

TOWN OF BERRYVILLE, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

**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, 2010

TOWN COUNCIL AND OFFICIALS

Wilson Kirby, Mayor

Jay Arnold, Recorder

Lawrence Russell, III

Mary Daniel

H. Allen Kitselman, III

David Tollett

TOWN STAFF

Keith Dalton, Town Manager

Desiree Moreland, Assistant Town Manager/Treasurer

Christina Dunkle, Assistant Town Manager for Community Development and Operations

Neal White, Chief of Police

David Tyrreell, Director of Utilities

Rick Boor, Director of Public Works

Celeste Heath, Town Clerk

Deborah Boggs, Utility Clerk

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**INDEPENDENT AUDITOR'S REPORTS**

# ANDERSON, WHITE & COMPANY, P.C.

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MEMBERS  
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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, 2010, 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, 2010, 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 28, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and trend data on pension funding be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 to the required supplementary information in accordance with auditing standards generally accepted in the United States of

America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. 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 financial statements. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 or provide any assurance on it.

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

March 28, 2011

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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, 2010, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 28, 2011. 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.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. 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.

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*.

We noted certain matters that we reported to management of the Town, in a separate letter dated March 28, 2011.

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 28, 2011

**BASIC FINANCIAL STATEMENTS**

STATEMENT OF NET ASSETS  
As of June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 2 392 157	\$ 5 006 488	\$ 7 398 645
Receivables (net of allowance for uncollectibles):			
Real estate and personal property tax	55 434	-	55 434
Utility tax	10 175	-	10 175
Meals tax	6 379	-	6 379
Franchise fees	1 872	-	1 872
Reimbursable receivable	160 077	2 501	162 578
Water and sewer service charges	-	191 102	191 102
Other	270	18 840	19 110
Prepaid expenses	-	4 049	4 049
Due from other governmental units	25 874	663 704	689 578
<b>Total Current Assets</b>	<b>\$ 2 652 238</b>	<b>\$ 5 886 684</b>	<b>\$ 8 538 922</b>
<b>Noncurrent Assets:</b>			
Restricted cash and cash equivalents	\$ -	\$ 940 000	\$ 940 000
Capital assets, net of accumulated depreciation	3 826 917	5 100 456	8 927 373
Construction in progress	-	4 606 330	4 606 330
Bond issue costs	-	16 932	16 932
<b>Total Noncurrent Assets</b>	<b>\$ 3 826 917</b>	<b>\$ 10 663 718</b>	<b>\$ 14 490 635</b>
<b>Total Assets</b>	<b>\$ 6 479 155</b>	<b>\$ 16 550 402</b>	<b>\$ 23 029 557</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 319 914	\$ 1 301 163	\$ 1 621 077
Customer deposits	-	23 550	23 550
Accrued payroll and related liabilities	25 627	4 331	29 958
Accrued interest	3 637	873	4 510
Deferred revenue	95 639	-	95 639
Current portion of long-term debt	27 153	218 475	245 628
<b>Total Current Liabilities</b>	<b>\$ 471 970</b>	<b>\$ 1 548 392</b>	<b>\$ 2 020 362</b>
<b>Noncurrent Liabilities:</b>			
Compensated absences	\$ 71 450	\$ 20 876	\$ 92 326
Long term debt, net of current portion	2 271 819	510 444	2 782 263
<b>Total Noncurrent Liabilities</b>	<b>\$ 2 343 269</b>	<b>\$ 531 320</b>	<b>\$ 2 874 589</b>
<b>Total Liabilities</b>	<b>\$ 2 815 239</b>	<b>\$ 2 079 712</b>	<b>\$ 4 894 951</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 1 527 945	\$ 8 977 867	\$ 10 505 812
Unrestricted	2 135 971	5 492 823	7 628 794
<b>Total Net Assets</b>	<b>\$ 3 663 916</b>	<b>\$ 14 470 690</b>	<b>\$ 18 134 606</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, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General and financial administration	\$ 909 003	\$ 274 276	\$ -	\$ -
Public safety	675 845	29 076	104 509	-
Public works	695 265	12 031	83 448	-
Parks, recreation and culture	17 541	-	-	-
Community development	133 486	50 284	-	-
Contingency	919	-	-	-
Interest on long-term debt	95 380	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 2 527 439</b>	<b>\$ 365 667</b>	<b>\$ 187 957</b>	<b>\$ -</b>
<b>Business-type activities</b>				
Water	\$ 797 322	\$ 673 137	\$ -	\$ 5 250
Sewer	549 334	1 051 656	-	1 273 070
<b>Total Business-Type Activities</b>	<b>\$ 1 346 656</b>	<b>\$ 1 724 793</b>	<b>\$ -</b>	<b>\$ 1 278 320</b>
<b>Total</b>	<b>\$ 3 874 095</b>	<b>\$ 2 090 460</b>	<b>\$ 187 957</b>	<b>\$ 1 278 320</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>
\$ ( 634 727) \$	-	\$ ( 634 727)
( 542 260)	-	( 542 260)
( 599 786)	-	( 599 786)
( 17 541)	-	( 17 541)
( 83 202)	-	( 83 202)
( 919)	-	( 919)
( 95 380)	-	( 95 380)
<u>\$ (1 973 815) \$</u>	<u>-</u>	<u>\$ (1 973 815)</u>
\$ - \$	( 118 935) \$	( 118 935)
-	1 775 392	1 775 392
<u>\$ - \$</u>	<u>1 656 457</u>	<u>\$ 1 656 457</u>
\$ (1 973 815) \$	1 656 457	\$ ( 317 358)
\$ 1 158 226 \$	-	\$ 1 158 226
127 128	-	127 128
99 521	-	99 521
25 153	-	25 153
79 844	-	79 844
193 320	-	193 320
1 790	-	1 790
39 928	42 840	82 768
3 562	-	3 562
<u>\$ 1 728 472 \$</u>	<u>42 840</u>	<u>\$ 1 771 312</u>
9 381	( 7 084)	2 297
-	-	-
<u>\$ ( 235 962) \$</u>	<u>1 692 213</u>	<u>\$ 1 456 251</u>
<u>3 899 878</u>	<u>12 778 477</u>	<u>16 678 355</u>
<u>\$ 3 663 916 \$</u>	<u>14 470 690</u>	<u>\$ 18 134 606</u>

BALANCE SHEET - GOVERNMENTAL FUNDS  
As of June 30, 2010

---

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 2 392 157
Receivables (net of allowance for uncollectibles):	
Real estate and personal property tax	55 434
Utility tax	10 175
Meals tax	6 379
Franchise fees	1 872
Reimbursable receivable	160 077
Other	270
Due from other governmental units	<u>25 874</u>
<b>Total Assets</b>	<b>\$ <u>2 652 238</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 319 914
Accrued payroll and related liabilities	25 627
Deferred revenue	<u>140 274</u>
<b>Total Liabilities</b>	<b>\$ <u>485 815</u></b>
<b>Fund Balances</b>	
Unreserved	\$ <u>2 166 423</u>
<b>Total Fund Balances</b>	<b>\$ <u>2 166 423</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>2 652 238</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, 2010

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

Total fund balances - governmental funds	\$ 2 166 423
Capital assets (net of depreciation) used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	3 826 917
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.	44 635
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.	(2 298 972)
Interest payable on long-term debt does not require current financial resources, and therefore, is not reported as a liability in the funds.	( 3 637)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>( 71 450)</u>
Net assets of governmental activities	\$ <u><u>3 663 916</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	<b>General Fund</b>
<b>Revenues</b>	
General property taxes	\$ 1 146 789
Other local taxes	762 621
Permits, privilege fees and regulatory licenses	50 284
Fines and forfeitures	32 112
Revenue from use of money and property	76 549
Charges for services	8 995
Miscellaneous	3 562
Intergovernmental	<u>189 747</u>
<b>Total Revenues</b>	<b>\$ <u>2 270 659</u></b>
<b>Expenditures</b>	
Current:	
General and financial administration	\$ 794 863
Public safety	658 010
Public works	641 026
Parks, recreation and cultural	13 620
Community development	133 471
Capital outlay	368 009
Contingency	9 090
Debt Service	<u>121 476</u>
<b>Total Expenditures</b>	<b>\$ <u>2 739 565</u></b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ <u>( 468 906)</u></b>
<b>Other Financing Sources (Uses)</b>	
Sale of equipment and property	\$ <u>9 381</u>
<b>Total Other Financing Sources (Uses)</b>	<b>\$ <u>9 381</u></b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ ( 459 525)</b>
<b>Fund Balance, Beginning of Year</b>	<u>2 625 948</u>
<b>Fund Balance, End of Year</b>	<b>\$ <u><u>2 166 423</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, 2010

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

Net change in fund balance - total governmental funds	\$ ( 459 525)
Revenues for taxes in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.	11 437
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 (\$376,180) exceeded depreciation (\$184,992) in the current period.	191 188
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.	-
Repayment of long-term debt is an expenditure in the governmental funds, but reduces long-term debt in the Statement of Net Assets.	26 054
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.	42
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>( 5 158)</u>
Change in net assets of governmental activities	\$ <u><u>( 235 962)</u></u>

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STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
As of June 30, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 1 541 460	\$ 3 465 028	\$ 5 006 488
Due from other governmental units	-	663 704	663 704
Receivables (net of allowance for uncollectibles):			
Water and sewer service changes	69 997	121 105	191 102
Reimbursable receivable	1 199	1 302	2 501
Other	7 207	11 633	18 840
Prepaid expenses	3 533	516	4 049
<b>Total Current Assets</b>	<u>\$ 1 623 396</u>	<u>\$ 4 263 288</u>	<u>\$ 5 886 684</u>
<b>Noncurrent Assets:</b>			
Restricted cash and cash equivalents	-	940 000	940 000
Capital assets (net of accumulated depreciation)	2 675 877	2 424 579	5 100 456
Construction in progress	14 695	4 591 635	4 606 330
Bond issue costs	-	16 932	16 932
<b>Total Noncurrent Assets</b>	<u>\$ 2 690 572</u>	<u>\$ 7 973 146</u>	<u>\$ 10 663 718</u>
<b>Total Assets</b>	<u>\$ 4 313 968</u>	<u>\$ 12 236 434</u>	<u>\$ 16 550 402</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 14 152	\$ 1 287 011	\$ 1 301 163
Accrued payroll and related liabilities	2 596	1 735	4 331
Accrued interest	678	195	873
Customer deposits	14 550	9 000	23 550
Current portion of long-term debt	153 299	65 176	218 475
<b>Total Current Liabilities</b>	<u>\$ 185 275</u>	<u>\$ 1 363 117</u>	<u>\$ 1 548 392</u>
<b>Noncurrent Liabilities:</b>			
Accrued compensated absences payable	\$ 10 438	\$ 10 438	\$ 20 876
Long-term debt, net of current portion	115 979	394 465	510 444
<b>Total Noncurrent Liabilities</b>	<u>\$ 126 417</u>	<u>\$ 404 903</u>	<u>\$ 531 320</u>
<b>Total Liabilities</b>	<u>\$ 311 692</u>	<u>\$ 1 768 020</u>	<u>\$ 2 079 712</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 2 421 294	\$ 6 556 573	\$ 8 977 867
Unrestricted	1 580 982	3 911 841	5 492 823
<b>Total Net Assets</b>	<u>\$ 4 002 276</u>	<u>\$ 10 468 414</u>	<u>\$ 14 470 690</u>

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

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 646 464	\$ 1 042 346	\$ 1 688 810
Connection charges and meter fees	325	-	325
Delinquent account charges	26 348	-	26 348
Miscellaneous	-	9 310	9 310
<b>Total Operating Revenues</b>	<u>\$ 673 137</u>	<u>\$ 1 051 656</u>	<u>\$ 1 724 793</u>
<b>Operating Expenses</b>			
General administration	\$ 41 392	\$ 41 387	\$ 82 779
Supply purification	334 543	-	334 543
Transmission and distribution	146 199	-	146 199
Wastewater treatment	-	186 334	186 334
Maintenance of sewer lines	-	100 153	100 153
Fringe benefits	90 434	52 940	143 374
Depreciation	174 664	160 756	335 420
Contingency	1 250	-	1 250
<b>Total Operating Expenses</b>	<u>\$ 788 482</u>	<u>\$ 541 570</u>	<u>\$ 1 330 052</u>
<b>Operating Income (Loss)</b>	<u>\$ ( 115 345)</u>	<u>\$ 510 086</u>	<u>\$ 394 741</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	\$ 12 480	\$ 30 360	\$ 42 840
Gain (loss) on disposal of assets	-	( 7 084)	( 7 084)
Interest expense and fiscal charges	( 8 840)	( 7 764)	( 16 604)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ 3 640</u>	<u>\$ 15 512</u>	<u>\$ 19 152</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<u>\$ ( 111 705)</u>	<u>\$ 525 598</u>	<u>\$ 413 893</u>
Grant revenues	-	850 320	850 320
Contributions and availability charges	5 250	422 750	428 000
<b>Change in Net Assets</b>	<u>\$ ( 106 455)</u>	<u>\$ 1 798 668</u>	<u>\$ 1 692 213</u>
<b>Net Assets , Beginning of Year</b>	<u>4 108 731</u>	<u>8 669 746</u>	<u>12 778 477</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 4 002 276</u></u>	<u><u>\$ 10 468 414</u></u>	<u><u>\$ 14 470 690</u></u>

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

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## TOWN OF BERRYVILLE, VIRGINIA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 667 210	\$ 1 045 955	\$ 1 713 165
Payments to suppliers	( 244 192)	( 162 686)	( 406 878)
Payments to employees	( 376 950)	( 220 439)	( 597 389)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 46 068</u>	<u>\$ 662 830</u>	<u>\$ 708 898</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Capital contributions and grants	\$ 5 250	\$ 901 697	\$ 906 947
Acquisition and construction of capital assets	( 66 675)	(1 659 734)	(1 726 409)
Receipts (payments) on reimbursable receivable	( 805)	( 1 302)	( 2 107)
Proceeds from capital debt, net of bond issue costs of \$16,932	-	381 090	381 090
Principal paid on capital debt	( 128 755)	( 81 481)	( 210 236)
Interest paid on capital debt	( 9 137)	( 8 021)	( 17 158)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>\$ ( 200 122)</u>	<u>\$ ( 467 751)</u>	<u>\$ ( 667 873)</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	\$ 12 480	\$ 30 360	\$ 42 840
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>\$ 12 480</u>	<u>\$ 30 360</u>	<u>\$ 42 840</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ ( 141 574)</u>	<u>\$ 225 439</u>	<u>\$ 83 865</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1 683 034</u>	<u>4 179 589</u>	<u>5 862 623</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1 541 460</u>	<u>\$ 4 405 028</u>	<u>\$ 5 946 488</u>
Cash and cash equivalents	\$ 1 541 460	\$ 3 465 028	\$ 5 006 488
Restricted cash and cash equivalents	-	940 000	940 000
<b>Total Cash and Cash Equivalents per Statement of Net Assets</b>	<u>\$ 1 541 460</u>	<u>\$ 4 405 028</u>	<u>\$ 5 946 488</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ ( 115 345)	\$ 510 086	\$ 394 741
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	174 664	160 756	335 420
(Increase) decrease in:			
Accounts receivable	( 6 077)	( 6 501)	( 12 578)
Prepaid expenses	( 3 533)	( 516)	( 4 049)
Increase (decrease) in:			
Accounts payable	( 4 376)	( 398)	( 4 774)
Accrued payroll and related liabilities	( 521)	( 2 503)	( 3 024)
Customer deposits	150	800	950
Accrued compensated absences	1 106	1 106	2 212
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 46 068</u>	<u>\$ 662 830</u>	<u>\$ 708 898</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, 2010

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**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, 2010

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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, 2010

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, 2010NOTE 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 \$21,512 on June 30, 2010, and is composed of the following:

General Fund	\$ 19 512
Enterprise Funds:	
Water	800
Sewer	<u>1 200</u>
Total	<u>\$ 21 512</u>

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2010NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2010, the amount due from other governmental units is as follows:

Federal Emergency Management Agency	\$ 16 625
Clarke County, Virginia – sales tax	9 249
Total Governmental Activities	<u>\$ 25 874</u>
Virginia Water Quality Improvement Fund	\$ 538 704
Clarke County Education Foundation, Inc.	125 000
Total Business-type Activities	<u>\$ 663 704</u>

NOTE 5—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Capital assets being depreciated:			
Capital assets on July 1, 2009 at cost	\$ 5 089 003	\$ 11 253 992	\$ 16 342 995
Additions	376 180	46 147	422 327
Retirements	(569 324)	(561 181)	(1 130 505)
Transfers	-	80 921	80 921
Total capital assets being depreciated	<u>\$ 4 895 859</u>	<u>\$ 10 819 879</u>	<u>\$ 15 715 738</u>
Accumulated depreciation on July 1, 2009	\$ (1 453 274)	\$ (5 938 100)	\$ (7 391 374)
Additions	(184 992)	(335 420)	(520 412)
Retirements	569 324	554 097	1 123 421
Total accumulated depreciated	<u>\$ (1 068 942)</u>	<u>\$ (5 719 423)</u>	<u>\$ (6 788 365)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>\$ 3 826 917</u>	<u>\$ 5 100 456</u>	<u>\$ 8 927 373</u>
Capital assets not being depreciated:			
Construction in progress on July 1, 2009	\$ -	\$ 1 961 082	\$ 1 961 082
Additions	-	2 726 169	2 726 169
Transfers	-	(80 921)	(80 921)
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 4 606 330</u>	<u>\$ 4 606 330</u>

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

Governmental activities:	
General and financial administration	\$ 113 387
Public safety	16 391
Public works	51 293
Parks, recreation, and culture	3 921
Total depreciation expense – governmental activities	<u>\$ 184 992</u>
Business-type activities:	
Water	\$ 174 664
Sewer	160 756
Total depreciation expense – business-type activities	<u>\$ 335 420</u>

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2010NOTE 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/2009-annual-report.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, 2010 was 9.15% of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2010, the Town's annual pension cost of \$119,926, was equal to the Town's required and actual contributions.

## Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 132,753	100%	\$ -
June 30, 2009	121,612	100%	-
June 30, 2010	119,926	100%	-

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2010

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, 2009, the most recent actuarial valuation date, the plan was 89.99% funded. The actuarial accrued liability for benefits was \$3,417,466, and the actuarial value of assets was \$3,075,470, resulting in an unfunded actuarial accrued liability (UAAL) of \$341,996. The covered payroll (annual payroll of active employees covered by the plan) was \$1,327,268, and ratio of the UAAL to the covered payroll was 25.77%.

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, 2010 was \$118,915.

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 \$71,450 in the Governmental Activities and \$20,876 in the Business-type Activities.

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2010

NOTE 9—LONG-TERM DEBT:

Outstanding long-term debt as of June 30, 2010, 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. \$ 2 298 972

Total Long-term Debt – Governmental Activities \$ 2 298 972

Total interest and fiscal charges of \$95,380 were incurred and expensed during the fiscal year on the above obligation.

## Business-type Activities:

## General Obligation Bonds:

\$11,750,000 General Obligation Revenue Bond Series 2010, issued March 2010 for purposes of funding new wastewater treatment plant, due in semi-annual installments of \$235,000 beginning February 2013 through August 2037 with no interest. The balance shown is total drawdowns to date. \$ 398 023

\$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%. 179 823

\$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%. 151 073

Total Long-term Debt – Business-type Activities \$ 728 919

Total interest and fiscal charges of \$16,604 (\$8,840 Water Fund and \$7,764 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
2011	\$ 27 153	\$ 94 323
2012	28 294	93 182
2013	29 484	91 992
2014	30 723	90 753
2015	32 015	89 461
2016 – 2020	181 431	425 949
2021 – 2025	222 910	384 470
2026 – 2030	273 873	333 507
2031 – 2035	336 488	270 892
2036 – 2040	413 418	193 962
2041 – 2045	507 936	99 444
2046 – 2047	<u>215 247</u>	<u>8 653</u>
Total	\$ <u>2 298 972</u>	\$ <u>2 176 588</u>

## TOWN OF BERRYVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)  
For the Year Ended June 30, 2010

NOTE 9—LONG-TERM DEBT: (Continued)

## Business-type Activities:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 218 475	\$ 8 919
2012	112 421	1 268
2013	235 000	-
2014	163 023	-
Total	<u>\$ 728 919</u>	<u>\$ 10 187</u>

Changes in long-term debt are as follows:

	<u>June 30, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2010</u>
Governmental Activities:				
Lease revenue bonds	\$ 2 325 026	\$ -	\$ 26 054	\$ 2 298 972
Accrued compensated absences	<u>66 292</u>	<u>5 158</u>	<u>-</u>	<u>71 450</u>
Total	<u>\$ 2 391 318</u>	<u>\$ 5 158</u>	<u>\$ 26 054</u>	<u>\$ 2 370 422</u>
Business-type Activities:				
General obligation bonds	\$ 541 133	\$ 398 023	\$ 210 237	\$ 728 919
Accrued compensated absences	<u>18 664</u>	<u>2 212</u>	<u>-</u>	<u>20 876</u>
Total	<u>\$ 559 797</u>	<u>\$ 400 235</u>	<u>\$ 210 237</u>	<u>\$ 749 795</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 \$140,274 is comprised of the following:

- A. Deferred Property Tax Revenue  
Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$44,635 at June 30, 2010.
- B. Prepaid Property Taxes  
Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$5,639 at June 30, 2010.
- C. Proffers  
As of June 30, 2010, 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, 2010

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

Current deferred revenue per the Statement of Net Assets totaling \$95,639 is comprised of the following:

- A. Prepaid Property Taxes (Governmental Activities)  
Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$5,639 at June 30, 2010.
- B. Proffers (Governmental Activities)  
As of June 30, 2010, the Town has collected \$90,000 from various taxpayers to fund specific capital projects. These funds will be reported as deferred revenue until expended.

**NOTE 11—ESTIMATED UNBILLED REVENUE:**

Proprietary funds estimate and record utility services rendered but not yet billed as of June 30, 2010. The receivable was arrived at by taking the cycle billings the Town sent customers in July 2010 and prorating the amount for days applicable to fiscal year ended June 30, 2010. For June 30, 2010, the amount of unbilled services rendered was estimated at \$31,063.

**NOTE 12—SUBSEQUENT EVENTS/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. Engineering reports project total 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. Total costs incurred to date total \$4,591,635.

The Town awarded a contract for the Barns of Rose Hill Cultural Arts Center and Visitor Center in July 2010 in the amount of \$1,259,553. This project will be partially funded through Virginia Department of Transportation enhancement funds.

The Town awarded a contract for the Booster Pump Station Upgrade in August 2010 in the amount of \$389,244. In accordance with their Utility Construction and Cost Sharing Agreement, the Clarke County School Board and the Town will each fund fifty percent of total construction costs.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BERRYVILLE, VIRGINIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2010**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
General property taxes	\$ 1 124 251	\$ 1 146 789	\$ 22 538
Other local taxes	748 000	762 621	14 621
Permits, privilege fees and regulatory licenses	10 000	50 284	40 284
Fines and forfeitures	57 000	32 112	( 24 888)
Revenue from use of money and property	80 335	76 549	( 3 786)
Charges for services	8 000	8 995	995
Miscellaneous	84 100	3 562	( 80 538)
Intergovernmental	105 632	189 747	84 115
<b>Total Revenues</b>	<b>\$ 2 217 318</b>	<b>\$ 2 270 659</b>	<b>\$ 53 341</b>
<b>Expenditures</b>			
Current:			
General and financial administration	\$ 775 055	\$ 794 863	\$ ( 19 808)
Public safety	611 596	658 010	( 46 414)
Public works	702 745	641 026	61 719
Parks, recreation and cultural	9 500	13 620	( 4 120)
Community development	158 500	133 471	25 029
Capital outlay	25 000	368 009	( 343 009)
Contingency	112 870	9 090	103 780
Debt Service	121 476	121 476	-
<b>Total Expenditures</b>	<b>\$ 2 516 742</b>	<b>\$ 2 739 565</b>	<b>\$ ( 222 823)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ ( 299 424)</b>	<b>\$ ( 468 906)</b>	<b>\$ ( 169 482)</b>
<b>Other Financing Sources (Uses)</b>			
Sale of equipment and property	\$ 1 000	\$ 9 381	\$ 8 381
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1 000</b>	<b>\$ 9 381</b>	<b>\$ 8 381</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ ( 298 424)</b>	<b>\$ ( 459 525)</b>	<b>\$ ( 161 101)</b>
<b>Fund Balance, Beginning of Year</b>	<b>298 424</b>	<b>2 625 948</b>	<b>2 327 524</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 2 166 423</b>	<b>\$ 2 166 423</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The expenditures in excess of appropriations are mainly the result of final payments on construction of a new municipal building and were funded with proceeds from the lease revenue bond incurred for that project in the prior year. Please refer to schedules 1 and 2 for further information by department.

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

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, 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%
June 30, 2009	3 075 470	3 417 466	341 996	89.99%	1 327 268	25.77%

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**OTHER SUPPLEMENTARY INFORMATION**

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## TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended June 30, 2010

	<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	\$ 617 834	\$ 585 590	\$ ( 32 244)
Personal property taxes	502 917	550 205	47 288
Penalties	1 000	6 038	5 038
Interest	2 500	4 956	2 456
<b>Total General Property Taxes</b>	<b>\$ 1 124 251</b>	<b>\$ 1 146 789</b>	<b>\$ 22 538</b>
<b>Other Local Taxes:</b>			
Local sales and use taxes	\$ 140 000	\$ 127 128	\$ ( 12 872)
Business licenses	140 000	145 985	5 985
Motor vehicle licenses	85 000	91 670	6 670
Bank franchise taxes	90 000	99 521	9 521
Utility pole franchise fees	23 000	25 153	2 153
Meals tax	80 000	79 844	( 156)
Consumer utility tax	190 000	193 320	3 320
<b>Total Other Local Taxes</b>	<b>\$ 748 000</b>	<b>\$ 762 621</b>	<b>\$ 14 621</b>
<b>Permits, Privilege Fees and Regulatory:</b>			
Licenses, zoning and subdivision permits	\$ 10 000	\$ 50 284	\$ 40 284
<b>Fines and Forfeitures:</b>			
Court fines and forfeitures	\$ 50 000	\$ 29 076	\$ ( 20 924)
Parking fines	7 000	3 036	( 3 964)
<b>Total Fines and Forfeitures</b>	<b>\$ 57 000</b>	<b>\$ 32 112</b>	<b>\$ ( 24 888)</b>
<b>Revenue from Use of Money and Property:</b>			
Revenue from use of money	\$ 40 000	\$ 39 928	\$ ( 72)
Revenue from use of property	40 335	36 621	( 3 714)
<b>Total Revenue from Use of Money and Property</b>	<b>\$ 80 335</b>	<b>\$ 76 549</b>	<b>\$ ( 3 786)</b>
<b>Charges for Services:</b>			
Charges for parking - meters	\$ 8 000	\$ 8 995	\$ 995
<b>Miscellaneous Revenue</b>			
Recovered costs/reimbursable fees	\$ 83 000	\$ -	\$ ( 83 000)
Miscellaneous revenue	1 100	3 562	2 462
<b>Total Miscellaneous Revenue</b>	<b>\$ 84 100</b>	<b>\$ 3 562</b>	<b>\$ ( 80 538)</b>
<b>Total Revenue from Local Sources</b>	<b>\$ 2 111 686</b>	<b>\$ 2 080 912</b>	<b>\$ ( 30 774)</b>

## TOWN OF BERRYVILLE, VIRGINIA

27  
SCHEDULE 1  
(Continued)SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2010

	<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>			
Department of Criminal Justice Services	\$ -	\$ 5 496	\$ 5 496
Federal Emergency Management Agency	-	16 625	16 625
Division of Motor Vehicles	-	5 067	5 067
<b>Total Categorical Aid</b>	<u>\$ -</u>	<u>\$ 27 188</u>	<u>\$ 27 188</u>
<b>Total Revenue from the Federal Government</b>	<u>\$ -</u>	<u>\$ 27 188</u>	<u>\$ 27 188</u>
<b>Revenue from the Commonwealth:</b>			
<b>Noncategorical Aid:</b>			
Railroad rolling stock taxes	\$ 1 632	\$ 1 790	\$ 158
Aid to localities with police departments	<u>79 000</u>	<u>77 659</u>	<u>( 1 341)</u>
<b>Total Noncategorical Aid</b>	<u>\$ 80 632</u>	<u>\$ 79 449</u>	<u>\$ ( 1 183)</u>
<b>Categorical Aid:</b>			
Litter control grant	\$ -	\$ 1 515	\$ 1 515
Fire fund program	-	16 287	16 287
Street and highway maintenance	<u>25 000</u>	<u>65 308</u>	<u>40 308</u>
<b>Total Categorical Aid</b>	<u>\$ 25 000</u>	<u>\$ 83 110</u>	<u>\$ 58 110</u>
<b>Total Revenue from the Commonwealth</b>	<u>\$ 105 632</u>	<u>\$ 162 559</u>	<u>\$ 56 927</u>
<b>Total Intergovernmental</b>	<u>\$ 105 632</u>	<u>\$ 189 747</u>	<u>\$ 84 115</u>
<b>Total General Fund</b>	<u>\$ 2 217 318</u>	<u>\$ 2 270 659</u>	<u>\$ 53 341</u>

## TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>General and Financial Administration:</b>			
<b>Town Council:</b>			
Compensation	\$ 18 900	\$ 18 150	\$ 750
Training	1 900	1 406	494
Local contributions	2 500	4 500	( 2 000)
Miscellaneous	1 000	661	339
Dues	2 250	2 251	( 1)
Town Code Supplements	2 500	1 976	524
State Code Supplements	500	60	440
<b>Total Town Council</b>	<u>\$ 29 550</u>	<u>\$ 29 004</u>	<u>\$ 546</u>
<b>Town Clerk:</b>			
Compensation	\$ 36 600	\$ 40 564	\$ ( 3 964)
Education/training	1 500	4 289	( 2 789)
Dues	100	200	( 100)
<b>Total Town Clerk</b>	<u>\$ 38 200</u>	<u>\$ 45 053</u>	<u>\$ ( 6 853)</u>
<b>Town Manager:</b>			
Compensation	\$ 115 000	\$ 116 779	\$ ( 1 779)
Mileage	100	-	100
Training	1 000	812	188
Dues	500	250	250
<b>Total Town Manager</b>	<u>\$ 116 600</u>	<u>\$ 117 841</u>	<u>\$ ( 1 241)</u>
<b>Legal and Professional Services:</b>			
Professional services	\$ 40 000	\$ 60 276	\$ ( 20 276)
Contractual services	14 000	12 000	2 000
Engineering services	7 500	-	7 500
<b>Total Legal and Professional Services</b>	<u>\$ 61 500</u>	<u>\$ 72 276</u>	<u>\$ ( 10 776)</u>
<b>Personnel:</b>			
Social security	\$ 69 055	\$ 76 599	\$ ( 7 544)
Retirement	82 595	82 604	( 9)
Health insurance	116 760	113 488	3 272
Life insurance	7 400	7 062	338
Unemployment insurance	720	938	( 218)
Workers' compensation insurance	18 850	14 208	4 642
<b>Total Personnel</b>	<u>\$ 295 380</u>	<u>\$ 294 899</u>	<u>\$ 481</u>

## TOWN OF BERRYVILLE, VIRGINIA

29  
SCHEDULE 2  
(Continued)SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2010

	<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	\$ 75 341	\$ 1 059
Surety bonds	300	300	-
Auto decals	1 300	2 203	( 903)
Training	2 750	1 075	1 675
Dues	100	1 166	( 1 066)
Miscellaneous	1 000	-	1 000
<b>Total Town Treasurer</b>	<u>\$ 81 850</u>	<u>\$ 80 085</u>	<u>\$ 1 765</u>
<b>Finance/Accounting:</b>			
Compensation	\$ 37 250	\$ 43 805	\$ ( 6 555)
Training	450	738	( 288)
<b>Total Finance/Accounting</b>	<u>\$ 37 700</u>	<u>\$ 44 543</u>	<u>\$ ( 6 843)</u>
<b>Central Administration/Purchasing:</b>			
Maintenance contracts	\$ 25 000	\$ 38 508	\$ ( 13 508)
Advertising	5 000	8 476	( 3 476)
Postage	10 000	6 277	3 723
Telecommunications	8 000	2 206	5 794
Office supplies and equipment	16 500	13 335	3 165
Newsletter	6 000	1 080	4 920
Training	1 000	279	721
Dues	1 000	35	965
<b>Total Central Administration/Purchasing</b>	<u>\$ 72 500</u>	<u>\$ 70 196</u>	<u>\$ 2 304</u>
<b>Risk Management:</b>			
Blanket excess liability	\$ 11 500	\$ 11 517	\$ ( 17)
Automobile insurance	7 075	8 207	( 1 132)
Varisk-2	3 200	2 984	216
Semi-multi peril insurance	15 500	16 852	( 1 352)
Insurance deductibles	3 000	-	3 000
<b>Total Risk Management</b>	<u>\$ 40 275</u>	<u>\$ 39 560</u>	<u>\$ 715</u>
<b>Elections:</b>			
Election officials	\$ 500	\$ 450	\$ 50
Office supplies	1 000	956	44
<b>Total Elections</b>	<u>\$ 1 500</u>	<u>\$ 1 406</u>	<u>\$ 94</u>
<b>Total General and Financial Administration</b>	<u>\$ 775 055</u>	<u>\$ 794 863</u>	<u>\$ ( 19 808)</u>

TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Safety:</b>			
<b>Police Department:</b>			
Compensation	\$ 448 275	\$ 477 272	\$ ( 28 997)
Maintenance contracts	1 615	1 200	415
Communication equipment and services	3 515	1 399	2 116
Community relations	950	645	305
Office supplies	1 900	2 321	( 421)
Gasoline and oil	19 380	16 009	3 371
Repair and maintenance	9 500	11 722	( 2 222)
Police supplies	10 260	15 759	( 5 499)
Uniforms	2 850	4 870	( 2 020)
Medical examinations	760	20	740
Training	15 894	13 368	2 526
Professional services	570	1 473	( 903)
Dues	1 102	1 365	( 263)
<b>Total Police Department</b>	<b>\$ 516 571</b>	<b>\$ 547 423</b>	<b>\$ ( 30 852)</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	-	16 287	( 16 287)
<b>Total Fire and Rescue</b>	<b>\$ 87 300</b>	<b>\$ 103 587</b>	<b>\$ ( 16 287)</b>
<b>Correction and Detention:</b>			
Confinement of prisoners	\$ 250	\$ -	\$ 250
Public defender fees	475	-	475
<b>Total Correction and Detention</b>	<b>\$ 725</b>	<b>\$ -</b>	<b>\$ 725</b>
<b>Total Public Safety</b>	<b>\$ 611 596</b>	<b>\$ 658 010</b>	<b>\$ ( 46 414)</b>
<b>Public Works:</b>			
<b>Maintenance of Streets, Bridges and Sidewalks:</b>			
<b>General Administration:</b>			
Compensation	\$ 32 370	\$ 38 501	\$ ( 6 131)
Electricity	3 000	1 332	1 668
Fuel oil/heat	3 800	3 047	753
Telecommunications	3 000	3 394	( 394)
Office supplies	100	412	( 312)
Vehicle repairs and maintenance	4 750	8 945	( 4 195)
Medical exams	400	628	( 228)
Training	700	710	( 10)
<b>Total General Administration</b>	<b>\$ 48 120</b>	<b>\$ 56 969</b>	<b>\$ ( 8 849)</b>

## TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Works: (Continued)</b>			
<b>Highways, Streets, Bridges and Sidewalks:</b>			
Compensation	\$ 104 550	\$ 123 056	\$ ( 18 506)
Gasoline & oil	19 000	25 597	( 6 597)
Uniforms	2 375	1 716	659
Materials and supplies	4 750	6 815	( 2 065)
Equipment maintenance	12 000	14 433	( 2 433)
Sidewalk maintenance	7 600	-	7 600
Street sign maintenance	1 425	-	1 425
Norfolk/Southern R-O-W's	250	-	250
<b>Total Highways, Streets, Bridges and Sidewalks</b>	<u>\$ 151 950</u>	<u>\$ 171 617</u>	<u>\$ ( 19 667)</u>
<b>Street Lights:</b>			
Electricity - street lights	<u>\$ 80 000</u>	<u>\$ 61 338</u>	<u>\$ 18 662</u>
<b>Snow and Ice Removal:</b>			
Material and supplies	<u>\$ 1 900</u>	<u>\$ 29 687</u>	<u>\$ ( 27 787)</u>
<b>Parking Meters:</b>			
Material and supplies	<u>\$ 1 425</u>	<u>\$ 173</u>	<u>\$ 1 252</u>
<b>Street and Road Cleaning:</b>			
Street cleaning	\$ -	\$ 2 163	\$ ( 2 163)
Material and supplies	<u>4 750</u>	<u>3 887</u>	<u>863</u>
<b>Total Street and Road Cleaning</b>	<u>\$ 4 750</u>	<u>\$ 6 050</u>	<u>\$ ( 1 300)</u>
<b>Total Maintenance of Streets, Bridges and Sidewalks</b>	<u>\$ 288 145</u>	<u>\$ 325 834</u>	<u>\$ ( 37 689)</u>
<b>Sanitation and Waste Removal:</b>			
Contractual services	\$ 179 805	\$ 183 741	\$ ( 3 936)
Recycling services	74 350	77 482	( 3 132)
Landfill charges	<u>40 000</u>	<u>18 365</u>	<u>21 635</u>
<b>Total Sanitation and Waste Removal</b>	<u>\$ 294 155</u>	<u>\$ 279 588</u>	<u>\$ 14 567</u>
<b>Maintenance of Buildings and Grounds:</b>			
<b>General Properties:</b>			
Electricity	\$ 6 000	\$ 391	\$ 5 609
Fuel oil/heat	4 950	-	4 950
Repair and maintenance	6 175	11 812	( 5 637)
Materials and supplies	1 425	5 046	( 3 621)
Christmas lights	<u>1 425</u>	<u>602</u>	<u>823</u>
<b>Total General Properties</b>	<u>\$ 19 975</u>	<u>\$ 17 851</u>	<u>\$ 2 124</u>

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Public Works: (Continued)</b>			
<b>Building Services:</b>			
Contractual services	\$ 7 970	\$ 1 149	\$ 6 821
Electricity	30 000	11 356	18 644
Natural gas/heat	36 000	2 147	33 853
Water/sewer	8 000	-	8 000
Compensation	10 000	-	10 000
Shared expenses-Clarke County	8 500	3 101	5 399
<b>Total Building Services</b>	<b>\$ 100 470</b>	<b>\$ 17 753</b>	<b>\$ 82 717</b>
<b>Total Maintenance of Buildings and Grounds</b>	<b>\$ 120 445</b>	<b>\$ 35 604</b>	<b>\$ 84 841</b>
<b>Total Public Works</b>	<b>\$ 702 745</b>	<b>\$ 641 026</b>	<b>\$ 61 719</b>
<b>Parks, Recreation and Cultural:</b>			
Contractual services	\$ 1 500	\$ 1 284	\$ 216
Christmas lights	450	-	450
Rose Hill improvements	2 550	7 336	( 4 786)
Contributions	5 000	5 000	-
<b>Total Parks, Recreation and Cultural</b>	<b>\$ 9 500</b>	<b>\$ 13 620</b>	<b>\$ ( 4 120)</b>
<b>Community Development:</b>			
<b>Planning:</b>			
Compensation	\$ 98 075	\$ 99 494	\$ ( 1 419)
Professional services	20 000	1 900	18 100
Office supplies	400	828	( 428)
Printing	1 500	243	1 257
Mileage	500	58	442
Training	1 000	105	895
Dues	500	706	( 206)
Publications	400	68	332
<b>Total Planning</b>	<b>\$ 122 375</b>	<b>\$ 103 402</b>	<b>\$ 18 973</b>
<b>Board of Zoning Appeals:</b>			
Compensation	\$ 500	\$ -	\$ 500
Training	500	84	416
<b>Total Board of Zoning Appeals</b>	<b>\$ 1 000</b>	<b>\$ 84</b>	<b>\$ 916</b>
<b>Economic Development:</b>			
DBI/economic development professional services	\$ 25 000	\$ 25 000	\$ -

## TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Community Development: (Continued)</b>			
<b>Planning Commission:</b>			
Compensation	\$ 6 000	\$ 2 835	\$ 3 165
Training	750	200	550
Dues	<u>250</u>	<u>147</u>	<u>103</u>
<b>Total Planning Commission</b>	<u>\$ 7 000</u>	<u>\$ 3 182</u>	<u>\$ 3 818</u>
<b>Berryville Area Development Authority:</b>			
Compensation	\$ 2 500	\$ 1 740	\$ 760
Training	250	-	250
Dues	<u>125</u>	<u>63</u>	<u>62</u>
<b>Total Berryville Area Development Authority</b>	<u>\$ 2 875</u>	<u>\$ 1 803</u>	<u>\$ 1 072</u>
<b>Architectural Review Board:</b>			
Training	\$ 250	-	\$ 250
<b>Total Community Development</b>	<u>\$ 158 500</u>	<u>\$ 133 471</u>	<u>\$ 25 029</u>
<b>Capital Outlay:</b>			
Town office	\$ -	\$ 340 934	( 340 934)
Repairs to 23 E. Main	-	20 518	( 20 518)
Police cruiser	-	2 022	( 2 022)
Salt box/snow plow	5 000	4 535	465
F350 pickup	<u>20 000</u>	<u>-</u>	<u>20 000</u>
<b>Total Capital Outlay</b>	<u>\$ 25 000</u>	<u>\$ 368 009</u>	<u>\$ ( 343 009)</u>
<b>Contingency:</b>			
Contingency	\$ 112 870	\$ 9 090	\$ 103 780
<b>Total Contingency</b>	<u>\$ 112 870</u>	<u>\$ 9 090</u>	<u>\$ 103 780</u>
<b>Debt service:</b>			
Debt service	\$ 121 476	\$ 121 476	\$ -
<b>Total General Fund</b>	<u>\$ 2 516 742</u>	<u>\$ 2 739 565</u>	<u>\$ ( 222 823)</u>

## TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES  
ENTERPRISE FUNDS

For the Years Ended June 30, 2010 and 2009

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
<b>Water Fund:</b>		
<b>General Administration:</b>		
Salaries and wages	\$ 34 377	\$ 34 171
Miss Utility	661	376
Repairs and maintenance	1 542	-
Postage	3 724	3 311
Office supplies	1 088	513
<b>Total General Administration</b>	<b>\$ 41 392</b>	<b>\$ 38 371</b>
<b>Supply Purification:</b>		
Salaries and wages	\$ 179 399	\$ 181 317
Repairs and maintenance	37 166	33 997
Electricity	41 370	43 929
Heating service	2 541	2 792
Equipment and supplies	7 601	7 389
Materials and supplies - chemicals	19 988	21 634
Sludge removal	19 160	17 460
Permits, fees and testing	16 514	9 678
Other operating expenses	10 804	9 179
<b>Total Supply Purification</b>	<b>\$ 334 543</b>	<b>\$ 327 375</b>
<b>Transmission and Distribution:</b>		
Salaries and wages	\$ 73 325	\$ 72 983
Repairs and maintenance - water lines	61 569	36 804
Materials and supplies	11 305	25 995
<b>Total Transmission and Distribution</b>	<b>\$ 146 199</b>	<b>\$ 135 782</b>
<b>Fringe Benefits:</b>		
Social security	\$ 21 827	\$ 22 031
Retirement	23 702	24 900
Health insurance	35 295	33 730
Group life insurance	2 046	2 231
Workers' compensation	7 285	9 060
Unemployment insurance	279	75
<b>Total Fringe Benefits</b>	<b>\$ 90 434</b>	<b>\$ 92 027</b>
<b>Depreciation</b>	<b>\$ 174 664</b>	<b>\$ 169 020</b>
<b>Contingency</b>	<b>\$ 1 250</b>	<b>\$ -</b>
<b>Total Operating Expenses</b>	<b>\$ 788 482</b>	<b>\$ 762 575</b>

## TOWN OF BERRYVILLE, VIRGINIA

SCHEDULE OF EXPENDITURES  
ENTERPRISE FUNDS

For the Years Ended June 30, 2010 and 2009

	June 30, 2010	June 30, 2009
<b>Sewer Fund:</b>		
<b>General Administration:</b>		
Salaries and wages	\$ 34 746	\$ 34 580
Professional services	-	390
Repairs and maintenance	1 188	-
Postage	4 756	4 512
Office supplies	697	695
<b>Total General Administration</b>	<b>\$ 41 387</b>	<b>\$ 40 177</b>
<b>Wastewater Treatment:</b>		
Salaries and wages	\$ 57 487	\$ 58 527
Professional services	3 077	9 800
Repairs and maintenance	27 238	45 127
Electricity	68 656	60 329
Materials and supplies - chemicals	2 255	-
Equipment and supplies	2 488	3 440
Permits, fees and testing	24 262	23 690
Other operating expenses	871	952
<b>Total Wastewater Treatment</b>	<b>\$ 186 334</b>	<b>\$ 201 865</b>
<b>Maintenance of Sewer Lines:</b>		
Salaries and wages	\$ 73 869	\$ 72 909
Repairs and maintenance - sewer lines	24 394	21 801
Materials and supplies	1 890	1 974
<b>Total Maintenance of Sewer Lines</b>	<b>\$ 100 153</b>	<b>\$ 96 684</b>
<b>Fringe Benefits:</b>		
Social security	\$ 12 546	\$ 12 639
Retirement	13 476	14 175
Health insurance	21 029	19 964
Group life insurance	1 164	1 270
Unemployment insurance	159	41
Workers' compensation	4 566	5 676
<b>Total Fringe Benefits</b>	<b>\$ 52 940</b>	<b>\$ 53 765</b>
<b>Depreciation</b>	<b>\$ 160 756</b>	<b>\$ 162 965</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Expenses</b>	<b>\$ 541 570</b>	<b>\$ 555 456</b>

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**STATISTICAL SECTION  
(UNAUDITED)**

## TOWN OF BERRYVILLE, VIRGINIA

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
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
2009-10	1 146 789	762 621	50 284	32 112	76 549	8 995	3 562	189 747	2 270 659

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
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
2009-10	794 863	658 010	641 026	13 620	133 471	377 099	121 476	2 739 565

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