



Berryville Town Council

MEETING AGENDA

Berryville-Clarke County Government Center
101 Chalmers Court, Second Floor
Main Meeting Room
Regular Session

February 10, 2026

7:00 PM

Item	Page
1. Call to Order	
2. Pledge of Allegiance	
3. Approval of Agenda	
4. Presentations/Awards and Recognitions	
Josh Roller, CPA, of Robinson, Farmer, Cox Associates presents FY2025 Finance Report	3
5. Public Hearings	
6. Discussion of Public Hearing Items	
7. Citizens' Forum	
8. Consent Agenda	
Town Council Meeting Draft Minutes January 13, 2026	92
Public Safety Committee Draft Minutes January 29, 2026	101
9. Unfinished Business	
10. New Business	
11. Council Member Reports	
Mayor	
Vice Mayor	
Ward 1	
Ward 2	
Ward 3	
Ward 4	

12. Staff Reports

Public Works	103
Public Utilities	104
Police Department	105
Community Development	111
West Fairfax Street Sidewalks Project	112
Administration and Finance	121
Deputy Town Manager	
Wayfinding Signs Update	132
Town Manager	

13. Committee Updates

Budget and Finance
Community Development
Personnel, Appointments, and Policy
Public Safety
Streets and Utilities

14. Closed Session

15. Adjourn

Communication with Those Charged with Governance

**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 Town of Berryville, Virginia for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Berryville, Virginia are described in Note 1 to the financial statements. As described in Note 14 to the financial statements, Town of Berryville changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

Management's estimate of the depreciable lives of capital assets is based on the actual lives of prior assets and industry standards. We evaluated the methods, assumptions and data used to develop the depreciable lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of pension and other post-employment benefit liabilities is based on actuarial valuations performed by a qualified independent actuary. We evaluated the methods, assumptions and data used to develop the estimated liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the allowance for uncollectible property tax revenue and utility billings are based on historical experience and standard methods of computing the allowance. We evaluated the methods, assumptions, and data used to develop the estimates of allowance for uncollectible property tax revenue and utility billings in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material adjustments included the reclassification of debt payments, the adjustment to deferred revenues related to unspent ARPA funds received, pension and OPEB activity, and capital asset activity including additional construction in progress expenditures to be accrued, and current year depreciation expense.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 11, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. Our responsibility with respect to the budgetary comparison information, which also supplements the basic financial statements, is to evaluate the presentation of the schedules in relation to the financial statements as a whole and to report on whether it is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Matters: (Continued)

We were engaged to report on supporting schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the statistical information, which accompanies the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of Town Council and management of Town of Berryville, Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia
December 11, 2025

TOWN OF BERRYVILLE, VIRGINIA



FINANCIAL REPORT YEAR ENDED JUNE 30, 2025

TOWN OF BERRYVILLE, VIRGINIA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

TOWN OF BERRYVILLE, VIRGINIA

Keith R. Dalton, Town Manager

Jean Petti, Deputy Town Manager

Cindy Poulin, Director of
Finance/Treasurer

Terry Russell, Director of Planning and
Zoning

Tim Bristol, Interim Chief of Police

Frank Kelsey, Director of Utilities

Rick Boor, Director of Public Works

Vacant, Utility Clerk

Brandel Kelsey, Town Clerk

Karen Johnson, Front Desk Clerk

Laura Tyler, Finance Clerk

TOWN OF BERRYVILLE, VIRGINIA

Financial Report
Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Front Cover	1
Title Page	2
Directory of Officials	3
Table of Contents	4-5
Independent Auditors' Report	6-8
Management's Discussion and Analysis	9-14
<u>Basic Financial Statements:</u>	
<u>Government-wide Financial Statements</u>	
Exhibit 1 Statement of Net Position	17
Exhibit 2 Statement of Activities	18-19
<u>Fund Financial Statements</u>	
Exhibit 3 Balance Sheet—Governmental Fund	21
Exhibit 4 Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	22
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Fund	23
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	24
Exhibit 7 Statement of Net Position—Proprietary Funds	25
Exhibit 8 Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds	26
Exhibit 9 Statement of Cash Flows—Proprietary Funds	27
Notes to Financial Statements	28-60

TOWN OF BERRYVILLE, VIRGINIA

Financial Report
Year Ended June 30, 2025

Table of Contents (Continued)

		<u>Page</u>
<u>Required Supplementary Information:</u>		
Exhibit 10	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund	62
Exhibit 11	Schedule of Changes in Net Pension Liability and Related Ratios—Pension Plan	63-64
Exhibit 12	Schedule of Employer Contributions—Pension Plan	65
Exhibit 13	Notes to Required Supplementary Information—Pension Plan	66
Exhibit 14	Schedule of Town's Share of Net OPEB Liability—Group Life Insurance (GLI) Plan	67
Exhibit 15	Schedule of Employer Contributions—Group Life Insurance (GLI) Plan	68
Exhibit 16	Notes to Required Supplementary Information—Group Life Insurance (GLI) Plan	69
<u>Other Supplementary Information:</u>		
<i>Supporting Schedules</i>		
Schedule 1	Schedule of Revenues—Budget and Actual—General Fund	71-72
Schedule 2	Schedule of Expenditures—Budget and Actual—General Fund	73-78
Schedule 3	Schedule of Operating Expenses—Enterprise Funds	79-80
<u>Statistical Information:</u>		
Table 1	Governmental Revenues by Source—Last Ten Fiscal Years	82
Table 2	Governmental Expenditures by Function—Last Ten Fiscal Years	83
<u>Compliance:</u>		
	Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	85-86



Independent Auditors' Report

**To the Honorable Members of
The Town Council
Town of Berryville, Virginia**

Report on the Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Berryville, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatement of Beginning Balances

As described in Note 15 to the financial statements, in 2025, the Town restated beginning balances to reflect unrecorded construction costs for ongoing projects. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Berryville, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Berryville, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Berryville, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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. The budgetary comparison 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Berryville, Virginia's basic financial statements. The accompanying supporting schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of Town of Berryville, Virginia'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 solely 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 effectiveness of Town of Berryville, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Berryville, Virginia's internal control over financial reporting and compliance.



Charlottesville, Virginia

December 11, 2025

TOWN OF BERRYVILLE, VIRGINIA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Town of Berryville (the "Town") we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. Please read it in conjunction with the Town's basic financial statements, which follow this section.

Financial Highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$51,221,558 (net position). Of this amount, \$26,347,890 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net position increased by \$1,613,471, of which the governmental activities accounted for a \$1,415,882 increase and business-type activities accounted for a \$197,589 increase.

The unassigned ending fund balance for the Town's general fund was \$10,723,127, an increase of \$1,967,166 over the prior year.

The Town's total debt decreased by \$743,854 (8.09%) during the current fiscal year. The key factor in this net decrease was the payment of General Obligation Bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private sector business. The *statement of net position* presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the Town may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the Town may have previously accumulated funds.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occur, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government administration, public safety, public works, parks, recreation and culture, and community development.

Overview of the Financial Statements: (Continued)

Government-wide financial statements: (Continued)

The two Proprietary (business-type) Fund financial statements provide information on the activities in the Town's Water and Sewer Funds. Activities that are funded through the Water Fund include water system administration and billing, water treatment, and maintenance of treatment, distribution, and storage facilities. Activities that are funded through the Sewer Fund include sewer system administration and billing, wastewater treatment, and maintenance of treatment and collection facilities. User fees (water and sewer bills) and availability fees comprise the income for these funds.

The Town has no separate component units (e.g. school board, industrial development authority, etc.) that would be included in its government-wide financial statements.

The government-wide financial statements can be found on pages 17 through 19 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term affect of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 21 through 24 of this report.

The Town maintains two **Proprietary Funds**. These *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, to account for its public utilities.

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

The Town adopts an annual appropriated budget for its General Fund and its two Proprietary Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 28 through 60 of this report.

Overview of the Financial Statements: (Continued)

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and the schedules related to funding of the Town's participation in its defined benefit pension plan and group life insurance plan.

Required supplementary information can be found on pages 62 through 69 of this report.

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51.2 million at the close of the most recent fiscal year. A large portion of the Town's net position (\$23.6 million, 46.01% of total) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e. the Town's investment in capital assets are of a permanent nature as assets acquired are not generally sold or otherwise disposed of during their useful life).

The following table summarizes the Town's Statement of Net Position:

Town of Berryville, Virginia Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 12,633,720	\$ 11,437,468	\$ 16,810,313	\$ 16,606,695	\$ 29,444,033	\$ 28,044,163
Capital assets	3,830,029	3,905,013	27,707,665	28,298,908	31,537,694	32,203,921
Total assets	\$ 16,463,749	\$ 15,342,481	\$ 44,517,978	\$ 44,905,603	\$ 60,981,727	\$ 60,248,084
Deferred outflows of resources	\$ 225,347	\$ 664,980	\$ 113,825	\$ 37,555	\$ 339,172	\$ 702,535
Long-term liabilities outstanding	\$ 2,357,643	\$ 2,552,598	\$ 6,092,710	\$ 6,641,606	\$ 8,450,353	\$ 9,194,204
Other liabilities	536,917	795,478	134,639	84,173	671,556	879,651
Total liabilities	\$ 2,894,560	\$ 3,348,076	\$ 6,227,349	\$ 6,725,779	\$ 9,121,909	\$ 10,073,855
Deferred inflows of resources	\$ 891,452	\$ 1,172,182	\$ 85,980	\$ 96,494	\$ 977,432	\$ 1,268,676
Net investment in capital assets	\$ 2,083,058	\$ 2,109,700	\$ 21,832,665	\$ 21,604,629	\$ 23,915,723	\$ 23,714,329
Restricted	487,945	487,382	470,000	470,000	957,945	957,382
Unrestricted	10,332,081	8,890,121	16,015,809	16,046,256	26,347,890	24,936,377
Total net position	\$ 12,903,084	\$ 11,487,203	\$ 38,318,474	\$ 38,120,885	\$ 51,221,558	\$ 49,608,088

During fiscal year 2025, business-type activities capital assets for year ended June 30, 2024, were restated from \$27,264,158 to \$28,298,908 to reflect unrecorded construction costs for ongoing projects.

A portion of the Town's net position is restricted (\$957,945 or 1.87% of the total). Of this amount \$375,000 is restricted for proffers, and \$582,945 may be used to meet the Town's ongoing long-term debt obligations.

Government-wide Financial Analysis: (Continued)

The remaining balance of unrestricted net position (\$26.3 million, 46.01% of total) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

As noted previously, the Town's net position increased by \$1,613,471 during the current fiscal year, attributable to the \$1,415,882 increase in governmental activities net position, and \$197,589 increase in business-type activities.

During fiscal year 2025, beginning balances in the water and sewer funds were restated to reflect unrecorded construction costs for ongoing projects.

Town of Berryville, Virginia Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Charges for services	\$ 229,881	\$ 361,599	\$ 3,394,438	\$ 3,537,180	\$ 3,624,319	\$ 3,898,779
Operating grants & contributions	1,130,089	920,823	-	1,390,489	1,130,089	2,311,312
Capital grants & contributions	-	-	268	248	268	248
General real property taxes	2,289,416	2,247,916	-	-	2,289,416	2,247,916
Other taxes	1,590,669	1,613,680	-	-	1,590,669	1,613,680
Unrestricted revenues from the use of money	196,223	219,957	274,833	236,959	471,056	456,916
Grants & contributions not restricted to specific programs	273,602	273,468	-	-	273,602	273,468
Miscellaneous	53,184	68,447	-	-	53,184	68,447
Total Revenues	\$ 5,763,064	\$ 5,705,890	\$ 3,669,539	\$ 5,164,876	\$ 9,432,603	\$ 10,870,766
Expenses:						
General government administration	\$ 1,447,526	\$ 1,364,077	\$ -	\$ -	\$ 1,447,526	\$ 1,364,077
Public safety	1,055,272	982,205	-	-	1,055,272	982,205
Public works	1,529,509	1,626,758	-	-	1,529,509	1,626,758
Parks, recreation & cultural	43,504	48,278	-	-	43,504	48,278
Community development	198,161	133,415	-	-	198,161	133,415
Contingency	161	-	-	-	161	-
Interest on long-term debt	73,051	75,019	-	-	73,051	75,019
Water fund	-	-	1,247,639	1,272,863	1,247,639	1,272,863
Sewer fund	-	-	2,224,311	1,716,174	2,224,311	1,716,174
Total Expenses	\$ 4,347,184	\$ 4,229,752	\$ 3,471,950	\$ 2,989,037	\$ 7,819,134	\$ 7,218,789
Change in net position	\$ 1,415,880	\$ 1,476,138	\$ 197,589	\$ 2,175,839	\$ 1,613,469	\$ 3,651,977
Net position, beginning, as previously presented	11,487,203	10,011,065	37,086,135	35,945,046	48,573,338	45,956,111
Error Correction	-	-	1,034,750	-	-	-
Net position, beginning, as restated	11,487,203	10,011,065	38,120,885	35,945,046	48,573,338	45,956,111
Net position, end of year	\$ 12,903,083	\$ 11,487,203	\$ 38,318,474	\$ 38,120,885	\$ 50,186,807	\$ 49,608,088

During fiscal year 2025, business-type activities expenses as of June 30, 2024, were restated to reflect unrecorded construction costs for ongoing projects. Water fund expenses were restated from \$1,630,844 to \$1,272,863, and sewer fund expenses were restated from \$2,392,943 to \$1,716,174.

Business-type activities increased the Town's net position by \$197,589. Similar to how changes arise in the governmental activities, business-type activities also experience budgetary differences; however, as a public utility function comprises the Town's business-type activities there is more of a direct correlation to the revenues generated relative to the expenses incurred because of service demands.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund: The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's general fund reported a fund balance of \$11,211,072, an increase of \$1,479,784 in comparison to the prior year. Of this total amount, \$10,723,127 or 95.65% constitutes unassigned fund balance, which is available for spending at the Town's discretion. The Town is required to restrict \$112,945 of fund balance for debt service obligations related to the Joint Government Center. The remaining balance of \$375,000 is restricted for proffers revenue, which was not spent as of June 30, 2025.

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The total net position of the water and sewer funds was \$38,318,474. Unrestricted net position at the end of the year was \$16,015,809, a decrease of \$30,447 from last year's unrestricted net position.

General Fund Budgetary Highlights

During the fiscal year the Town's general fund revenue exceeded budget by \$798,023 primarily due to actual tax revenues higher than budgeted numbers by \$325,610. Actual numbers for revenue from the use of money and property were higher than budget by \$83,150. Actual numbers for state and federal categorical aid were higher than budget by \$315,339.

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$31,547,213 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and machinery and equipment.

Capital assets, net of accumulated depreciation, are illustrated in the following table:

Town of Berryville, Virginia
Capital Assets (net of accumulated depreciation)
As of June 30, 2025

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 93,209	\$ 93,209	\$ 76,000	\$ 76,000	\$ 169,209	\$ 169,209
Construction in progress	-	-	258,054	2,669,695	258,054	2,669,695
Buildings & improvements	3,146,624	3,280,672	23,536,169	23,123,962	26,682,793	26,404,634
Infrastructure	59,019	61,789	3,224,710	1,865,969	3,283,729	1,927,758
Equipment	531,177	469,344	612,732	563,282	1,143,909	1,032,626
Total	<u>\$ 3,830,029</u>	<u>\$ 3,905,014</u>	<u>\$ 27,707,665</u>	<u>\$ 28,298,908</u>	<u>\$ 31,537,694</u>	<u>\$ 32,203,922</u>

During fiscal year 2025, business-type activities construction in process for year ended June 30, 2024, was restated from \$1,634,945 to \$2,669,695 to reflect unrecorded construction costs for ongoing projects.

Additional information on the Town's capital assets can be found in Note 5 on pages 38 and 39 of this report.

Capital Asset and Debt Administration: (Continued)

Long-term obligations: At the end of the current fiscal year, the Town had total outstanding obligations of \$8,450,349 and details are summarized in the following table:

**Town of Berryville, Virginia
Outstanding Obligations
For the Year Ended June 30, 2025**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Long-term obligations:						
Lease revenue bond	\$ 1,746,971	\$ 1,795,313	\$ -	\$ -	\$ 1,746,971	\$ 1,795,313
General obligation bonds	-	-	5,875,000	6,345,000	5,875,000	6,345,000
Net pension liability	253,441	381,163	128,019	192,533	381,460	573,696
Net OPEB liability	56,273	63,108	28,424	31,878	84,697	94,986
Compensated absences	300,953	313,013	61,268	72,195	362,221	385,208
Total	<u>\$ 2,357,638</u>	<u>\$ 2,552,597</u>	<u>\$ 6,092,711</u>	<u>\$ 6,641,606</u>	<u>\$ 8,450,349</u>	<u>\$ 9,194,203</u>

Obligations associated with governmental activities decreased by \$194,959 in 2025. The governmental activities obligations decrease was primarily due to the decrease of the net pension liability.

The obligations associated with business-type activities decreased by \$548,895 in 2025 due to VRA loan payments.

The Town is subject to a statutory debt limitation. The legal debt margin is limited to 10% of total assessed value. The margin is computed as all bonded debt and long-term notes except for enterprise indebtedness over total value of taxed real property. The Town was in compliance with debt limitations as of June 30, 2025.

Additional information on the Town's long-term debt and compliance can be found in Note 6.

Economic Factors and Next Year's Budgets and Rates:

Berryville serves as the center of commercial, residential, institutional, and industrial activity for Clarke County.

Both the Town and County are committed to preserving and enhancing Berryville's historic downtown and maintaining Clarke County's exquisite countryside. Preservation of our community's charming character and natural beauty has required extraordinary effort and a high level of cooperation between the Town and County.

For tax year 2025, the real estate tax rate was changed from .200/\$100 to .139/\$100. The personal property rate remained the same as the prior year at \$1.25/\$100. The machinery and tools tax rate remained the same as the prior year at \$1.30/\$100.

Effective November 21, 2023, the Town's water rate was \$8.15 per 1,000 gallons, and the Town's sewer rate was \$17.27 per 1,000 gallons. Administrative monthly fees are \$24.35 for water and \$12.18 for sewer use. Effective June 21, 2025, the Town's water rate was \$10.30 per 1,000 gallons, and the Town's sewer rate was \$17.78 per 1,000 gallons.

Requests for Information

This financial report is designed to provide a general overview of the Town's Finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town Manager, Town of Berryville, 101 Chalmers Court, Suite A, Berryville, Virginia 22611.

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
As of June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 11,777,068	\$ 15,806,940	\$ 27,584,008
Restricted cash and cash equivalents	112,945	470,000	582,945
Receivables, net of allowance for uncollectibles	869,211	397,225	1,266,436
Due from other governments	10,644	-	10,644
Internal balances	(136,148)	136,148	-
Capital assets:			
Land	93,209	76,000	169,209
Construction in progress	-	258,054	258,054
Other capital assets, net of accumulated depreciation	3,736,820	27,373,611	31,110,431
Capital assets, net	\$ 3,830,029	\$ 27,707,665	\$ 31,537,694
Total assets	\$ 16,463,749	\$ 44,517,978	\$ 60,981,727
Deferred Outflows of Resources:			
OPEB related items	\$ 16,919	\$ 8,545	\$ 25,464
Pension related items	208,425	105,280	313,705
Total deferred outflows of resources	\$ 225,344	\$ 113,825	\$ 339,169
Liabilities:			
Accounts payable	\$ 385,102	\$ 79,457	\$ 464,559
Accrued liabilities	(54,671)	(9,693)	(64,364)
Unearned revenue	203,484	-	203,484
Accrued interest	3,003	-	3,003
Customer deposits	-	64,875	64,875
Long-term liabilities:			
Due within one year:			
Compensated absences	30,095	6,127	36,222
Bonds payable	50,359	470,000	520,359
Due in more than one year:			
Compensated absences	270,858	55,141	325,999
Net OPEB liability	56,274	28,424	84,698
Net pension liability	253,441	128,018	381,459
Bonds payable	1,696,612	5,405,000	7,101,612
Total liabilities	\$ 2,894,557	\$ 6,227,349	\$ 9,121,906
Deferred Inflows of Resources:			
OPEB related items	\$ 13,239	\$ 6,689	\$ 19,928
Pension related items	156,977	79,291	236,268
Deferred revenue-property taxes	721,236	-	721,236
Total deferred inflows of resources	\$ 891,452	\$ 85,980	\$ 977,432
Net Position:			
Net investment in capital assets	\$ 2,083,058	\$ 21,832,665	\$ 23,915,723
Restricted for proffers	375,000	-	375,000
Restricted for debt reserve	112,945	470,000	582,945
Unrestricted	10,332,081	16,015,809	26,347,890
Total net position	\$ 12,903,084	\$ 38,318,474	\$ 51,221,558

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

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government administration	\$ 1,447,687	\$ -	\$ -	\$ -
Public safety	1,055,272	22,367	127,111	-
Public works	1,529,509	207,514	998,478	-
Parks, recreation and cultural	43,504	-	-	-
Community development	198,160	-	4,500	-
Interest on long-term debt	73,051	-	-	-
Total governmental activities	\$ 4,347,183	\$ 229,881	\$ 1,130,089	\$ -
Business-type activities:				
Water	\$ 1,247,639	\$ 1,422,339	\$ -	\$ -
Sewer	2,224,311	1,972,099	-	268
Total business-type activities	\$ 3,471,950	\$ 3,394,438	\$ -	\$ 268
Total	\$ 7,819,133	\$ 3,624,319	\$ 1,130,089	\$ 268

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

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary Government:			
Governmental activities:			
General government administration	\$ (1,447,687)	\$ -	\$ (1,447,687)
Public safety	(905,794)	-	(905,794)
Public works	(323,517)	-	(323,517)
Parks, recreation and cultural	(43,504)	-	(43,504)
Community development	(193,660)	-	(193,660)
Interest on long-term debt	(73,051)	-	(73,051)
Total governmental activities	\$ (2,987,213)	\$ -	\$ (2,987,213)
Business-type activities:			
Water	\$ -	\$ 174,700	\$ 174,700
Sewer	-	(251,944)	(251,944)
Total business-type activities	\$ -	\$ (77,244)	\$ (77,244)
Total	\$ (2,987,213)	\$ (77,244)	\$ (3,064,457)
General Revenues:			
General real property taxes	\$ 2,289,416	\$ -	\$ 2,289,416
Local sales and use taxes	373,744	-	373,744
Business license tax	226,524	-	226,524
Cigarette tax	12,109	-	12,109
Bank franchise taxes	276,331	-	276,331
Consumer utility tax	117,367	-	117,367
Lodging tax	11,936	-	11,936
Meals tax	448,974	-	448,974
Motor vehicle licenses	123,684	-	123,684
Unrestricted revenues from the use of money	196,223	274,833	471,056
Grants and contributions not restricted to specific programs	273,602	-	273,602
Miscellaneous	53,185	-	53,185
Total general revenues	\$ 4,403,095	\$ 274,833	\$ 4,677,928
Change in net position	\$ 1,415,882	\$ 197,589	\$ 1,613,471
Net position, beginning, as previously presented	11,487,202	37,086,135	48,573,337
Error Correction	-	1,034,750	1,034,750
Net position, beginning, as restated	11,487,202	38,120,885	49,608,087
Net position, end of year	\$ 12,903,084	\$ 38,318,474	\$ 51,221,558

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

Fund Financial Statements

Balance Sheet
 Governmental Fund
 As of June 30, 2025

	General Fund
Assets:	
Cash and cash equivalents	\$ 11,777,068
Receivables (net of allowance for uncollectibles):	
Taxes including penalties	880,705
Accounts	(11,494)
Due from other governments	10,644
Restricted assets:	
Cash and cash equivalents	112,945
Total assets	\$ 12,769,868
Liabilities:	
Accounts payable	\$ 385,102
Accrued liabilities	(54,671)
Unearned revenue	203,484
Due to other funds	136,148
Total liabilities	\$ 670,063
Deferred Inflows of Resources:	
Unavailable revenue-property taxes	\$ 888,733
Fund Balance:	
Restricted for proffers	\$ 375,000
Restricted for debt service	112,945
Unassigned	10,723,127
Total fund balance	\$ 11,211,072
Total liabilities, deferred inflows of resources and fund balance	\$ 12,769,868

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

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
As of June 30, 2025

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balance for governmental fund (Exhibit 3)	\$ 11,211,072
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 93,209	
Depreciable capital assets, net of accumulated depreciation	<u>3,736,820</u>	3,830,029

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(3,003)
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Unavailable revenue-property taxes	167,497
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 208,425	
OPEB related items	<u>16,919</u>	225,344

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (300,953)	
Net OPEB liability	(56,274)	
Net pension liability	(253,441)	
Bonds payable	<u>(1,746,971)</u>	(2,357,639)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (156,977)	
OPEB related items	<u>(13,239)</u>	(170,216)

Total net position of governmental activities	\$ <u>12,903,084</u>
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The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund
 Year Ended June 30, 2025

	<u>General Fund</u>
Revenues:	
General property taxes	\$ 2,338,216
Other local taxes	1,590,669
Permits, privilege fees and regulatory licenses	49,800
Fines and forfeitures	22,367
Revenue from use of money and property	307,650
Charges for services	46,287
Miscellaneous	53,185
Intergovernmental:	
Commonwealth	1,217,302
Federal	186,389
Total revenues	\$ <u>5,811,865</u>
Expenditures:	
Current:	
General government administration	\$ 1,341,481
Public safety	1,006,816
Public works	1,420,049
Parks, recreation, and cultural	6,976
Community development	197,262
Capital outlay	237,860
Contingency	161
Debt service	121,476
Total expenditures	\$ <u>4,332,081</u>
Net change in fund balance	\$ 1,479,784
Fund balances at beginning of year	<u>9,731,288</u>
Fund balances at end of year	<u>\$ 11,211,072</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 Balance
of Governmental Fund to the Statement of Activities
Year Ended June 30, 2025

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

Net change in fund balances - total governmental fund (Exhibit 5)	\$ 1,479,784
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Governmental activities 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 the depreciation exceeded capital outlays in the current year.

Capital outlay	\$ 227,549	
Depreciation expense	<u>(302,533)</u>	(74,984)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds.

Property taxes	(48,800)
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The issuance of long-term debt (e.g. bonds, leases, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Details of this item consist of principal retired on long-term obligations.

48,342

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ 12,061	
Pension expense	(6,008)	
OPEB expense	5,404	
Change in interest payable	<u>83</u>	<u>11,540</u>

Change in net position of governmental activities	\$ <u><u>1,415,882</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

Statement of Net Position
 Proprietary Funds
 As of June 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 5,482,985	\$ 10,323,955	\$ 15,806,940
Restricted cash and cash equivalents	-	470,000	470,000
Receivables (net of allowance for uncollectibles)	161,359	235,866	397,225
Due from other funds	91,666	44,482	136,148
Total current assets	\$ 5,736,010	\$ 11,074,303	\$ 16,810,313
Noncurrent assets:			
Land	\$ 5,000	\$ 71,000	\$ 76,000
Capital assets, net of accumulated depreciation	2,950,505	24,423,106	27,373,611
Construction in progress	258,054	-	258,054
Total noncurrent assets	\$ 3,213,559	\$ 24,494,106	\$ 27,707,665
Total assets	\$ 8,949,569	\$ 35,568,409	\$ 44,517,978
Deferred Outflows of Resources:			
OPEB related items	\$ 4,912	\$ 3,633	\$ 8,545
Pension related items	60,514	44,766	105,280
Total deferred outflows of resources	\$ 65,426	\$ 48,399	\$ 113,825
Liabilities:			
Current liabilities:			
Accounts payable	\$ 31,224	\$ 48,233	\$ 79,457
Accrued payroll and related liabilities	(10,446)	753	(9,693)
Customer deposits	8,781	56,094	64,875
Compensated absences, current portion	3,392	2,735	6,127
Current portion of long-term debt	-	470,000	470,000
Total current liabilities	\$ 32,951	\$ 577,815	\$ 610,766
Noncurrent liabilities:			
Compensated absences	\$ 30,525	\$ 24,616	\$ 55,141
Net OPEB liability	16,338	12,086	28,424
Net pension liability	73,585	54,433	128,018
Long-term debt, net of current portion	-	5,405,000	5,405,000
Total noncurrent liabilities	\$ 120,448	\$ 5,496,135	\$ 5,616,583
Total liabilities	\$ 153,399	\$ 6,073,950	\$ 6,227,349
Deferred Inflows of Resources:			
OPEB related items	\$ 3,845	\$ 2,844	\$ 6,689
Pension related items	45,576	33,715	79,291
Total deferred inflows of resources	\$ 49,421	\$ 36,559	\$ 85,980
Net Position:			
Net investment in capital assets	\$ 3,213,559	\$ 18,619,106	\$ 21,832,665
Restricted for debt reserve	-	470,000	470,000
Unrestricted	5,598,616	10,417,193	16,015,809
Total net position	\$ 8,812,175	\$ 29,506,299	\$ 38,318,474

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Operating revenues:			
Charges for services	\$ 1,422,339	\$ 1,972,099	\$ 3,394,438
Total operating revenues	\$ 1,422,339	\$ 1,972,099	\$ 3,394,438
Operating expenses:			
General administration	\$ 71,914	\$ 63,522	\$ 135,436
Supply purification	506,746	-	506,746
Transmission and distribution	304,092	-	304,092
Wastewater treatment	-	1,035,219	1,035,219
Maintenance of sewer lines	-	116,198	116,198
Fringe benefits	56,556	35,695	92,251
Depreciation	291,200	941,547	1,232,747
Contingency	17,131	32,130	49,261
Total operating expenses	\$ 1,247,639	\$ 2,224,311	\$ 3,471,950
Operating income (loss)	\$ 174,700	\$ (252,212)	\$ (77,512)
Nonoperating revenues (expenses):			
Interest revenue	\$ 164,177	\$ 110,656	\$ 274,833
Total nonoperating revenues (expenses)	\$ 164,177	\$ 110,656	\$ 274,833
Income (loss) before contributions	\$ 338,877	\$ (141,556)	\$ 197,321
Capital contributions and construction grants	-	268	268
Change in net position	\$ 338,877	\$ (141,288)	\$ 197,589
Net position, beginning, as previously presented	8,115,316	28,970,819	37,086,135
Error Correction	357,982	676,768	1,034,750
Net position, beginning, as restated	8,473,298	29,647,587	38,120,885
Net position, end of year	\$ 8,812,175	\$ 29,506,299	\$ 38,318,474

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 1,433,779	\$ 1,971,294	\$ 3,405,073
Payments to and for employees	(583,692)	(430,527)	(1,014,219)
Payments to suppliers	(456,249)	(887,388)	(1,343,637)
Net cash provided by (used for) operating activities	\$ 393,838	\$ 653,379	\$ 1,047,217
Cash flows from investing activities:			
Investment income	\$ 164,177	\$ 110,656	\$ 274,833
Cash flows from capital and related financing activities:			
Purchase of capital assets	\$ (576,198)	\$ (65,306)	\$ (641,504)
Capital contributions and grants	-	268	268
Principal payments on long-term debt	-	(470,000)	(470,000)
Net cash provided by (used for) capital and related financing activities	\$ (576,198)	\$ (535,038)	\$ (1,111,236)
Cash flows from noncapital and related financing activities:			
Net transfers from (to) other funds	\$ 137,848	\$ 14,886	\$ 152,734
Net cash provided by (used for) noncapital and related financing activities	\$ 137,848	\$ 14,886	\$ 152,734
Net increase (decrease) in cash and cash equivalents	\$ 119,665	\$ 243,883	\$ 363,548
Cash and cash equivalents at beginning of year - including restricted	5,359,928	10,547,337	15,907,265
Cash and cash equivalents at end of year - including restricted	\$ 5,479,593	\$ 10,791,220	\$ 16,270,813
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 174,700	\$ (252,212)	\$ (77,512)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	291,200	941,547	1,232,747
Changes in operating accounts:			
Accounts receivable	13,763	(440)	13,323
Deferred outflows - GLI OPEB	(96)	(70)	(166)
Deferred outflows - pension	(43,744)	(32,360)	(76,104)
Accounts payable and accrued liabilities	15,221	37,933	53,154
Compensated absences	(9,773)	(7,281)	(17,054)
Customer deposits	(2,323)	(365)	(2,688)
Net OPEB liability	(1,985)	(1,469)	(3,454)
Net pension liability	(37,082)	(27,433)	(64,515)
Deferred inflows - GLI OPEB	513	379	892
Deferred inflows - pension	(6,556)	(4,850)	(11,406)
Net cash provided by (used for) operating activities	\$ 393,838	\$ 653,379	\$ 1,047,217

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

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile:

Town of Berryville, located in central Clarke County, Virginia, approximately 60 miles west of Washington, D.C., was chartered in 1798. The town has a population of 4,342 and a land area of approximately 2.275 square miles.

The Town is governed under the Council-Manager form of government. The Town engages in wide ranges of municipal services including general government administration; public safety; public works; parks, recreation and cultural; and community development. Judicial administration, education, fire, library, and health and welfare services are provided by Clarke County.

The financial statements of Town of Berryville, Virginia have been prepared in conformity the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and with specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the Town's accounting policies are described below.

A. Financial Reporting Entity

Government-wide Financial Statements: The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position: The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities: The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements: Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

A. Financial Reporting Entity (Continued)

Budgetary Comparison Schedules: Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the Town's original budget to the current comparison of final budget and actual results for its major funds.

Accounting principles generally accepted in the United States require financial statements to present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Town has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. The Town does not have any discretely presented component units.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The focus is on both the Town as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category) and the component units, if applicable. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. The Town generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Town may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, community development, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, community development, etc.) or a business-type activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

B. Government-wide and Fund Financial Statements (Continued)

The Town does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Internal service charges, if applicable, are eliminated and the net income or loss from internal service activities is allocated to the various functional expense categories based on the internal charges to each function.

In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

Proprietary fund operating revenues consist of charges for services and related revenues. Nonoperating revenues consist of contributions, grants, investment earnings and other revenues not directly derived from the providing of services.

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The following is a brief description of the specific funds used by the Town in 2025.

- A. *Governmental Funds* - Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Fund is:

General Fund - The General Fund is the primary operating fund of the Town. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, and interest income. The General Fund is considered a major fund for reporting purposes.

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

B. Government-wide and Fund Financial Statements (Continued)

- B. *Proprietary Funds* - Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and cash flows. Proprietary Funds consist of the water and sewer enterprise funds, which are both considered major funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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.

1. *Governmental Funds* - Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the Town. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of State and other grants for the purpose of funding specific expenditures, are recognized when measurable and available or at the time of the specific expenditure.

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Principal and interest on long-term debt is recognized when due except for amounts due on July 1, which are accrued.

2. *Proprietary Funds* - The accrual basis of accounting is used for the Enterprise Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operation.

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

D. Budgets and Budgetary Accounting

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Town Council. The Town Administrator is authorized to transfer budgeted amounts within departments.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all Town funds unless they are carried forward by a resolution of Town Council.
8. All budgetary data presented in the accompanying financial statements reflect budget revisions as of June 30.
9. Expenditures exceeded appropriations in the following departments of the General Fund: Central administration/purchasing (\$29,628), Risk management (\$1,821), Elections (\$1,040), Sanitation and waste removal (\$11,360), and Building services (\$14,971).

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include all cash on hand and in banks, certificates of deposit, and highly liquid investments with original maturities of three months or less.

F. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

G. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$40,318 at June 30, 2025 and is comprised of solely of property taxes.

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

H. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds of the Town, and as assets in the government-wide financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. It is the Town’s policy to record capital assets with a cost greater than \$5,000 and an estimated useful life in excess of one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment, and infrastructure purchases are stated at historical cost or estimated cost. Donated property is recorded at acquisition value at the date of donation. Depreciation is recorded on capital assets on a government-wide basis or in the Proprietary Funds using the straight-line method and the following estimated useful lives:

Buildings and improvements	15-50 years
Infrastructure	20-39 years
Equipment	5-10 years

J. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

K. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

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

K. Net Position (Continued)

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

L. Compensated Absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - annual and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Annual Leave

The Town's policy permits employees to accumulate earned but unused leave benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

Prior to January 1, 2014, the Town's policy permitted employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the Town and, upon separation from service, no monetary obligation exists. After January 1, 2014, sick leave was combined with annual leave; however, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

M. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

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

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

N. Fund Balance

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance* - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- *Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- *Committed fund balance* - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned fund balance* - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned fund balance* - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

O. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's Retirement Plan and the additions to/deductions from the Town's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Other Postemployment Benefits (OPEB)

Group Life Insurance

For purposes of measuring the net VRS GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2—PROPERTY TAXES RECEIVABLE:

Property is assessed at its value on January 1. The Town bills and collects its own property taxes based on the assessed values provided by Clarke 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.

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits:

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments:

Statutes authorize the Town 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). The Town had no investments at June 30, 2025.

NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2025, the amount due from other governmental units was as follows:

		Governmental Activities
Other local governments:		
Clarke County	\$	10,644
Total	\$	<u>10,644</u>

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 5—CAPITAL ASSETS:

The following is a summary of changes in capital assets during the fiscal year:

Governmental Activities:

	Balance July 1, 2024	Restatement	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 93,209	\$ -	\$ -	\$ -	\$ 93,209
Total capital assets not being depreciated	\$ 93,209	\$ -	\$ -	\$ -	\$ 93,209
Other capital assets:					
Buildings and improvements	\$ 5,543,012	\$ -	\$ -	\$ -	\$ 5,543,012
Infrastructure	304,073	-	-	-	304,073
Equipment	1,948,136	-	227,549	81,146	2,094,539
Total other capital assets	\$ 7,795,221	\$ -	\$ 227,549	\$ 81,146	\$ 7,941,624
Accumulated depreciation:					
Buildings and improvements	\$ 2,262,340	\$ -	\$ 134,049	\$ -	\$ 2,396,389
Infrastructure	242,284	-	2,770	-	245,054
Equipment	1,478,793	-	165,714	81,146	1,563,361
Total accumulated depreciation	\$ 3,983,417	\$ -	\$ 302,533	\$ 81,146	\$ 4,204,804
Other capital assets, net	\$ 3,811,804	\$ -	\$ (74,984)	\$ -	\$ 3,736,820
Net capital assets	\$ 3,905,013	\$ -	\$ (74,984)	\$ -	\$ 3,830,029

Depreciation expense has been allocated as follows:

General government administration	\$ 87,635
Public safety	66,437
Public works	111,933
Parks, recreation, and cultural	36,528
Total depreciation expense	\$ 302,533

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements As of June 30, 2025 (Continued)

NOTE 5—CAPITAL ASSETS: (Continued)

Business-type Activities:

	Balance July 1, 2024	Restatement	Additions	Deletions	Balance June 30, 2025
Water Fund					
Capital assets not being depreciated:					
Land	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Construction in progress	1,634,945	357,981	267,574	2,002,446	258,054
Total capital assets not being depreciated	<u>\$ 1,639,945</u>	<u>\$ 357,981</u>	<u>\$ 267,574</u>	<u>\$ 2,002,446</u>	<u>\$ 263,054</u>
Other capital assets:					
Buildings and improvements	\$ 3,416,605	\$ -	\$ 1,229,828	\$ -	\$ 4,646,433
Infrastructure	1,574,855	-	977,767	-	2,552,622
Equipment	1,672,656	-	103,476	-	1,776,132
Total other capital assets	<u>\$ 6,664,116</u>	<u>\$ -</u>	<u>\$ 2,311,071</u>	<u>\$ -</u>	<u>\$ 8,975,187</u>
Accumulated depreciation:					
Buildings and improvements	\$ 3,249,186	\$ -	\$ 88,882	\$ -	\$ 3,338,068
Infrastructure	1,239,624	-	129,226	-	1,368,850
Equipment	1,244,672	-	73,092	-	1,317,764
Total accumulated depreciation	<u>\$ 5,733,482</u>	<u>\$ -</u>	<u>\$ 291,200</u>	<u>\$ -</u>	<u>\$ 6,024,682</u>
Other capital assets, net	<u>\$ 930,634</u>	<u>\$ -</u>	<u>\$ 2,019,871</u>	<u>\$ -</u>	<u>\$ 2,950,505</u>
Net capital assets	<u><u>\$ 2,570,579</u></u>	<u><u>\$ 357,981</u></u>	<u><u>\$ 2,287,445</u></u>	<u><u>\$ 2,002,446</u></u>	<u><u>\$ 3,213,559</u></u>
Sewer Fund					
Capital assets not being depreciated:					
Land	\$ 71,000	\$ -	\$ -	\$ -	\$ 71,000
Construction in progress	-	676,769	-	676,769	-
Total capital assets not being depreciated	<u>\$ 71,000</u>	<u>\$ 676,769</u>	<u>\$ -</u>	<u>\$ 676,769</u>	<u>\$ 71,000</u>
Other capital assets:					
Buildings and improvements	\$ 29,676,554	\$ -	\$ -	\$ -	\$ 29,676,554
Infrastructure	5,138,582	-	676,769	-	5,815,351
Equipment	616,136	-	65,305	-	681,441
Total other capital assets	<u>\$ 35,431,272</u>	<u>\$ -</u>	<u>\$ 742,074</u>	<u>\$ -</u>	<u>\$ 36,173,346</u>
Accumulated depreciation:					
Buildings and improvements	\$ 6,720,010	\$ -	\$ 728,740	\$ -	\$ 7,448,750
Infrastructure	3,607,845	-	166,569	-	3,774,414
Equipment	480,838	-	46,238	-	527,076
Total accumulated depreciation	<u>\$ 10,808,693</u>	<u>\$ -</u>	<u>\$ 941,547</u>	<u>\$ -</u>	<u>\$ 11,750,240</u>
Other capital assets, net	<u>\$ 24,622,579</u>	<u>\$ -</u>	<u>\$ (199,473)</u>	<u>\$ -</u>	<u>\$ 24,423,106</u>
Net capital assets	<u><u>\$ 24,693,579</u></u>	<u><u>\$ 676,769</u></u>	<u><u>\$ (199,473)</u></u>	<u><u>\$ 676,769</u></u>	<u><u>\$ 24,494,106</u></u>

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 6—LONG-TERM LIABILITIES:

The following is a summary of long-term liabilities for the fiscal year ended June 30, 2025:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities Liabilities:					
Direct Borrowings and Direct Placements					
Lease revenue bond	\$ 1,795,313	\$ -	\$ 48,342	\$ 1,746,971	\$ 50,359
Net pension liability	381,163	646,772	774,494	253,441	-
Net OPEB liability	63,108	22,996	29,830	56,274	-
Compensated absences*	313,014	-	12,061	300,953	30,095
Total Governmental Activities Liabilities	<u>\$ 2,552,598</u>	<u>\$ 669,768</u>	<u>\$ 864,727</u>	<u>\$ 2,357,639</u>	<u>\$ 80,454</u>
Business-type Activities Liabilities:					
Direct Borrowings and Direct Placements					
General obligation bonds	\$ 6,345,000	\$ -	\$ 470,000	\$ 5,875,000	\$ 470,000
Net pension liability	192,533	326,695	391,210	128,018	-
Net OPEB liability	31,878	11,614	15,068	28,424	-
Compensated absences*	72,195	-	10,927	61,268	6,127
Total Business-type Activities Liabilities	<u>\$ 6,641,606</u>	<u>\$ 338,309</u>	<u>\$ 887,205</u>	<u>\$ 6,092,710</u>	<u>\$ 476,127</u>
Total Long-term Liabilities	<u>\$ 9,194,204</u>	<u>\$ 1,008,077</u>	<u>\$ 1,751,932</u>	<u>\$ 8,450,349</u>	<u>\$ 556,581</u>

*The change in compensated absences above is a net change for the year.

Annual requirements to amortize the Town's long-term liabilities are as follows:

Year Ending June 30,	Governmental Activities Liabilities		Business-type Activities Liabilities	
	Direct Borrowings and Placements		Direct Borrowings and Placements	
	Lease Revenue Bond		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 50,359	\$ 71,117	\$ 470,000	-
2027	52,476	69,000	470,000	-
2028	54,682	66,794	470,000	-
2029	56,981	64,495	470,000	-
2030	59,376	62,100	470,000	-
2031-2035	336,490	270,890	2,350,000	-
2036-2040	413,420	193,960	1,175,000	-
2041-2045	507,939	99,441	-	-
2046-2047	215,248	8,657	-	-
Total	<u>\$ 1,746,971</u>	<u>\$ 906,454</u>	<u>\$ 5,875,000</u>	<u>\$ -</u>

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 6—LONG-TERM LIABILITIES: (Continued)

Details of the Town's long-term liabilities are as follows:

Governmental Activities Liabilities:

Lease Revenue Bond:

\$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.

\$ 1,746,971

Net pension liability

253,441

Net OPEB liability

56,274

Compensated absences

300,953

Total governmental activities liabilities

\$ 2,357,639

Business-type Activities Liabilities:

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.

\$ 5,875,000

Net pension liability

128,018

Net OPEB liability

28,424

Compensated absences

61,268

Total business-type activities liabilities

\$ 6,092,710

In the event of default for any general obligation bond the Lender may declare the entire unpaid principal and interest at the issuance as due and payable.

NOTE 7—COMPENSATED ABSENCES:

The Town has accrued the liability arising from outstanding compensated absences. Town employees earn vacation based upon length of service.

The Town has outstanding accrued compensated absences totaling \$300,953 in the general governmental activities and \$61,268 in business-type activities.

NOTE 8—PENSION PLAN:

Plan Description:

All full-time, salaried permanent employees of the Town are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

NOTE 8—PENSION PLAN: (CONTINUED)

Benefit Structures: (Continued)

- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

NOTE 8—PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>
Inactive members or their beneficiaries currently receiving benefits	37
Inactive members:	
Vested inactive members	12
Non-vested inactive members	17
Long-term disability (LTD)	-
Inactive members active elsewhere in VRS	<u>17</u>
Total inactive members	46
Active members	<u>31</u>
Total covered employees	<u><u>114</u></u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Town’s contractually required employer contribution rate for the year ended June 30, 2025 was 11.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$240,183 and \$248,564 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$8,008 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$20,019 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$800,778 for the year ended June 30, 2025.

NOTE 8—PENSION PLAN: (CONTINUED)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The Town’s net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Town’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 8—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Town’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits: (Continued)

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service-related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NOTE 8—PENSION PLAN: (CONTINUED)***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
Expected arithmetic nominal return**			<u>7.07%</u>

* The above allocation provides a one-year expected return of 7.07% (includes 2.5% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 9,100,877	\$ 8,527,181	\$ 573,696
Changes for the year:			
Service cost	\$ 227,375	\$ -	\$ 227,375
Interest	615,042	-	615,042
Assumption changes	125,641	-	125,641
Contributions - employer	-	248,564	(248,564)
Contributions - employee	-	90,676	(90,676)
Net investment income	-	826,293	(826,293)
Benefit payments, including refunds	(433,032)	(433,032)	-
Administrative expenses	-	(5,410)	5,410
Other changes	-	172	(172)
Net changes	\$ 535,026	\$ 727,263	\$ (192,237)
Balances at June 30, 2024	\$ 9,635,903	\$ 9,254,444	\$ 381,459

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Town of Berryville, Virginia			
Net Pension Liability (Asset)	\$ 1,575,627	\$ 381,459	\$ (596,262)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Town recognized pension expense of \$94,166. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,522	\$ -
Net difference between projected and actual earnings on pension plan investments	-	236,268
Employer contributions subsequent to the measurement date	240,183	-
Total	\$ 313,705	\$ 236,268

NOTE 8—PENSION PLAN: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

\$240,183 was reported as deferred outflows of resources related to pensions resulting from the Town’s contributions, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>
2026	\$ (142,298)
2027	77,217
2028	(46,853)
2029	(50,810)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf> or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$9,859 and \$10,524 for the years ended June 30, 2025 and June 30, 2024, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2025, the entity reported a liability of \$84,698 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)

Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer’s proportion was .0076% as compared to .0079% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$1,730. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,359	\$ 2,069
Net difference between projected and actual earnings on GLI OPEB plan investments	-	7,139
Change in assumptions	483	4,197
Changes in proportionate share	1,763	6,523
Employer contributions subsequent to the measurement date	9,859	-
Total	\$ 25,464	\$ 19,928

\$9,859 was reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	
2026	\$ (4,284)
2027	853
2028	(1,304)
2029	(312)
2030	719
Thereafter	-

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	4,196,055
Plan Fiduciary Net Position		3,080,133
GLI Net OPEB Liability (Asset)	\$	1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		73.41%

The total GLI OPEB liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

TOWN OF BERRYVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions,

NOTE 9—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate (Continued)

the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Town's proportionate share of the GLI Plan Net OPEB Liability	\$ 131,717	\$ 84,698	\$ 46,714

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 10—DEFERRED/UNAVAILABLE REVENUE:

Deferred/Unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Deferred/Unavailable revenue is comprised of the following:

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Fund
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 167,497
2nd half assessment - property tax	696,490	696,490
Prepaid property taxes due after June 30 but paid in advance by taxpayers	24,746	24,746
Total deferred/unavailable revenue	\$ 721,236	\$ 888,733

NOTE 11—COVID-19 FUNDING:

ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

In fiscal year 2021, the Town received its share of the first half of the CSLFRF funds in the amount of \$2,267,493. In fiscal year 2022, the Town received the second half of the CSLFRF funds in the amount of \$2,267,493. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$199,834 are reported as unearned revenue as of June 30.

NOTE 12—INTERFUND BALANCES:

The Town had the following interfund balances as of June 30, 2025:

	<u>Amounts Due From Other Funds</u>	<u>Amounts Due To Other Funds</u>
General fund	\$ -	\$ 136,148
Water fund	91,666	-
Sewer fund	44,482	-
Total	<u>\$ 136,148</u>	<u>\$ 136,148</u>

NOTE 13—UPCOMING PRONOUNCEMENTS:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, Implementation Guidance Update—2025, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

NOTE 14—ADOPTION OF ACCOUNTING PRINCIPLES FOR GASB 101:

During fiscal year 2025, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for compensated absences, such as vacation and sick leave, to enhance the consistency and comparability of financial reporting. The implementation of this standard did not result in a restatement of beginning balances.

NOTE 15—RESTATEMENT OF BEGINNING BALANCES:

During fiscal year 2025, beginning balances in the water and sewer funds were restated to reflect unrecorded construction costs for ongoing projects. The effect of this error correction on the financial statements is as follows:

	Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Net Position as reported at July 1, 2024	\$ 8,115,316	\$ 28,970,819	\$ 37,086,135
Error Correction	357,982	676,768	1,034,750
Net Position as restated at July 1, 2024	\$ 8,473,298	\$ 29,647,587	\$ 38,120,885

Required Supplementary Information

Note to Required Supplementary Information:

Presented Budgets were prepared in accordance with Accounting Principles Generally Accepted in the United States of America.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
General property taxes	\$ 2,158,275	\$ 2,158,275	\$ 2,338,216	\$ 179,941
Other local taxes	1,445,000	1,445,000	1,590,669	145,669
Permits, privilege fees and regulatory licenses	44,000	44,000	49,800	5,800
Fines and forfeitures	14,500	14,500	22,367	7,867
Revenue from use of money and property	224,500	224,500	307,650	83,150
Charges for services	33,000	33,000	46,287	13,287
Miscellaneous	6,000	6,000	53,185	47,185
Intergovernmental:				
Commonwealth	1,088,567	1,088,567	1,217,302	128,735
Federal	-	-	186,389	186,389
Total revenues	<u>\$ 5,013,842</u>	<u>\$ 5,013,842</u>	<u>\$ 5,811,865</u>	<u>\$ 798,023</u>
Expenditures:				
Current:				
General government administration	\$ 1,500,350	\$ 1,500,350	\$ 1,341,481	\$ 158,869
Public safety	1,128,400	1,128,400	1,006,816	121,584
Public works	1,699,100	1,699,100	1,420,049	279,051
Parks, recreation, and cultural	14,500	14,500	6,976	7,524
Community development	243,000	243,000	197,262	45,738
Capital outlay	727,500	727,500	237,860	489,640
Contingency	137,561	137,561	161	137,400
Debt service	121,600	121,600	121,476	124
Total expenditures	<u>\$ 5,572,011</u>	<u>\$ 5,572,011</u>	<u>\$ 4,332,081</u>	<u>\$ 1,239,930</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (558,169)</u>	<u>\$ (558,169)</u>	<u>\$ 1,479,784</u>	<u>\$ 2,037,953</u>
Net change in fund balances	\$ (558,169)	\$ (558,169)	\$ 1,479,784	\$ 2,037,953
Fund balances at beginning of year	<u>558,169</u>	<u>558,169</u>	<u>9,731,288</u>	<u>9,173,119</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,211,072</u>	<u>\$ 11,211,072</u>

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 227,375	\$ 222,972	\$ 194,237	\$ 219,204	\$ 202,217
Interest	615,042	587,582	570,906	498,392	485,678
Changes in benefit terms		-	-	-	-
Differences between expected and actual experience	125,641	24,062	(145,490)	178,918	(138,864)
Assumption changes		-	-	342,473	-
Benefit payments	(433,032)	(431,368)	(371,315)	(346,568)	(374,774)
Refunds of contributions					
Net change in total pension liability	<u>\$ 535,026</u>	<u>\$ 403,248</u>	<u>\$ 248,338</u>	<u>\$ 892,419</u>	<u>\$ 174,257</u>
Total pension liability - beginning	<u>9,100,877</u>	<u>8,697,629</u>	<u>8,449,291</u>	<u>7,556,872</u>	<u>7,382,615</u>
Total pension liability - ending (a)	<u>\$ 9,635,903</u>	<u>\$ 9,100,877</u>	<u>\$ 8,697,629</u>	<u>\$ 8,449,291</u>	<u>\$ 7,556,872</u>
Plan fiduciary net position					
Contributions - employer	\$ 248,564	\$ 236,129	\$ 210,865	\$ 203,705	\$ 191,477
Contributions - employee	90,676	86,403	83,050	80,910	102,029
Net investment income	826,293	524,246	(9,351)	1,781,829	121,047
Benefit payments	(433,032)	(431,368)	(371,315)	(346,568)	(374,774)
Refunds of contributions					
Administrator charges	(5,410)	(5,198)	(5,087)	(4,376)	(4,169)
Other	172	211	191	168	(146)
Net change in plan fiduciary net position	<u>\$ 727,263</u>	<u>\$ 410,423</u>	<u>\$ (91,647)</u>	<u>\$ 1,715,668</u>	<u>\$ 35,464</u>
Plan fiduciary net position - beginning	<u>8,527,181</u>	<u>8,116,758</u>	<u>8,208,405</u>	<u>6,492,737</u>	<u>6,457,273</u>
Plan fiduciary net position - ending (b)	<u>\$ 9,254,444</u>	<u>\$ 8,527,181</u>	<u>\$ 8,116,758</u>	<u>\$ 8,208,405</u>	<u>\$ 6,492,737</u>
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 381,459</u>	<u>\$ 573,696</u>	<u>\$ 580,871</u>	<u>\$ 240,886</u>	<u>\$ 1,064,135</u>
Plan fiduciary net position as a percentage of the total pension liability	96.04%	93.70%	93.32%	97.15%	85.92%
Covered payroll	<u>\$ 1,948,825</u>	<u>\$ 1,864,628</u>	<u>\$ 1,782,007</u>	<u>\$ 1,714,147</u>	<u>\$ 1,641,335</u>
Town's net pension liability (asset) as a percentage of covered payroll	19.57%	30.77%	32.60%	14.05%	64.83%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 187,147	\$ 179,120	\$ 174,368	\$ 152,759	\$ 166,211
Interest	465,258	437,474	380,892	366,252	343,686
Changes in benefit terms	-	-	161,064	-	-
Differences between expected and actual experience	(1,294)	26,084	344,826	(114,675)	(31,092)
Assumption changes	209,668	-	(19,399)	-	-
Benefit payments	(249,423)	(242,093)	(224,784)	(165,609)	(147,241)
Refunds of contributions					
Net change in total pension liability	<u>\$ 611,356</u>	<u>\$ 400,585</u>	<u>\$ 816,967</u>	<u>\$ 238,727</u>	<u>\$ 331,564</u>
Total pension liability - beginning	<u>6,771,259</u>	<u>6,370,674</u>	<u>5,553,707</u>	<u>5,314,980</u>	<u>4,983,416</u>
Total pension liability - ending (a)	<u><u>\$ 7,382,615</u></u>	<u><u>\$ 6,771,259</u></u>	<u><u>\$ 6,370,674</u></u>	<u><u>\$ 5,553,707</u></u>	<u><u>\$ 5,314,980</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 184,538	\$ 161,440	\$ 157,093	\$ 154,359	\$ 119,961
Contributions - employee	75,253	72,554	75,379	67,595	69,866
Net investment income	409,232	417,291	615,033	87,873	214,380
Benefit payments	(249,423)	(242,093)	(224,784)	(165,609)	(147,241)
Refunds of contributions					
Administrator charges	(3,913)	(3,534)	(3,473)	(2,962)	(2,842)
Other	(258)	(375)	(551)	(37)	(45)
Net change in plan fiduciary net position	<u>\$ 415,429</u>	<u>\$ 405,283</u>	<u>\$ 618,697</u>	<u>\$ 141,219</u>	<u>\$ 254,079</u>
Plan fiduciary net position - beginning	<u>6,041,844</u>	<u>5,636,561</u>	<u>5,017,864</u>	<u>4,876,645</u>	<u>4,622,566</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 6,457,273</u></u>	<u><u>\$ 6,041,844</u></u>	<u><u>\$ 5,636,561</u></u>	<u><u>\$ 5,017,864</u></u>	<u><u>\$ 4,876,645</u></u>
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 925,342</u>	<u>\$ 729,415</u>	<u>\$ 734,113</u>	<u>\$ 535,843</u>	<u>\$ 438,335</u>
Plan fiduciary net position as a percentage of the total pension liability	87.47%	89.23%	88.48%	90.35%	91.75%
Covered payroll	<u>\$ 1,560,787</u>	<u>\$ 1,489,831</u>	<u>\$ 1,436,612</u>	<u>\$ 1,376,791</u>	<u>\$ 1,407,165</u>
Town's net pension liability (asset) as a percentage of covered payroll	59.29%	48.96%	51.10%	38.92%	31.15%

Schedule of Employer Contributions

Pension Plans

For the Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution (1)*	Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	as a % of Covered Payroll (5)
2025	\$ 240,183	\$ 240,183	\$ -	\$ 2,097,672	11.45%
2024	248,564	248,564	-	1,948,825	12.75%
2023	236,129	236,129	-	1,864,628	12.66%
2022	210,865	210,865	-	1,782,007	11.83%
2021	203,704	203,704	-	1,714,147	11.88%
2020	192,272	192,272	-	1,641,335	11.71%
2019	184,701	184,701	-	1,560,787	11.83%
2018	164,626	164,626	-	1,489,831	11.05%
2017	158,746	158,746	-	1,436,612	11.05%
2016	168,382	168,382	-	1,376,791	12.23%

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2025

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non-10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Town's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.0076%	\$ 84,698	\$ 1,948,825	4.35%	73.41%
2023	0.0079%	94,986	1,864,628	5.09%	69.30%
2022	0.0082%	98,615	1,782,007	5.53%	67.21%
2021	0.0083%	96,635	1,714,147	5.64%	67.45%
2020	0.0080%	133,006	1,641,335	8.10%	52.64%
2019	0.0080%	129,530	1,560,787	8.30%	52.00%
2018	0.0078%	119,000	1,489,831	7.99%	51.22%
2017	0.0078%	117,000	1,436,612	8.14%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2017 through June 30, 2025

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)			
2025	\$ 9,859	\$ 9,859	-	\$ 2,097,672	0.47%
2024	10,524	10,524	-	1,948,825	0.54%
2023	10,069	10,069	-	1,864,628	0.54%
2022	9,623	9,623	-	1,782,007	0.54%
2021	9,256	9,256	-	1,714,147	0.54%
2020	8,535	8,535	-	1,641,335	0.52%
2019	8,116	8,116	-	1,560,787	0.52%
2018	7,747	7,747	-	1,489,831	0.52%
2017	7,470	7,470	-	1,436,612	0.52%

Schedule is intended to show information for 10 years. Information prior to 2017 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2025

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Supporting Schedules

Schedule of Revenues - Budget and Actual
General Fund
Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 1,366,775	\$ 1,366,775	\$ 1,400,482	\$ 33,707
Personal property taxes	600,000	600,000	660,579	60,579
Machinery and tools taxes	180,000	180,000	251,213	71,213
Penalties	8,000	8,000	18,575	10,575
Interest	3,500	3,500	7,367	3,867
Total general property taxes	\$ 2,158,275	\$ 2,158,275	\$ 2,338,216	\$ 179,941
Other local taxes:				
Local sales and use taxes	\$ 325,000	\$ 325,000	\$ 373,744	\$ 48,744
Lodging tax	10,000	10,000	11,936	1,936
Business license tax	280,000	280,000	226,524	(53,476)
Cigarette tax	13,000	13,000	12,109	(891)
Bank franchise taxes	175,000	175,000	276,331	101,331
Consumer utility tax	110,000	110,000	117,367	7,367
Meals tax	430,000	430,000	448,974	18,974
Motor vehicle licenses	102,000	102,000	123,684	21,684
Total other local taxes	\$ 1,445,000	\$ 1,445,000	\$ 1,590,669	\$ 145,669
Permits, privilege fees and regulatory licenses:				
Licenses, zoning and subdivision permits	\$ 44,000	\$ 44,000	\$ 49,800	\$ 5,800
Fines and forfeitures:				
Court fines and forfeitures	\$ 12,500	\$ 12,500	\$ 19,883	\$ 7,383
Parking fines	2,000	2,000	2,484	484
Total fines and forfeitures	\$ 14,500	\$ 14,500	\$ 22,367	\$ 7,867
Revenue from use of money and property:				
Revenue from use of money	\$ 119,000	\$ 119,000	\$ 196,223	\$ 77,223
Revenue from use of property	105,500	105,500	111,427	5,927
Total revenue from use of money and property	\$ 224,500	\$ 224,500	\$ 307,650	\$ 83,150
Charges for services:				
Charges for services - meters	\$ 10,000	\$ 10,000	\$ 9,184	\$ (816)
Refuse collection	13,000	13,000	15,816	2,816
Zoning and subdivision fees	10,000	10,000	21,287	11,287
Total charges for services	\$ 33,000	\$ 33,000	\$ 46,287	\$ 13,287

Schedule of Revenues - Budget and Actual
General Fund
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<u>General Fund: (continued)</u>				
Revenue from local sources: (continued)				
Miscellaneous:				
Miscellaneous income	\$ 6,000	\$ 6,000	\$ 53,185	\$ 47,185
Total revenue from local sources	\$ 3,925,275	\$ 3,925,275	\$ 4,408,174	\$ 482,899
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communication taxes	\$ 62,000	\$ 62,000	\$ 60,505	\$ (1,495)
Personal property tax relief act funds	209,917	209,917	209,917	-
Auto rental	-	-	1,049	1,049
Rolling stock tax	1,900	1,900	2,131	231
Total noncategorical aid	\$ 273,817	\$ 273,817	\$ 273,602	\$ (215)
Categorical aid:				
Aid to localities with police departments	\$ 95,000	\$ 95,000	\$ 103,670	\$ 8,670
Litter control grant	4,000	4,000	4,500	500
Street and highway maintenance	695,000	695,000	807,589	112,589
Commission of the arts	4,500	4,500	4,500	-
Fire funds	16,250	16,250	23,441	7,191
Total categorical aid	\$ 814,750	\$ 814,750	\$ 943,700	\$ 128,950
Total revenue from the Commonwealth	\$ 1,088,567	\$ 1,088,567	\$ 1,217,302	\$ 128,735
Revenue from the Federal government:				
Categorical aid:				
ARPA funds	\$ -	\$ -	\$ 186,389	\$ 186,389
Total revenue from the Federal government	\$ -	\$ -	\$ 186,389	\$ 186,389
Total General Fund	\$ 5,013,842	\$ 5,013,842	\$ 5,811,865	\$ 798,023

Schedule of Expenditures - Budget and Actual
General Fund
Year Ended June 30, 2025

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
General Fund:				
General government administration:				
Town Council:				
Compensation	\$ 20,350	\$ 20,350	\$ 20,346	\$ 4
Training	400	400	-	400
Miscellaneous	5,000	5,000	111	4,889
Dues	3,000	3,000	3,482	(482)
Town code supplements	2,000	2,000	1,328	672
Total town council	\$ 35,750	\$ 35,750	\$ 22,767	\$ 12,983
Town Clerk:				
Compensation	\$ 57,450	\$ 57,450	\$ 40,096	\$ 17,354
Education/Training	1,250	1,250	74	1,176
Dues	100	100	-	100
Total town clerk	\$ 58,800	\$ 58,800	\$ 40,170	\$ 18,630
Town Manager:				
Compensation	\$ 258,000	\$ 258,000	\$ 253,991	\$ 4,009
Mileage	150	150	45	105
Training	1,000	1,000	-	1,000
Dues	51,950	51,950	1,378	50,572
Total town manager	\$ 311,100	\$ 311,100	\$ 255,414	\$ 55,686
Legal and Professional:				
Professional services	\$ 50,000	\$ 50,000	\$ 29,769	\$ 20,231
Contractual services	21,000	21,000	20,500	500
Engineering services	5,000	5,000	-	5,000
Total legal and professional	\$ 76,000	\$ 76,000	\$ 50,269	\$ 25,731
Personnel:				
Retirement	\$ 205,000	\$ 205,000	\$ 174,173	\$ 30,827
Health insurance	274,470	274,470	265,119	9,351
Life insurance	21,000	21,000	17,154	3,846
Unemployment insurance	180	180	1,059	(879)
Workers' compensation insurance	35,000	35,000	27,734	7,266
Line of Duty act	8,200	8,200	8,351	(151)
Employment screening	750	750	139	611
Other	2,000	2,000	1,765	235
Total personnel	\$ 546,600	\$ 546,600	\$ 495,494	\$ 51,106

Schedule of Expenditures - Budget and Actual

General Fund

Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
General Fund: (continued)				
General government administration: (continued)				
Town Treasurer:				
Compensation	\$ 101,100	\$ 101,100	\$ 96,921	\$ 4,179
Surety bonds	500	500	434	66
Training	2,000	2,000	250	1,750
Dues	1,000	1,000	1,050	(50)
Miscellaneous	2,500	2,500	-	2,500
Total town treasurer	\$ 107,100	\$ 107,100	\$ 98,655	\$ 8,445
Finance/Accounting:				
Compensation	\$ 141,000	\$ 141,000	\$ 125,463	\$ 15,537
Training	3,400	3,400	160	3,240
Total finance/accounting	\$ 144,400	\$ 144,400	\$ 125,623	\$ 18,777
Central Administration/Purchasing:				
Maintenance contracts	\$ 76,000	\$ 76,000	\$ 84,024	\$ (8,024)
Advertising	8,000	8,000	13,524	(5,524)
Postage	17,000	17,000	10,804	6,196
Telecommunications	5,500	5,500	6,105	(605)
Office supplies and equipment	30,600	30,600	22,096	8,504
Newsletter	1,000	1,000	788	212
Training	2,500	2,500	-	2,500
Dues	500	500	-	500
ARPA	-	-	33,387	(33,387)
Total central administration/purchasing	\$ 141,100	\$ 141,100	\$ 170,728	\$ (29,628)
Risk Management:				
Blanket excess liability	\$ 16,000	\$ 16,000	\$ 14,093	\$ 1,907
Automobile insurance	15,500	15,500	16,088	(588)
Semi-multi peril insurance	43,000	43,000	46,140	(3,140)
Total risk management	\$ 74,500	\$ 74,500	\$ 76,321	\$ (1,821)
Elections:				
Election officials	\$ 3,500	\$ 3,500	\$ 6,040	\$ (2,540)
Office supplies	1,500	1,500	-	1,500
Total elections	\$ 5,000	\$ 5,000	\$ 6,040	\$ (1,040)
Total general government administration	\$ 1,500,350	\$ 1,500,350	\$ 1,341,481	\$ 158,869

Schedule of Expenditures - Budget and Actual
General Fund
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
General Fund: (continued)				
Public safety:				
Police department:				
Compensation	\$ 854,900	\$ 854,900	\$ 803,473	\$ 51,427
Maintenance contracts	39,600	39,600	44,813	(5,213)
Communication equipment and services	5,600	5,600	5,971	(371)
Community relations	2,000	2,000	1,280	720
Office supplies	2,300	2,300	951	1,349
Gasoline oil	20,000	20,000	16,098	3,902
Repair and maintenance	16,000	16,000	11,558	4,442
Police supplies	19,250	19,250	(22,923)	42,173
Uniforms	5,000	5,000	4,214	786
Medical examinations	500	500	-	500
Training	16,500	16,500	10,541	5,959
Professional services	400	400	161	239
Employment screening	2,000	2,000	1,043	957
Recruitment	2,000	2,000	-	2,000
Dues	850	850	745	105
Total police department	\$ 986,900	\$ 986,900	\$ 877,925	\$ 108,975
Traffic control:				
Contribution - crossing guard	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Emergency services:				
Contribution - alarm	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Fire and rescue:				
Contribution - JHEVFD	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Fire fund program	22,000	22,000	23,441	(1,441)
Fire capital	80,000	80,000	70,000	10,000
Total fire and rescue	\$ 132,000	\$ 132,000	\$ 123,441	\$ 8,559
Correction and detention:				
Public defenders fees	\$ 2,000	\$ 2,000	\$ 450	\$ 1,550
Total public safety	\$ 1,128,400	\$ 1,128,400	\$ 1,006,816	\$ 121,584
Public works:				
Maintenance of streets, bridges and sidewalks:				
General administration:				
Compensation	\$ 66,200	\$ 66,200	\$ 38,433	\$ 27,767
Fuel oil/heat	3,000	3,000	3,046	(46)
Telecommunications	8,000	8,000	7,469	531
Office supplies	4,700	4,700	2,638	2,062
Vehicle repairs and maintenance	11,000	11,000	(5,172)	16,172
Medical exams	1,000	1,000	705	295
Training	4,000	4,000	-	4,000
Total general administration	\$ 97,900	\$ 97,900	\$ 47,119	\$ 50,781

Schedule of Expenditures - Budget and Actual
General Fund
Year Ended June 30, 2025 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
General Fund: (continued)				
Public works: (continued)				
Maintenance of streets, bridges and sidewalks: (continued)				
Highways, streets, bridges and sidewalks:				
Compensation	\$ 221,000	\$ 221,000	\$ 209,941	\$ 11,059
Gasoline and oil	24,000	24,000	31,376	(7,376)
Uniforms	6,000	6,000	6,885	(885)
Materials and supplies	8,000	8,000	12,033	(4,033)
Equipment maintenance	18,000	18,000	4,480	13,520
Sidewalk maintenance	31,000	31,000	1,641	29,359
Street maintenance	635,000	635,000	472,183	162,817
Street sign maintenance	-	-	907	(907)
Norfolk/Southern ROW	1,200	1,200	1,373	(173)
Total highways, streets, bridges, and sidewalks	<u>\$ 944,200</u>	<u>\$ 944,200</u>	<u>\$ 740,819</u>	<u>\$ 203,381</u>
Street lights:				
Electricity - street lights	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 66,982</u>	<u>\$ 23,018</u>
Snow and ice removal:				
Material and supplies	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 3,479</u>	<u>\$ 18,521</u>
Parking meters:				
Material and supplies	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 359</u>	<u>\$ 2,641</u>
Total maintenance of streets, bridges and sidewalks	<u>\$ 1,157,100</u>	<u>\$ 1,157,100</u>	<u>\$ 858,758</u>	<u>\$ 298,342</u>
Sanitation and waste removal:				
Contractual services	\$ 250,000	\$ 250,000	\$ 257,944	\$ (7,944)
Recycling services	120,000	120,000	112,196	7,804
Landfill charges	<u>30,000</u>	<u>30,000</u>	<u>41,220</u>	<u>(11,220)</u>
Total sanitation and waste removal	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 411,360</u>	<u>\$ (11,360)</u>
Maintenance of buildings and grounds:				
General properties:				
Repair and maintenance	\$ 55,400	\$ 55,400	\$ 48,664	\$ 6,736
Materials and supplies	500	500	696	(196)
Christmas lights	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total general properties	<u>\$ 56,400</u>	<u>\$ 56,400</u>	<u>\$ 49,360</u>	<u>\$ 7,040</u>

Schedule of Expenditures - Budget and Actual
General Fund
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<u>General Fund: (continued)</u>				
Public works: (continued)				
Maintenance of buildings and grounds: (continued)				
Building services:				
Compensation	\$ 13,000	\$ 13,000	\$ -	\$ 13,000
Contractual services	13,000	13,000	21,381	(8,381)
Electricity	22,500	22,500	23,080	(580)
Natural gas/heat	3,100	3,100	4,430	(1,330)
Materials and supplies	10,000	10,000	12,955	(2,955)
Water/sewer	2,500	2,500	830	1,670
Shared expenses - Clarke County	20,000	20,000	36,964	(16,964)
Telecommunications	1,500	1,500	931	569
Total building services	\$ 85,600	\$ 85,600	\$ 100,571	\$ (14,971)
Total maintenance of buildings and grounds	\$ 142,000	\$ 142,000	\$ 149,931	\$ (7,931)
Total public works	\$ 1,699,100	\$ 1,699,100	\$ 1,420,049	\$ 279,051
Parks, recreation and cultural:				
Christmas lights	\$ 3,500	\$ 3,500	\$ 1,751	\$ 1,749
Rose Hill improvements	10,000	10,000	4,397	5,603
Contributions	1,000	1,000	828	172
Total parks, recreation and cultural	\$ 14,500	\$ 14,500	\$ 6,976	\$ 7,524
Community development:				
Planning:				
Compensation	\$ 138,900	\$ 138,900	\$ 134,169	\$ 4,731
Professional services	8,000	8,000	-	8,000
Office supplies	-	-	7,018	(7,018)
Printing	250	250	18	232
Mileage	100	100	-	100
Training	3,000	3,000	696	2,304
Total planning	\$ 150,250	\$ 150,250	\$ 141,901	\$ 8,349
Board of zoning appeals:				
Compensation	\$ 500	\$ 500	\$ -	\$ 500
Training	750	750	-	750
Total board of zoning appeals	\$ 1,250	\$ 1,250	\$ -	\$ 1,250
Economic development:				
DBI/economic development professional services	\$ 80,500	\$ 80,500	\$ 52,011	\$ 28,489

Schedule of Expenditures - Budget and Actual
General Fund
Year Ended June 30, 2025 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
General Fund: (continued)				
Community development: (continued)				
Planning commission:				
Compensation	\$ 5,000	\$ 5,000	\$ 1,550	\$ 3,450
Training	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total planning commission	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 1,550</u>	<u>\$ 5,450</u>
Berryville Area Development Authority:				
Compensation	\$ 2,500	\$ 2,500	\$ 634	\$ 1,866
Training	1,000	1,000	17	983
Dues	<u>-</u>	<u>-</u>	<u>25</u>	<u>(25)</u>
Total Berryville Area Development Authority	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 676</u>	<u>\$ 2,824</u>
Architectural Review Board:				
Training	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,124</u>	<u>\$ (624)</u>
Total community development	<u>\$ 243,000</u>	<u>\$ 243,000</u>	<u>\$ 197,262</u>	<u>\$ 45,738</u>
Capital outlay:				
Police cruiser	\$ 62,000	\$ 62,000	\$ 76,726	\$ (14,726)
Other capital outlay	<u>665,500</u>	<u>665,500</u>	<u>161,134</u>	<u>504,366</u>
Total capital outlay	<u>\$ 727,500</u>	<u>\$ 727,500</u>	<u>\$ 237,860</u>	<u>\$ 489,640</u>
Contingency:				
Shared cost for operation of joint government center	<u>\$ 137,561</u>	<u>\$ 137,561</u>	<u>\$ 161</u>	<u>\$ 137,400</u>
Total contingency	<u>\$ 137,561</u>	<u>\$ 137,561</u>	<u>\$ 161</u>	<u>\$ 137,400</u>
Debt service:				
Principal	\$ 48,400	\$ 48,400	\$ 48,342	\$ 58
Interest	<u>73,200</u>	<u>73,200</u>	<u>73,134</u>	<u>66</u>
Total debt service	<u>\$ 121,600</u>	<u>\$ 121,600</u>	<u>\$ 121,476</u>	<u>\$ 124</u>
Total General Fund	<u><u>\$ 5,572,011</u></u>	<u><u>\$ 5,572,011</u></u>	<u><u>\$ 4,332,081</u></u>	<u><u>\$ 1,239,930</u></u>

Schedule of Operating Expenses (With Comparative Amounts for 2024)

Enterprise Funds

Year Ended June 30, 2025

<u>Fund, Function, Activity and Elements</u>	<u>2025</u>	<u>2024</u>
<u>Water Fund:</u>		
General administration:		
Salaries and wages	\$ 51,353	\$ 127,359
Miss Utility	1,097	1,456
Repairs and maintenance	3,551	1,616
Postage	9,276	6,347
Office supplies	6,637	18,070
ARPA	-	16,591
Total general administration	\$ <u>71,914</u>	\$ <u>171,439</u>
Supply purification:		
Salaries and wages	\$ 160,278	\$ 188,321
Repairs and maintenance	128,822	154,850
Electricity	81,089	73,530
Heating service	5,845	1,204
Equipment and supplies	17,014	31,515
Materials and supplies - chemicals	61,870	43,297
Sludge removal	19,159	-
Permits, fees and testing	14,866	24,195
Other operating expenses	17,803	29,071
Total supply purification	\$ <u>506,746</u>	\$ <u>545,983</u>
Transmission and distribution:		
Salaries and wages	\$ 201,009	\$ 199,665
Repairs and maintenance - water lines	81,987	243,543
Materials and supplies	21,096	25,278
Total transmission and distribution	\$ <u>304,092</u>	\$ <u>468,486</u>
Fringe benefits:		
Social security	\$ 3,975	\$ 8,942
Retirement	(41,057)	83,086
Health insurance	72,311	68,068
Group life insurance	2,918	3,128
Workers' compensation	17,350	22,994
Unemployment insurance	1,059	81
Total fringe benefits	\$ <u>56,556</u>	\$ <u>186,299</u>
Depreciation	\$ <u>291,200</u>	\$ <u>190,354</u>
Capital outlay	\$ <u>17,131</u>	\$ <u>68,283</u>
Total Water Fund	\$ <u><u>1,247,639</u></u>	\$ <u><u>1,630,844</u></u>

Schedule of Operating Expenses (With Comparative Amounts for 2024)

Enterprise Funds

Year Ended June 30, 2025 (Continued)

<u>Fund, Function, Activity and Elements</u>	<u>2025</u>	<u>2024</u>
<u>Sewer Fund:</u>		
General administration:		
Salaries and wages	\$ 49,700	\$ 128,461
Repairs and maintenance	3,551	1,559
Postage	6,291	2,380
Office supplies	3,980	11,352
ARPA	-	4,630
Total general administration	\$ 63,522	\$ 148,382
Wastewater treatment:		
Salaries and wages	\$ 169,631	\$ 157,055
Professional services	285,808	247,861
Repairs and maintenance	199,626	266,726
Electricity	159,062	181,082
Materials and supplies - chemicals	176,542	159,309
Equipment and supplies	10,600	18,544
Permits, fees and testing	27,009	19,922
Other operating expenses	6,941	8,350
Total wastewater treatment	\$ 1,035,219	\$ 1,058,849
Maintenance of sewer lines:		
Salaries and wages	\$ 93,053	\$ 103,426
Repairs and maintenance - sewer lines	23,145	32,404
Materials and supplies	-	1,343
Total maintenance of sewer lines	\$ 116,198	\$ 137,173
Fringe benefits:		
Social security	\$ 3,868	\$ 8,818
Retirement	(31,372)	60,819
Health insurance	46,974	45,954
Group life insurance	1,865	2,095
Workers' compensation	530	68
Unemployment insurance	13,830	14,997
Total fringe benefits	\$ 35,695	\$ 132,751
Depreciation	\$ 941,547	\$ 911,511
Capital outlay	\$ 32,130	\$ 4,277
Total Sewer Fund	\$ 2,224,311	\$ 2,392,943

Statistical Information

TOWN OF BERRYVILLE, VIRGINIA

Table 1

**Governmental Revenues by Source
Last Ten Fiscal Years**

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
2025	\$ 2,338,216	\$ 1,590,669	\$ 49,800	\$ 22,367	\$ 307,650	\$ 46,287	\$ 53,185	\$ 1,403,691	\$ 5,811,865
2024	2,182,660	1,613,680	42,833	14,273	323,578	200,872	68,446	1,194,291	5,640,633
2023	1,950,598	1,594,731	42,736	13,582	316,836	66,502	72,334	1,440,588	5,497,907
2022	1,814,562	1,315,562	36,981	13,313	171,134	78,127	177,991	1,223,226	4,830,896
2021	1,645,187	1,174,752	36,821	16,044	181,702	65,281	25,200	990,255	4,135,242
2020	1,478,399	1,083,911	35,642	25,091	220,173	80,131	38,603	985,303	3,947,253
2019	1,452,521	1,075,292	40,124	45,295	196,677	54,166	208,494	1,007,908	4,080,477
2018	1,406,862	1,041,772	34,091	40,056	157,448	29,768	62,168	934,443	3,706,608
2017	1,356,375	1,066,288	29,599	33,319	114,433	66,337	155,666	943,911	3,765,928
2016	1,316,194	983,615	34,745	23,936	88,845	31,273	43,129	914,243	3,435,980

TOWN OF BERRYVILLE, VIRGINIA

Table 2

Governmental Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Parks, Recreation, and Culture	Community Development	Capital		Debt Service	Total
						Outlay and Contingency			
2025	\$ 1,341,481	\$ 1,006,816	\$ 1,420,049	\$ 6,976	\$ 197,262	\$ 238,021	\$	121,476	\$ 4,332,081
2024	1,178,025	958,063	1,695,526	12,741	136,843	143,425		121,476	4,246,099
2023	1,421,648	836,383	946,275	8,136	155,476	90,293		121,476	3,579,687
2022	1,258,801	820,681	1,217,274	10,849	151,233	53,108		121,476	3,633,422
2021	1,051,651	808,230	1,063,712	2,886	141,216	176,442		121,476	3,365,613
2020	1,041,314	747,073	1,195,535	9,952	133,217	320,598		121,476	3,569,165
2019	1,002,806	693,981	1,296,136	10,149	119,360	311,865		121,476	3,555,773
2018	854,044	652,446	1,062,132	11,832	129,247	96,237		121,476	2,927,414
2017	809,484	672,520	1,159,153	13,757	133,847	64,962		121,476	2,975,199
2016	795,715	688,324	1,054,750	8,228	186,298	104,988		121,476	2,959,779

Compliance

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Members of
The Town Council
Town of Berryville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, 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, 2025, and the related notes to the financial statements, which collectively comprise the Town of Berryville, Virginia's basic financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Berryville, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 of Berryville, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Berryville, Virginia's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Berryville, Virginia's financial statements are free from 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 financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Robinson, Farmer, Cox, Associates". The script is cursive and fluid.

Charlottesville, Virginia

December 11, 2025

MINUTES

BERRYVILLE TOWN COUNCIL

Regular Meeting

January 13, 2026

7:00 p.m.

A meeting of the Berryville Town Council was held on Tuesday, January 13, 2026, at 7:00 p.m. at the Berryville-Clarke County Government Center in Berryville.

Town Council

Present: Harry Lee Arnold, Jr., Mayor; Erecka L. Gibson, Vice Mayor; William Steinmetz; Grant Mazzarino; Ryan Tibbens.

Absent: Paul Perez

Staff

Present: Keith Dalton, Town Manager; Jean Petti, Deputy Town Manager; Brandel Kelsey, Town Clerk; Terry Russell, Community Development Director; Chief Jason Winner, Berryville Police Department

Press Mickey Powell, Winchester Star

1. Call to Order

Mayor Harry Lee Arnold, Jr called the meeting to order at 7:01 p.m.

2. Pledge of Allegiance

Mayor Arnold invited all those assembled to stand for the Pledge of Allegiance.

3. Approval of Agenda

Grant Mazzarino moved to approve the agenda as presented. The motion passed by voice vote.

4. Presentations, Awards, and Recognitions

None.

5. Public Hearings

Text Amendment to Article III- Supplementary Regulations Section 303- Fences

The Community Development Director Terry Russell presented the Text Amendment to Article III. He stated that no comments were received during the Planning Commission Public Hearing. Mr. Mazzarino asked if a resident took down their nonconforming fence could they just replace it. Mr. Russell responded that

maintenance is permissible and replacement would have to occur within two years or a new permit would be required. William Steinmetz questioned whether a permit would be required to repair an existing fence. Mr. Russell said no. Mayor Arnold inquired whether fence materials could be changed without obtaining a permit and Mr. Russell responded that the regulation focuses primarily on fence height rather than materials.

Mayor Arnold opened the public hearing on Text Amendment to Article III- Supplementary Regulations Section 303- Fences.

No citizens signed up to speak.

Mayor Arnold closed the public hearing.

6. Discussion of Public Hearing Items

Text Amendment to Article III- Supplementary Regulations Section 303- Fences

Mr. Steinmetz moved that the Council of the Town of Berryville adopt the attached amended Article III- Supplementary Regulations Section 303- Fences as presented. Motion passed by voice vote.

7. Citizens' Forum

None.

8. Consent Agenda

Vice Mayor Erecka Gibson moved to approve the consent agenda as presented. The motion passed by voice vote.

9. Unfinished Business

Bond Reduction Request from DR Horton

Deputy Town Manager Jean Petti addressed the Council regarding the bond release request from DR Horton for Hermitage V. She reported that she conducted a site visit with Mr. Russell and the Director of Public Works Doug Riseden.

Staff requests full release of the Erosion and Sediment Control bond while retaining \$59,613.00 for sidewalks, driveway aprons, and gutters. Mr. Mazzarino asked whether DR Horton had commented on repairing the concrete. Mrs. Petti stated that photographs had been emailed to DR Horton, but no response had been received as of the meeting.

Town Manager Keith Dalton asked Mrs. Petti to provide an update regarding the property behind Rick Figert's home on Jones Court involving DR Horton. Mrs. Petti explained that the stormwater installation does not meet functionality standards and DEQ identified deficiencies during an inspection with DR Horton. She stated that DR Horton is currently working with a second vendor to address the issues, but no update has been received this year. Mr. Dalton confirmed that this issue is not covered under the bond currently under consideration. Mrs. petti agreed.

Ryan Tibbens moved that the Town of Berryville release the Hermitage V Erosion and Sediment Control bonds in full. He further moved that the Hermitage V Public Improvement bonds be reduced to \$59,613.00. Motion passed by voice vote.

Bond Reduction Request from the LGV group

Mrs. Petti spoke regarding the bond reduction for 410 Jack Enders Boulevard. She stated that only one building has been constructed and that staff has reviewed the as-built plans and worksheets submitted by LGV Group. A significant amount of work has been completed, LGV Group is requesting a reduction of the subdivision bond to \$364,784.37. Staff recommends authorizing the town manager to approve the bond reduction once the revised as-built plans are submitted, as staff has no reason to believe the site does not meet applicable standards.

Vise Mayor Gibson moved that the Council of the Town of Berryville authorize the town manager to reduce the amount retained for the LGV Group LLC Subdivision bond to not less than \$364,784.37 when revised as-built plans show conformance to standards for positive drainage and conformance with Constructions Standards and Specifications Manual. Motion passed by voice vote.

10. New Business

Council and Town Council standing committees for calendar 2026 Draft

Mr. Tibbens moved that the Council of the Town of Berryville approve the **attached meeting calendar for 2026 as amended and the Committee Assignments for 2026. Motion passed by voice vote.**

11. Council Member Reports

Mr. Tibbens wanted to say welcome to the Town to Chief of Police, Jason Winner.

12. Staff Reports

Mr. Russell reviewed his staff report, which is **attached**.

Mr. Dalton welcomed Chief of Police Jason Winner, noting he has had a strong start in his first week and that the town is fortunate to have him.

13. Committee Updates

Mayor Arnold recognized the chairs of the standing committees of the Town Council for updates.

Budget and Finance Committee

None.

Community Development Committee & Streets and Utilities Committee

Mayor Arnold let the Council know he will fill in if needed on this committee.

Personnel, Appointments, and Policy

Mayor Arnold announced openings on the Planning Commission and Tree Board Committees.

Public Safety

Mr. Mazzarino also welcomed Chief of Police Jason Winner.

14. Closed Session

None.

15. Adjourn

The Council adjourned at 7:43 p.m. on a motion by Mr. Mazzarino.

Erecka L. Gibson, Vice Mayor

Brandel Kelsey, Town Clerk

Council and Town Council Standing Committees for Calendar 2026

Draft

Dates in bold are meetings that have been rescheduled

Town Council Meeting

7 p.m. second Tuesday, monthly, Main meeting room

Jan 13

Feb 10

Mar 10

Apr 14

May 12

Jun 9

Jul 14

Aug 11

Sep 8

Oct 13

Nov 10

Dec 8

Town Council work session

3:30 p.m. first Monday, monthly, Main meeting room

Jan 5

Feb 2

Mar 2

Apr 6

May 4

Jun 1

Jul 6

Aug 3

Aug 31

Oct

Nov 2

Nov 30

TC Personnel Committee

2 p.m. fourth Monday, monthly, AB meeting room

Jan 26

Feb 23

Mar 23

Apr 27

May 18

Jun 22

Jul 27

Aug 24

Sep 28

Oct 26

Nov 23

Dec 28

TC Budget & Finance Committee

3 p.m. fourth Monday, monthly, AB meeting room

Jan 26

Feb 23

Mar 23

Apr 27

May 18

Jun 22

Jul 27

Aug 24

Sep 28

Oct 26

Nov 23

Dec 28

TC Community Development Committee/ Streets & Utilities Committee

3:30 p.m. fourth Tuesday, monthly, AB meeting room

Jan 27

Feb 24

Mar 24

Apr 28

May 26

Jun 23

Jul 28

Aug 25

Sep 22

Oct 27

Nov Cancelled

Dec Cancelled

TC Public Safety Committee

3 p.m. fourth Thursday, quarterly. AB meeting room

Feb 26

May 28

Aug 27

Oct 22

Town Council Committee/Board Assignments 2026

Standing Committees of the Council

Budget & Finance	Erecka Gibson, Chair & Grant Mazzarino
Community Development	Ryan Tibbens, Chair & Paul Perez
Personnel	Jay Arnold, Chair & Erecka Gibson
Public Safety	Grant Mazzarino, Chair & William Steinmetz
Streets & Utilities	Paul Perez, Chair & Ryan Tibbens

Other

Northern Shenandoah Valley Regional Commission

Erecka Gibson
Terry Russell (Alternate)

Berryville Main Street Liaison

Jay Arnold

Berryville-Clarke County Joint Committee on Economic Development & Tourism

Jay Arnold
William Steinmetz

Planning Commission Liaison

William Steinmetz

Berryville Area Development Authority Liaison

Jay Arnold

Bee City USA Committee Liaison

Erecka Gibson

Clarke County Economic Development Advisory Committee

Ryan Tibbens

Town Council Agenda Item Report Summary

January 13, 2026

Item Title

Community Development Update

Prepared By

Terry Russell

Planning Commission

The Planning Commission has not met since the last Town Council meeting. The Christopher Cos, Inc. which has requested a rezoning of the Friant Property has asked the Planning Commission to hold a second work session on the proposal at its meeting to be held on February 24, 2026.

Berryville Area Development Authority

The BADA has not met since the last Town Council meeting.

Architectural Review Board

The ARB met on Wednesday, January 7, 2026. The Board approved the demolition of the structure at 10 Swan Avenue and the design of a new single-family dwelling to be constructed on the site. The Board also approved a sign, a light fixture, and alley lighting for All About Sushi at 37 East Main Street.

Tree Board

The Tree Board held its organizational meeting on January 7, 2026. The Arbor Day Foundation awarded Berryville the Tree City designation for another year.

Board of Zoning Appeals

The BZA held an organizational meeting and conducted a public hearing on Tuesday, December 30, 2025. The BZA approved a variance reducing the width of the lot at 10 Swan Avenue.

Wayfinding

The pre-bid meeting for the wayfinding signs project will be held Wednesday, January 14, 2026 at 11:00 a.m. The bid deadline and opening will be held on Wednesday, February 11, 2026.

East Fairfax Street and Mosby Boulevard Sidewalks

Imperio Construction has informed Town staff that construction will not begin before the last week in January.

MINUTES

BERRYVILLE TOWN COUNCIL

Public Safety

January 29, 2026

3:00 p.m.

A meeting of the Berryville Town Council Public Safety Committee was held on Thursday, January 29, 2026, at 3:00 p.m. at the Berryville-Clarke County Government Center in Berryville.

Town Council

Present: Grant Mazzarino, Chair; William Steinmetz

Absent: None

Staff

Present: Keith Dalton, Town Manager; Chief Jason Winner, Berryville Police Department

Press None

1. Call to Order

Grant Mazzarino, Chair called the meeting to order at 3:01 p.m.

2. Approval of Agenda

William Steinmetz moved to approve the agenda as presented. The motion passed by voice vote.

3. New Business

Introduction: Chief Winner

Discussion: New Police Department Equipment FY27

Police Chief Jason Winner discussed the Police Department budget for FY27. Mr. Winner provided a quote for AXON/TASER equipment. The committee discussed the budget and quote. Town Manager Keith Dalton asked Chief Winner to provide comment regarding the use of force continuum. Chief Winner explained the use of force continuum as it applies to law enforcement, and training and policies that would need to be adopted and deployed.

Mr. Steinmetz moved that the Public Safety Committee of the Berryville Town Council recommend that the town manager include funding in the draft FY27 Budget for additional less lethal equipment for the Police Department. The Committee recognizes that if this equipment is procured, then the lease agreement into

which the Town would enter will also require expenditure of funds in subsequent budget years. Motion passed by voice vote.

Chief Winner discussed a program that could be used to simplify accreditation documentation.

14. Other

None.

15. Adjourn

The Committee adjourned at 3:58 p.m. on a motion by Mr. Steinmetz.



Report of the Department of Public Works February 2026

Parks

We continue weekday park inspections and cleanup. Sidewalks in the park are shoveled and salted.

Snow Operations

We have been extremely busy during the last snowstorm. Crews worked tirelessly to keep the roadways clear, sometimes working fifteen hours straight. We did a great job clearing the roadways and the downtown sidewalk areas of snow, it was a huge job involving 9 dump trucks, 2 backhoes and a bucket loader and of course plenty of hand shoveling. The crew did a very impressive job! We are blessed to have these employees.

Additional

Dorsey St water line improvements are schedule for March depending on the weather. Smith Street drainage improvements are also scheduled for March.

Public Utilities Department Report

10th of February 2026

Item Title: Department Update

Prepared By: Frank Kelsey

Water Treatment Plant Activity

All water quality results are available at <https://vadwv.gecsws.com/>

The Water Treatment Plant is running well and in accordance with state regulations. The Town is on schedule and in compliance with VDH consent order's Corrective Action Plan.

Town staff and Engineers are working to finalize the Water Treatment Plant upgrade design.

Wastewater Treatment Plant Activity

Inboden continues to operate the facility with care and consideration, completing monthly preventative maintenance on equipment to ensure pumps and motors are operating efficiently.

The Utilities department would like to thank Public Works for their efforts to remove snow accumulation and provide safe working environments for Utility staff members



BERRYVILLE POLICE DEPARTMENT

101 Chalmers Ct., Suite A, Berryville VA 22611

(T) 540.955.3863 (F) 540.955.0207

policeadmin@berryvilleva.gov

Jason Winner – Chief of Police

MEMO

DATE: 2/5/2026

TO: Town Council

FROM: Jason Winner, Chief

CC:

RE: Police Department Monthly Report – 1/31/2026

Monthly Activity Report

The activity report for the month of January 2026 is attached to this report.

Public Safety Committee

The Public Safety Committee did meet on January 29, 2026. During the meeting, the topic of adding less lethal equipment to the Berryville Police Department was discussed. The result of that discussion was a motion for the Town Manager to include funding in the draft FY 27 Budget for additional less lethal equipment for the Police Department. If the equipment is procured by the police department, then the lease agreement which the Town would enter will also require expenditure of funds in subsequent years.

Department Status Update

The department is currently fully staffed, with two recruits attending basic training at the regional academy in Middletown. We also have one officer moving to the third phase of the Field Training.



BERRYVILLE POLICE DEPARTMENT

101 Chalmers Ct., Suite A, Berryville VA 22611
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policeadmin@berryvilleva.gov
 Jason Winner- Chief of Police

Police and Security Report

Month/Year: January 2026	Year To Date 2026	January 2026	December 2025
<u>Complaints Answered</u>			
911 Hang Up:	3	3	3
Alarms:	3	3	11
Animal Complaint:	8	8	6
Assault:	1	1	4
Assist County:	1	1	5
Assist EMS and Fire:	14	14	9
Auto Larceny:	0	0	0
Burglary:	0	0	1
Civil Complaints:	2	2	3
Disturbance:	3	3	4
Domestic Disturbance:	3	3	4
Driving Under the Influence	0	0	1
Drunk In Public:	1	1	1
Fraud:	1	1	1
Larceny:	1	1	1
Harassment/Intimidation:	1	1	1
Homicide:	0	0	0
Identity Theft	0	0	1
Juvenile Related:	2	2	0
Mental Health Crisis:	3	3	8
Narcotics Related:	0	0	0
Noise	3	3	1
Public Service:	0	0	5
Sexual Assault:	0	0	0
Robbery:	0	0	0
Shoplifting:	0	0	0
Suspicious Activity:	14	14	18
Trespassing:	0	0	1
Vandalism:	1	1	1
Welfare Check:	9	9	15
Miscellaneous Complaints:	44	44	47
Total Complaints Answered:	118	118	152



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Jason Winner- Chief of Police

Police and Security Report (Continued)

	Year To Date 2026	January 2026	December 2025
<u>Traffic</u>			
Accidents Investigated:	1	1	7
Assist Motorist:	0	0	0
Child Safety Seat Install:	0	0	0
Funeral Escort:	5	5	2
Hit & Run:	1	1	0
Parking Tickets:	23	23	6
Traffic Warnings:	18	18	21
<u>Traffic Summons Issued</u>			
Defective Equipment:	0	0	0
Driving Suspended:	0	0	1
Expired Inspection:	0	0	1
Expired Registration:	3	3	2
Fail to Obey Highway Sign:	13	13	4
Fail to Obey Traffic Signals:	1	1	0
Fail to Stop/Lights & Siren:	0	0	0
Fail to Yield Right of Way:	5	5	0
Hit and Run:	0	0	0
No Liability Insurance:	0	0	0
No Operator's License:	3	3	1
No Seat Belt:	0	0	0
Reckless Driving:	1	1	0
Speeding:	18	18	9
Miscellaneous Summons:	6	6	2
Total Traffic Summons Issued:	50	50	20
<u>Found Open at Businesses in Town</u>			
Doors:	1	1	1
Windows:	0	0	0
Garage Doors:	0	0	0



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policeadmin@berryvilleva.gov

Jason Winner- Chief of Police

Police and Security Report (Continued)

	Year To Date 2026	January 2026	December 2025
<u>Criminal Papers Served</u>			
Abduction:	0	0	0
Arson:	0	0	0
Assault and Battery:	2	2	1
Assault and Battery on Police Officer:	0	0	0
Auto Larceny:	0	0	0
Breaking and Entering:	0	0	0
Capias:	0	0	0
Disorderly Conduct:	0	0	0
Driving Under the Influence:	1	1	2
Drunk In Public:	1	1	1
Fail to Obey Police Officer:	0	0	0
Fail to Pay Parking Ticket:	0	0	0
Forgery:	0	0	0
Fraud:	0	0	0
Homicide:	0	0	0
Illegal Drugs/Paraphernalia:	0	0	0
Larceny:	0	0	0
Possess Alcohol Underage:	0	0	0
Protective Order Violations:	2	2	0
Rape:	0	0	0
Resisting Arrest:	0	0	0
Robbery:	0	0	1
Shoplifting:	0	0	0
Trespassing:	0	0	2
Vandalism:	0	0	0
Weapons Violation:	0	0	0
Miscellaneous Criminal Arrests:	2	2	2
Juvenile Detention Order Totals:	2	2	0
Total Criminal Arrests:	10	10	9



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policeadmin@berryvilleva.gov

Jason Winner- Chief of Police

Police and Security Report (Continued)

	Year To Date 2026	January 2026	December 2025
<u>Response to Resistance</u>			
Total Community Interface	198	198	209
Total Enforcement Contacts	78	78	50
Physical Custody	7	7	8
Reported Force Involved	0	0	0
Administrative Review - Justified	0	0	0
Administrative Review - Not Justified	0	0	0
Complaint of Injury - Arrestee	0	0	0
Medical Treatment for Injury - Arrestee	0	0	0
Complaint of Injury - Officer	0	0	0
Medical Treatment for Injury - Officer	0	0	0
<u>Type of Force Involved</u>			
Compliance Hold / Open Hands	0	0	0
Takedown	0	0	0
Strikes (Hands / Knees)	0	0	0
Chemical Sprays (O.C.)	0	0	0
Impact Weapon (Baton)	0	0	0
Mechanical Non-Lethal	0	0	0
Firearm	0	0	0
<u>Arrestee Demographics-Adult</u>			
White Male	3	3	5
Black Male	1	1	1
Other Male	0	0	0
White Female	3	3	3
Black Female	0	0	0
Other Female	0	0	0

Town Council Agenda Item Report Summary

February 10, 2026

Item Title

Community Development Update

Prepared By

Terry Russell

Planning Commission

The Planning Commission has not met since the last Town Council meeting. The Christopher Cos, Inc., which has requested a rezoning of the Friant Property, has asked the Planning Commission to hold a second work session on the proposal at its meeting to be held on February 24, 2026.

Berryville Area Development Authority

The BADA has not met since the last Town Council meeting.

Architectural Review Board

The ARB has not met since the last Town Council meeting.

Tree Board

The Tree Board has not met since the last Town Council meeting.

Board of Zoning Appeals

The BZA has not met since the last Town Council meeting.

Wayfinding

The pre-bid meeting for the wayfinding signs project was held Wednesday, January 14, 2026 at 11:00 a.m. The bid deadline and opening will be held on Thursday, February 12, 2026.

East Fairfax Street and Mosby Boulevard Sidewalks

Imperio Construction has informed Town staff that construction will begin when the weather permits. They said that the project should take about four to five weeks to complete once begun.

Town Council Agenda Item Report Summary

February 10, 2026

Item Title

West Fairfax Street Sidewalk Grant
Transportation Alternatives Program

Prepared By

Terry Russell

Background/History/General Information

The Transportation Alternative Program (TAP) is an 80/20 match, with the Town responsible for a 20% of the total cost. The West Fairfax Street sidewalk project design is in the latter stages of approval by VDOT and the federal government. The next phase will be acquisition of right-of-way.

West Fairfax Street runs from North Church Street west to North Buckmarsh Street (US 340). The proposed plan for this area includes:

- Curb and gutter on both sides of the street
- Sidewalk on the north side of the street
- Right of way acquisition of approximately 12'
- Retention of on-street parking
- Storm water improvements

Findings/Current Activity

Given the time needed to negotiate and obtain the right-of-way necessary for the West Fairfax Street process and the reviews by VDOT and the federal government that will be necessary, VDOT staff recommended that the Town request an extension of the timeframe for acquisition of right-of-way and commencement of construction. The Town Manager made the request and received an extension from the VDOT Local Assistance Division. The process was extended to June 30, 2027 for commencement of the construction phase.

Financial Considerations

Below are the cost estimates and matching funds.

	Total	VDOT Match (80%)	Town Match (20%)
West Fairfax Street	\$1,301,875.00	\$1,041,500.00	\$260,375.00

Attachments:

Letter from VDOT Local Assistance Division

Letter to VDOT from Town Manager

Graphics



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818

January 30, 2026

Keith R. Dalton, Town Manager, Town of Berryville
Berryville Government Center
101 Chalmers Court, Suite A
Berryville, Virginia, 22611

SENT VIA EMAIL: townmanager@berryvilleva.gov

RE: West Fairfax St. Pedestrian Improvements Enhancement
Town of Berryville – UPC 121170

Dear Mr. Dalton,

We are in receipt of your request to extend the deadline for use of the VDOT Transportation Alternatives funding that the Town of Berryville was awarded for design and construction of the West Fairfax St. Pedestrian Improvements Enhancement project, which will not progress to the construction phase within four years of receiving TA allocations as required by Commonwealth Transportation policy.

We have reviewed your request and worked with VDOT's Staunton District staff to determine an acceptable path forward for the construction of the project. VDOT's Staunton District staff advocated for the continuance of this project. District staff, and your request, indicate that the West Fairfax St. Pedestrian Improvements Enhancement project can and will reach construction by July 1, 2027.

On the basis of those reassurances, we concur with your request for a time extension to deliver this project. Extensions are granted on a quarterly basis, and as such, an extension has been granted to June 30, 2027. Please work closely with District staff to ensure that project milestones are met and reported and that the project reaches construction by June 30, 2027.

Thank you for your diligence and willingness to get this project completed, and please don't hesitate to contact me at Kirk.Millikan@VDOT.Virginia.gov or 804-786-5924 with any questions or concerns.

Sincerely,

Signed by:

Kirk Millikan

1/30/2026

8E3F6B82FE44449...

Kirk Millikan, P.E.
Federal Programs Manager
VDOT Local Assistance Division

CC: Joel DeNunzio, P.E., VDOT – Staunton District
Terry R. Short, Jr., AICP, VDOT – Local Assistance Division
Brittany D. Voll, CTPA, ENV SP, VDOT – Local Assistance Division
Kimberly Cameron, P.E., VDOT – Staunton District
Jeffrey Lineberry, P.E., VDOT – Staunton District
Michael Fulcher, VDOT – Staunton District
Synthia Waymack, VDOT – Local Assistance Division
Terry Russell, Town of Berryville

Berryville – Clarke County
Government Center
101 Chalmers Court, Suite A
Berryville, VA 22611



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www.berryvilleva.gov

**TOWN OF
BERRYVILLE
VIRGINIA**

January 28, 2026

Jeffery A. Lineberry, P.E., via email
Transportation Land Use Director/Staunton PIM
Virginia Department of Transportation
811 Commerce Road
Staunton, Virginia 24401-9029

Dear Jeff:

This letter is in reference to the Transportation Alternatives Program grant (Project # UPC121170) for a sidewalk on West Fairfax Street.

The Town is requesting an extension to complete the project as the four-year deadline is arriving for expenditure of funds. The amount of right-of-way to acquire is extensive and we suspect that the acquisition process will take longer than usual. Stantec, the contractor doing the easement acquisition should be working diligently over the next few months but that we cannot be sure how long this process will take. We anticipate being able to advertise the project for bids by no later than July 1, 2027 with an anticipated bid and construction time period from July 1, 2027 until July 1, 2028.

We appreciate your ongoing assistance with this project. Please let us know if you need any additional information.

Sincerely,

Keith R. Dalton
Town Manager

Cc: Terry Russell, Community Development Director

Harry Lee Arnold, Jr.
Mayor

Erecka L. Gibson
Vice Mayor

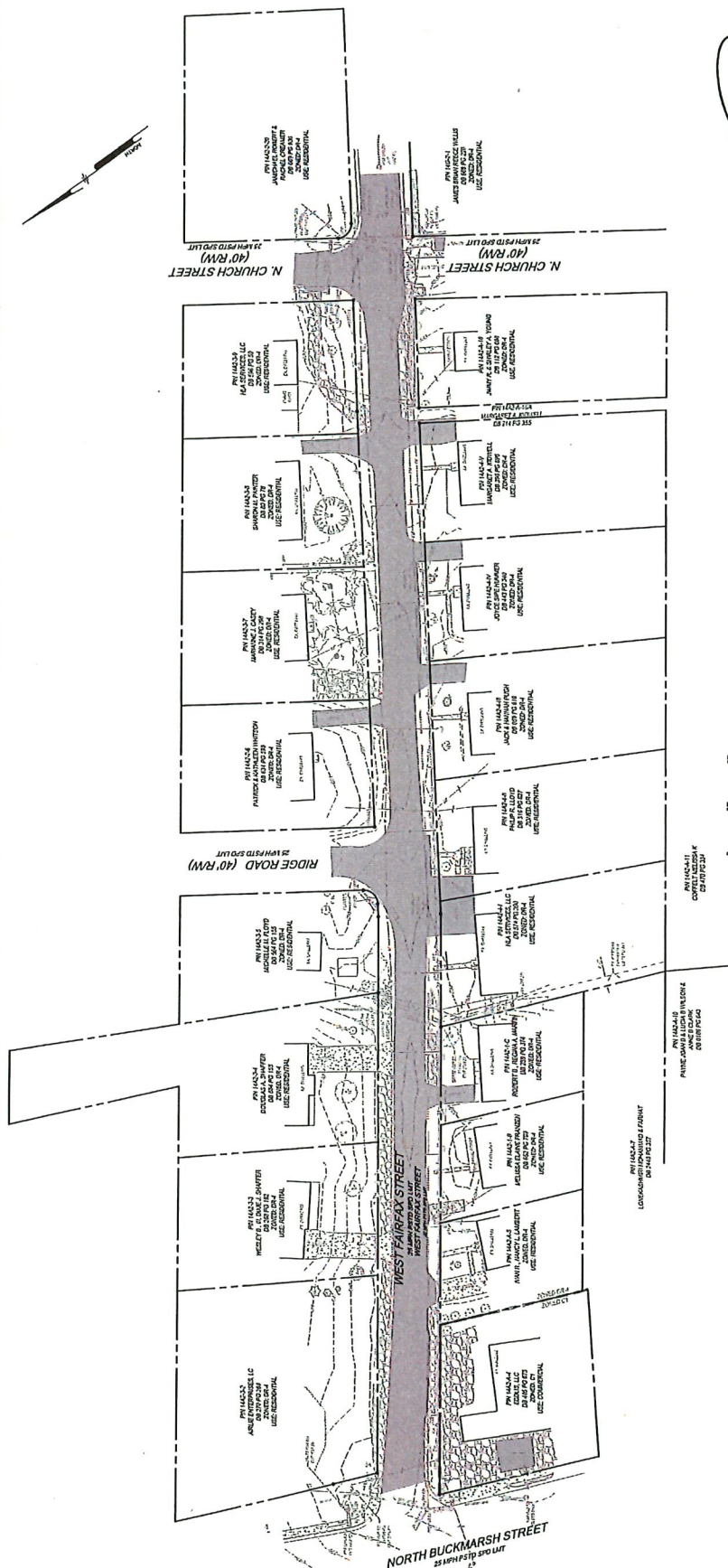
William Steinmetz
Ward 1

Council Members
Paul Perez
Ward 2

Grant Mazzarino
Ward 3

Ryan Tibbens
Ward 4

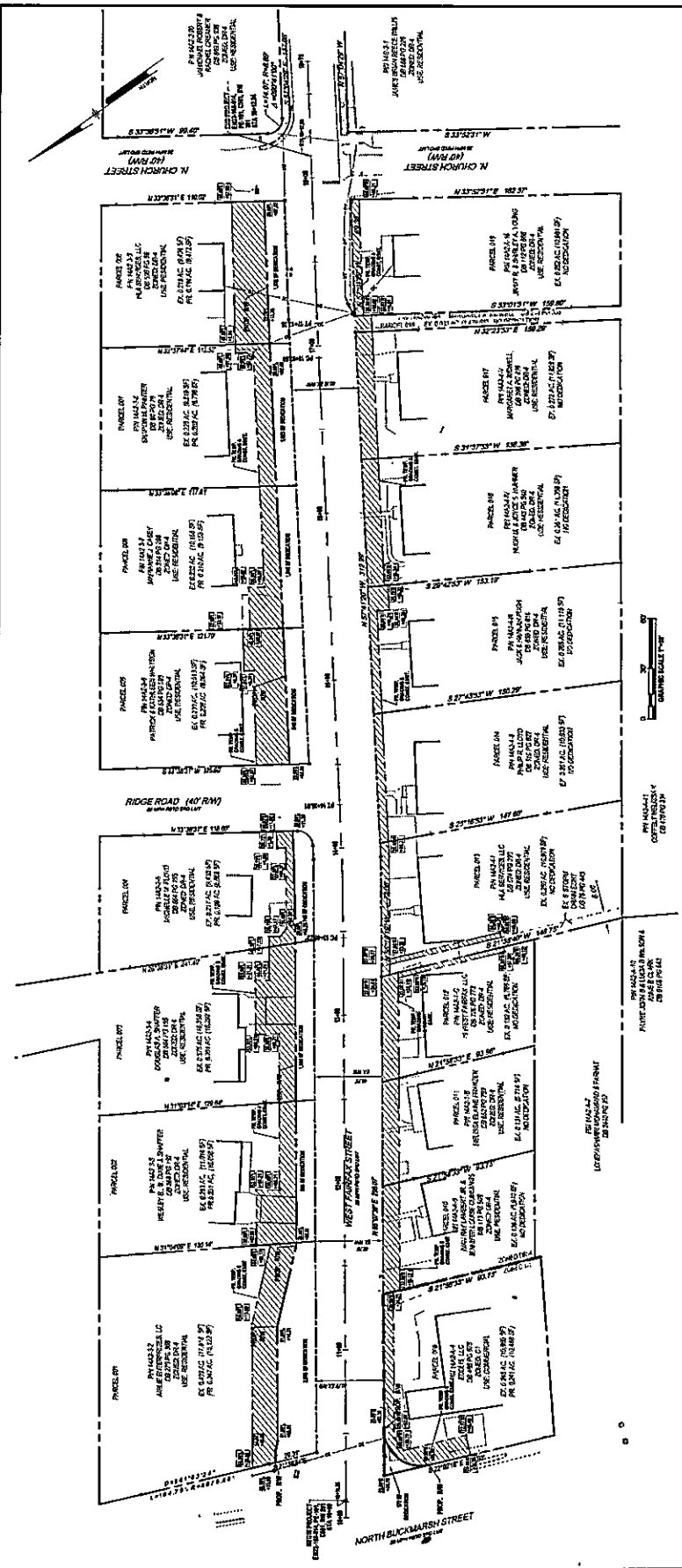
Keith R. Dalton
Town Manager



**WEST FAIRFAX STREET
EXISTING CONDITIONS**



PENNONI ASSOCIATES INC.
Christiana Executive Campus
121 Continental Drive, Suite 207
Newark, DE 19713-4310
T 302.855.4451 F 302.654.2895



RIGHT OF WAY DATA SHEET									
PARCEL #	TWP	LANDOWNER	SHEET NO.	AREA (ACRES OR SQUARE FEET)				EASEMENT	TEMPORARY
				TOTAL	FEE TAKING	FEE REMAINDER	PERMANENT		
003	1403-44	H.A. SERVICES, LLC	SHEET 30	10,000 SF	NA	10,000 SF	NO	684 SF	684 SF
004	1403-44	PHILIP R. LLOYD	SHEET 30	10,000 SF	NA	10,000 SF	NO	341 SF	341 SF
005	1403-48	JACK FUCHS II HANNAH FUCHS	SHEET 30	11,110 SF	NA	11,110 SF	NO	400 SF	400 SF
006	1403-44	MICHAEL BARRETT & JOYCE S. BARRETT	SHEET 30	11,300 SF	NA	11,300 SF	NO	730 SF	730 SF
007	1403-44	MARGARETA KOWELL (FORMERLY DANIEL)	SHEET 30	11,000 SF	NA	11,000 SF	NO	790 SF	790 SF
008	1403-44	EDDIE, LLC	SHEET 30	10,000 SF	172 SF	10,000 SF	NO	742 SF	742 SF
009	1403-44	WILLIAM LAMBERT, JR. & JENNIFER LOUISE CLARKSON	SHEET 30	5,000 SF	NA	5,000 SF	NO	600 SF	600 SF
010	1403-46	JAMES R. YOUNG & SHELLEY A. YOUNG	SHEET 30	10,000 SF	NA	10,000 SF	NO	341 SF	341 SF
011	1403-48	MARGARETA KOWELL (FORMERLY DANIEL)	SHEET 30	1,000 SF	NA	1,000 SF	NO	96 SF	96 SF

RIGHT OF WAY DATA SHEET									
PARCEL #	TWP	LANDOWNER	SHEET NO.	AREA (ACRES OR SQUARE FEET)				EASEMENT	TEMPORARY
				TOTAL	FEE TAKING	FEE REMAINDER	PERMANENT		
011	1403-18	MELISSA CLARK FRANKLIN	SHEET 30	5,714 SF	NA	5,714 SF	NO	624 SF	624 SF
012	1403-12	WEST FAIRFAX, LLC	SHEET 30	5,760 SF	NA	5,760 SF	NO	622 SF	622 SF
014	1403-48	MICHELLE M. LLOYD	SHEET 30	9,400 SF	745 SF	8,655 SF	NO	446 SF	446 SF
015	1403-48	PATRICIA WHITSON & KATHLEEN WHITSON	SHEET 30	10,000 SF	940 SF	9,060 SF	NO	1,044 SF	1,044 SF
016	1403-48	ARISE ENTERPRISES, LLC	SHEET 30	17,819 SF	2,008 SF	15,811 SF	NO	1,000 SF	1,000 SF
017	1403-48	WESLEY R. SHAFER & DOBIE J. SHAFER	SHEET 30	11,000 SF	908 SF	10,092 SF	NO	1,312 SF	1,312 SF
018	1403-44	DOUGLAS A. SHAFER & KIMBERLY D. SHAFER	SHEET 30	10,000 SF	1,004 SF	8,996 SF	NO	1,407 SF	1,407 SF
019	1403-47	MARGARET A. CAGNEY	SHEET 40	14,100 SF	1,010 SF	13,090 SF	NO	1,000 SF	1,000 SF
020	1403-48	SHARON M. PARKER	SHEET 40	9,000 SF	1,223 SF	7,777 SF	NO	901 SF	901 SF
021	1403-48	H.A. SERVICES, LLC	SHEET 40	9,400 SF	1,222 SF	8,178 SF	NO	1,001 SF	1,001 SF

NOT FOR BID OR CONSTRUCTION
1ST SUBMISSION

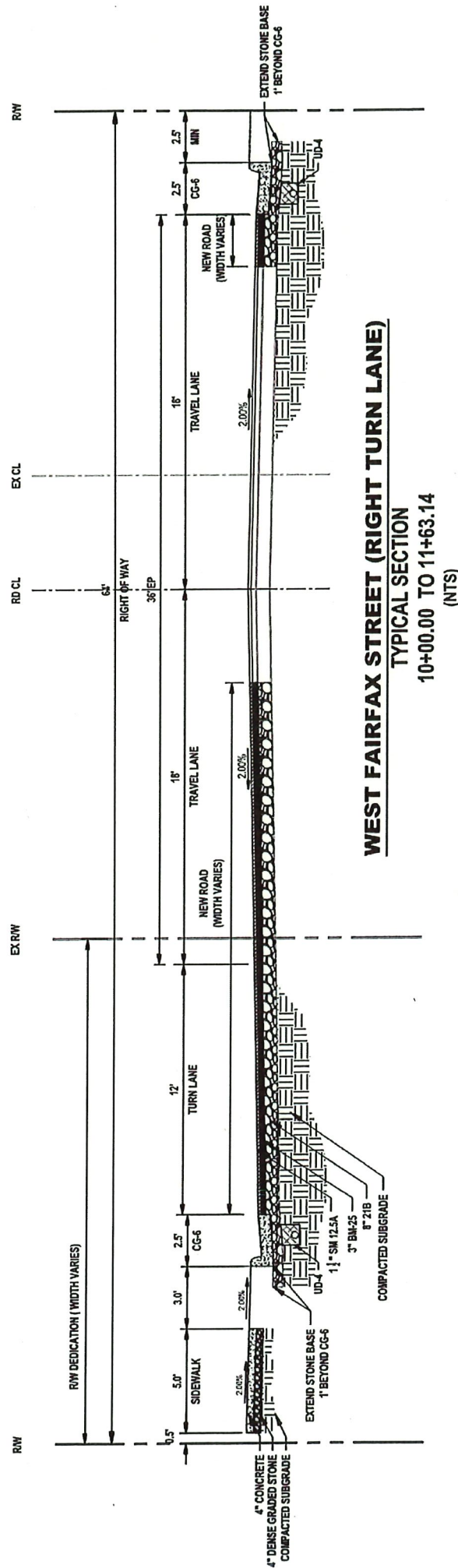
PROJECT # 121170
SHEET 108-014

1C
PAGE 4 OF 38

Proposed Improvements



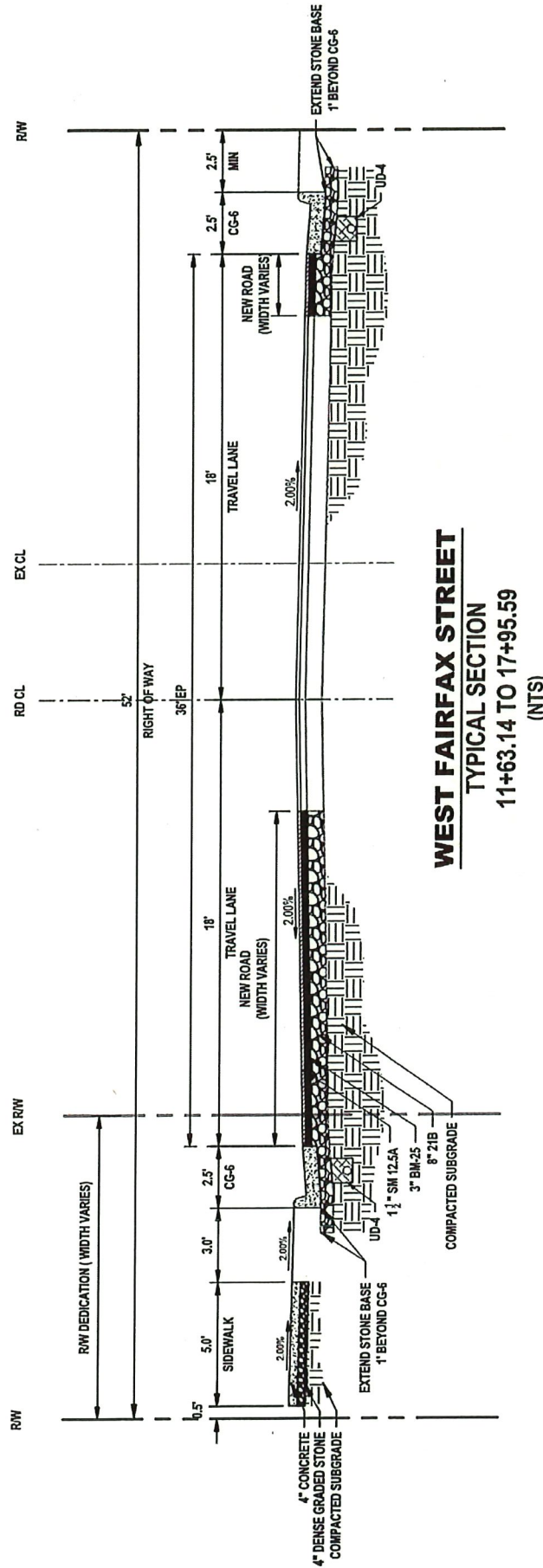
West Fairfax Street Road Section Right Turn Lane



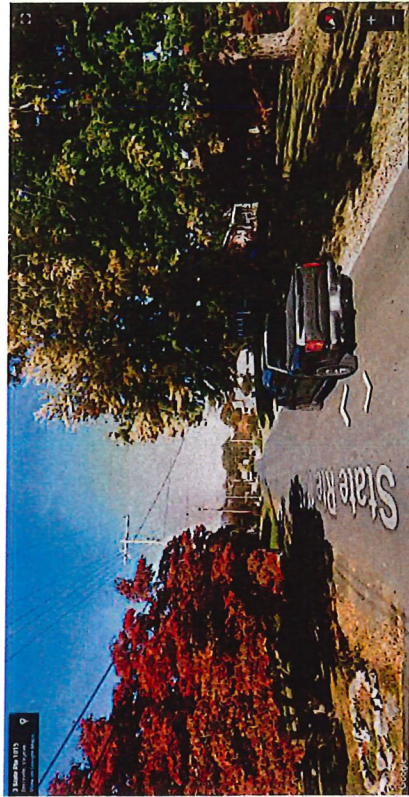
Proposed Improvements



West Fairfax Street Road Section



West Fairfax St. - Street Views



Existing West Fairfax St.
Between Buckmarsh and Church



Intersection (East)
West Fairfax St. & North Church St.

Administration and Finance Report

February 10, 2026

Item Title:

Report of the Administration and Finance Department

Prepared by:

Cynthia Poulin, Treasurer

Attachments:

1. ARPA Report
2. November Cash Balance

FEBRUARY 10, 2026
Monthly Update

American Rescue Plan Act of 2021

Funds expended over the past month

The January 2026 expenditure report is attached.

Attachments

- January 2026 ARPA Expenditure Report
- ARPA Master List
- Project Status Reports

ARPA MASTER LIST

1/31/2026

	PROJECT NAME	BUDGET	SPENT TO DATE	BALANCE	%COMPLETE
1	Computers:Utility Clerk,PWs	\$ 2,437.90	\$ 2,437.90	\$ -	100% Admin
2	Police Radio Replacements	\$ 75,000.00	\$ 75,000.00	\$ -	100%
3	PW Compressor	\$ 23,629.85	\$ 23,629.85	\$ -	100% infra
4	Water Dist Sys Flushing Equip	\$ 7,500.00	\$ 9,844.38	\$ -	100% infra
5	Water Meter Reading Equip	\$ 12,458.03	\$ 12,458.03	\$ -	100% infrastr
6	Grants for Improper Con to Sewer Sys	\$ 4,500.00	\$ 4,500.00	\$ -	100% grant
7	W/s Admin Fees	\$ 175,260.82	\$ 175,260.82	\$ -	100%
8	Premium Pay for Employees	\$ 172,000.00	\$ 174,323.86	\$ -	100% premium pay
9	Grant John H Enders/Rescue Squad *	\$ 80,000.00	\$ 80,000.00	\$ -	100% grant
10	Grant to Barns of Rose Hill *	\$ 40,000.00	\$ 40,000.00	\$ -	100% grant
11	Grant for Façade Improvement	\$ 196,185.08	\$ 196,185.08	\$ -	100% grant
12	Website	\$ 5,845.29	\$ 5,845.29	\$ -	100% Admin
13	Leak Study	\$ 8,662.50	\$ 8,662.50	\$ -	100% infra
14	SSES Study	\$ 117,868.73	\$ 117,868.73	\$ -	100% infra
15	River Pumping Station Upgrade	\$ 25,000.00	\$ 28,538.55	\$ -	100% infra
16	Water Meter & Setter Replacements *	\$ 350,000.00	\$ 350,000.00	\$ -	95% infra
17	Hermitage Pump Station	\$ 26,000.00	\$ 26,000.00	\$ -	100% infra
18	Booster Building Upgrade	\$ 20,000.00	\$ 22,985.85	\$ -	100% infra
19	WWTP Headworks Lighting Upgrade	\$ 4,764.00	\$ 4,764.00	\$ -	100% infra
20	Ridge Road Water Main	\$ 25,939.04	\$ 25,939.04	\$ -	100% infra
21	Water, Sewer and Drainage Projects	\$ 2,228,476.76	\$ 2,228,476.76	\$ -	100% infra
22	Rockcroft Water Main Abandonment	\$ 10,000.00	\$ 10,550.96	\$ -	100% infra
23	Security Upgrades	\$ 125,000.00	\$ 100,995.91	\$ -	100% infra/admin70
24	Drainage Dorsey, Walnut, Treadwell	\$ 1,500.00	\$ 1,500.00	\$ -	100% infra
25	Bel Voi and Battletown Water Main Repl	\$ -	\$ 11,612.50	\$ -	100% infra
26	Wayfinding Signs	\$ 140,000.00	\$ 43,700.00	\$ 96,300.00	40%
27	Raw Water Intake Land-Easement Acquisition	\$ 13,672.50	\$ 13,672.50	\$ -	100% infra
28	Grant Housing (3 years)	\$ 40,000.00	\$ 40,000.00	\$ -	100%
29	Capital Projects	\$ 543,285.50	\$ 275,258.44	\$ 268,027.06	0%
	Administrative /Legal Fees	\$ 60,000.00	\$ 45,055.39	\$ 15,592.60	75% Admin
	Total Encumbered	\$ 4,534,986.00	\$ 4,155,066.34	\$ 379,919.66	
	Total ARPA	\$ 4,534,986.00			
*	Project For (2) two years				

Jan-26

Signage

Estimated cost of these actions					
- Signage					
- Total	\$ 140,000.00	\$ -	\$ 43,700.00	\$ 96,300.00	31% \$ 140,000.00
Fund balance from first payment					\$ 30,715.34
Fund balance from second payment			\$ 43,700.00		\$ 65,584.66

Complete necessary water and sewer infrastructure projects

Capital Projects

Estimated cost of these actions					
- Cost of the projects	\$ 3,495,500.79	\$ 600.00	\$ 1,601,974.10	\$ -	85.00% \$ 3,485,953.17
Total			\$ 1,625,499.63	\$ 268,027.06	\$ 3,485,953.17
Fund balance from first payment			\$ 3,227,473.73		\$ -
Fund balance from second payment					\$ 268,027.06

Pay for administrative costs

Estimated cost of these actions					
- Administrative costs per FY (5.5)	\$ 60,000.00	\$ -	\$ 44,407.40	\$ 15,592.60	74% \$ 60,000.00
- Total			\$ 44,407.40		\$ 60,000.00
Fund balance from first payment					\$ 15,592.60

NOTES:

INFRASTRUCTURE COSTS:

Frazier Assoc.(Wayfinding)			1st Tranche	\$ 2,267,493.00
Core & Main			Used to date	\$ 2,221,185.06
VA RIGGERS			Balance	\$ 46,307.94
Pete McLean			2nd Tranche	\$ 2,267,493.00
Norfolk Southern			Used to date	\$ 1,933,881.28
FUOG Interbuild			Balance	\$ 333,611.72
Pennonni (Water Projects Bel Voi & Battletown)				
Webster Nursery(Concrete walls)				
Total	\$ 600.00			
	\$ -			
	\$ 600.00			

Project Status Report

16

Date: 2/10/2026

Project Name:

Water Meter and Setter Replacements

Project Budget: \$350,000.00

Expected Completion Date: June 2023

Executive Summary:

Upgrade ¼ of the Town's water Meters and setters.

Project Goals:

1. Improve capture of water use.
2. Improve back flow protection.
3. Reduce meter reading costs.

Project Status:

Status Item	Status	Summary
Budget \$350,000.00	Completed	Total Spend: \$350,000.00
Schedule/Timeline	On Track	% Complete: 95

Project Milestones:

Description	% Complete	Status
1. Order meters, setters, valves, plus other supplies	100%	Completed
2. Install meters / setters	90%	On Track

Project Issues or Concerns:

1. Multiyear project

Project Status Report

26

Date: 2/10/2026

Project Name:
Wayfinding Signs

Project Budget: \$190,000.00

From ARPA: \$140,000.00

From Town: \$50,000.00

Expected Completion Date: December 2023

Executive Summary:

Design, construct, and install entrance and wayfinding signs.

Project Goals:

1. To improve business environment in downtown business district.

Project Status:

Status Item	Status	Summary
Budget 190,000.00	On Track	Total Spend: \$43,700.00
Schedule/Timeline	On Track	Complete: 40%

Project Milestones:

Description	% Complete	Status
1. Design	50%	On Track
2. Determine Sign locations	50%	On Track
3. Secure VDOT approvals	95%	On Track
4. Develop offering for design and construction/award/have signs fabricated	0%	On Track
5. Secure contractor to install signs	0%	Not Started
6. Have signs installed	0%	Not Started
RFP ISSUED ON 6/30/2022 & COUNCIL AUTHORIZED THE TOWN MANAGER TO AWARD BID. NEW IFB ISSUED 12/15/2025 FOR FABRICATION AND INSTALLATION.		

Project Issues or Concerns:

Project Status Report

29

Date: 2/10/2026

Project Name: Capital Projects

Project Budget: \$543,285.50

Expected Completion Date:

Project List Under Consideration:

Bel Voi Water Main Replacement

Bar Screen at STP

North Crow Street Drainage

Rose Hill Park Bridge

Project Goals:

Project Status:

Status Item	Status	Summary
Budget \$543,285.50	On Track	Total Spend: \$275,258.44
Schedule/Timeline	On Track	% Complete: 50

Project Milestones:

Description	% Complete	Status
1. Construction plans	100%	Completed
2. Develop IFB	100%	Completed
3. Secure Easements	0%	Not Started
4. Issue offering/ review offering	100%	Completed
5. Select Contractor	100%	Completed
6. Complete project	0%	Not Started

Project Issues or Concerns:

Cash Balance Report

Period Ending 1/31/2026

Town of Berryville

2/3/2026 2:06 PM

Page 1/1

	Bank Information	Balance
1	Bank of Clarke Operating Acct#- 1138499	-\$132,396.41
2	Bank of Clarke NOW Acct#- 1138502	\$5,526,203.19
3	Bank of Clarke Payroll Acct#- 1138510	\$40,270.26
4	Bank of Clarke CIP Acct#- 1138405	\$21,257,807.74
5	Bank of Clarke SW Acct#- 1138413	\$494,679.70
6	Bank of Clarke PDAF Acct#- 1138421	\$25,541.89
7	Bank of Clarke DSR Acct#- 1138456	\$113,279.05
9	Bank of Clarke RAU Acct#- 1138472	\$952.32
10	Bank of Clarke VRA Reserve Acct#- 6041647	\$470,000.00
11	Bank of Clarke Proffer Reserve Acct#- 1897098	\$90,468.98
12	Bank of Clarke Performance Bonds Acct#- 1910841	\$11,331.66
13	TRUIST Acct#- 5137523525	\$568,682.68
14	Bank of Clarke PD Contributions Acct#- 5759859	\$10,037.86

Total Cash Balance:	\$28,476,858.92
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Check Listing

Date From: 1/1/2026 Date To: 1/31/2026
Vendor Range: 1-800 FLOWERS - Zuleger, David E. & Joanne C.

Town of Berryville
02/02/2026 09:07 AM

Page: 1 of 3

Check Number	Bank	Vendor	Date	Amount
10386	1	BLOSSMAN GAS INC	01/07/2026	<u>\$2,931.67</u>
10387	1	Broy & Son Pump Service, Inc	01/07/2026	<u>\$592.50</u>
10388	1	CORE & MAIN LP	01/07/2026	<u>\$1,467.01</u>
10389	1	Country Roads Tire & Auto Inc	01/07/2026	<u>\$521.68</u>
10390	1	Dalton, Keith	01/07/2026	<u>\$75.00</u>
10391	1	EAHEART INDUSTRIAL SERVICES, INC	01/07/2026	<u>\$244.40</u>
10392	1	FERGUSON ENTERPRISES	01/07/2026	<u>\$1,749.64</u>
10393	1	INBODEN ENVIRONMENTAL SVCS	01/07/2026	<u>\$1,764.35</u>
10394	1	MILLER MACHINE & TOOL CO	VOIDED 01/07/2026	<u>\$52.00</u>
10395	1	NICHOLAS EARLY	01/07/2026	<u>\$753.62</u>
10396	1	PENNONI ASSOCIATES INC	01/07/2026	<u>\$5,017.50</u>
10397	1	Petti, Jean	01/07/2026	<u>\$75.00</u>
10398	1	RISEDEN, DOUGLAS	01/07/2026	<u>\$131.63</u>
10399	1	ROBERTS OXYGEN CO	01/07/2026	<u>\$166.00</u>
10400	1	Select Specialty Products	01/07/2026	<u>\$767.12</u>
10401	1	THOMSON REUTERS	01/07/2026	<u>\$244.56</u>
10402	1	Total Pest Services, Inc	01/07/2026	<u>\$158.00</u>
10403	1	Jno. S. Solenberger & Co., Inc	01/14/2026	<u>\$10.64</u>
10404	1	SEAN PATRICK MADDEN	01/14/2026	<u>\$107.70</u>
10405	1	Shade Equipment Company	01/14/2026	<u>\$242.45</u>
10406	1	SUECATS	01/14/2026	<u>\$808.47</u>
10407	1	THOMAS, NOLAN BODIAN 2778	01/14/2026	<u>\$100.00</u>
10408	1	VIRASEC IT Support Services, Inc.	01/14/2026	<u>\$4,089.72</u>
10409	1	Virginia Resources Authority	01/14/2026	<u>\$235,000.00</u>
10410	1	VUPS	01/14/2026	<u>\$181.20</u>
10411	1	Waterloo Electric Service, LLC	01/14/2026	<u>\$1,304.31</u>
10412	1	BERRYVILLE SERVICE CENTER LLC 4707	01/21/2026	<u>\$26.33</u>
10413	1	BOOR, RICHARD	01/21/2026	<u>\$1,575.00</u>
10414	1	COMBS WASTEWATER MANAGEMENT LLC	01/21/2026	<u>\$75.00</u>

Check Listing

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Vendor Range: 1-800 FLOWERS - Zuleger, David E. & Joanne C.

Town of Berryville
02/02/2026 09:07 AM

Page: 2 of 3

Check Number	Bank	Vendor	Date	Amount
10415	1	H20 Pipe Cleaning LLC	01/21/2026	<u>\$1,500.00</u>
10416	1	Hall Company, The	01/21/2026	<u>\$1,796.18</u>
10417	1	MCCARTHY TIRE SERVICE CO, INC.	01/21/2026	<u>\$1,089.80</u>
10418	1	Michelle M. Jones	01/21/2026	<u>\$1,760.00</u>
10419	1	NUCKOLS PROPERTY SOLUTION	01/21/2026	<u>\$3,250.00</u>
10420	1	Quadient Inc	01/21/2026	<u>\$16.95</u>
10421	1	SANDS ANDERSON PC	01/21/2026	<u>\$4,760.00</u>
10422	1	Skyline Regional CJA	01/21/2026	<u>\$357.60</u>
10423	1	Southern Software, Inc.	01/21/2026	<u>\$1,325.00</u>
10424	1	U.S. BANK NATIONAL ASSOCIATION	01/21/2026	<u>\$1,637.36</u>
10425	1	ULINE INC	01/21/2026	<u>\$308.17</u>
10426	1	VALLEY REGIONAL ENTERPRISES, INC.	01/21/2026	<u>\$208.00</u>
10427	1	Winchester Star, The	01/21/2026	<u>\$727.25</u>
10428	1	AMHERST FAMILY PRACTICE	01/28/2026	<u>\$143.00</u>
10429	1	CORE & MAIN LP	01/28/2026	<u>\$1,778.79</u>
10430	1	Fire Protection Company, LLC	01/28/2026	<u>\$1,013.65</u>
10431	1	Hall Company, The	01/28/2026	<u>\$1,795.51</u>
10432	1	INBODEN ENVIRONMENTAL SVCS	01/28/2026	<u>\$25,166.58</u>
10433	1	J. J. KELLER & ASSOCIATES INC	01/28/2026	<u>\$306.11</u>
10434	1	Minnesota Life Insurance Co.	01/28/2026	<u>\$723.84</u>
10435	1	PENNONI ASSOCIATES INC	01/28/2026	<u>\$1,980.00</u>
10436	1	SOUTHERN AIR INC	01/28/2026	<u>\$3,514.19</u>
10437	1	Southern Software, Inc.	01/28/2026	<u>\$5,084.00</u>
10438	1	TEMP-A-TRON INC	01/28/2026	<u>\$167.50</u>
10439	1	Treasurer of Frederick County	01/28/2026	<u>\$6,169.76</u>
10440	1	U.S. BANK NATIONAL ASSOCIATION	01/28/2026	<u>\$1,637.36</u>
10441	1	Valley Automation	01/28/2026	<u>\$26,877.31</u>
10442	1	WINNER, JASON	01/28/2026	<u>\$340.00</u>
57	Checks Totaling -			<u>\$355,666.41</u>

Check Listing

Date From: 1/1/2026 Date To: 1/31/2026

Vendor Range: 1-800 FLOWERS - Zuleger, David E. & Joanne C.

Town of Berryville
02/02/2026 09:07 AM

Page: 3 of 3

Check Number	Bank	Vendor	Date	Amount
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Totals By Fund

	Checks	Voids	Total
100	\$52,933.01	\$52.00	\$52,881.01
501	\$20,722.12		\$20,722.12
502	\$282,011.28		\$282,011.28
Totals:	\$355,666.41	\$52.00	\$355,614.41

Item Title

Wayfinding Project Update

Prepared By

Jean Petti

General Information

Launched in summer 2022 with an award to Frazier for \$41,950.00, Town Council reserved \$50,000.00 in addition to ARPA funding of \$140,000.00. Current expenditures are \$47,000.00. Invitation for bids was issued 15 December 2025.

Current Developments

A non-mandatory prebid conference was held 14 January 2026, with representatives from three firms attending. Questions were received until 21 January and answers were posted on our website and eVA (Virginia's procurement website) on 30 January 2026. Bids will be accepted until 10:00 am on 12 February 2026 and bids will be opened at 10:05 am on the same date.

Unless all bids are cancelled or rejected, the Town reserves the right granted by §2.2-4318 of the *Code of Virginia* to negotiate with the lowest responsive, responsible bidder to obtain a contract price within the funds allocated to the Town whenever such low bid exceeds the Town's allocated funds.

The Town intends to enter into a contract with the successful bidder no later than 20 March 2026, and the project scope of work is to be completed no later than 28 August 2026.