality</u>			
Virginia Coastal Resources Management Program	11.419	<u>\$ 32,039</u>	<u>\$ 32,039</u>
Total Department of Commerce (NOAA)		<u>\$ 32,039</u>	<u>\$ 32,039</u>
<u>DEPARTMENT OF DEFENSE:</u>			
<u>Direct Payments:</u>			
Supplemental Payment to Federal Impacted Area	12.XXX	\$ 2,212,613	\$ 2,212,613
Language Grant Program - Startalk Elementary Chinese Academy FY09	12.901	1,475	1,475
Total Department of Defense		<u>\$ 2,214,088</u>	<u>\$ 2,214,088</u>
<u>DEPARTMENT OF THE NAVY:</u>			
<u>Direct Payments:</u>			
ROTC Program	12.XXX	\$ 294,654	\$ 294,654
Encroachment Partnering Agreement	12.XXX	2,702,773	2,702,773
Total Department of the Navy		<u>\$ 2,997,427</u>	<u>\$ 2,997,427</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Granting Agency/Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Realized Revenue	Expenditures
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
<u>Direct Payments:</u>			
Community Development Block Grant	14.218	\$ 3,033,485	\$ 2,746,735
Emergency Shelter Grant	14.231	104,210	104,210
Supportive Housing Programs (New Haven)	14.235	54,075	54,075
Supportive Housing Programs (HMIS)	14.235	75,084	75,084
Supportive Housing Programs (THP)	14.235	371,407	371,407
Home Investment Partnerships Program	14.239	1,328,728	1,295,898
Housing Opportunities for Persons with AIDS	14.241	998,883	387,973
Section 8 Moderate Rehabilitation	14.856	53,380	53,380
Housing Choice Voucher Program (Section 8)	14.871	15,576,765	15,576,765
<u>Pass Through Payments:</u>			
<u>Virginia Housing Development Authority</u>			
Housing Counseling Assistance Program	14.169	\$ 3,300	\$ 3,300
Total Department of Housing and Urban Development		<u>\$ 21,599,317</u>	<u>\$ 20,668,827</u>
<u>DEPARTMENT OF THE INTERIOR:</u>			
<u>Direct Payments:</u>			
Public Law 97-258	15.XXX	\$ 824	\$ 824
Refuge Revenue Sharing Act (Public Law 95-469)	15.XXX	128,113	128,113
<u>Pass Through Payments:</u>			
<u>National Park Services</u>			
Save America's Treasurers	15.929	26,668	26,668
Total Department of the Interior		<u>\$ 155,605</u>	<u>\$ 155,605</u>
<u>DEPARTMENT OF JUSTICE:</u>			
<u>Direct Payments:</u>			
Assistance to Localities for Administration	16.XXX	\$ 887,930	\$ 887,930
DEA Seized Property	16.579	8,489	8,489
Encourage Arrest Policies and Enforcement of Protection Orders	16.590	50,485	50,485
Enhancing a Culture of Integrity	16.710	82,130	82,130
COPS Interoperable Communications Technology Grants	16.710	71,956	71,956
COPS Technology Program	16.710	177,961	177,961
Edward Byrne Memorial Justice Assistance Grant Program	16.738	80,394	99,751
Bulletproof Vest Partnership Program	16.607	49,050	77,346

See accompanying notes to the Schedule of Expenditures of Federal Awards.

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Granting Agency/Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Realized Revenue	Expenditures
<u>DEPARTMENT OF JUSTICE: (continued)</u>			
<u>Pass Through Payments:</u>			
<u>Department of Criminal Justice Services</u>			
Edward Byrne Memorial Formula Grant Program	16.579	\$ 19,557	\$ 40,620
Alliance to End Partner Violence 07 & 08	16.588	11,534	11,534
Edward Byrne Memorial Justice Assistance Grant Program	16.738	98,093	63,082
Total Department of Justice		<u>\$ 1,537,579</u>	<u>\$ 1,571,284</u>
<u>DEPARTMENT OF LABOR:</u>			
<u>Pass Through Payments:</u>			
<u>Virginia Employment Commission</u>			
Workforce Investment Act Adult Program	17.258	\$ 2,397,419	\$ 2,397,419
Workforce Investment Act Adult Program - ARRA	17.258	186,427	186,427
Workforce Investment Act Youth Activities	17.259	1,623,122	1,623,122
Workforce Investment Act Youth Activities - ARRA	17.259	98,120	98,120
Workforce Investment Act Dislocated Workers	17.260	419,715	419,715
Workforce Investment Act Dislocated Workers - ARRA	17.260	21,981	21,981
Workforce Innovation In Regional Economic Development	17.268	1,639,095	1,639,095
Total Department of Labor		<u>\$ 6,385,879</u>	<u>\$ 6,385,879</u>
<u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>			
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass Through Payments:</u>			
<u>Department of Motor Vehicles</u>			
DMV DUI Education Grants	20.601	\$ 61,942	\$ 57,583
DMV Teen Seat Belt Grants	20.602	30,047	30,072
<u>Virginia Department of Transportation</u>			
Urban Construction Initiative/Highway Planning & Construction	20.205	6,702,788	6,702,788
CMAQ-STP (Congestion Mitigation and Air Quality-Surface Transportation)	20.205	1,989,031	1,989,031
Total Department of Transportation		<u>\$ 8,783,808</u>	<u>\$ 8,779,474</u>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:</u>			
<u>Direct Payments:</u>			
Aerospace Education Services Program	43.001	\$ 129,242	\$ 129,242
Total National Aeronautics and Space Administration		<u>\$ 129,242</u>	<u>\$ 129,242</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Granting Agency/Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Realized Revenue	Expenditures
<u>NATIONAL SCIENCE FOUNDATION:</u>			
<u>Pass Through Payments:</u>			
<u>Virginia Commonwealth University</u>			
National Science Foundation	47.076	\$ 50,000	\$ 50,000
Total National Science Foundation		\$ 50,000	\$ 50,000
<u>DEPARTMENT OF CONSERVATION AND RECREATION:</u>			
<u>Pass Through Payments:</u>			
<u>Virginia Department of Conservation & Recreation</u>			
Nonpoint Source Implementation Grants - Watershed Restoration Mini Grant	66.460	\$ 5,000	\$ 5,000
Total Department of Conservation and Recreation		\$ 5,000	\$ 5,000
<u>DEPARTMENT OF EDUCATION:</u>			
<u>Direct Payments:</u>			
School Assistance in Federally Affected Areas (Public Law 874)	84.041	\$ 9,224,588	\$ 9,224,588
Fund for the Improvement of Education (WHO 06)	84.215	317,046	317,046
Title IV - PELL Grant	84.063	15,220	15,220
<u>Pass Through Payments:</u>			
<u>Virginia Compensation Board</u>			
State Fiscal Stabilization Fund (SFSF) - Government Services, ARRA	84.397	4,951,498	4,951,498
<u>Virginia Department of Education</u>			
Adult Basic Education - ABE FY09	84.002	293,726	293,726
English Literacy - Civics Education FY08	84.002	49,943	49,943
Title I, Part A FY07	84.010	2,184	2,184
Title I, Part A FY08	84.010	583,450	583,450
Title I, Part A FY09	84.010	11,050,886	11,050,886
Title I, Part D FY07	84.013	40,860	40,860
Title I, Part D FY08	84.013	121,989	121,989
Title I, Part D FY09	84.013	32,658	32,658
Title VIB FY08	84.027	4,034,531	4,034,531
Title VIB FY09	84.027	10,453,113	10,453,113
Carl D. Perkins FY08	84.048	1,022,541	1,022,541
High School That Work FY09	84.048	58,523	58,523
Vocational Education Instruction	84.048	5,796	5,796
Virtual Enterprise MOU FY08	84.048	2,090	2,090
Virtual Enterprise MOU FY09	84.048	1,059	1,059
Early Intervention Program for Infants and Toddlers with Disabilities	84.181	553,480	553,480
Preschool Incentive Grant (IDEA) FY08-09	84.173	463,294	463,294

See accompanying notes to the Schedule of Expenditures of Federal Awards.

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Granting Agency/Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Realized Revenue	Expenditures
<u>DEPARTMENT OF EDUCATION: (continued)</u>			
<u>Pass Through Payments: (continued)</u>			
<u>Virginia Department of Education (continued)</u>			
Safe and Drug-Free Schools and Communities FY08	84.186	\$ 45,174	\$ 45,174
Safe and Drug-Free Schools and Communities FY09	84.186	200,486	200,486
McKinney Education for Homeless Children and Youth FY08	84.196	6,361	6,361
McKinney Education for Homeless Children and Youth FY09	84.196	26,140	26,140
Title V FY07	84.295	14,841	14,841
Title V FY08	84.295	73,618	73,618
Title I, Part D Subpart 1 FY08	84.318	15,591	15,591
Title I, Part D Subpart 1 FY09	84.318	21,472	21,472
Title II, Part D FY08	84.318	27,555	27,555
Title II, Part D FY09	84.318	37,518	37,518
Advanced Placement Program	84.330B	1,566	1,566
Title II, Part A FY08	84.367	572,809	572,809
Title II, Part A FY09	84.367	2,104,538	2,104,538
Title II, Part B Math & Science Partnerships FY07	84.366B	50,008	50,008
Title III, Part A Immigrant and Youth Grant FY08	84.365	24,280	24,280
Title III FY08	84.365	101,837	101,837
Title III FY09	84.365	989	989
<u>Virginia Commonwealth University</u>			
Safe and Drug-Free Schools and Communities State Grants	84.186	34,124	28,582
<u>Tidewater Community College</u>			
Tech Prep Grant FY09	84.048	1,462	1,462
Total Department of Education		<u>\$ 46,638,844</u>	<u>\$ 46,633,302</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<u>Direct Payments:</u>			
Public Health and Social Services Emergency Fund	93.003	\$ 6,900	\$ 6,900
<u>Pass Through Payments:</u>			
<u>Department of Mental Health & Retardation</u>			
Mental Health Services for the Homeless-Block Grant	93.150	70,171	70,171
Block Grants for Community Mental Health Services	93.958	246,096	246,096
Block Grants for Prevention & Treatment of Substance Abuse	93.959	1,877,021	1,876,971
<u>Virginia Department for the Aging/ Southeastern Virginia Area Wide Model Program</u>			
Supportive Services and Senior Centers (Title IIIB)	93.044	83,313	83,313

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Granting Agency/Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Realized Revenue	Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES: (continued)</u>			
<u>Pass Through Payments: (continued)</u>			
<u>Department of Social Services</u>			
Family Preservation	93.556	\$ 271,824	\$ 271,824
Temporary Assistance for Needy Families	93.558	2,796,613	2,796,613
Refugee and Entrant Assistance - State Administered Programs	93.566	6,195	6,195
Home Energy Assistance	93.568	118,090	118,090
Child Care Assistance (Childcare Cluster)	93.575	3,755,596	3,755,596
Child Care and Development Fund (Childcare Cluster)	93.596	2,302,767	2,302,767
Chafee Education and Training Vouchers Program	93.599	33,424	33,424
Adoption Incentive	93.603	1,819	1,819
Child Welfare Services	93.645	17,044	17,044
Foster Care Title IV-E	93.658	2,807,637	2,809,336
Foster Care Title IV-E - ARRA	93.658	166,410	166,410
Adoption Assistance	93.659	656,426	656,426
Adoption Assistance - ARRA	93.659	56,026	56,026
Social Services Block Grant (Title XX and Title IV-B)	93.667	1,314,857	1,314,857
Independent Living	93.674	59,485	59,485
ARRA - Child Care and Development Block Grant	93.713	49,396	49,396
FAMIS State Children's Insurance Program	93.767	207,287	207,287
Working With the Mandated Client Program	93.778	1,963,040	1,963,040
Medicaid-Special Education Assistance Therapy & Nursing (Medicaid Cluster)	93.778	2,251,767	2,251,767
		<u>\$ 21,119,204</u>	<u>\$ 21,120,853</u>
<u>DEPARTMENT OF HOMELAND SECURITY:</u>			
<u>Direct Payments:</u>			
Emergency Food and Shelter	97.024	\$ 120,439	\$ 73,055
FEMA National US&R Response System	97.025	2,066,217	2,068,571
Port Security Grant Program - Police	97.056	447,727	596,969
Disaster Housing Assistance Program	97.109	41,909	28,433
Assistance to Firefighters Grant	97.044	54,522	48,306
<u>Pass Through Payments:</u>			
<u>Virginia Department of Emergency Management</u>			
State Domestic Preparedness Equipment Support Program	97.004	52,699	52,699
Emergency Management Performance Grants	97.042	52,914	52,914
FEMA Citizen Corps CERT	97.053	40,462	40,462
UASI 2007	97.067	1,229,952	1,229,952
State Homeland Security Grant	97.073	38,425	38,425
		<u>\$ 4,145,266</u>	<u>\$ 4,229,786</u>
Total Department of Homeland Security		<u>\$ 4,145,266</u>	<u>\$ 4,229,786</u>
Total Estimated Federal Financial Assistance		<u>\$ 130,536,697</u>	<u>\$ 129,032,675</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

1. General

The accompanying Schedule of Expenditures of Federal Awards presents federally assisted programs of the City of Virginia

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting,

3. Relationship to Financial Statements

Revenues from federal awards are reported in the City's basic financial statements as follows:

General Fund	\$	22,335,379
Special Revenue Funds		37,178,091
Capital Projects Fund		12,723,168
Other Component Units (not including Virginia Beach Pass-through \$249,774)		644,230
School Board Funds		57,244,199

Total federal awards reported in basic financial statements	\$	130,125,067
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Plus: Prior year balances from the following:

School Breakfast Program	10.553	\$	97,621
National School Lunch Program	10.555		314,009

Total realized revenue reported in Schedule of Expenditures of Federal Awards	\$	130,536,697
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Less: Revenue closed to fund balances from the following:

School Breakfast Program	10.553	\$	167,232
National School Lunch Program	10.555		516,298
Home Investment Partnerships Program	14.239		32,830
Housing Opportunities for Person with AIDS	14.241		610,911
Edward Byrne Memorial Justice Assistance Grant	16.738		35,011
DMV DUI Education Grant	20.601		4,358
Safe and Drug-Free Schools and Communities State Grant	84.186		5,542
Block Grants for Prevention & Treatment of Substance Abuse	93.959		50
Emergency Food and Shelter	97.024		47,384
Disaster Housing Assistance Program	97.109		13,476
Assistance to Firefighters Program	97.044		6,216
Community Development Block Grant	14.218		286,750

Plus: Prior Year Revenue Expensed in Current Year

Edward Byrne Memorial Justice Assistance Grant	16.579	\$	21,063
Edward Byrne Memorial Justice Assistance Grant	16.738		19,357

(continued)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

3. Relationship to Financial Statements (Continued)

Plus: Prior Year Revenue Expensed in Current Year

Bulletproof Vest Partnership Program	16.607	\$	28,296
DMV Teen Seat Belt Grants	20.602		25
Foster Care Title IV-E	93.658		1,699
FEMA National US&R Response System	97.025		2,354
Port Security Grant Program - Police	97.056		149,242
			<hr/>
Total Federal Expenditures		\$	<u>129,032,675</u>

4. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule substantially agree with the amounts reported in the related federal financial

5. Amounts Provided to Subrecipients

Total amounts provided to subrecipients from the following programs:

Virginia Beach Community Development Corporation:

Community Development Block Grant-Entitlement Grants	14.218	\$	228,153
HOME Investment Partnerships	14.239		21,621
			<hr/>
Total Virginia Beach Community Development Corporation		\$	<u>249,774</u>

Opportunity, Inc. of Hampton Roads:

Workforce Investment Act Adult Program	17.258	\$	2,583,846
Workforce Investment Act Youth Activities	17.259		1,721,242
Workforce Investment Act Dislocated Workers	17.260		441,696
Workforce Investment Act National Emergency Grant	17.260		1,639,095
			<hr/>
Total Opportunity, Inc. of Hampton Roads		\$	<u>6,385,879</u>