

TOWN OF BERRYVILLE, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

THE TOWN COUNCIL

Wilson Kirby, Mayor

Jay Arnold

Lawrence Russell, III

Mary Daniel

H. Allen Kitseiman, 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

TABLE OF CONTENTS

	<u>Page</u>	
Independent Auditor's Report	1-2	
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 <i>Government Auditing Standards</i>	3-4	
 BASIC FINANCIAL STATEMENTS:		
<u>Statement</u>		
1	<i>Government-wide Financial Statements:</i> Statement of Net Assets	5
2	Statement of Activities	6
3	<i>Fund Financial Statements:</i> Balance Sheet – Governmental Funds	7-8
4	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	9-10
5	Statement of Net Assets – Proprietary Funds	11
6	Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	12
7	Statement of Cash Flows – Proprietary Funds	13
	Notes to Basic Financial Statements	14-22
 REQUIRED SUPPLEMENTARY INFORMATION:		
<u>Exhibit</u>		
1	Budgetary Comparison Schedule – General Fund	23
2	Schedule of Funding Progress for Defined Benefit Pension Plan	24

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION:	
<u>Schedule</u>	
1	Schedule of Revenues – Budget and Actual – General Fund 25-26
2	Schedule of Expenditures – Budget and Actual – General Fund 27-32
3	Schedule of Expenditures – Enterprises Funds 33-34
STATISTICAL SECTION (UNAUDITED):	
<u>Table</u>	
1	Governmental Revenues by Source – Last Ten Fiscal Years 35
2	Governmental Expenditures by Function – Ten Fiscal Years 35

INDEPENDENT AUDITOR'S REPORTS

ANDERSON, WHITE & COMPANY, P.C.

1

CERTIFIED PUBLIC ACCOUNTANTS

STAUNTON OFFICE
510 NORTH COALTER STREET
STAUNTON, VIRGINIA 24401
(540) 886-2341
FAX: (540) 886-4944
EMAIL: awco@ntelos.net

THOMAS A. WHITE, CPA
ANDREW L. CANNADAY, CPA

LAYTON W. YANCEY, CPA
HOWARD H. ANDERSON, CPA

STUARTS DRAFT OFFICE
P.O. BOX 1055
STUARTS DRAFT, VIRGINIA 24477
(540) 337-4233
FAX: (540) 337-2114

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2008, 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, 2008, 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 March 16, 2009, 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 important for 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.

March 16, 2009

CERTIFIED PUBLIC ACCOUNTANTS

STAUNTON OFFICE
510 NORTH COALTER STREET
STAUNTON, VIRGINIA 24401
(540) 886-2341
FAX: (540) 886-4944
EMAIL: awco@ntelos.net

THOMAS A. WHITE, CPA
ANDREW L. CANNADAY, CPA

LAYTON W. YANCEY, CPA
HOWARD H. ANDERSON, CPA

STUARTS DRAFT OFFICE
P.O. BOX 1055
STUARTS DRAFT, VIRGINIA 24477
(540) 337-4233
FAX: (540) 337-2114

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 16, 2009. 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. 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.

March 16, 2009

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS
As of June 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 3 061 485	\$ 6 491 552	\$ 9 553 037
Receivables (net of allowance for uncollectibles):			
Real estate and personal property tax	32 311	-	32 311
Utility tax	8 498	-	8 498
Meals tax	7 119	-	7 119
Franchise fees	1 615	-	1 615
Reimbursable receivable	94 197	14 374	108 571
Water and sewer service charges	-	202 739	202 739
Other	-	12 282	12 282
Prepaid expenses	15 409	-	15 409
Due from other governmental units	12 008	4 353	16 361
Total Current Assets	\$ 3 232 642	\$ 6 725 300	\$ 9 957 942
Noncurrent Assets:			
Capital assets, net of accumulated depreciation	\$ 752 049	\$ 5 387 566	\$ 6 139 615
Construction in progress	118 328	448 120	566 448
Total Noncurrent Assets	\$ 870 377	\$ 5 835 686	\$ 6 706 063
Total Assets	\$ 4 103 019	\$ 12 560 986	\$ 16 664 005
Liabilities			
Current Liabilities:			
Accounts payable	\$ 35 597	\$ 72 062	\$ 107 659
Customer deposits	-	18 700	18 700
Accrued payroll and related liabilities	10 990	2 411	13 401
Accrued interest	-	1 959	1 959
Deferred revenue	93 943	-	93 943
Current portion of long-term debt	-	202 337	202 337
Total Current Liabilities	\$ 140 530	\$ 297 469	\$ 437 999
Noncurrent Liabilities:			
Compensated absences	\$ 75 660	\$ 16 212	\$ 91 872
Outfall Reserve	-	275 000	275 000
Long term debt, net of current portion	-	541 126	541 126
Total Noncurrent Liabilities	\$ 75 660	\$ 832 338	\$ 907 998
Total Liabilities	\$ 216 190	\$ 1 129 807	\$ 1 345 997
Net Assets			
Invested in capital assets, net of related debt	\$ 870 377	\$ 5 092 222	\$ 5 962 599
Unrestricted	3 016 452	6 338 957	9 355 409
Total Net Assets	\$ 3 886 829	\$ 11 431 179	\$ 15 318 008

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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General and financial administration	\$ 741 089	\$ 280 432	\$ -	\$ -
Public safety	629 905	48 972	98 678	-
Public works	583 207	18 966	24 968	-
Parks, recreation and culture	11 594	-	-	-
Community development	138 826	13 345	-	-
Contingency	25 280	-	-	-
Interest on long-term debt	16 068	-	-	-
Total Governmental Activities	\$ 2 145 969	\$ 361 715	\$ 123 646	\$ -
Business-type activities				
Water	\$ 742 131	\$ 732 466	\$ -	\$ 97 400
Sewer	513 327	1 116 692	-	386 892
Total Business-Type Activities	\$ 1 255 458	\$ 1 849 158	\$ -	\$ 484 292
Total	\$ 3 401 427	\$ 2 210 873	\$ 123 646	\$ 484 292

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>
\$ (460 657)	\$ -	\$ (460 657)
(482 255)	-	(482 255)
(539 273)	-	(539 273)
(11 594)	-	(11 594)
(125 481)	-	(125 481)
(25 280)	-	(25 280)
(16 068)	-	(16 068)
<u>\$ (1 660 608)</u>	<u>\$ -</u>	<u>\$ (1 660 608)</u>
\$ -	\$ 87 735	\$ 87 735
-	990 257	990 257
<u>\$ -</u>	<u>\$ 1 077 992</u>	<u>\$ 1 077 992</u>
<u>\$ (1 660 608)</u>	<u>\$ 1 077 992</u>	<u>\$ (582 616)</u>
\$ 1 181 748	\$ -	\$ 1 181 748
138 801	-	138 801
94 434	-	94 434
18 463	-	18 463
75 481	-	75 481
204 043	-	204 043
1 501	-	1 501
116 204	249 792	365 996
73 495	-	73 495
<u>\$ 1 904 170</u>	<u>\$ 249 792</u>	<u>\$ 2 153 962</u>
-	-	-
-	-	-
<u>\$ 243 562</u>	<u>\$ 1 327 784</u>	<u>\$ 1 571 346</u>
<u>3 643 267</u>	<u>10 103 395</u>	<u>13 746 662</u>
<u><u>\$ 3 886 829</u></u>	<u><u>\$ 11 431 179</u></u>	<u><u>\$ 15 318 008</u></u>

BALANCE SHEET - GOVERNMENTAL FUNDS
As of June 30, 2008

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 3 061 485
Receivables (net of allowance for uncollectibles):	
Real estate and personal property tax	32 311
Utility tax	8 498
Meals tax	7 119
Franchise fees	1 615
Reimbursable receivable	94 197
Prepaid expenses	15 409
Due from other governmental units	<u>12 008</u>
Total Assets	\$ <u>3 232 642</u>
Liabilities	
Accounts payable	\$ 35 597
Accrued payroll and related liabilities	10 990
Deferred revenue	<u>130 137</u>
Total Liabilities	\$ <u>176 724</u>
Fund Balances	
Unreserved	\$ <u>3 055 918</u>
Total Fund Balances	\$ <u>3 055 918</u>
Total Liabilities and Fund Balances	\$ <u>3 232 642</u>

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, 2008

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

Total fund balances - governmental funds	\$ 3 055 918
Capital assets (net of depreciation) used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	870 377
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.	27 330
Business licenses 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.	8 864
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	<u>(75 660)</u>
Net assets of governmental activities	\$ <u><u>3 886 829</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	<u>General Fund</u>
Revenues	
General property taxes	\$ 1 192 311
Other local taxes	772 820
Permits, privilege fees and regulatory licenses	13 345
Fines and forfeitures	58 553
Revenue from use of money and property	142 604
Charges for services	9 385
Miscellaneous	73 495
Intergovernmental	<u>128 716</u>
Total Revenues	\$ <u>2 391 229</u>
Expenditures	
Current:	
General and financial administration	\$ 726 951
Public safety	637 027
Public works	540 502
Parks, recreation and cultural	10 674
Community development	142 974
Capital outlay	129 932
Contingency	25 280
Debt Service	<u>16 068</u>
Total Expenditures	\$ <u>2 229 408</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>161 821</u>
Other Financing Sources (Uses)	
Proceeds from loans	\$ -
Sale of equipment and property	-
Operating transfers at net	<u>-</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 161 821
Fund Balance, Beginning of Year	<u>2 894 097</u>
Fund Balance, End of Year	\$ <u><u>3 055 918</u></u>

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, 2008

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

Net change in fund balance - total governmental funds	\$	161 821
Revenues for taxes in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.		(1 698)
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 (\$129,932) exceeded depreciation (\$82,033) in the current period.		47 899
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.		-
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>35 540</u>
Change in net assets of governmental activities	\$	<u><u>243 562</u></u>

THIS PAGE LEFT BLANK INTENTIONALLY

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
As of June 30, 2008

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1 915 980	\$ 4 575 572	\$ 6 491 552
Due from other governmental units	-	4 353	4 353
Receivables (net of allowance for uncollectibles):			
Water and sewer service changes	76 146	126 593	202 739
Reimbursable receivable	-	14 374	14 374
Other	5 781	6 501	12 282
Total Current Assets	\$ 1 997 907	\$ 4 727 393	\$ 6 725 300
Noncurrent Assets:			
Capital assets (net of accumulated depreciation)	\$ 2 655 621	\$ 2 731 945	\$ 5 387 566
Construction in progress	-	448 120	448 120
Total Noncurrent Assets	\$ 2 655 621	\$ 3 180 065	\$ 5 835 686
Total Assets	\$ 4 653 528	\$ 7 907 458	\$ 12 560 986
Liabilities			
Current Liabilities:			
Accounts payable	\$ 10 771	\$ 61 291	\$ 72 062
Accrued payroll and related liabilities	2 077	334	2 411
Accrued interest	1 261	698	1 959
Customer deposits	11 550	7 150	18 700
Current portion of long-term debt	142 891	59 446	202 337
Total Current Liabilities	\$ 168 550	\$ 128 919	\$ 297 469
Noncurrent Liabilities:			
Accrued compensated absences payable	\$ 8 106	\$ 8 106	\$ 16 212
Outfall Reserve	-	275 000	275 000
Long-term debt, net of current portion	379 655	161 471	541 126
Total Noncurrent Liabilities	\$ 387 761	\$ 444 577	\$ 832 338
Total Liabilities	\$ 556 311	\$ 573 496	\$ 1 129 807
Net Assets			
Invested in capital assets, net of related debt	\$ 2 133 074	\$ 2 959 148	\$ 5 092 222
Unrestricted	1 964 143	4 374 814	6 338 957
Total Net Assets	\$ 4 097 217	\$ 7 333 962	\$ 11 431 179

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

THIS PAGE LEFT BLANK INTENTIONALLY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 699 018	\$ 1 116 692	\$ 1 815 710
Connection charges and meter fees	4 290	-	4 290
Delinquent account charges	29 158	-	29 158
Total Operating Revenues	\$ 732 466	\$ 1 116 692	\$ 1 849 158
Operating Expenses			
General administration	\$ 40 230	\$ 35 324	\$ 75 554
Supply purification	299 164	-	299 164
Transmission and distribution	130 507	-	130 507
Wastewater treatment	-	163 878	163 878
Maintenance of sewer lines	-	82 964	82 964
Fringe benefits	92 571	54 050	146 621
Depreciation	162 414	162 123	324 537
Contingency	-	-	-
Total Operating Expenses	\$ 724 886	\$ 498 339	\$ 1 223 225
Operating Income (Loss)	\$ 7 580	\$ 618 353	\$ 625 933
Nonoperating Revenues (Expenses)			
Interest income	\$ 72 890	\$ 176 902	\$ 249 792
Interest expense and fiscal charges	(17 245)	(14 988)	(32 233)
Total Nonoperating Revenues (Expenses)	\$ 55 645	\$ 161 914	\$ 217 559
Net Income (Loss) Before Contributions and Transfers	\$ 63 225	\$ 780 267	\$ 843 492
Net operating transfers	-	-	-
Grant revenues	-	31 110	31 110
Contributions and availability charges	97 400	355 782	453 182
Change in Net Assets	\$ 160 625	\$ 1 167 159	\$ 1 327 784
Net Assets , Beginning of Year	3 936 592	6 166 803	10 103 395
Net Assets, End of Year	\$ 4 097 217	\$ 7 333 962	\$ 11 431 179

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

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF BERRYVILLE, VIRGINIA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 735 605	\$ 1 123 682	\$ 1 859 287
Payments to suppliers	(204 610)	(134 969)	(339 579)
Payments to employees	(360 776)	(208 418)	(569 194)
Net Cash Provided (Used) by Operating Activities	<u>\$ 170 219</u>	<u>\$ 780 295</u>	<u>\$ 950 514</u>
Cash Flows From Noncapital Financing Activities			
Net operating transfers	\$ -	\$ -	\$ -
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Flows From Capital and Related Financing Activities			
Capital contributions and grants	\$ 97 400	\$ 408 612	\$ 506 012
Acquisition and construction of capital assets	(94 831)	(258 951)	(353 782)
Receipts (payments) on reimbursable receivable	-	(14 374)	(14 374)
Principal paid on capital debt	(120 371)	(74 280)	(194 651)
Interest paid on capital debt	(17 521)	(15 222)	(32 743)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (135 323)</u>	<u>\$ 45 785</u>	<u>\$ (89 538)</u>
Cash Flows From Investing Activities			
Interest received	\$ 72 890	\$ 176 902	\$ 249 792
Net Cash Provided (Used) by Investing Activities	<u>\$ 72 890</u>	<u>\$ 176 902</u>	<u>\$ 249 792</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 107 786</u>	<u>\$ 1 002 982</u>	<u>\$ 1 110 768</u>
Cash and Cash Equivalents, Beginning of Year	<u>1 808 194</u>	<u>3 572 590</u>	<u>5 380 784</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1 915 980</u></u>	<u><u>\$ 4 575 572</u></u>	<u><u>\$ 6 491 552</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 7 580	\$ 618 353	\$ 625 933
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	162 414	162 123	324 537
(Increase) decrease in:			
Accounts receivable	5 814	5 740	11 554
Increase (decrease) in:			
Accounts payable	4 205	(1 466)	2 739
Accrued payroll and related liabilities	(4 769)	(3 355)	(8 124)
Customer deposits	(2 675)	1 250	(1 425)
Accrued compensated absences	(2 350)	(2 350)	(4 700)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 170 219</u></u>	<u><u>\$ 780 295</u></u>	<u><u>\$ 950 514</u></u>

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

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

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, 2008

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, 2008

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, 2008

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 5th and December 5th. Personal Property Taxes are levied annually and are due December 5th.

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 \$31,785 on June 30, 2008, and is composed of the following:

General Fund	\$ 29 785
Enterprise Funds:	
Water	1 200
Sewer	<u>800</u>
Total	<u>\$ 31 785</u>

TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2008

NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2008, the amount due from other governmental units is as follows:

Clarke County, Virginia – sales tax	\$ 12 008
Total Governmental Activities	<u>\$ 12 008</u>
Virginia Water Quality Improvement Fund	\$ 4 353
Total Business-type Activities	<u>\$ 4 353</u>

NOTE 5—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Capital assets being depreciated:			
Capital assets on July 1, 2007 at cost	\$ 1 971 390	\$ 10 898 850	\$ 12 870 240
Additions	102 371	94 831	197 202
Retirements	-	-	-
Transfers	-	-	-
Total capital assets being depreciated	<u>\$ 2 073 761</u>	<u>\$ 10 993 681</u>	<u>\$ 13 067 442</u>
Accumulated depreciation on July 1, 2007	\$ (1 239 679)	\$ (5 281 578)	\$ (6 521 257)
Additions	(82 033)	(324 537)	(406 570)
Retirements	-	-	-
Total accumulated depreciated	<u>\$ (1 321 712)</u>	<u>\$ (5 606 115)</u>	<u>\$ (6 927 827)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>\$ 752 049</u>	<u>\$ 5 387 566</u>	<u>\$ 6 139 615</u>
Capital assets not being depreciated:			
Construction in progress on July 1, 2007	\$ 90 767	\$ 134 250	\$ 225 017
Additions	27 561	313 870	341 431
Transfers	-	-	-
Total capital assets not being depreciated	<u>\$ 118 328</u>	<u>\$ 448 120</u>	<u>\$ 566 448</u>

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

Governmental activities:	
General and financial administration	\$ 15 716
Public safety	16 598
Public works	48 799
Parks, recreation, and culture	<u>920</u>
Total depreciation expense – governmental activities	<u>\$ 82 033</u>
Business-type activities:	
Water	\$ 162 414
Sewer	<u>162 123</u>
Total depreciation expense – business-type activities	<u>\$ 324 537</u>

TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2008

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 1.7 percent 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 increases 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 at <http://www.varetire.org/pdf/publications/2007annurept.pdf> or obtained by writing to the System 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% of their annual salary to the VRS. The employer may assume this 5% member contribution. 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, 2008 was 10.63% of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2008, the Town's annual pension cost of \$132,753, 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, 2006	\$ 80,437	100%	\$ -
June 30, 2007	123,861	100%	-
June 30, 2008	132,753	100%	-

TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2008

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

The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) 7.5% investment rate of return, (b) projected salary increases ranging from 3.75% to 5.73% per year, and (c) 2.5% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.5%. 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.

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, 2008 was \$118,505.

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 \$75,660 in the Governmental Activities and \$16,212 in the Business-type Activities.

NOTE 9—LONG-TERM DEBT:

Outstanding long-term debt as of June 30, 2008, includes the following:

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%	\$ 401 071
--	------------

\$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%	<u>342 392</u>
---	----------------

Total Long-term Debt – Business-type Activities	<u>\$ 743 463</u>
---	-------------------

Total interest and fiscal charges of \$32,233 (\$17,245 Water Fund and \$14,988 Sewer Fund) were incurred and expensed during the fiscal year on the above obligations.

TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2008

NOTE 9—LONG-TERM DEBT: (Continued)

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

Business-type Activities:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 202 337	\$ 25 058
2010	210 244	17 150
2011	218 476	8 918
2012	<u>112 406</u>	<u>1 267</u>
Total	<u>\$ 743 463</u>	<u>\$ 52 393</u>

Changes in long-term debt are as follows:

	<u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
Governmental Activities:				
Accrued compensated absences	\$ <u>111 200</u>	\$ <u>-</u>	\$ <u>35 540</u>	\$ <u>75 660</u>
Total	\$ <u>111 200</u>	\$ <u>-</u>	\$ <u>35 540</u>	\$ <u>75 660</u>
Business-type Activities:				
General obligation bonds	\$ 938 114	\$ -	\$ 194 651	\$ 743 463
Accrued compensated absences	<u>20 912</u>	<u>-</u>	<u>4 700</u>	<u>16 212</u>
Total	\$ <u>959 026</u>	\$ <u>-</u>	\$ <u>199 351</u>	\$ <u>759 675</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 \$130,137 is comprised of the following:

- A. Deferred Property Tax Revenue
Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$27,330 at June 30, 2008.
- B. Prepaid Property Taxes
Property taxes due subsequent to June 30, 2008 but paid in advance by the taxpayers totaled \$3,943 at June 30, 2008.
- C. Proffers
As of June 30, 2008, 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, 2008

NOTE 10—DEFERRED REVENUE: (Continued)

D. Deferred Business License Revenue

Deferred revenue representing uncollected business licenses not available for funding of current expenditures totaled \$8,864 at June 30, 2008.

Current deferred revenue per the Statement of Net Assets totaling \$93,943 is comprised of the following:

A. Prepaid Property Taxes (Governmental Activities)

Property taxes due subsequent to June 30, 2008 but paid in advance by the taxpayers totaled \$3,943 at June 30, 2008.

B. Proffers (Governmental Activities)

As of June 30, 2008, 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 the Clarke County Education Foundation, Inc. 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, 2008. The receivable was arrived at by taking the cycle billings the Town sent customers in July 2008 and prorating the amount for days applicable to fiscal year ended June 30, 2008. For June 30, 2008, the amount of unbilled services rendered was estimated at \$36,417.

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.

The Town has constructed a new joint municipal building with Clarke County. The project was managed by the Industrial Development Authority of Clarke County and financed through bonds from Rural Housing Service (RHS), an agency of the United States Department of Agriculture. The Town's portion of the project amounts to \$2,327,000 and will be recorded, along with the building, in fiscal year 2009 when construction was completed as a financing lease.

NOTE 13—RELATED PARTY TRANSACTIONS:

The Town has incurred fees of \$9,820 from an auto repair shop, an owner of which is a member of Town Council.

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF BERRYVILLE, VIRGINIA

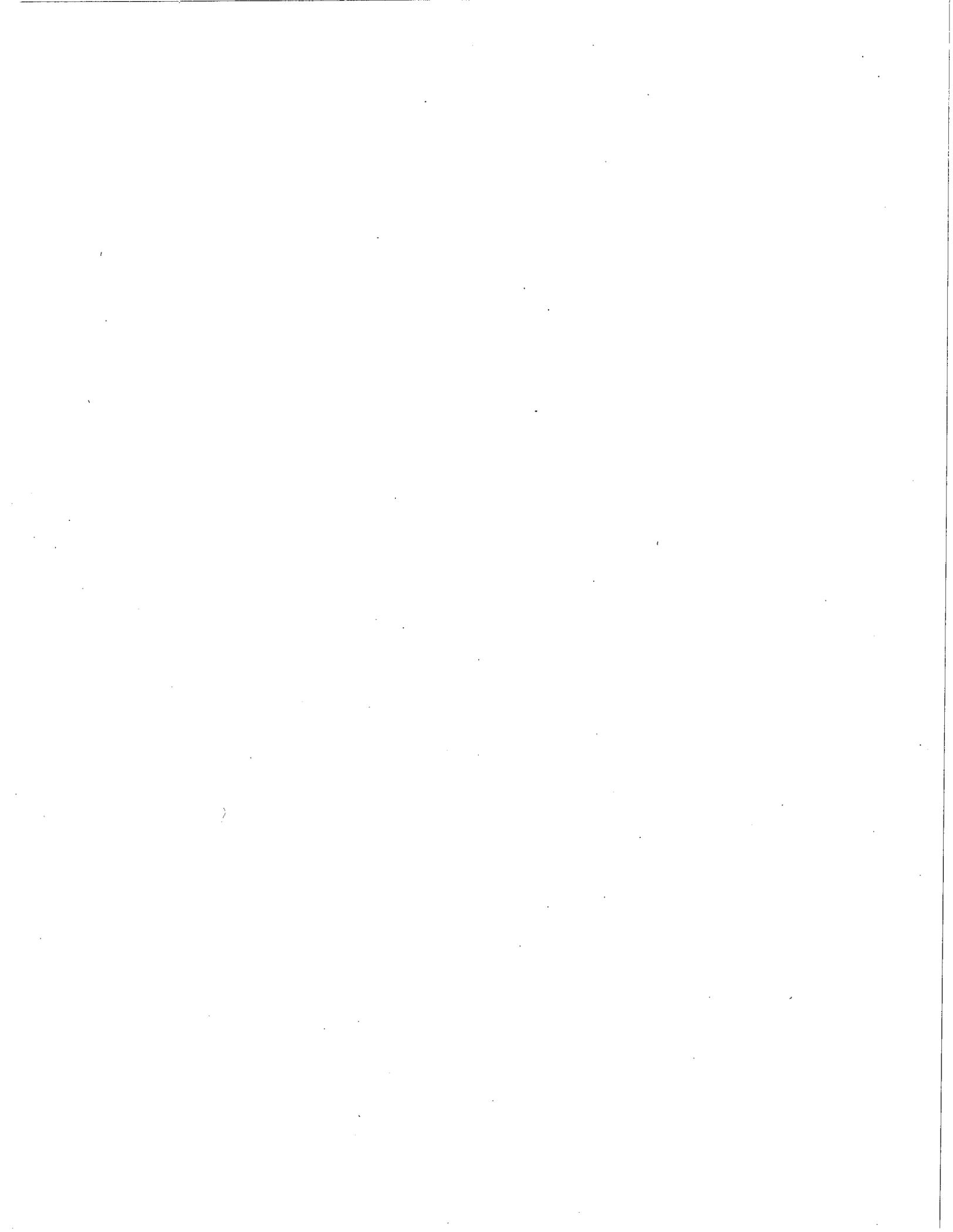
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
General property taxes	\$ 1 110 316	\$ 1 192 311	\$ 81 995
Other local taxes	765 000	772 820	7 820
Permits, privilege fees and regulatory licenses	40 000	13 345	(26 655)
Fines and forfeitures	65 500	58 553	(6 947)
Revenue from use of money and property	131 300	142 604	11 304
Charges for services	11 000	9 385	(1 615)
Miscellaneous	1 100	73 495	72 395
Intergovernmental	146 680	128 716	(17 964)
Total Revenues	\$ 2 270 896	\$ 2 391 229	\$ 120 333
Expenditures			
Current:			
General and financial administration	\$ 784 265	\$ 726 951	\$ 57 314
Public safety	603 986	637 027	(33 041)
Public works	531 330	540 502	(9 172)
Parks, recreation and cultural	9 500	10 674	(1 174)
Community development	159 500	142 974	16 526
Capital outlay	2 943 600	129 932	2 813 668
Contingency	103 760	25 280	78 480
Debt Service	60 542	16 068	44 474
Total Expenditures	\$ 5 196 483	\$ 2 229 408	\$ 2 967 075
Excess (Deficiency) of Revenues Over Expenditures	\$ (2 925 587)	\$ 161 821	\$ 3 087 408
Other Financing Sources (Uses)			
Proceeds from loans	\$ 2 327 000	\$ -	\$ (2 327 000)
Sale of equipment and property	1 000	-	(1 000)
Operating transfers at net	-	-	-
Total Other Financing Sources (Uses)	\$ 2 328 000	\$ -	\$ (2 328 000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (597 587)	\$ 161 821	\$ 759 408
Fund Balance, Beginning of Year	597 587	2 894 097	2 296 510
Fund Balance, End of Year	\$ -	\$ 3 055 918	\$ 3 055 918

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

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION



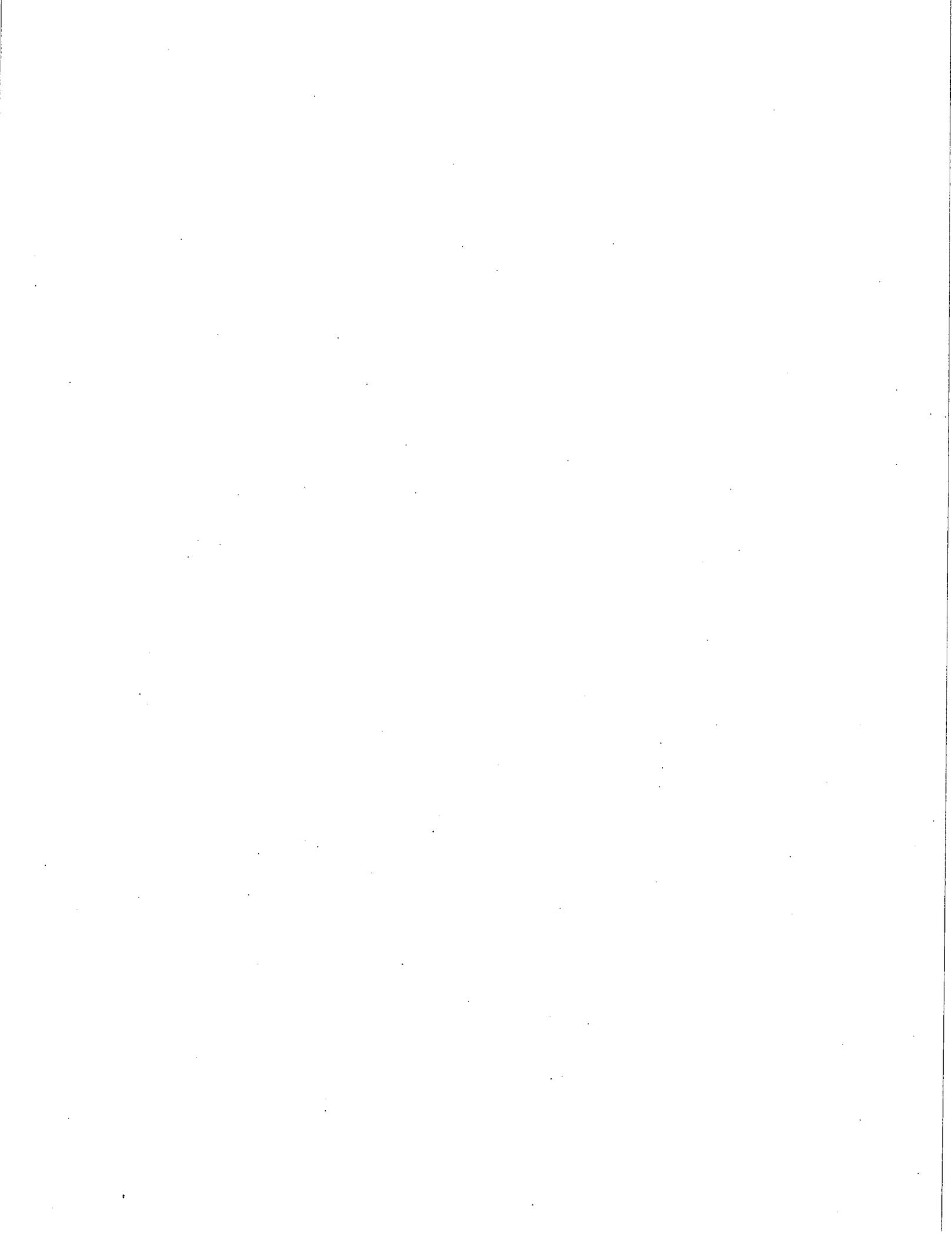
TOWN OF BERRYVILLE, VIRGINIA

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

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, 2003	\$ 1 779 053	\$ 1 594 169	\$ (184 884)	111.60%	\$ 849 906	-21.75%
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%

THIS PAGE LEFT BLANK INTENTIONALLY

OTHER SUPPLEMENTARY INFORMATION



THIS PAGE LEFT BLANK INTENTIONALLY

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Sources of Revenues:			
Revenue from Local Sources:			
General Property Taxes:			
Real property taxes	\$ 572 900	\$ 610 006	\$ 37 106
Personal property taxes	534 916	571 614	36 698
Penalties	1 000	7 288	6 288
Interest	1 500	3 403	1 903
Total General Property Taxes	<u>\$ 1 110 316</u>	<u>\$ 1 192 311</u>	<u>\$ 81 995</u>
Other Local Taxes:			
Local sales and use taxes	\$ 135 000	\$ 138 801	\$ 3 801
Business licenses	160 000	149 587	(10 413)
Motor vehicle licenses	85 000	92 011	7 011
Bank franchise taxes	95 000	94 434	(566)
Utility pole franchise fees	20 000	18 463	(1 537)
Cable television tax	20 000	-	(20 000)
Meals tax	80 000	75 481	(4 519)
Consumer utility tax	170 000	204 043	34 043
Total Other Local Taxes	<u>\$ 765 000</u>	<u>\$ 772 820</u>	<u>\$ 7 820</u>
Permits, Privilege Fees and Regulatory:			
Licenses, zoning and subdivision permits	\$ 40 000	\$ 13 345	\$ (26 655)
Fines and Forfeitures:			
Court fines and forfeitures	\$ 60 000	\$ 48 972	\$ (11 028)
Parking fines	5 500	9 581	4 081
Total Fines and Forfeitures	<u>\$ 65 500</u>	<u>\$ 58 553</u>	<u>\$ (6 947)</u>
Revenue from Use of Money and Property:			
Revenue from use of money	\$ 100 000	\$ 116 204	\$ 16 204
Revenue from use of property	31 300	26 400	(4 900)
Total Revenue from Use of Money and Property	<u>\$ 131 300</u>	<u>\$ 142 604</u>	<u>\$ 11 304</u>
Charges for Services:			
Charges for parking - meters	\$ 11 000	\$ 9 385	\$ (1 615)
Miscellaneous Revenue			
Miscellaneous revenue	\$ 1 100	\$ 73 495	\$ 72 395
Total Revenue from Local Sources	<u>\$ 2 124 216</u>	<u>\$ 2 262 513</u>	<u>\$ 138 297</u>

TOWN OF BERRYVILLE, VIRGINIA

26
SCHEDULE 1
(Continued)SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Intergovernmental:			
Revenue from the Federal Government:			
Categorical Aid:			
Local Law Enforcement Block Grant	\$ -	\$ 2 634	\$ 2 634
Total Categorical Aid	\$ -	\$ 2 634	\$ 2 634
Total Revenue from the Federal Government	\$ -	\$ 2 634	\$ 2 634
Revenue from the Commonwealth:			
Noncategorical Aid:			
ABC/wine profits	\$ 3 570	\$ 3 569	\$ (1)
Railroad rolling stock taxes	1 468	1 501	33
Aid to localities with police departments	87 642	88 044	402
Total Noncategorical Aid	\$ 92 680	\$ 93 114	\$ 434
Categorical Aid:			
Litter control grant	\$ 1 500	\$ 1 935	\$ 435
Fire fund program	4 000	8 000	4 000
Street and highway maintenance	48 500	23 033	(25 467)
Total Categorical Aid	\$ 54 000	\$ 32 968	\$ (21 032)
Total Revenue from the Commonwealth	\$ 146 680	\$ 126 082	\$ (20 598)
Total Intergovernmental	\$ 146 680	\$ 128 716	\$ (17 964)
Total General Fund	\$ 2 270 896	\$ 2 391 229	\$ 120 333

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General and Financial Administration:			
Town Council:			
Compensation	\$ 19 800	\$ 18 400	\$ 1 400
Office rental	4 800	4 800	-
Training	2 000	1 455	545
Local contributions	2 000	-	2 000
Miscellaneous	1 000	2 917	(1 917)
Dues	2 170	-	2 170
Town Code Supplements	2 500	4 343	(1 843)
State Code Supplements	1 500	-	1 500
Total Town Council	<u>\$ 35 770</u>	<u>\$ 31 915</u>	<u>\$ 3 855</u>
Town Clerk:			
Compensation	\$ 31 850	\$ 35 659	\$ (3 809)
Education/training	1 000	2 361	(1 361)
Dues	250	215	35
Total Town Clerk	<u>\$ 33 100</u>	<u>\$ 38 235</u>	<u>\$ (5 135)</u>
Town Manager:			
Compensation	\$ 95 020	\$ 108 355	\$ (13 335)
Mileage	250	92	158
Training	2 000	1 287	713
Dues	500	525	(25)
Total Town Manager	<u>\$ 97 770</u>	<u>\$ 110 259</u>	<u>\$ (12 489)</u>
Legal and Professional Services:			
Professional services	\$ 50 000	\$ 24 694	\$ 25 306
Contractual services	15 000	12 000	3 000
Engineering services	10 000	-	10 000
Total Legal and Professional Services	<u>\$ 75 000</u>	<u>\$ 36 694</u>	<u>\$ 38 306</u>
Personnel:			
Social security	\$ 64 600	\$ 70 583	\$ (5 983)
Retirement	89 750	90 289	(539)
Health insurance	106 400	101 916	4 484
Life insurance	10 300	8 505	1 795
Unemployment insurance	750	259	491
Workers' compensation insurance	14 180	16 097	(1 917)
Total Personnel	<u>\$ 285 980</u>	<u>\$ 287 649</u>	<u>\$ (1 669)</u>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General and Financial Administration: (Continued)			
Town Treasurer:			
Compensation	\$ 72 500	\$ 75 648	\$ (3 148)
Professional services	1 000	-	1 000
Surety bonds	300	300	-
Auto decals	1 200	1 131	69
Training	3 000	2 037	963
Dues	200	95	105
Miscellaneous	1 000	-	1 000
Total Town Treasurer	<u>\$ 79 200</u>	<u>\$ 79 211</u>	<u>\$ (11)</u>
Finance/Accounting:			
Compensation	\$ 34 300	\$ 40 098	\$ (5 798)
Training	200	699	(499)
Total Finance/Accounting	<u>\$ 34 500</u>	<u>\$ 40 797</u>	<u>\$ (6 297)</u>
Central Administration/Purchasing:			
Maintenance contracts	\$ 27 600	\$ 28 756	\$ (1 156)
Advertising	15 000	7 223	7 777
Postage	8 000	8 611	(611)
Telephone/internet	8 000	6 956	1 044
Office supplies and equipment	17 500	15 404	2 096
Newsletter	2 500	2 418	82
Training	1 500	-	1 500
Dues	1 000	2 614	(1 614)
Total Central Administration/Purchasing	<u>\$ 81 100</u>	<u>\$ 71 982</u>	<u>\$ 9 118</u>
Risk Management:			
Fire boiler insurance	\$ 10 650	\$ -	\$ 10 650
Blanket excess liability	4 500	4 134	366
Automobile insurance	13 000	6 631	6 369
Varisk-2	3 445	3 131	314
Semi-multi peril insurance	24 750	14 986	9 764
Insurance deductibles	3 500	-	3 500
Total Risk Management	<u>\$ 59 845</u>	<u>\$ 28 882</u>	<u>\$ 30 963</u>
Elections:			
Election officials	\$ 1 000	\$ 404	\$ 596
Office supplies	1 000	923	77
Total Elections	<u>\$ 2 000</u>	<u>\$ 1 327</u>	<u>\$ 673</u>
Total General and Financial Administration	<u>\$ 784 265</u>	<u>\$ 726 951</u>	<u>\$ 57 314</u>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Safety:			
Police Department:			
Compensation	\$ 447 500	\$ 439 916	\$ 7 584
Maintenance contracts	3 981	1 810	2 171
Communication equipment and services	3 340	3 790	(450)
Office supplies	2 500	2 262	238
Gasoline and oil	15 000	16 896	(1 896)
Repair and maintenance	10 580	11 451	(871)
Police supplies	9 800	15 822	(6 022)
Uniforms	3 635	7 180	(3 545)
Medical examinations	1 350	2 597	(1 247)
Training	7 590	11 696	(4 106)
Interpreter	600	216	384
Dues	1 560	1 091	469
Total Police Department	\$ 507 436	\$ 514 727	\$ (7 291)
Traffic Control:			
Contribution - crossing guard	\$ 5 000	\$ 5 000	\$ -
Emergency Services:			
Contribution - alarm	\$ 2 000	\$ 2 000	\$ -
Fire and Rescue:			
Professional services - emergency medical technician	\$ 62 300	\$ 62 300	\$ -
Contribution - JHEVFD	22 500	45 000	(22 500)
Fire fund program	4 000	8 000	(4 000)
Total Fire and Rescue	\$ 88 800	\$ 115 300	\$ (26 500)
Correction and Detention:			
Confinement of prisoners	\$ 250	\$ -	\$ 250
Public defender fees	500	-	500
Total Correction and Detention	\$ 750	\$ -	\$ 750
Total Public Safety	\$ 603 986	\$ 637 027	\$ (33 041)
Public Works:			
Maintenance of Streets, Bridges and Sidewalks:			
General Administration:			
Compensation	\$ 30 400	\$ 30 361	\$ 39
Electricity	3 000	395	2 605
Fuel oil/heat	4 000	1 271	2 729
Telephone	1 200	3 457	(2 257)
Office supplies	200	1 270	(1 070)
Vehicle repairs and maintenance	5 000	9 716	(4 716)
Medical exams	500	268	232
Training	1 500	213	1 287
Total General Administration	\$ 45 800	\$ 46 951	\$ (1 151)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Works: (Continued)			
Highways, Streets, Bridges and Sidewalks:			
Compensation	\$ 98 400	\$ 100 645	\$ (2 245)
Communication equipment and services	2 000	160	1 840
Gasoline & oil	12 000	29 556	(17 556)
Uniforms	2 500	874	1 626
Materials and supplies	5 000	4 255	745
Equipment maintenance	6 500	12 790	(6 290)
Sidewalk maintenance	8 000	-	8 000
Street sign maintenance	1 000	1 613	(613)
Norfolk/Southern R-O-W's	250	240	10
Total Highways, Streets, Bridges and Sidewalks	<u>\$ 135 650</u>	<u>\$ 150 133</u>	<u>\$ (14 483)</u>
Street Lights:			
Electricity - street lights	\$ 72 000	\$ 61 015	\$ 10 985
Snow and Ice Removal:			
Material and supplies	\$ 1 000	\$ 7 754	\$ (6 754)
Parking Meters:			
Material and supplies	\$ 1 000	\$ 92	\$ 908
Street and Road Cleaning:			
Street cleaning	\$ -	\$ 195	\$ (195)
Material and supplies	2 500	7 794	(5 294)
Total Street and Road Cleaning	<u>\$ 2 500</u>	<u>\$ 7 989</u>	<u>\$ (5 489)</u>
Total Maintenance of Streets, Bridges and Sidewalks	<u>\$ 257 950</u>	<u>\$ 273 934</u>	<u>\$ (15 984)</u>
Sanitation and Waste Removal:			
Contractual services	\$ 158 400	\$ 159 756	\$ (1 356)
Recycling services	39 600	39 953	(353)
Landfill charges	50 000	44 309	5 691
Total Sanitation and Waste Removal	<u>\$ 248 000</u>	<u>\$ 244 018</u>	<u>\$ 3 982</u>
Maintenance of Buildings and Grounds:			
General Properties:			
Electricity	\$ 5 400	\$ 3 114	\$ 2 286
Fuel oil/heat	5 200	2 690	2 510
Repair and maintenance	6 500	11 678	(5 178)
Materials and supplies	1 500	681	819
Christmas lights	1 500	487	1 013
Total General Properties	<u>\$ 20 100</u>	<u>\$ 18 650</u>	<u>\$ 1 450</u>

TOWN OF BERRYVILLE, VIRGINIA

31
SCHEDULE 2
(Continued)SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Works: (Continued)			
Building Services:			
Contractual services	\$ 5 280	\$ 3 900	\$ 1 380
Total Building Services	\$ 5 280	\$ 3 900	\$ 1 380
Total Maintenance of Buildings and Grounds	\$ 25 380	\$ 22 550	\$ 2 830
Total Public Works	\$ 531 330	\$ 540 502	\$ (9 172)
Parks, Recreation and Cultural:			
Contractual services	\$ 1 000	\$ 1 434	\$ (434)
Christmas lights	500	323	177
Rose Hill improvements	3 000	3 917	(917)
Contributions	5 000	5 000	-
Total Parks, Recreation and Cultural	\$ 9 500	\$ 10 674	\$ (1 174)
Community Development:			
Planning:			
Compensation	\$ 92 225	\$ 91 671	\$ 554
Office rental	4 800	4 800	-
Professional services	20 000	6 765	13 235
Office equipment	1 600	2 066	(466)
Printing	1 000	1 491	(491)
Mileage	500	569	(69)
Training	1 500	1 805	(305)
Dues	500	1 064	(564)
Publications	250	893	(643)
Total Planning	\$ 122 375	\$ 111 124	\$ 11 251
Board of Zoning Appeals:			
Compensation	\$ 800	\$ 160	\$ 640
Training	500	-	500
Total Board of Zoning Appeals	\$ 1 300	\$ 160	\$ 1 140
Economic Development:			
DBI/economic development professional services	\$ 25 000	\$ 25 000	\$ -
Planning Commission:			
Compensation	\$ 6 600	\$ 2 950	\$ 3 650
Training	750	-	750
Dues	250	-	250
Total Planning Commission	\$ 7 600	\$ 2 950	\$ 4 650

TOWN OF BERRYVILLE, VIRGINIA

32
SCHEDULE 2
(Continued)SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Community Development: (Continued)			
Berryville Area Development Authority:			
Compensation	\$ 2 350	\$ 3 740	\$ (1 390)
Training	500	-	500
Dues	125	-	125
Total Berryville Area Development Authority	<u>\$ 2 975</u>	<u>\$ 3 740</u>	<u>\$ (765)</u>
Architectural Review Board:			
Training	\$ 250	\$ -	\$ 250
Total Community Development	<u>\$ 159 500</u>	<u>\$ 142 974</u>	<u>\$ 16 526</u>
Capital Outlay:			
Town office	\$ 2 740 000	\$ 27 561	2 712 439
Police video surveillance unit	6 000	-	6 000
Police cruiser	26 000	24 574	1 426
Bike path	-	19 813	(19 813)
Repairs to 23 E. Main	70 000	28 783	41 217
Storm water analysis	46 600	-	46 600
Leaf collection system	25 000	24 604	396
Mower	-	4 597	(4 597)
Flood plain mitigation	30 000	-	30 000
Total Capital Outlay	<u>\$ 2 943 600</u>	<u>\$ 129 932</u>	<u>\$ 2 813 668</u>
Contingency:			
Contingency	\$ 103 760	\$ 25 280	78 480
Debt service:			
Debt service	\$ 60 542	\$ 16 068	\$ 44 474
Total General Fund	<u>\$ 5 196 483</u>	<u>\$ 2 229 408</u>	<u>\$ 2 967 075</u>

TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES

ENTERPRISE FUNDS

For the Years Ended June 30, 2008 and 2007

	June 30, 2008	June 30, 2007
Water Fund:		
General Administration:		
Salaries and wages	\$ 30 583	\$ 27 837
Professional services	5 374	375
Miss Utility	291	603
Postage	2 767	2 858
Office supplies	490	1 062
Training	725	153
Total General Administration	\$ 40 230	\$ 32 888
Supply Purification:		
Salaries and wages	\$ 163 267	\$ 159 487
Repairs and maintenance	32 712	27 993
Electricity	33 918	26 852
Heating service	3 993	2 892
Equipment and supplies	8 951	8 066
Materials and supplies - chemicals	16 707	17 214
Sludge removal	13 220	15 840
Permits, fees and testing	10 314	8 187
Other operating expenses	16 082	11 749
Total Supply Purification	\$ 299 164	\$ 278 280
Transmission and Distribution:		
Salaries and wages	\$ 67 236	\$ 59 809
Repairs and maintenance - water lines	38 521	59 062
Materials and supplies	24 750	33 292
Other transmission and distribution expenses	-	429
Total Transmission and Distribution	\$ 130 507	\$ 152 592
Fringe Benefits:		
Social security	\$ 20 201	\$ 18 886
Retirement	27 099	25 129
Health insurance	33 131	31 874
Group life insurance	2 549	2 860
Workers' compensation	9 591	7 507
Unemployment insurance	-	98
Total Fringe Benefits	\$ 92 571	\$ 86 354
Depreciation	\$ 162 414	\$ 167 336
Contingency	\$ -	\$ 6 823
Total Operating Expenses	\$ 724 886	\$ 724 273

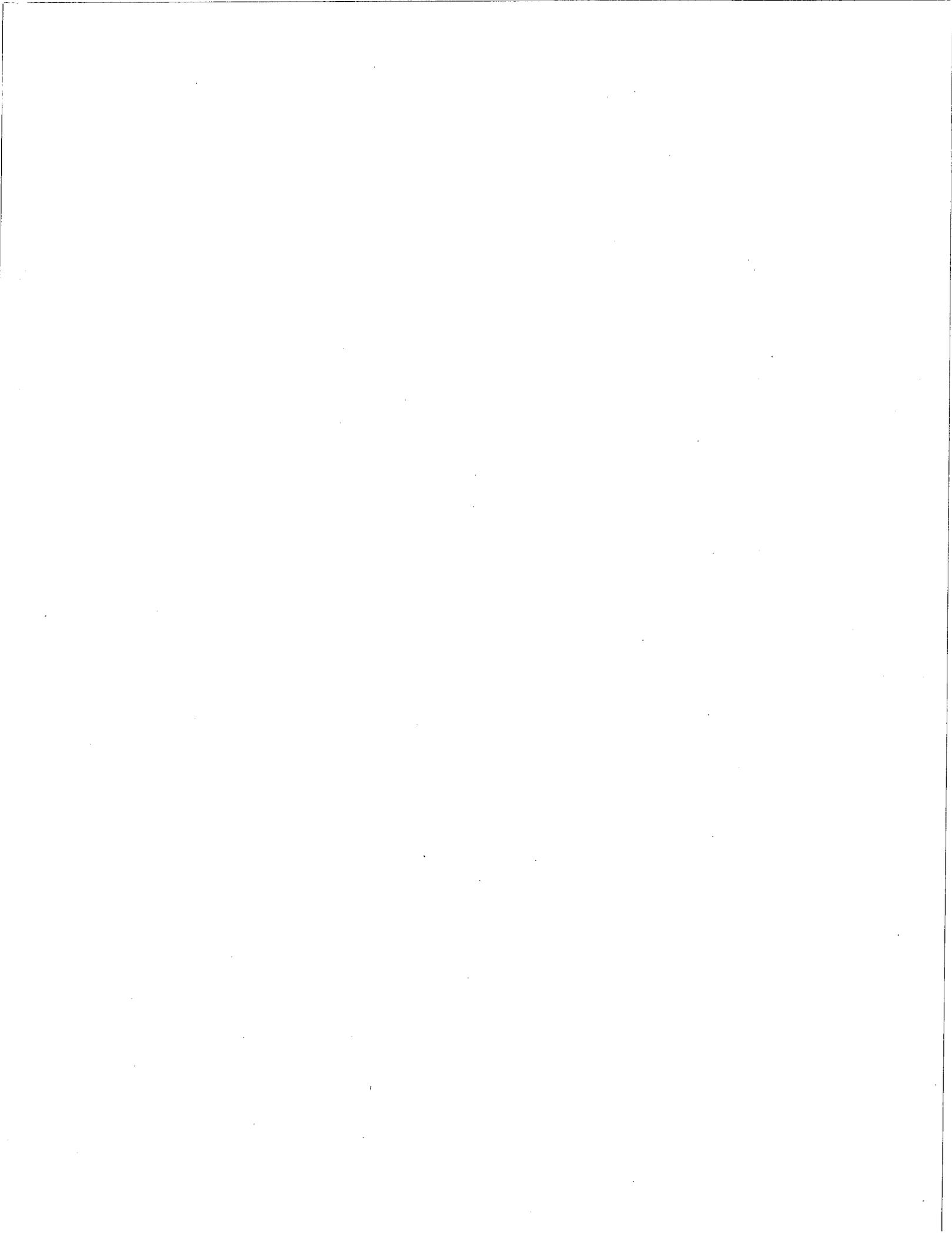
TOWN OF BERRYVILLE, VIRGINIA

34
SCHEDULE 3
(Continued)SCHEDULE OF EXPENDITURES
ENTERPRISE FUNDS
For the Years Ended June 30, 2008 and 2007

	June 30, 2008	June 30, 2007
Sewer Fund:		
General Administration:		
Salaries and wages	\$ 29 800	\$ 28 331
Professional services	85	615
Miss Utility	222	122
Postage	4 471	5 462
Office supplies	746	720
Total General Administration	\$ 35 324	\$ 35 250
Wastewater Treatment:		
Salaries and wages	\$ 53 459	\$ 51 831
Professional services	4 101	18 299
Repairs and maintenance	28 577	26 435
Electricity	41 781	36 997
Materials and supplies - chemicals	1 118	-
Equipment and supplies	5 471	4 610
Permits, fees and testing	27 015	41 693
Other operating expenses	2 356	1 846
Total Wastewater Treatment	\$ 163 878	\$ 181 711
Maintenance of Sewer Lines:		
Salaries and wages	\$ 65 404	\$ 60 243
Repairs and maintenance - sewer lines	15 613	8 437
Materials and supplies	1 947	1 590
Total Maintenance of Sewer Lines	\$ 82 964	\$ 70 270
Fringe Benefits:		
Social security	\$ 11 578	\$ 10 669
Retirement	15 365	13 974
Health insurance	19 813	18 563
Group life insurance	1 445	1 588
Unemployment insurance	-	58
Workers' compensation	5 849	5 475
Total Fringe Benefits	\$ 54 050	\$ 50 327
Depreciation	\$ 162 123	\$ 160 657
Contingency	\$ -	\$ 10 289
Total Operating Expenses	\$ 498 339	\$ 508 504

THIS PAGE LEFT BLANK INTENTIONALLY

**STATISTICAL SECTION
(UNAUDITED)**



GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARSGENERAL 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
1998-99 \$	615 132 \$	465 520 \$	9 240 \$	42 919 \$	24 963 \$	8 664 \$	21 413 \$	52 834 \$	1 240 685
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

TABLE 2

GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARSGENERAL FUND
(UNAUDITED)

Fiscal Year	General Government	Public Safety	Public Works	Parks and Recreation	Community Development	Capital Outlay & Contingency	Debt Service	Total
1998-99 \$	313 911 \$	376 235 \$	270 846 \$	7 289 \$	61 845 \$	216 199 \$	- \$	1 246 325
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

THIS PAGE LEFT BLANK INTENTIONALLY