

TOWN OF BERRYVILLE, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

**ANDERSON, WHITE & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

STAUNTON, VIRGINIA

STUARTS DRAFT, VIRGINIA

TOWN OF BERRYVILLE, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

THE TOWN COUNCIL

Wilson Kirby, Mayor

Jay Arnold

Lawrence Russell, III

Mary Daniel

H. Allen Kitzelman, III

Gail Smith

OFFICIALS

Jay Arnold, Recorder

Keith Dalton, Town Manager

Desiree Moreland, Assistant Town Manager/Treasurer

Christina Dunkle, Assistant Town Manager for Community Development and Operations

Deborah Boggs, Utility Clerk

Celeste Heath, Town Clerk

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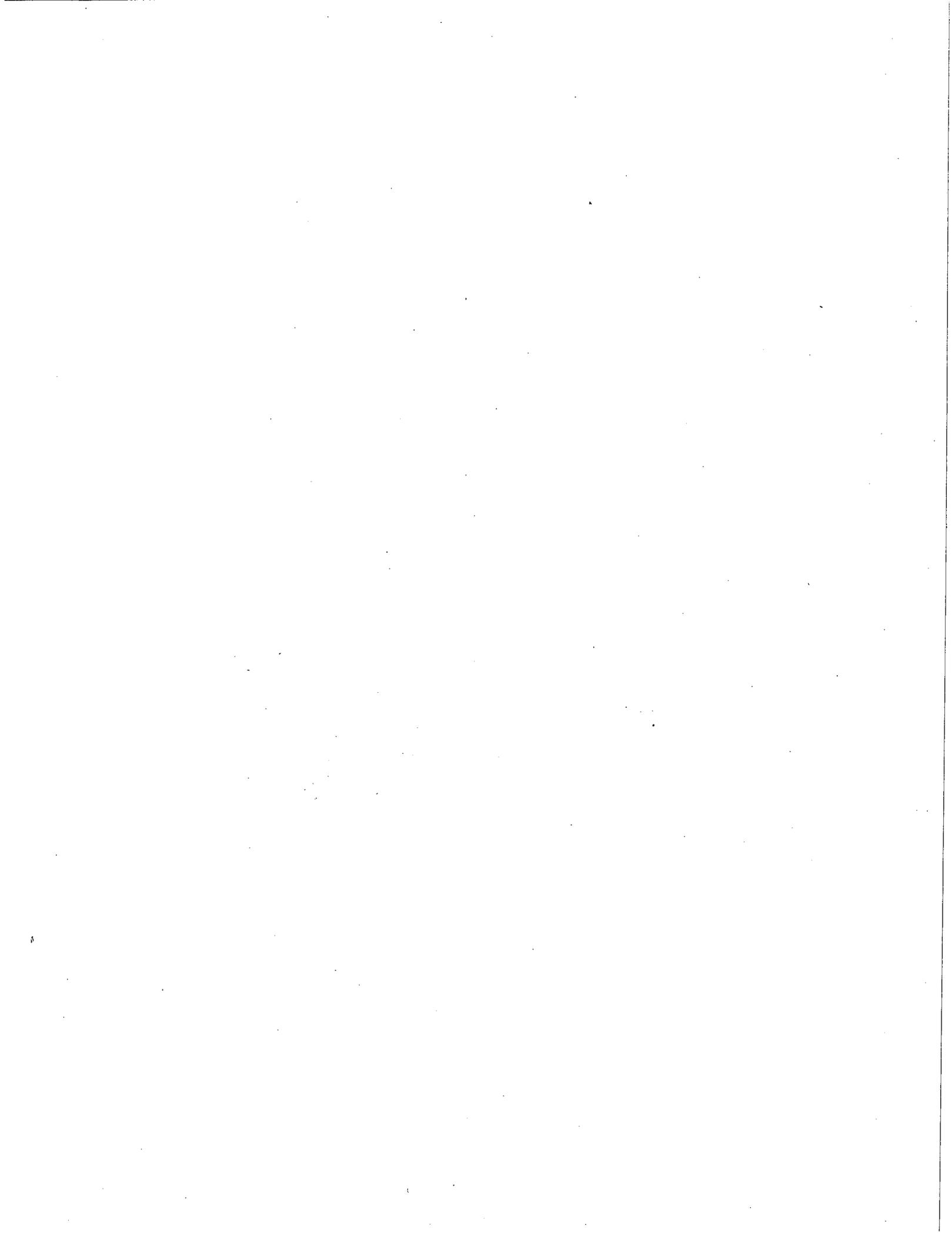
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**INDEPENDENT AUDITOR'S REPORTS**



# ANDERSON, WHITE & COMPANY, P.C.

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VIRGINIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

TO THE HONORABLE MEMBERS OF THE TOWN COUNCIL  
TOWN OF BERRYVILLE, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Berryville, Virginia, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Berryville, Virginia, as of June 30, 2009, and the respective changes in the financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

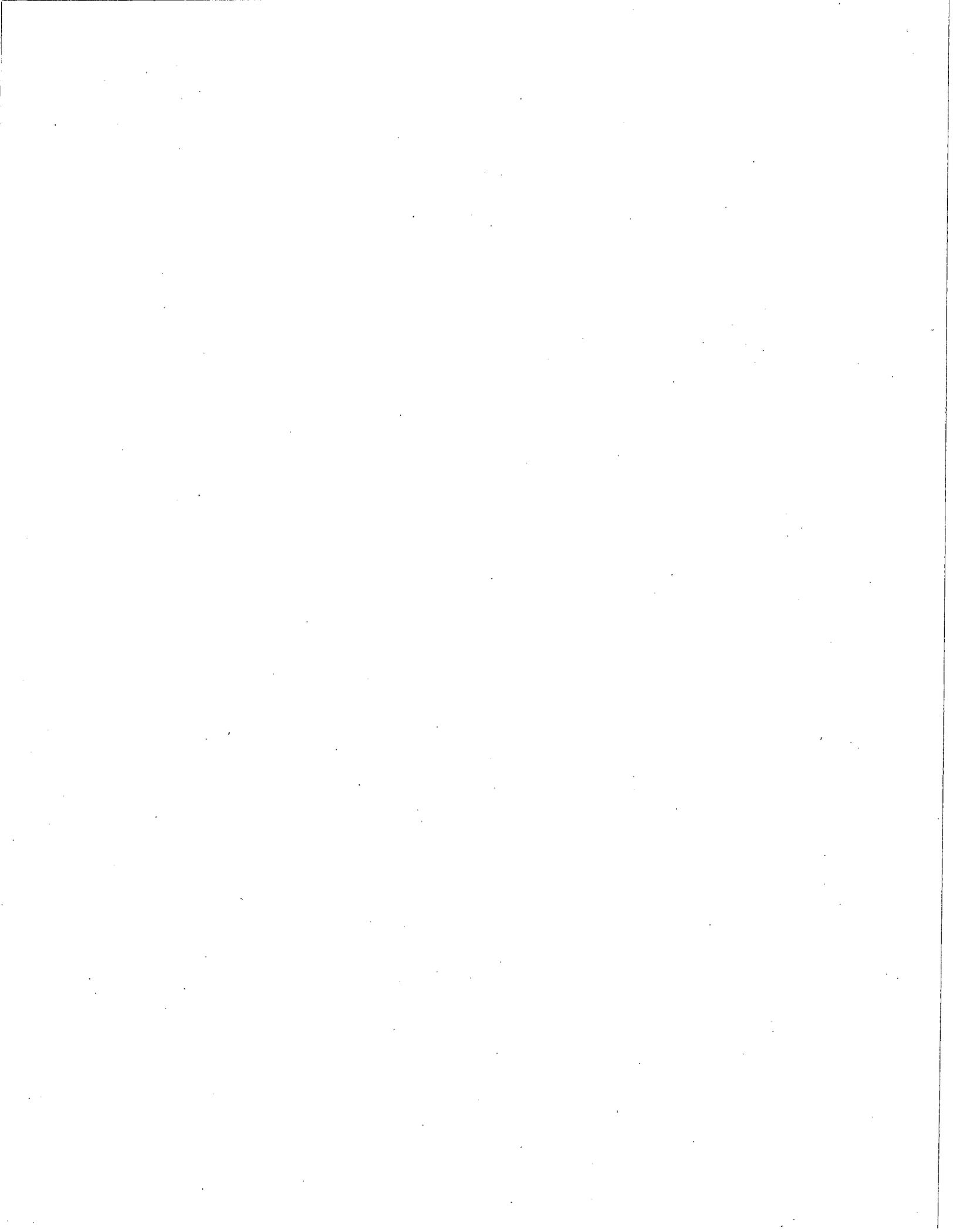
In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2010, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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 considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison, and trend data on pension funding are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The management's discussion and analysis has not been presented in these financial statements. The budgetary comparison and trend data on pension funding are presented in Exhibits 1 and 2. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying information listed as Other Supplementary Information and Statistical Section in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Anderson, White & Company, P.C.*

May 10, 2010



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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

TO THE HONORABLE MEMBERS OF THE TOWN COUNCIL  
TOWN OF BERRYVILLE, VIRGINIA

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Berryville, Virginia, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Town'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 Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control. The Town is a small municipality with a limited number of staff and therefore, as with many small Towns, has inadequate internal control over the preparation of the annual financial report with full note disclosures required to be in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applicable to state and local governments, and thus has engaged the auditing firm to assist in this process. We consider this deficiency to be a significant deficiency in internal control over financial reporting.

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 Town'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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 Town Council, management, others within the entity, and 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.

*Anderson, White & Company, P.C.*

May 10, 2010

**BASIC FINANCIAL STATEMENTS**

STATEMENT OF NET ASSETS  
As of June 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 2 600 268	\$ 5 862 623	\$ 8 462 891
Receivables (net of allowance for uncollectibles):			
Real estate and personal property tax	47 990	-	47 990
Utility tax	9 843	-	9 843
Meals tax	6 976	-	6 976
Franchise fees	2 044	-	2 044
Reimbursable receivable	116 545	394	116 939
Water and sewer service charges	-	178 524	178 524
Other	-	13 744	13 744
Prepaid expenses	17 575	-	17 575
Due from other governmental units	11 856	567 331	579 187
<b>Total Current Assets</b>	<b>\$ 2 813 097</b>	<b>\$ 6 622 616</b>	<b>\$ 9 435 713</b>
<b>Noncurrent Assets:</b>			
Capital assets, net of accumulated depreciation	\$ 3 635 729	\$ 5 315 892	\$ 8 951 621
Construction in progress	-	1 961 082	1 961 082
<b>Total Noncurrent Assets</b>	<b>\$ 3 635 729</b>	<b>\$ 7 276 974</b>	<b>\$ 10 912 703</b>
<b>Total Assets</b>	<b>\$ 6 448 826</b>	<b>\$ 13 899 590</b>	<b>\$ 20 348 416</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 45 437	\$ 260 030	\$ 305 467
Customer deposits	-	22 600	22 600
Accrued payroll and related liabilities	15 074	2 259	17 333
Accrued interest	3 679	1 427	5 106
Deferred revenue	93 440	-	93 440
Current portion of long-term debt	26 058	210 244	236 302
<b>Total Current Liabilities</b>	<b>\$ 183 688</b>	<b>\$ 496 560</b>	<b>\$ 680 248</b>
<b>Noncurrent Liabilities:</b>			
Compensated absences	\$ 66 292	\$ 18 664	\$ 84 956
Outfall Reserve	-	275 000	275 000
Long term debt, net of current portion	2 298 968	330 889	2 629 857
<b>Total Noncurrent Liabilities</b>	<b>\$ 2 365 260</b>	<b>\$ 624 553</b>	<b>\$ 2 989 813</b>
<b>Total Liabilities</b>	<b>\$ 2 548 948</b>	<b>\$ 1 121 113</b>	<b>\$ 3 670 061</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 1 310 703	\$ 6 735 841	\$ 8 046 544
Unrestricted	2 589 175	6 042 636	8 631 811
<b>Total Net Assets</b>	<b>\$ 3 899 878</b>	<b>\$ 12 778 477</b>	<b>\$ 16 678 355</b>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BERRYVILLE, VIRGINIA

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General and financial administration	\$ 817 777	\$ 236 542	\$ -	\$ -
Public safety	641 640	48 892	95 417	-
Public works	593 051	14 219	15 811	-
Parks, recreation and culture	12 497	-	-	-
Community development	133 642	84 766	-	-
Contingency	22 742	-	-	-
Interest on long-term debt	96 574	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 2 317 923</b>	<b>\$ 384 419</b>	<b>\$ 111 228</b>	<b>\$ -</b>
<b>Business-type activities</b>				
Water	\$ 775 669	\$ 693 891	\$ -	\$ 28 220
Sewer	566 895	1 087 508	-	685 264
<b>Total Business-Type Activities</b>	<b>\$ 1 342 564</b>	<b>\$ 1 781 399</b>	<b>\$ -</b>	<b>\$ 713 484</b>
<b>Total</b>	<b>\$ 3 660 487</b>	<b>\$ 2 165 818</b>	<b>\$ 111 228</b>	<b>\$ 713 484</b>

**General revenues:**  
 General property taxes  
 Local sales and use taxes  
 Bank franchise taxes  
 Utility pole franchise fees  
 Meals tax  
 Consumer utility tax  
 Railroad rolling stock tax  
 Interest income  
 Miscellaneous income

**Total General Revenues**

Gain/(loss) on disposal of assets  
 Transfers

**Change in Net Assets**

**Net Assets, Beginning of Year**

**Net assets, End of Year**

The accompanying notes to financial statements are an integral part of this statement.

**Net (Expense) Revenue  
and Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ ( 581 235)	\$ -	\$ ( 581 235)
( 497 331)	-	( 497 331)
( 563 021)	-	( 563 021)
( 12 497)	-	( 12 497)
( 48 876)	-	( 48 876)
( 22 742)	-	( 22 742)
( 96 574)	-	( 96 574)
<u>\$ (1 822 276)</u>	<u>\$ -</u>	<u>\$ (1 822 276)</u>
\$ -	\$ ( 53 558)	\$ ( 53 558)
-	1 205 877	1 205 877
<u>\$ -</u>	<u>\$ 1 152 319</u>	<u>\$ 1 152 319</u>
<u>\$ (1 822 276)</u>	<u>\$ 1 152 319</u>	<u>\$ ( 669 957)</u>
\$ 1 212 560	\$ -	\$ 1 212 560
128 963	-	128 963
107 842	-	107 842
25 096	-	25 096
71 493	-	71 493
197 736	-	197 736
1 660	-	1 660
73 636	194 979	268 615
16 339	-	16 339
<u>\$ 1 835 325</u>	<u>\$ 194 979</u>	<u>\$ 2 030 304</u>
-	-	-
-	-	-
<u>\$ 13 049</u>	<u>\$ 1 347 298</u>	<u>\$ 1 360 347</u>
<u>3 886 829</u>	<u>11 431 179</u>	<u>15 318 008</u>
<u>\$ 3 899 878</u>	<u>\$ 12 778 477</u>	<u>\$ 16 678 355</u>

BALANCE SHEET - GOVERNMENTAL FUNDS  
As of June 30, 2009

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 2 600 268
Receivables (net of allowance for uncollectibles):	
Real estate and personal property tax	47 990
Utility tax	9 843
Meals tax	6 976
Franchise fees	2 044
Reimbursable receivable	116 545
Prepaid expenses	17 575
Due from other governmental units	<u>11 856</u>
<b>Total Assets</b>	<b>\$ <u>2 813 097</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 45 437
Accrued payroll and related liabilities	15 074
Deferred revenue	<u>126 638</u>
<b>Total Liabilities</b>	<b>\$ <u>187 149</u></b>
<b>Fund Balances</b>	
Unreserved	\$ <u>2 625 948</u>
<b>Total Fund Balances</b>	<b>\$ <u>2 625 948</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>2 813 097</u></b>

The accompanying notes to financial statements are an integral part of this statement.

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
As of June 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Total fund balances - governmental funds	\$ 2 625 948
Capital assets (net of depreciation) used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	3 635 729
Property taxes receivable not received within forty-five days after year end are not available to fund current-period expenditures and, therefore, are deferred in the funds.	33 198
Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(2 325 026)
Interest payable on long-term debt does not require current financial resources, and therefore, is not reported as a liability in the funds.	( 3 679)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>( 66 292)</u>
Net assets of governmental activities	\$ <u><u>3 899 878</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	<u>General Fund</u>
<b>Revenues</b>	
General property taxes	\$ 1 206 692
Other local taxes	751 709
Permits, privilege fees and regulatory licenses	84 766
Fines and forfeitures	54 918
Revenue from use of money and property	98 463
Charges for services	8 193
Miscellaneous	16 339
Intergovernmental	<u>112 888</u>
<b>Total Revenues</b>	<b>\$ <u>2 333 968</u></b>
<b>Expenditures</b>	
Current:	
General and financial administration	\$ 764 750
Public safety	620 564
Public works	548 722
Parks, recreation and cultural	8 688
Community development	140 128
Capital outlay	2 870 375
Contingency	42 842
Debt Service	<u>94 869</u>
<b>Total Expenditures</b>	<b>\$ <u>5 090 938</u></b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ <u>(2 756 970)</u></b>
<b>Other Financing Sources (Uses)</b>	
Proceeds from loans	\$ 2 327 000
Sale of equipment and property	-
Operating transfers at net	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b>\$ <u>2 327 000</u></b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ ( 429 970)</b>
<b>Fund Balance, Beginning of Year</b>	<u>3 055 918</u>
<b>Fund Balance, End of Year</b>	<b>\$ <u><u>2 625 948</u></u></b>

The accompanying notes to financial statements are an integral part of this statement.

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 are  
are different because:

Net change in fund balance - total governmental funds	\$ ( 429 970)
Revenues for taxes in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.	( 2 996)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$2,896,914) exceeded depreciation (\$131,562) in the current period.	2 765 352
Governmental funds report the entire proceeds, if any, from the disposal of capital assets as an other financing source. In the Statement of Activities only the gain (or loss) on the disposal is recorded.	-
Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increases long-term liabilities in the Statement of Net Assets.	(2 327 000)
Repayment of long-term debt is an expenditure in the governmental funds, but reduces long-term debt in the Statement of Net Assets.	1 974
In the governmental funds, interest on long-term debt is reported as interest expense when due, whereas in the Statement of Activities it is reported on the accrual basis.	( 3 679)
The change in compensated absences liability reported in the Statement of Activities does not provide or use current financial resources and, therefore, is not reported as a revenue or expenditure in the governmental funds.	<u>9 368</u>
Change in net assets of governmental activities	\$ <u><u>13 049</u></u>

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## TOWN OF BERRYVILLE, VIRGINIA

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

As of June 30, 2009

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 1 683 034	\$ 4 179 589	\$ 5 862 623
Due from other governmental units	-	567 331	567 331
Receivables (net of allowance for uncollectibles):			
Water and sewer service changes	63 920	114 604	178 524
Reimbursable receivable	394	-	394
Other	5 738	8 006	13 744
<b>Total Current Assets</b>	<u>\$ 1 753 086</u>	<u>\$ 4 869 530</u>	<u>\$ 6 622 616</u>
<b>Noncurrent Assets:</b>			
Capital assets (net of accumulated depreciation)	\$ 2 745 160	\$ 2 570 732	\$ 5 315 892
Construction in progress	60 638	1 900 444	1 961 082
<b>Total Noncurrent Assets</b>	<u>\$ 2 805 798</u>	<u>\$ 4 471 176</u>	<u>\$ 7 276 974</u>
<b>Total Assets</b>	<u>\$ 4 558 884</u>	<u>\$ 9 340 706</u>	<u>\$ 13 899 590</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 25 765	\$ 234 265	\$ 260 030
Accrued payroll and related liabilities	1 648	611	2 259
Accrued interest	975	452	1 427
Customer deposits	14 400	8 200	22 600
Current portion of long-term debt	147 999	62 245	210 244
<b>Total Current Liabilities</b>	<u>\$ 190 787</u>	<u>\$ 305 773</u>	<u>\$ 496 560</u>
<b>Noncurrent Liabilities:</b>			
Accrued compensated absences payable	\$ 9 332	\$ 9 332	\$ 18 664
Outfall Reserve	-	275 000	275 000
Long-term debt, net of current portion	250 034	80 855	330 889
<b>Total Noncurrent Liabilities</b>	<u>\$ 259 366</u>	<u>\$ 365 187</u>	<u>\$ 624 553</u>
<b>Total Liabilities</b>	<u>\$ 450 153</u>	<u>\$ 670 960</u>	<u>\$ 1 121 113</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 2 407 765	\$ 4 328 076	\$ 6 735 841
Unrestricted	1 700 966	4 341 670	6 042 636
<b>Total Net Assets</b>	<u>\$ 4 108 731</u>	<u>\$ 8 669 746</u>	<u>\$ 12 778 477</u>

The accompanying notes to financial statements are an integral part of this statement.

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## TOWN OF BERRYVILLE, VIRGINIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2009

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 664 432	\$ 1 086 098	\$ 1 750 530
Connection charges and meter fees	326	-	326
Delinquent account charges	29 133	-	29 133
Miscellaneous	-	1 410	1 410
<b>Total Operating Revenues</b>	<b>\$ 693 891</b>	<b>\$ 1 087 508</b>	<b>\$ 1 781 399</b>
<b>Operating Expenses</b>			
General administration	\$ 38 371	\$ 40 177	\$ 78 548
Supply purification	327 375	-	327 375
Transmission and distribution	135 782	-	135 782
Wastewater treatment	-	201 865	201 865
Maintenance of sewer lines	-	96 684	96 684
Fringe benefits	92 027	53 765	145 792
Depreciation	169 020	162 965	331 985
Contingency	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 762 575</b>	<b>\$ 555 456</b>	<b>\$ 1 318 031</b>
<b>Operating Income (Loss)</b>	<b>\$ ( 68 684)</b>	<b>\$ 532 052</b>	<b>\$ 463 368</b>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	\$ 65 072	\$ 129 907	\$ 194 979
Interest expense and fiscal charges	( 13 094)	( 11 439)	( 24 533)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 51 978</b>	<b>\$ 118 468</b>	<b>\$ 170 446</b>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<b>\$ ( 16 706)</b>	<b>\$ 650 520</b>	<b>\$ 633 814</b>
Net operating transfers	-	-	-
Grant revenues	-	562 979	562 979
Contributions and availability charges	28 220	122 285	150 505
<b>Change in Net Assets</b>	<b>\$ 11 514</b>	<b>\$ 1 335 784</b>	<b>\$ 1 347 298</b>
<b>Net Assets , Beginning of Year</b>	<b>4 097 217</b>	<b>7 333 962</b>	<b>11 431 179</b>
<b>Net Assets, End of Year</b>	<b>\$ 4 108 731</b>	<b>\$ 8 669 746</b>	<b>\$ 12 778 477</b>

The accompanying notes to financial statements are an integral part of this statement.

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STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2009

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 708 967	\$ 1 100 547	\$ 1 809 514
Payments to suppliers	( 206 465)	( 169 433)	( 375 898)
Payments to employees	( 379 658)	( 219 783)	( 599 441)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 122 844</u>	<u>\$ 711 331</u>	<u>\$ 834 175</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Net operating transfers	\$ -	\$ -	\$ -
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Capital contributions and grants	\$ 28 220	\$ 122 285	\$ 150 505
Acquisition and construction of capital assets	( 310 795)	( 1 284 378)	( 1 595 173)
Receipts (payments) on reimbursable receivable	( 394)	14 374	13 980
Principal paid on capital debt	( 124 513)	( 77 817)	( 202 330)
Interest paid on capital debt	( 13 380)	( 11 685)	( 25 065)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>\$ ( 420 862)</u>	<u>\$ ( 1 237 221)</u>	<u>\$ ( 1 658 083)</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	\$ 65 072	\$ 129 907	\$ 194 979
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>\$ 65 072</u>	<u>\$ 129 907</u>	<u>\$ 194 979</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ ( 232 946)</u>	<u>\$ ( 395 983)</u>	<u>\$ ( 628 929)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1 915 980</u>	<u>4 575 572</u>	<u>6 491 552</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1 683 034</u>	<u>\$ 4 179 589</u>	<u>\$ 5 862 623</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ ( 68 684)	\$ 532 052	\$ 463 368
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	169 020	162 965	331 985
(Increase) decrease in:			
Accounts receivable	12 226	11 989	24 215
Increase (decrease) in:			
Accounts payable	6 592	3 277	9 869
Accrued payroll and related liabilities	( 386)	( 1 228)	( 1 614)
Customer deposits	2 850	1 050	3 900
Accrued compensated absences	1 226	1 226	2 452
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 122 844</u>	<u>\$ 711 331</u>	<u>\$ 834 175</u>

The accompanying notes to financial statements are an integral part of this statement.

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**TOWN OF BERRYVILLE, VIRGINIA****NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2009**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Town of Berryville, Virginia (the "Town") have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the Town are described below.

**A. Reporting Entity**

The Town is a municipal government that is governed by an elected mayor and five member council. As required by generally accepted accounting principles, these financial statements present the Town (the primary government) and its component units, entities for which the government is considered to be financially accountable. There are no component units that meet the criteria to be included in this report.

**B. Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which to a significant extent rely on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public Works, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or 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 activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds and proprietary funds. Individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The only governmental fund is the general fund.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. 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 revenue as soon as all eligibility requirements have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Ad valorem, franchise and sales tax revenues in the General Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Business type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's water and sewer funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Town has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

**TOWN OF BERRYVILLE, VIRGINIA**

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The following funds are used by the Town:

1. Governmental Funds:

The following is a description of the Governmental Funds of the Town:

The General Fund accounts for several of the Town's primary services (Public Safety, Public Works, Parks and Recreation, etc.) and is the primary operating unit of the Town.

2. Proprietary Funds:

The following is a description of the Proprietary Funds of the Town:

The Water Fund and the Sewer Fund account for the operation of the Town's water and sewer utilities. Activities of the funds include administration, operation and maintenance of the water and sewer system and billing and collection activities. The Funds also account for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Funds.

3. Non-Current Governmental Assets/Liabilities:

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

When both restricted and unrestricted resources are available for use, for governmental activities, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and highly liquid investments with maturities of three months or less from the date of acquisition.

E. Capital Assets

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems will be recorded at historical cost on a prospective basis as the Town has elected out of recording such assets retrospectively as allowed for Phase 3 governments.

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)E. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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. Net revenue bond interest cost incurred during construction periods is capitalized when material.

Property, plant, and equipment of the Town is depreciated using the straight line method over estimated useful lives ranging from three to fifty years.

F. Property Taxes

Real estate and personal property taxes are assessed by Clarke County, Virginia, for all property of record as of January 1. The Town bills and collects its own property taxes based on the assessed values provided by the County. Real Estate Taxes are levied semiannually and are due June 5<sup>th</sup> and December 5<sup>th</sup>. Personal Property Taxes are levied annually and are due December 5<sup>th</sup>.

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits: All cash of the Town 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.

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of 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, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

NOTE 3—ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS:

The Town calculates its allowance for uncollectible accounts using historical collection data and account analysis. The total allowance amounted to \$28,588 on June 30, 2009, and is composed of the following:

General Fund	\$ 26 588
Enterprise Funds:	
Water	800
Sewer	<u>1 200</u>
Total	<u>\$ 28 588</u>

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2009, the amount due from other governmental units is as follows:

Clarke County, Virginia – sales tax	\$ 11 856
Total Governmental Activities	<u>\$ 11 856</u>
Virginia Water Quality Improvement Fund	\$ 567 331
Total Business-type Activities	<u>\$ 567 331</u>

NOTE 5—CAPITAL ASSETS:

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Capital assets being depreciated:			
Capital assets on July 1, 2008 at cost	\$ 2 073 761	\$ 10 993 681	\$ 13 067 442
Additions	2 896 914	260 311	3 157 225
Retirements	-	-	-
Transfers	<u>118 328</u>	-	<u>118 328</u>
Total capital assets being depreciated	<u>\$ 5 089 003</u>	<u>\$ 11 253 992</u>	<u>\$ 16 342 995</u>
Accumulated depreciation on July 1, 2008	\$ (1 321 712)	\$ (5 606 115)	\$ (6 927 827)
Additions	(131 562)	(331 985)	(463 547)
Retirements	-	-	-
Total accumulated depreciated	<u>\$ (1 453 274)</u>	<u>\$ (5 938 100)</u>	<u>\$ (7 391 374)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>\$ 3 635 729</u>	<u>\$ 5 315 892</u>	<u>\$ 8 951 621</u>
Capital assets not being depreciated:			
Construction in progress on July 1, 2008	\$ 118 328	\$ 448 120	\$ 566 448
Additions	-	1 512 962	1 512 962
Transfers	<u>(118 328)</u>	-	<u>(118 328)</u>
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 1 961 082</u>	<u>\$ 1 961 082</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General and financial administration	\$ 60 347
Public safety	15 920
Public works	51 486
Parks, recreation, and culture	<u>3 809</u>
Total depreciation expense – governmental activities	<u>\$ 131 562</u>
Business-type activities:	
Water	\$ 169 020
Sewer	<u>162 965</u>
Total depreciation expense – business-type activities	<u>\$ 331 985</u>

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 6—DEFINED BENEFIT PENSION PLAN:A. Plan Description

Name of Plan: Virginia Retirement System (VRS)  
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Administering Entity: Virginia Retirement System (VRS)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at 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 law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70 percent of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for 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) beginning in their second year of retirement. The COLA is limited to 5.00% per year. 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 at <http://www.varetire.org/pdf/publications/2008annurept.pdf> or obtained by writing to the System's chief financial officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

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. This 5.00% member contribution may be assumed by the employer. In addition, the Town is 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 Town's contribution rate for the fiscal year ended June 30, 2009 was 9.15% of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2009, the Town's annual pension cost of \$121,612, was equal to the Town's required and actual contributions.

## Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2007	\$ 123,861	100%	\$ -
June 30, 2008	132,753	100%	-
June 30, 2009	121,612	100%	-

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 6—DEFINED BENEFIT PENSION PLAN: (Continued)C. Annual Pension Cost (Continued)

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 included (a) an investment rate of return (net of administrative expenses of 7.50%, (b) projected salary increases ranging 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 Town'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 Town'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, 2007 was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the plan was 93.63% funded. The actuarial accrued liability for benefits was \$3,121,230, and the actuarial value of assets was \$2,922,504, resulting in an unfunded actuarial accrued liability (UAAL) of \$198,727. The covered payroll (annual payroll of active employees covered by the plan) was \$1,253,448, and ratio of the UAAL to the covered payroll was 15.85%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

NOTE 7—DEFERRED COMPENSATION PLAN:

The Town of Berryville has established a deferred compensation plan under the Internal Revenue Code Section 457. Town employees may elect to defer a portion of their salary which is invested to provide additional retirement income. The Town will not make any contributions to the Plan. All assets and income of the plan have been set aside in a trust for the exclusive benefit of the participants as required by IRC Section 457(g). The ending investment balance as of June 30, 2009 was \$105,519.

NOTE 8—ACCUMULATED COMPENSATED ABSENCES PAYABLE:

In accordance with NCGA Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the Town has accrued the liability arising from outstanding compensated absences.

Town employees can accumulate a maximum of thirty days vacation, thirty days comp time, and no limit on the accumulation of sick leave. No benefit is received for unused sick leave upon termination. Accumulated vacation and comp time is paid upon termination. The Town has outstanding accrued compensated absences totaling \$66,292 in the Governmental Activities and \$18,664 in the Business-type Activities.

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 9—LONG-TERM DEBT:

Outstanding long-term debt as of June 30, 2009, includes the following:

## Governmental Activities:

\$2,327,000 Lease Revenue Bond issued May 2008, due in monthly installments of \$10,123 beginning June 2009 through May 2047, including interest at 4.125%. This Lease Revenue Bond was issued through the Industrial Development Authority of Clarke County, Virginia, for purposes of funding construction of the Town's municipal building. \$ 2 325 026

Total Long-term Debt – Governmental Activities \$ 2 325 026

Total interest and fiscal charges of \$96,574 were incurred and expensed during the fiscal year on the above obligation.

## Business-type Activities:

## General Obligation Bonds:

\$799,436 Taxable General Obligation Water and Sewer System Refunding Bonds issued March 2004, due in monthly installments of \$10,359 beginning May 2004 through December 2011, including interest at 4.61% \$ 292 992

\$705,361 General Obligation Water System Refunding Bonds issued March 2004, due in monthly installments of \$8,590 beginning May 2004 through December 2011, including interest at 2.95%. 248 141

Total Long-term Debt – Business-type Activities \$ 541 133

Total interest and fiscal charges of \$24,533 (\$13,094 Water Fund and \$11,439 Sewer Fund) were incurred and expensed during the fiscal year on the above obligations.

Annual requirements to amortize long-term debt and related interest are as follows:

## Governmental Activities:

Year Ending June 30,	Lease Revenue Bond	
	Principal	Interest
2010	\$ 26 058	\$ 95 418
2011	27 153	94 323
2012	28 295	93 181
2013	29 484	91 992
2014	30 723	90 752
2015 – 2019	174 112	433 268
2020 – 2024	213 920	393 461
2025 – 2029	262 826	344 554
2030 – 2034	322 915	284 465
2035 – 2039	396 742	210 638
2040 – 2044	487 447	119 933
2045 – 2047	<u>325 351</u>	<u>20 007</u>
Total	\$ <u>2 325 026</u>	\$ <u>2 271 992</u>

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

NOTE 9—LONG-TERM DEBT: (Continued)

## Business-type Activities:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2010	\$ 210 244	\$ 17 150
2011	218 476	8 919
2012	<u>112 413</u>	<u>1 267</u>
Total	\$ <u>541 133</u>	\$ <u>27 336</u>

Changes in long-term debt are as follows:

	June 30, 2008	Increases	Decreases	June 30, 2009
Governmental Activities:				
Lease revenue bonds	\$ -	\$ 2 327 000	\$ 1 974	\$ 2 325 026
Accrued compensated absences	<u>75 660</u>	<u>-</u>	<u>9 368</u>	<u>66 292</u>
Total	\$ <u>75 660</u>	\$ <u>2 327 000</u>	\$ <u>11 342</u>	\$ <u>2 391 318</u>
Business-type Activities:				
General obligation bonds	\$ 743 463	\$ -	\$ 202 330	\$ 541 133
Accrued compensated absences	<u>16 212</u>	<u>2 452</u>	<u>-</u>	<u>18 664</u>
Total	\$ <u>759 675</u>	\$ <u>2 452</u>	\$ <u>202 330</u>	\$ <u>559 797</u>

NOTE 10—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. Deferred revenue on the Balance Sheet – Governmental Funds totaling \$126,638 is comprised of the following:

- A. Deferred Property Tax Revenue  
Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$33,198 at June 30, 2009.
- B. Prepaid Property Taxes  
Property taxes due subsequent to June 30, 2009 but paid in advance by the taxpayers totaled \$3,440 at June 30, 2009.
- C. Proffers  
As of June 30, 2009, the Town has collected \$90,000 from various taxpayers to fund specific capital projects. These funds will be reported as deferred revenue until expended.

**TOWN OF BERRYVILLE, VIRGINIA**

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2009

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**NOTE 10—DEFERRED REVENUE: (Continued)**

Current deferred revenue per the Statement of Net Assets totaling \$93,440 is comprised of the following:

- A. Prepaid Property Taxes (Governmental Activities)  
Property taxes due subsequent to June 30, 2009 but paid in advance by the taxpayers totaled \$3,440 at June 30, 2009.
- B. Proffers (Governmental Activities)  
As of June 30, 2009, the Town has collected \$90,000 from various taxpayers to fund specific capital projects. These funds will be reported as deferred revenue until expended.

Noncurrent deferred revenue per the Statement of Net Assets totaling \$275,000 is comprised of the following:

- A. Outfall Reserve (Business-type Activities)  
The Town received \$275,000 under an agreement with a property owner to fund the location of a new outfall line from its wastewater treatment plant. The funds have been temporarily invested in a CD and the contribution will be recognized upon completion of the project.

**NOTE 11—ESTIMATED UNBILLED REVENUE:**

Proprietary funds estimate and record utility services rendered but not yet billed as of June 30, 2009. The receivable was arrived at by taking the cycle billings the Town sent customers in July 2009 and prorating the amount for days applicable to fiscal year ended June 30, 2009. For June 30, 2009, the amount of unbilled services rendered was estimated at \$32,366.

**NOTE 12—COMMITMENTS:**

The Town signed a consent order with the Department of Environmental Quality on October 13, 2004. The order required a small civil charge to be paid and the Town agreed to study its Infiltration and Inflow Control Program and make necessary upgrades to their facility in order to be able to meet all effluent limitations. Preliminary engineering reports project costs at \$24.5 million for a 700,000 gallon capacity plant and a new outfall line to the river, which will be partially funded through the Virginia Water Quality Improvement Fund and the Virginia Revolving Loan Fund.

**NOTE 13—RELATED PARTY TRANSACTIONS:**

The Town has incurred fees of \$12,691 from an auto repair shop, an owner of which is a member of Town Council.

**REQUIRED SUPPLEMENTARY INFORMATION**

## TOWN OF BERRYVILLE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2009

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
General property taxes	\$ 1 174 857	\$ 1 206 692	\$ 31 835
Other local taxes	775 500	751 709	( 23 791)
Permits, privilege fees and regulatory licenses	10 000	84 766	74 766
Fines and forfeitures	65 500	54 918	( 10 582)
Revenue from use of money and property	112 600	98 463	( 14 137)
Charges for services	7 500	8 193	693
Miscellaneous	1 100	16 339	15 239
Intergovernmental	153 277	112 888	( 40 389)
<b>Total Revenues</b>	<b>\$ 2 300 334</b>	<b>\$ 2 333 968</b>	<b>\$ 33 634</b>
<b>Expenditures</b>			
Current:			
General and financial administration	\$ 801 490	\$ 764 750	\$ 36 740
Public safety	616 691	620 564	( 3 873)
Public works	654 345	548 722	105 623
Parks, recreation and cultural	9 500	8 688	812
Community development	163 800	140 128	23 672
Capital outlay	1 215 850	2 870 375	(1 654 525)
Contingency	113 341	42 842	70 499
Debt Service	121 476	94 869	26 607
<b>Total Expenditures</b>	<b>\$ 3 696 493</b>	<b>\$ 5 090 938</b>	<b>\$ (1 394 445)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (1 396 159)</b>	<b>\$ (2 756 970)</b>	<b>\$ (1 360 811)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from loans	\$ 427 000	\$ 2 327 000	\$ 1 900 000
Sale of equipment and property	1 000	-	( 1 000)
Operating transfers at net	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 428 000</b>	<b>\$ 2 327 000</b>	<b>\$ 1 899 000</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ ( 968 159)</b>	<b>\$ ( 429 970)</b>	<b>\$ 538 189</b>
<b>Fund Balance, Beginning of Year</b>	<b>968 159</b>	<b>3 055 918</b>	<b>2 087 759</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 2 625 948</b>	<b>\$ 2 625 948</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The expenditures in excess of appropriations are the result of construction of a new municipal building and were funded with proceeds from the lease revenue bond incurred for that project.

The accompanying notes to financial statements are an integral part of this statement.

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## TOWN OF BERRYVILLE, VIRGINIA

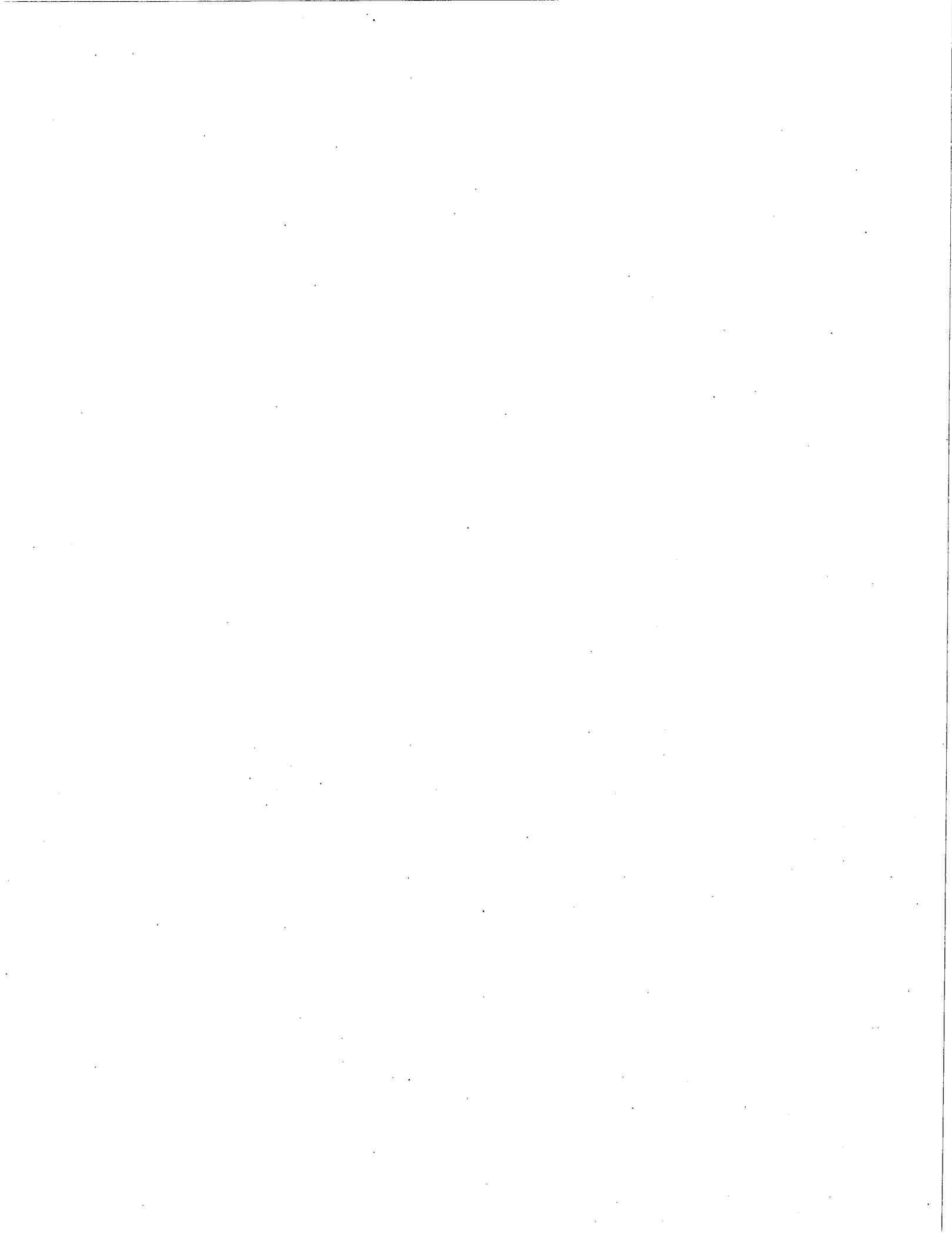
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR  
DEFINED BENEFIT PENSION PLAN

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2004	\$ 1 861 008	\$ 1 694 077	( 166 931)	109.85%	\$ 839 530	-19.88%
June 30, 2005	1 977 855	2 098 288	120 433	94.26%	924 008	13.03%
June 30, 2006	2 174 792	2 059 021	( 115 771)	105.62%	1 041 128	-11.12%
June 30, 2007	2 541 216	2 443 189	( 98 027)	104.01%	1 090 782	-8.99%
June 30, 2008	2 922 504	3 121 230	198 726	93.63%	1 253 448	15.85%

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**OTHER SUPPLEMENTARY INFORMATION**



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SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Sources of Revenues:</b>			
<b>Revenue from Local Sources:</b>			
<b>General Property Taxes:</b>			
Real property taxes	\$ 605 740	\$ 615 838	\$ 10 098
Personal property taxes	566 117	578 364	12 247
Penalties	1 500	7 557	6 057
Interest	1 500	4 933	3 433
<b>Total General Property Taxes</b>	<b>\$ 1 174 857</b>	<b>\$ 1 206 692</b>	<b>\$ 31 835</b>
<b>Other Local Taxes:</b>			
Local sales and use taxes	\$ 140 000	\$ 128 963	\$ ( 11 037)
Business licenses	150 000	130 169	( 19 831)
Motor vehicle licenses	85 000	90 410	5 410
Bank franchise taxes	91 000	107 842	16 842
Utility pole franchise fees	17 500	25 096	7 596
Cable television tax	22 000	-	( 22 000)
Meals tax	80 000	71 493	( 8 507)
Consumer utility tax	190 000	197 736	7 736
<b>Total Other Local Taxes</b>	<b>\$ 775 500</b>	<b>\$ 751 709</b>	<b>\$ ( 23 791)</b>
<b>Permits, Privilege Fees and Regulatory:</b>			
Licenses, zoning and subdivision permits	\$ 10 000	\$ 84 766	\$ 74 766
<b>Fines and Forfeitures:</b>			
Court fines and forfeitures	\$ 60 000	\$ 48 892	\$ ( 11 108)
Parking fines	5 500	6 026	526
<b>Total Fines and Forfeitures</b>	<b>\$ 65 500</b>	<b>\$ 54 918</b>	<b>\$ ( 10 582)</b>
<b>Revenue from Use of Money and Property:</b>			
Revenue from use of money	\$ 60 000	\$ 73 636	\$ 13 636
Revenue from use of property	52 600	24 827	( 27 773)
<b>Total Revenue from Use of Money and Property</b>	<b>\$ 112 600</b>	<b>\$ 98 463</b>	<b>\$ ( 14 137)</b>
<b>Charges for Services:</b>			
Charges for parking - meters	\$ 7 500	\$ 8 193	\$ 693
<b>Miscellaneous Revenue</b>			
Miscellaneous revenue	\$ 1 100	\$ 16 339	\$ 15 239
<b>Total Revenue from Local Sources</b>	<b>\$ 2 147 057</b>	<b>\$ 2 221 080</b>	<b>\$ 74 023</b>

## TOWN OF BERRYVILLE, VIRGINIA

27  
SCHEDULE 1  
(Continued)SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Intergovernmental:</b>			
<b>Revenue from the Federal Government:</b>			
<b>Categorical Aid:</b>			
Local Law Enforcement Block Grant	\$ -	\$ 2 957	\$ 2 957
Division of Motor Vehicles	-	7 725	7 725
<b>Total Categorical Aid</b>	<u>\$ -</u>	<u>\$ 10 682</u>	<u>\$ 10 682</u>
<b>Total Revenue from the Federal Government</b>	<u>\$ -</u>	<u>\$ 10 682</u>	<u>\$ 10 682</u>
<b>Revenue from the Commonwealth:</b>			
<b>Noncategorical Aid:</b>			
ABC/wine profits	\$ 3 568	\$ -	\$ ( 3 568)
Railroad rolling stock taxes	1 501	1 660	159
Aid to localities with police departments	<u>89 708</u>	<u>84 735</u>	<u>( 4 973)</u>
<b>Total Noncategorical Aid</b>	<u>\$ 94 777</u>	<u>\$ 86 395</u>	<u>\$ ( 8 382)</u>
<b>Categorical Aid:</b>			
Litter control grant	\$ 2 000	\$ 1 884	\$ ( 116)
Fire fund program	8 000	-	( 8 000)
Street and highway maintenance	<u>48 500</u>	<u>13 927</u>	<u>( 34 573)</u>
<b>Total Categorical Aid</b>	<u>\$ 58 500</u>	<u>\$ 15 811</u>	<u>\$ ( 42 689)</u>
<b>Total Revenue from the Commonwealth</b>	<u>\$ 153 277</u>	<u>\$ 102 206</u>	<u>\$ ( 51 071)</u>
<b>Total Intergovernmental</b>	<u>\$ 153 277</u>	<u>\$ 112 888</u>	<u>\$ ( 40 389)</u>
<b>Total General Fund</b>	<u>\$ 2 300 334</u>	<u>\$ 2 333 968</u>	<u>\$ 33 634</u>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>General and Financial Administration:</b>			
<b>Town Council:</b>			
Compensation	\$ 18 900	\$ 18 900	\$ -
Office rental	2 400	2 400	-
Training	2 000	2 147	( 147)
Local contributions	5 000	181	4 819
Miscellaneous	1 500	827	673
Dues	2 170	2 501	( 331)
Town Code Supplements	2 500	1 174	1 326
State Code Supplements	1 500	-	1 500
<b>Total Town Council</b>	<u>\$ 35 970</u>	<u>\$ 28 130</u>	<u>\$ 7 840</u>
<b>Town Clerk:</b>			
Compensation	\$ 36 600	\$ 39 415	\$ ( 2 815)
Education/training	2 000	2 643	( 643)
Dues	150	260	( 110)
<b>Total Town Clerk</b>	<u>\$ 38 750</u>	<u>\$ 42 318</u>	<u>\$ ( 3 568)</u>
<b>Town Manager:</b>			
Compensation	\$ 115 000	\$ 117 929	\$ ( 2 929)
Mileage	250	-	250
Training	2 000	601	1 399
Dues	500	275	225
<b>Total Town Manager</b>	<u>\$ 117 750</u>	<u>\$ 118 805</u>	<u>\$ ( 1 055)</u>
<b>Legal and Professional Services:</b>			
Professional services	\$ 50 000	\$ 45 302	\$ 4 698
Contractual services	15 000	12 000	3 000
Engineering services	10 000	-	10 000
<b>Total Legal and Professional Services</b>	<u>\$ 75 000</u>	<u>\$ 57 302</u>	<u>\$ 17 698</u>
<b>Personnel:</b>			
Social security	\$ 69 050	\$ 74 202	\$ ( 5 152)
Retirement	95 950	80 609	15 341
Health insurance	106 400	100 601	5 799
Life insurance	9 025	7 278	1 747
Unemployment insurance	750	301	449
Workers' compensation insurance	17 700	17 124	576
<b>Total Personnel</b>	<u>\$ 298 875</u>	<u>\$ 280 115</u>	<u>\$ 18 760</u>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>General and Financial Administration: (Continued)</b>			
<b>Town Treasurer:</b>			
Compensation	\$ 76 400	\$ 84 438	\$ ( 8 038)
Professional services	1 000	-	1 000
Surety bonds	300	300	-
Auto decals	1 200	1 238	( 38)
Training	3 000	1 715	1 285
Dues	200	115	85
<b>Total Town Treasurer</b>	<u>\$ 82 100</u>	<u>\$ 87 806</u>	<u>\$ ( 5 706)</u>
<b>Finance/Accounting:</b>			
Compensation	\$ 36 750	\$ 43 053	\$ ( 6 303)
Training	500	-	500
<b>Total Finance/Accounting</b>	<u>\$ 37 250</u>	<u>\$ 43 053</u>	<u>\$ ( 5 803)</u>
<b>Central Administration/Purchasing:</b>			
Maintenance contracts	\$ 27 600	\$ 36 215	\$ ( 8 615)
Advertising	10 000	4 166	5 834
Postage	9 000	8 927	73
Telecommunications	8 500	4 419	4 081
Office supplies and equipment	17 500	17 013	487
Newsletter	3 500	2 158	1 342
Training	1 500	-	1 500
Dues	1 000	330	670
<b>Total Central Administration/Purchasing</b>	<u>\$ 78 600</u>	<u>\$ 73 228</u>	<u>\$ 5 372</u>
<b>Risk Management:</b>			
Fire boiler insurance	\$ -	\$ -	\$ -
Blanket excess liability	4 550	10 457	( 5 907)
Automobile insurance	7 200	6 465	735
Varisk-2	3 445	2 984	461
Semi-multi peril insurance	16 500	14 087	2 413
Insurance deductibles	3 500	-	3 500
<b>Total Risk Management</b>	<u>\$ 35 195</u>	<u>\$ 33 993</u>	<u>\$ 1 202</u>
<b>Elections:</b>			
Election officials	\$ 1 000	\$ -	\$ 1 000
Office supplies	1 000	-	1 000
<b>Total Elections</b>	<u>\$ 2 000</u>	<u>\$ -</u>	<u>\$ 2 000</u>
<b>Total General and Financial Administration</b>	<u>\$ 801 490</u>	<u>\$ 764 750</u>	<u>\$ 36 740</u>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Safety:</b>			
<b>Police Department:</b>			
Compensation	\$ 441 250	\$ 444 972	\$ ( 3 722)
Maintenance contracts	4 081	1 489	2 592
Communication equipment and services	3 700	2 463	1 237
Community relations	2 000	2 731	( 731)
Office supplies	2 500	3 508	( 1 008)
Gasoline and oil	20 400	15 037	5 363
Repair and maintenance	11 200	17 380	( 6 180)
Police supplies	10 800	19 614	( 8 814)
Uniforms	3 800	6 022	( 2 222)
Medical examinations	1 350	1 609	( 259)
Training	10 800	9 626	1 174
Interpreter	600	100	500
Dues	1 160	626	534
<b>Total Police Department</b>	<b>\$ 513 641</b>	<b>\$ 525 177</b>	<b>\$ ( 11 536)</b>
<b>Traffic Control:</b>			
Contribution - crossing guard	\$ 5 000	\$ 5 000	\$ -
<b>Emergency Services:</b>			
Contribution - alarm	\$ 2 000	\$ 2 000	\$ -
<b>Fire and Rescue:</b>			
Professional services - emergency medical technician	\$ 62 300	\$ 62 300	\$ -
Contribution - JHEVFD	25 000	25 000	-
Fire fund program	8 000	-	8 000
<b>Total Fire and Rescue</b>	<b>\$ 95 300</b>	<b>\$ 87 300</b>	<b>\$ 8 000</b>
<b>Correction and Detention:</b>			
Confinement of prisoners	\$ 250	\$ -	\$ 250
Public defender fees	500	1 087	( 587)
<b>Total Correction and Detention</b>	<b>\$ 750</b>	<b>\$ 1 087</b>	<b>\$ ( 337)</b>
<b>Total Public Safety</b>	<b>\$ 616 691</b>	<b>\$ 620 564</b>	<b>\$ ( 3 873)</b>
<b>Public Works:</b>			
<b>Maintenance of Streets, Bridges and Sidewalks:</b>			
<b>General Administration:</b>			
Compensation	\$ 32 370	\$ 34 827	\$ ( 2 457)
Electricity	3 000	454	2 546
Fuel oil/heat	4 000	1 506	2 494
Telecommunications	1 500	3 876	( 2 376)
Office supplies	200	376	( 176)
Vehicle repairs and maintenance	5 000	4 421	579
Medical exams	500	390	110
Training	1 000	590	410
<b>Total General Administration</b>	<b>\$ 47 570</b>	<b>\$ 46 440</b>	<b>\$ 1 130</b>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Works: (Continued)</b>			
<b>Highways, Streets, Bridges and Sidewalks:</b>			
Compensation	\$ 103 350	\$ 108 167	\$ (4 817)
Communication equipment and services	1 500	-	1 500
Gasoline & oil	18 000	23 391	(5 391)
Uniforms	2 500	2 153	347
Materials and supplies	5 000	5 635	(635)
Equipment maintenance	7 500	5 651	1 849
Sidewalk maintenance	8 000	2 647	5 353
Street sign maintenance	1 500	1 719	(219)
Norfolk/Southern R-O-W's	250	-	250
<b>Total Highways, Streets, Bridges and Sidewalks</b>	<b>\$ 147 600</b>	<b>\$ 149 363</b>	<b>\$ (1 763)</b>
<b>Street Lights:</b>			
Electricity - street lights	\$ 72 000	\$ 68 304	\$ 3 696
<b>Snow and Ice Removal:</b>			
Material and supplies	\$ 2 000	\$ 7 725	\$ (5 725)
<b>Parking Meters:</b>			
Material and supplies	\$ 1 500	\$ 1 397	\$ 103
<b>Street and Road Cleaning:</b>			
Street cleaning	\$ -	\$ -	\$ -
Material and supplies	5 000	4 187	813
<b>Total Street and Road Cleaning</b>	<b>\$ 5 000</b>	<b>\$ 4 187</b>	<b>\$ 813</b>
<b>Total Maintenance of Streets, Bridges and Sidewalks</b>	<b>\$ 275 670</b>	<b>\$ 277 416</b>	<b>\$ (1 746)</b>
<b>Sanitation and Waste Removal:</b>			
Contractual services	\$ 173 000	\$ 164 512	\$ 8 488
Recycling services	75 000	61 779	13 221
Landfill charges	50 000	18 147	31 853
<b>Total Sanitation and Waste Removal</b>	<b>\$ 298 000</b>	<b>\$ 244 438</b>	<b>\$ 53 562</b>
<b>Maintenance of Buildings and Grounds:</b>			
<b>General Properties:</b>			
Electricity	\$ 5 400	\$ 10 049	\$ (4 649)
Fuel oil/heat	5 200	1 915	3 285
Repair and maintenance	6 500	5 179	1 321
Materials and supplies	1 500	2 137	(637)
Christmas lights	1 500	2 163	(663)
<b>Total General Properties</b>	<b>\$ 20 100</b>	<b>\$ 21 443</b>	<b>\$ (1 343)</b>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Works: (Continued)</b>			
<b>Building Services:</b>			
Contractual services	\$ 1 950	\$ 2 545	\$ ( 595)
Building services	-	2 277	( 2 277)
Moving expenses	5 000	-	5 000
Compensation	7 625	-	7 625
Shared due to Clarke County	46 000	603	45 397
<b>Total Building Services</b>	<u>\$ 60 575</u>	<u>\$ 5 425</u>	<u>\$ 55 150</u>
<b>Total Maintenance of Buildings and Grounds</b>	<u>\$ 80 675</u>	<u>\$ 26 868</u>	<u>\$ 53 807</u>
<b>Total Public Works</b>	<u>\$ 654 345</u>	<u>\$ 548 722</u>	<u>\$ 105 623</u>
<b>Parks, Recreation and Cultural:</b>			
Contractual services	\$ 1 000	\$ 1 352	\$ ( 352)
Christmas lights	500	58	442
Rose Hill improvements	3 000	2 278	722
Contributions	5 000	5 000	-
<b>Total Parks, Recreation and Cultural</b>	<u>\$ 9 500</u>	<u>\$ 8 688</u>	<u>\$ 812</u>
<b>Community Development:</b>			
<b>Planning:</b>			
Compensation	\$ 97 575	\$ 97 204	\$ 371
Reimbursable construction fees	20 000	-	20 000
Office rental	2 400	2 400	-
Professional services	-	7 953	( 7 953)
Office equipment	1 600	840	760
Printing	2 000	320	1 680
Mileage	750	276	474
Training	1 750	402	1 348
Dues	500	460	40
Publications	400	53	347
<b>Total Planning</b>	<u>\$ 126 975</u>	<u>\$ 109 908</u>	<u>\$ 17 067</u>
<b>Board of Zoning Appeals:</b>			
Compensation	\$ 500	\$ 160	\$ 340
Training	500	-	500
<b>Total Board of Zoning Appeals</b>	<u>\$ 1 000</u>	<u>\$ 160</u>	<u>\$ 840</u>
<b>Economic Development:</b>			
DBI/economic development professional services	\$ 25 000	\$ 25 000	\$ -

## TOWN OF BERRYVILLE, VIRGINIA

33  
SCHEDULE 2  
(Continued)SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Community Development: (Continued)</b>			
<b>Planning Commission:</b>			
Compensation	\$ 6 600	\$ 3 240	\$ 3 360
Training	750	-	750
Dues	250	-	250
<b>Total Planning Commission</b>	<b>\$ 7 600</b>	<b>\$ 3 240</b>	<b>\$ 4 360</b>
<b>Berryville Area Development Authority:</b>			
Compensation	\$ 2 350	\$ 1 820	\$ 530
Training	500	-	500
Dues	125	-	125
<b>Total Berryville Area Development Authority</b>	<b>\$ 2 975</b>	<b>\$ 1 820</b>	<b>\$ 1 155</b>
<b>Architectural Review Board:</b>			
Training	\$ 250	-	\$ 250
<b>Total Community Development</b>	<b>\$ 163 800</b>	<b>\$ 140 128</b>	<b>\$ 23 672</b>
<b>Capital Outlay:</b>			
Town office	\$ 1 026 000	\$ 2 771 001	(1 745 001)
Police work station	3 000	8 130	( 5 130)
Bulletproof vest replacement	3 200	-	3 200
Speed display signs	10 000	-	10 000
Repairs to 23 E. Main	10 000	6 292	3 708
PW bay upgrades	3 600	-	3 600
One ton dump	34 000	34 161	( 161)
Mower	5 000	-	5 000
Salt box/snow plow	4 700	6 311	( 1 611)
Basketball court repairs	10 000	7 830	2 170
Repave Rixey Moore	17 000	19 679	( 2 679)
Page Street sidewalk	37 850	-	37 850
Copier	11 500	8 405	3 095
Folder/inserter	10 000	8 566	1 434
Flood plain mitigation	30 000	-	30 000
<b>Total Capital Outlay</b>	<b>\$ 1 215 850</b>	<b>\$ 2 870 375</b>	<b>\$ (1 654 525)</b>
<b>Contingency:</b>			
Revenue refunds	\$ 1 000	\$ 15 374	\$ ( 14 374)
Contingency	112 341	27 468	84 873
<b>Total Contingency</b>	<b>\$ 113 341</b>	<b>\$ 42 842</b>	<b>\$ 70 499</b>
<b>Debt service:</b>			
Debt service	\$ 121 476	\$ 94 869	\$ 26 607
<b>Total General Fund</b>	<b>\$ 3 696 493</b>	<b>\$ 5 090 938</b>	<b>\$ (1 394 445)</b>

SCHEDULE OF EXPENDITURES  
ENTERPRISE FUNDS  
For the Years Ended June 30, 2009 and 2008

	June 30, 2009	June 30, 2008
<b>Water Fund:</b>		
<b>General Administration:</b>		
Salaries and wages	\$ 34 171	\$ 30 583
Professional services	-	5 374
Miss Utility	376	291
Postage	3 311	2 767
Office supplies	513	490
Training	-	725
<b>Total General Administration</b>	<b>\$ 38 371</b>	<b>\$ 40 230</b>
<b>Supply Purification:</b>		
Salaries and wages	\$ 181 317	\$ 163 267
Repairs and maintenance	33 997	32 712
Electricity	43 929	33 918
Heating service	2 792	3 993
Equipment and supplies	7 389	8 951
Materials and supplies - chemicals	21 634	16 707
Sludge removal	17 460	13 220
Permits, fees and testing	9 678	10 314
Other operating expenses	9 179	16 082
<b>Total Supply Purification</b>	<b>\$ 327 375</b>	<b>\$ 299 164</b>
<b>Transmission and Distribution:</b>		
Salaries and wages	\$ 72 983	\$ 67 236
Repairs and maintenance - water lines	36 804	38 521
Materials and supplies	25 995	24 750
<b>Total Transmission and Distribution</b>	<b>\$ 135 782</b>	<b>\$ 130 507</b>
<b>Fringe Benefits:</b>		
Social security	\$ 22 031	\$ 20 201
Retirement	24 900	27 099
Health insurance	33 730	33 131
Group life insurance	2 231	2 549
Workers' compensation	9 060	9 591
Unemployment insurance	75	-
<b>Total Fringe Benefits</b>	<b>\$ 92 027</b>	<b>\$ 92 571</b>
<b>Depreciation</b>	<b>\$ 169 020</b>	<b>\$ 162 414</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Expenses</b>	<b>\$ 762 575</b>	<b>\$ 724 886</b>

SCHEDULE OF EXPENDITURES  
ENTERPRISE FUNDS  
For the Years Ended June 30, 2009 and 2008

	June 30, 2009	June 30, 2008
<b>Sewer Fund:</b>		
<b>General Administration:</b>		
Salaries and wages	\$ 34 580	\$ 29 800
Professional services	390	85
Miss Utility	-	222
Postage	4 512	4 471
Office supplies	695	746
<b>Total General Administration</b>	<b>\$ 40 177</b>	<b>\$ 35 324</b>
<b>Wastewater Treatment:</b>		
Salaries and wages	\$ 58 527	\$ 53 459
Professional services	9 800	4 101
Repairs and maintenance	45 127	28 577
Electricity	60 329	41 781
Materials and supplies - chemicals	-	1 118
Equipment and supplies	3 440	5 471
Permits, fees and testing	23 690	27 015
Other operating expenses	952	2 356
<b>Total Wastewater Treatment</b>	<b>\$ 201 865</b>	<b>\$ 163 878</b>
<b>Maintenance of Sewer Lines:</b>		
Salaries and wages	\$ 72 909	\$ 65 404
Repairs and maintenance - sewer lines	21 801	15 613
Materials and supplies	1 974	1 947
<b>Total Maintenance of Sewer Lines</b>	<b>\$ 96 684</b>	<b>\$ 82 964</b>
<b>Fringe Benefits:</b>		
Social security	\$ 12 639	\$ 11 578
Retirement	14 175	15 365
Health insurance	19 964	19 813
Group life insurance	1 270	1 445
Unemployment insurance	41	-
Workers' compensation	5 676	5 849
<b>Total Fringe Benefits</b>	<b>\$ 53 765</b>	<b>\$ 54 050</b>
<b>Depreciation</b>	<b>\$ 162 965</b>	<b>\$ 162 123</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Expenses</b>	<b>\$ 555 456</b>	<b>\$ 498 339</b>

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**STATISTICAL SECTION  
(UNAUDITED)**

TOWN OF BERRYVILLE, VIRGINIA

GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

GENERAL FUND  
(UNAUDITED)

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Fees and Licenses	Fines and Forfeitures	Use of Money and Property	Charges for Services	Miscellaneous	Inter-governmental	Total
1999-00	\$ 642 586	\$ 507 966	\$ 18 570	\$ 51 955	\$ 27 316	\$ 9 101	\$ 6 793	\$ 103 704	\$ 1 367 991
2000-01	712 526	510 098	13 155	47 787	31 121	9 490	23 148	113 369	1 460 694
2001-02	767 480	538 725	20 416	50 202	47 808	9 755	35 096	111 540	1 581 022
2002-03	786 085	589 537	19 660	36 082	49 520	10 407	89 188	148 554	1 729 033
2003-04	855 604	608 694	23 684	35 199	39 747	11 182	15 681	115 085	1 704 876
2004-05	1 058 751	691 504	68 928	57 361	48 266	10 755	6 093	109 040	2 050 698
2005-06	1 067 540	781 037	48 018	54 810	156 005	11 525	40 121	117 251	2 276 307
2006-07	1 137 000	774 422	35 016	73 228	183 142	10 359	56 500	138 565	2 408 232
2007-08	1 192 311	772 820	13 345	58 553	142 604	9 385	73 495	128 716	2 391 229
2008-09	1 206 692	751 709	84 766	54 918	98 463	8 193	16 339	112 888	2 333 968

TABLE 2

GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS

GENERAL FUND  
(UNAUDITED)

Fiscal Year	General Government	Public Safety	Public Works	Parks and Recreation	Community Development	Capital Outlay & Contingency	Debt Service	Total
1999-00	\$ 351 650	\$ 397 033	\$ 318 658	\$ 5 387	\$ 58 643	\$ 95 354	\$ -	\$ 1 226 725
2000-01	354 543	391 214	363 072	9 414	62 206	199 189	-	1 379 638
2001-02	395 508	425 994	396 484	8 449	76 976	259 754	-	1 563 165
2002-03	381 569	423 274	432 856	8 150	96 467	63 805	-	1 406 121
2003-04	399 628	434 474	401 975	10 675	84 282	337 089	100 000	1 768 123
2004-05	512 179	488 654	410 628	6 008	102 716	96 804	-	1 616 989
2005-06	635 159	547 833	473 545	10 916	101 425	66 704	-	1 835 582
2006-07	722 777	548 059	539 679	26 081	139 008	111 814	-	2 087 418
2007-08	726 951	637 027	540 502	10 674	142 974	155 212	16 068	2 229 408
2008-09	764 750	620 564	548 722	8 688	140 128	2 913 217	94 869	5 090 938

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