

BERKELEY COUNTY, WEST VIRGINIA

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2004

BERKELEY COUNTY, WEST VIRGINIA
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BERKELEY COUNTY, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2004

GOVERNMENTAL FUND TYPES

Major Funds

General County
Coal Severance Tax

Nonmajor Funds

Special Revenue Funds

Dog and Kennel	General School	Magistrate Court
Worthless Check	Emergency Communication 911	Home Confinement
Federal Grant #09	Community Partnership Grant #10	Fiduciary
Wireless Communication	Spring Street Building Debt Service	Roundhouse
Enhanced 911 Equipment	Assessor's Valuation	Rainy Day Fund
Concealed Weapons	Voter's Registration	Special Law Enforcement
Prosecuting Attorney Forfeiture	Law Enforcement Block Grant # 94	Universal Hiring Grant
Task Force Reimbursement	Homeland Security	Local Law Enforcement #103
Dept. of Transportation	2003 Bullet Proof Vest	ESPG
COPS Universal Hiring	FEMA Hazard Mitigation	Musselman Middle School
Midget League Football	Youth Fair Association	Poor House Farm
Hedgesville VFD	County Health Insurance	

FIDUCIARY FUND TYPES

Agency Funds

State
School
County Offices
Other Agency

BERKELEY COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2004

OFFICE	NAME	TERM
	<u>Elective</u>	
County Commission:	John E. Wright	01-01-99 / 12-31-04
	Howard L. Strauss	01-01-01 / 12-31-06
	Steve Teufel	01-01-03 / 12-31-08
Clerk of the County Commission	John W. Small, Jr.	01-01-99 / 12-31-04
Clerk of the Circuit Court	Virginia Sine	01-01-99 / 12-31-04
Sheriff	W. Randy Smith	01-01-01 / 12-31-04
Prosecuting Attorney	Pamela Games-Neely	01-01-01 / 12-31-04
Assessor	Evelyn Fink	01-01-01 / 12-31-04
	<u>Appointive</u>	
Administrator	Deborah E. Hammond	

ACCOUNTANTS' REPORT

Honorable Members of the
Berkeley County Commission
Martinsburg, West Virginia

We have compiled the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berkeley County, West Virginia, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected not to present component units as basic financial statement information as required by the Governmental Accounting Standards Board. If the omitted component unit financial statement information was included in the financial statements, it might influence the user's conclusion about the County's net assets and results of activities. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The management discussion and analysis on pages 6-14 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. The supplemental information on pages 43-52 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have compiled the supplemental information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion on any other form of assurance on the supplemental information.

We are not independent with respect to Berkeley County, West Virginia.

CoxHollida LLP

November 3, 2004

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2004

Our discussion and analysis of the Berkeley County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2004. This discussion and analysis should be read in conjunction with the County's financial statements, which follow immediately after.

FINANCIAL HIGHLIGHTS

During 2004, the County increased its net assets by approximately 16% (or \$1.7 million) to \$12.2 million.

The County, at the request of the State Auditors Office, will include the Berkeley County Building Commission (Building Commission) as a Component Unit of the County in the audited financial statements for the fiscal year ended June 30, 2004. Since the records of the Building Commission were not complete as of the date of the this report, the County has elected not to present the Building Commission in this compiled financial statement. However, the County has removed from its books all inter-governmental lease agreements with the Building Commission and the related assets which required restating the capital assets to reflect the removal of the Blue Ridge Outlet Center Buildings and their related liability of a capital lease agreement.

The County's excess of revenues over expenditures decreased \$0.1 million. Revenues were approximately the same as the prior year, while expenditures increased approximately 1% (or \$0.1 million).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole and present a long-term view of the County's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the county as a whole

Our analysis of the County as a whole begins with the Statement of Net Assets. One of the most important questions asked about the County's finances is, "Is the County, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes to them. The County's net assets—the difference between assets and liabilities—is one way of measuring the County's financial health or position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in the County's property tax base and its capital assets should be considered in order to assess the overall health of the County.

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

USING THIS ANNUAL REPORT (Continued)

Reporting the county as a whole (continued)

In the Statement of Net Assets and the Statement of Activities, we normally divide the County into two kinds of activities:

Governmental Activities—Most of the County's basic services are reported here, including the police, fire, ambulance and general administration. Property and other taxes, licenses and permits, and state and federal grants finance most of these activities.

Business-type Activities—Customers are charged a fee to help the County cover most or all of the cost of business-type activities. The County does not have any business-type activities.

Reporting the County's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by West Virginia Code. However, the County Commission establishes many other funds to help it control and manage money for particular purposes (for example, the General School Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like monies received from Federal grants).

Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

The County as Trustee

The County is the fiduciary for several other entities. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

THE COUNTY AS A WHOLE

Our analysis below focuses on net assets (Table 1) and changes in net assets (Table 2):

Table 1

Net assets (in millions):

	<u>Governmental activities</u>	
	<u>2004</u>	<u>2003</u>
Assets:		
Current and other assets	\$6.5	\$4.5
Capital assets (net)	<u>7.4</u>	<u>13.1</u>
Total assets	13.9	17.6
Liabilities:		
Other liabilities	0.4	0.1
Long-term liabilities	<u>1.3</u>	<u>7.0</u>
Total liabilities	1.7	7.1
Net assets:		
Invested in capital assets, net of debt	6.9	9.7
Restricted	0.6	0.4
Unrestricted	<u>4.7</u>	<u>0.4</u>
Total net assets	<u>\$12.2</u>	<u>\$10.5</u>

Cash and cash equivalents increased by approximately \$2.0 million, up from \$4.5 million at June 30, 2003. This was a result of excess of revenues over expenditures during the current fiscal year.

Net assets of the County's government activities increased by approximately 16%, to \$12.2 million, up from \$10.5 million at June 30, 2003. Unrestricted net assets (the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) increased to \$4.7 million, from \$0.4 million.

The capital assets decreased by \$5.7 million to \$7.4 million, compared to \$13.1 million in 2003. The amount invested in capital assets, net of debt, decreased by \$2.8 million to \$6.9 million compared to \$9.7 million at June 30, 2003.

Other liabilities increased by \$0.3 million to \$0.4 million. This was the result of the County reporting capital lease payments due within one year as a current liability in 2004. In 2003, no current amount of capital lease payments were reported.

In 2003, the County reported a building located at 205 East King Street and the Blue Ridge Outlet Center Complex (capital assets in the amount \$ 5.3 million) and the related inter-governmental lease agreement (liability in the amount \$5.4 million) with the Berkeley County Building Commission, an organization that is considered a component unit of the County. In 2004, this inter-governmental agreement will be reported in the Building Commission's financial statements with the related debt. Please see the restated capital assets reported later in this management's discussion and analysis.

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

THE COUNTY AS A WHOLE (Continued)

Table 2

Changes in net assets (in millions):

	<u>Governmental activities</u>	
	<u>2004</u>	<u>2003</u>
Revenues:		
General government	\$3.4	\$2.8
Property taxes	9.1	8.0
Other taxes	1.8	1.6
Licenses and permits	0.5	0.5
Intergovernmental:		
Federal	1.4	0.6
State	0.2	0.4
Local / reimbursements	0.4	0.0
Fines and forfeits	0.7	0.5
Unrestricted interest	0.2	0.2
Miscellaneous	0.4	3.6
Other financing sources (uses)	<u>0.1</u>	<u>0.0</u>
Total revenues	<u>18.2</u>	<u>18.2</u>
Expenditures:		
General government	9.0	8.4
Public safety	6.1	6.2
Health and sanitation	0.1	0.1
Culture and recreation	1.2	1.6
Social services	<u>0.1</u>	<u>0.1</u>
Total expenditures	<u>16.5</u>	<u>16.4</u>
Excess of revenue over expenditures	1.7	1.8
Net assets beginning of the year	<u>10.5</u>	<u>8.7</u>
Net assets ending	<u>\$12.2</u>	<u>\$10.5</u>

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

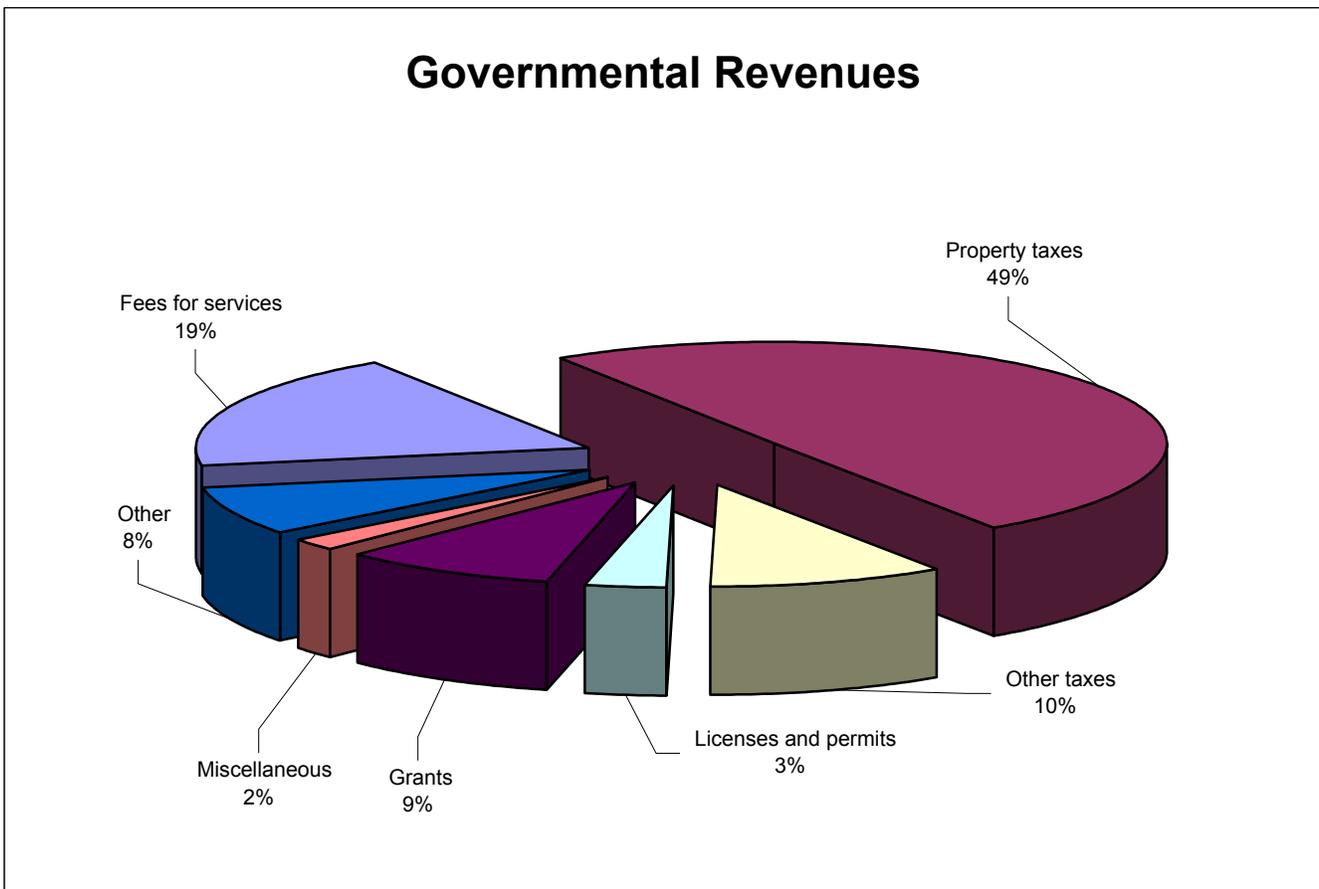
THE COUNTY AS A WHOLE (Continued)

Table 2 (previous page) and Chart 1 (below) present revenues from each of the County's largest sources of revenues. Revenues were approximately the same as the prior year. In fiscal year 2003, the County included capital lease proceeds and other reimbursements in miscellaneous revenues. In 2004, several reimbursements were charged through operating transfers in or out (see the Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Funds and the notes of the financial statements). Note that 49% of the County's supporting revenue comes from property taxes.

Table 2 and Chart 2 (page 11) present each of the County's governmental programs in dollars and percentage of total revenues, respectively. Expenditures increased in the current year by approximately \$0.1 million. This decrease is similar to the decrease in miscellaneous revenues, many expenditure reimbursements were charged through operating transfers. In fiscal year 2003, the County spent 53% in general government and 37% in public safety as shown in Chart 2.

Chart 1

Governmental revenues (as a percentage of total revenues)



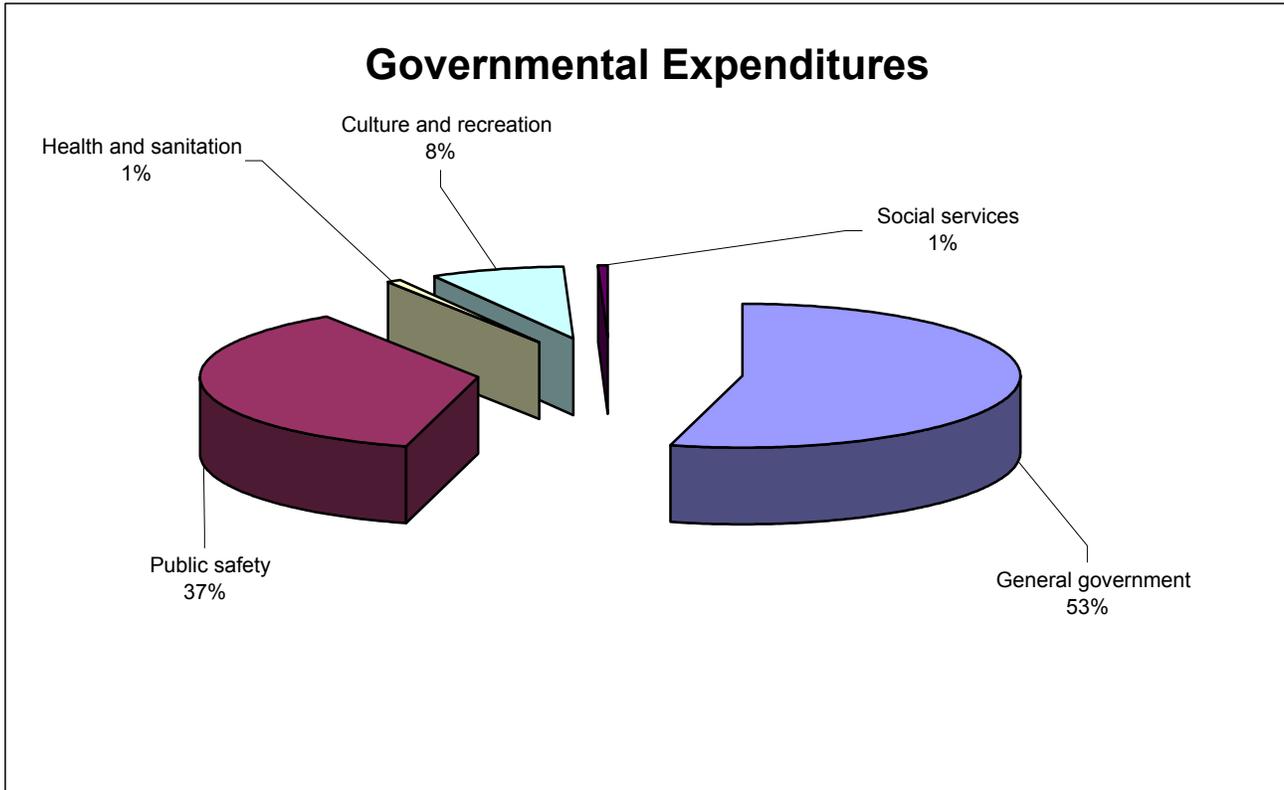
See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

THE COUNTY AS A WHOLE (Continued)

Chart 2

Governmental expenditures (as a percentage of total expenditures)



FINANCIAL RATIOS

The following Financial Ratios should be used to assess the financial stability of the County over an extended period of time.

The Ratios of Working Capital and Days Cash in Investment and Reserve demonstrates the continuing ability to finance operations with cash. The relative stability of the Current Ratio and the Liabilities to Net Assets demonstrates the fact that the County has not financed its Working Capital and Days Cash and Investment in Reserve with a substantially increasing proportion of debt.

"Working capital" is the amount by which current assets exceed current liabilities. Generally, the higher the working capital, the greater the amount of resources available to the County to provide services and pay its obligations.

The "Current Ratio," which compares current assets to current liabilities, is an indicator of the ability to pay current obligations. Generally, the higher the current ratio, the greater the "cushion" between current obligations and the County's ability to pay them. The current year decrease in this ratio was the result of reporting the current year portion of the Capital Lease Liability in 2004.

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

FINANCIAL RATIOS (Continued)

"Days cash in investments and reserve" represents the number of days that normal operations could continue with no revenue collection. This ratio compares days cash in investment and reserve to average daily expenditures.

"Liabilities to net assets" indicates the extent of borrowing and determines the extent of liabilities used to finance assets.

	<u>Governmental activities</u>	
	<u>2004</u>	<u>2003</u>
Working capital (in millions)	\$6.1	\$4.4
Current Ratio	16.25	45
Days cash in investment and reserve	160	91
Liabilities to net assets	14%	68%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Governmental accounting standards requires all governmental entities to report their infrastructure assets such as roads and bridges in their financial statements. The infrastructure assets that are located in Berkeley County are owned, maintained and reported by the State of West Virginia. More information about the County's capital asset accounting policies and detailed information are presented in the notes to the basic financial statements.

At the end of June 30, 2004, the County had \$7.4 million invested in capital assets including police and fire equipment and buildings. This represents a net decrease of \$0.3 million, or about 3% percent, over last year and is the result of depreciation expense of \$0.4 million and capital purchases of \$0.1 million after restating fiscal year 2003 for the removal of certain assets as mentioned previously.

At fiscal year end, capital assets at cost or estimated original values (in millions):

	<u>Governmental activities</u>	
	<u>2004</u>	2003 <u>(Restated)</u>
Land	\$0.9	\$0.9
Buildings	4.2	4.2
Improvements	2.5	2.5
Equipment	<u>2.9</u>	<u>2.8</u>
Subtotal	10.5	10.4
Accumulated depreciation	<u>(3.1)</u>	<u>(2.7)</u>
Totals	<u>\$7.4</u>	<u>\$7.7</u>

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 For the Fiscal Year Ended June 30, 2004

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt

The County's outstanding capital leases obligations for the years ended June 30, 2004 and June 30, 2003 were \$0.5 million and \$0.6 million respectively. \$5.4 million of the originally stated \$6.0 million capital leases will be reported by the Berkeley County Building Commission in fiscal year ended 2004.

	<u>Governmental activities</u>	
	<u>2004</u>	<u>2003</u> <u>(Restated)</u>
Capital leases obligations (backed by the County, in millions)	\$0.5	\$0.6

More detailed information about the County's long term liabilities is presented in the notes to the basic financial statements.

GRANTS

The Berkeley County Commission serves as the sponsor of a number of state and federal grants for community agencies including the Berkeley County Roundhouse Authority, Martinsburg-Berkeley County Parks and Recreation Department and the Berkeley County Youth Fair, to name but a few. The funds received in these federal and state grants are in the form of pass-through funds whereby the Commission serves as the sponsor, a fund is established for the receipt and expenditure of the funds, and a check is written to the sponsor upon the receipt of the expended funds. These funds do not contribute to the County's general county fund.

The Berkeley County Commission also receives state and federal grants for operating programs of the County. These include state funds for the VOCA grant program operated through the Prosecuting Attorney's office, Local Law Enforcement Block grants for the purchase of equipment for the Sheriff's Law Enforcement Office, and COPS grants for the funding of law enforcement positions in the Sheriff's Law Enforcement Office. These funds are competitive and are applied for on an annual basis. The continuation of these grants is contingent upon available funds at the state and federal level. The County Commission is also required to provide matching funds in the form of in-kind services or actual cash matches.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the County Commission revised the General Fund budget several times to reflect changes in revenues and expenditures as information became available to provide better estimates. Other changes were made to reclassify revenues and expenditures into proper accounts.

Even with these adjustments, the actual revenues were approximately \$0.6 million over budget and expenditures were about \$2.2 million under budget. The excess revenues were mainly due to other taxes being higher than budgeted, and the over- and under-budgeted expenditures were the result of many smaller factors.

See Accountants' Report.

Berkeley County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Fiscal Year Ended June 30, 2004

PRIOR PERIOD ADJUSTMENTS

The following deposits resulted in restatement of fund balances as they were not made in a timely manner:

Transfer of the Judicial Center capital projects fund.	\$ (197,581.11)
Deposit to the General Fund from the School Fund	253,553.82
Deposit to the Magistrate Court Fund from the General Fund	(8,297.25)
Deposit to the Worthless Check Fund from the General Fund	(4,160.09)
	<u>\$ 43,515.37</u>

REVENUE BONDS

The Berkeley County Building Commission issued lease revenue bonds which total in the original amount of \$18,995,000 for the refinance of the original debt and capital improvements of the Judicial Center Project. These bonds mature between December 2004 and September 2034 with interest rates varying between 1.45% and 5.0%.

ECONOMIC FACTORS

The County considered many factors when setting the upcoming budget for the fiscal year ending June 30, 2004. Among these were the funding required for the capital improvements consisting of Phase I of the Berkeley County Judicial Center for which major construction began in the Spring of 2004. The financing for Phase I was to be completed by the end of calendar year 2003.

The County Commission also considered the population growth in Berkeley County which has averaged 2.78% per year for the past 30 years.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Clerk's Office at 126 West King Street, Martinsburg, WV 25401.

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2004

		Primary Government <hr/> Governmental Activities
Assets		
Current assets:		
Cash and cash equivalents	\$	6,114,776.59
Receivables (net)		<u>423,061.09</u>
Total current assets		<u>6,537,837.68</u>
Noncurrent assets:		
Capital assets		
Land		852,428.00
Building and equipment, net of depreciation		<u>6,495,639.00</u>
Total noncurrent assets		<u>7,348,067.00</u>
Total Assets	\$	<u><u>13,885,904.68</u></u>
Liabilities		
Current liabilities:		
Account payable	\$	164,655.01
Capital leases		<u>232,067.00</u>
Total current liabilities		<u>396,722.01</u>
Noncurrent liabilities:		
Compensated absences		1,012,835.84
Capital leases		<u>251,009.00</u>
Total noncurrent liabilities		<u>1,263,844.84</u>
Total liabilities		<u>1,660,566.85</u>
Net Assets		
Invested in capital assets, net of related debt		7,097,058.00
Restricted for:		
E911 Fees		618,886.48
E911 Wireless fees		29,855.41
Unrestricted		<u>4,479,537.94</u>
Total net assets		<u>12,225,337.83</u>
Total liabilities and net assets	\$	<u><u>13,885,904.68</u></u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2004

		Program Revenues	Net (Expense) Revenues and Changes in Net Assets
Expenses	Charges for Services	Governmental Activities	
<u>Functions / Programs</u>			
Primary Government:			
General government	\$ 8,981,255.91	\$ 4,145,671.49	\$ (4,835,584.42)
Public safety	6,110,222.55	0.00	(6,110,222.55)
Health and Sanitation	94,663.32	0.00	(94,663.32)
Culture and Recreation	1,293,169.73	0.00	(1,293,169.73)
Social Services	88,972.00	0.00	(88,972.00)
	<hr/>	<hr/>	<hr/>
Total governmental activities	\$ <u>16,568,283.51</u>	\$ <u>4,145,671.49</u>	<u>(12,422,612.02)</u>
General revenues:			
Property taxes			9,156,939.23
Other taxes			1,816,605.08
Licenses and permits			557,738.79
Federal			1,392,005.57
State			191,479.83
Local			355,868.87
Unrestricted interest			166,599.33
Miscellaneous			383,916.12
Other financing sources			111,033.18
			<hr/>
Total general revenues			14,132,186.00
			<hr/>
Change in net assets			1,709,573.98
Net assets - beginning of the year			<hr/> 10,515,763.85
Net assets - ending			\$ <u><u>12,225,337.83</u></u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2004

	<u>General</u>	<u>Coal Severance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Current:				
Cash	\$ 4,002,581.26	\$ 103,734.43	\$ 2,008,460.90	\$ 6,114,776.59
Receivables, net of allowances:				
Taxes	423,061.09	0.00	0.00	423,061.09
Due from:				
Other funds	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>
 Total assets	 <u>\$ 4,525,642.35</u>	 <u>\$ 103,734.43</u>	 <u>\$ 2,008,460.90</u>	 <u>\$ 6,637,837.68</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 164,655.01	\$ 0.00	\$ 0.00	\$ 164,655.01
Due to:				
Other funds	0.00	0.00	100,000.00	100,000.00
Deferred revenues:				
Taxes	<u>296,966.17</u>	<u>0.00</u>	<u>0.00</u>	<u>296,966.17</u>
 Total liabilities	 <u>461,621.18</u>	 <u>0.00</u>	 <u>100,000.00</u>	 <u>561,621.18</u>
Fund Balances:				
Reserved for encumbrances	\$ 189,020.31	\$ 0.00	5,311.00	\$ 194,331.31
Restricted for:				
E911 fees	618,886.48	0.00	0.00	618,886.48
E911 wireless fees	29,855.41	0.00	0.00	29,855.41
Unreserved, reported in				
General county fund	3,226,258.97	0.00	0.00	3,226,258.97
Special revenue funds	<u>0.00</u>	<u>103,734.43</u>	<u>1,903,149.90</u>	<u>2,006,884.33</u>
 Total fund balances	 <u>4,064,021.17</u>	 <u>103,734.43</u>	 <u>1,908,460.90</u>	 <u>6,076,216.50</u>
 Total liabilities and fund balances	 <u>\$ 4,525,642.35</u>	 <u>\$ 103,734.43</u>	 <u>\$ 2,008,460.90</u>	 <u>\$ 6,637,837.68</u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
June 30, 2004

Fund Balance, fund level statement, June 30 , 2004 \$ 6,076,216.50

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

- a. Long-term assets are not available for current-period expenditures and therefore are not reported in the funds.

Deferred taxes 296,966.17

- b. As capital assets (land, buildings, equipment and infrastructure) that are used in governmental activities are purchased already constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those assets among the assets of the County as a whole.

Capital assets	\$ 10,495,985.00	
Less accumulated depreciation	<u>(3,147,918.00)</u>	7,348,067.00

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

Compensated absences (1,012,835.84)

- d. Some liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements.

Leases payable (483,076.00)

Net assets of governmental activities \$ 12,225,337.83

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2004

	<u>General</u>	<u>Coal Severance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes (including interest and penalties)	\$ 8,605,325.38	\$ 127,097.34	\$ 424,516.51	\$ 9,156,939.23
Other taxes	1,816,605.08	0.00	0.00	1,816,605.08
Licenses and permits	540,008.79	0.00	17,730.00	557,738.79
Intergovernmental:				
Federal	42,127.73	0.00	1,349,877.84	1,392,005.57
State	0.00	0.00	191,479.83	191,479.83
Local / reimbursements	333,437.87	0.00	22,431.00	355,868.87
Charges for services	2,918,362.67	0.00	493,276.15	3,411,638.82
Fines and forfeits	142,407.00	0.00	591,625.67	734,032.67
Interest	130,307.42	3,755.88	32,536.03	166,599.33
Miscellaneous	327,895.21	0.00	56,020.91	383,916.12
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	14,856,477.15	130,853.22	3,179,493.94	18,166,824.31
Expenditures:				
General government	8,059,525.69	185,608.00	296,236.96	8,541,370.65
Public safety	4,963,137.70	0.00	1,256,593.23	6,219,730.93
Health and sanitation	89,240.32	0.00	0.00	89,240.32
Culture and recreation	598,254.03	0.00	692,723.70	1,290,977.73
Social services	66,000.00	0.00	0.00	66,000.00
Capital outlay	111,033.18	0.00	22,871.00	133,904.18
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	13,887,190.92	185,608.00	2,268,424.89	16,341,223.81
Excess (deficiency) of revenues over expenditures	969,286.23	(54,754.78)	911,069.05	1,825,600.50

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - (Continued)
For the Fiscal Year Ended June 30, 2004

	<u>General</u>	<u>Coal Severance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Capital leases	\$ 111,033.18	\$ 0.00	\$ 0.00	\$ 111,033.18
Operating transfers in	1,468,122.74	0.00	1,349,263.58	2,817,386.32
Operating transfers (out)	<u>(1,317,928.28)</u>	<u>0.00</u>	<u>(1,499,458.04)</u>	<u>(2,817,386.32)</u>
 Total other financing sources (uses)	 <u>261,227.64</u>	 <u>0.00</u>	 <u>(150,194.46)</u>	 <u>111,033.18</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	 1,230,513.87	 (54,754.78)	 760,874.59	 1,936,633.68
 Fund balances at beginning of year as previously reported	 2,592,410.82	 158,489.21	 1,345,167.42	 4,096,067.45
 Prior period adjustment	 <u>241,096.48</u>	 <u>0.00</u>	 <u>(197,581.11)</u>	 <u>43,515.37</u>
 Fund balances at beginning of year as restated	 <u>2,833,507.30</u>	 <u>158,489.21</u>	 <u>1,147,586.31</u>	 <u>4,139,582.82</u>
 Fund balances at end of year	 <u>\$ 4,064,021.17</u>	 <u>\$ 103,734.43</u>	 <u>\$ 1,908,460.90</u>	 <u>\$ 6,076,216.50</u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2004

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

Net change in fund balances - total governmental funds	\$ 1,936,633.68
a. Purchases of capital assets are included as expenditures at the fund level but are additions to assets on the government-wide level.	
Current capital outlay	133,904.00
b. Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as a depreciation expense.	
Depreciation expense	(442,306.00)
c. Compensated absences liability is not reported in the governmental funds but is reported in the government-wide level statement of activities.	
Current additions to compensated absences expense	(34,499.06)
d. Capital lease proceeds are reported as financing sources in governmental funds and thus contributed to the change in fund balance. In the statement of net assets, however, capital leases increase long term liabilities and do not effect the statement of activities. Repayment of principal on capital leases is an expenditure in the governmental funds, but it reduces the liability in the statement of net assets.	
Capital lease proceeds	(111,033.18)
Current lease payments recorded as expenditures	236,583.99
e. Net effect of prior year asset additions and deductions for the restatement of fixed assets and related capital leases.	
Capital assets	(5,323,799.00)
Accumulated depreciation expense	(80,102.00)
Capital leases	5,387,660.96
f. The effect of the prior period adjustment at the governmental fund level.	
Effect of prior period adjustments	43,515.37
g. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred revenues	(36,984.78)
Change in net assets of governmental activities	\$ <u>1,709,573.98</u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2004

	Budget Amounts		Actual	Adjustments	Actual Amounts
	<u>Original</u>	<u>Final</u>	<u>Modified</u> <u>Accrual Basis</u>	<u>Budget</u> <u>Basis</u>	<u>Budget</u> <u>Basis</u>
Revenues:					
Ad valorem property taxes \$	8,734,485.00	\$ 8,775,612.00	\$ 8,605,325.38	\$ (10,036.73)	\$ 8,595,288.65
Other taxes	1,189,000.00	1,247,797.00	1,816,605.08	0.00	1,816,605.08
Licenses and permits	0.00	0.00	540,008.79	0.00	540,008.79
Intergovernmental:					
Federal	0.00	0.00	42,127.73	0.00	42,127.73
State	0.00	0.00	0.00	0.00	0.00
Local	0.00	0.00	0.00	0.00	0.00
Reimbursements	100,000.00	329,071.00	333,437.87	0.00	333,437.87
Charges for services	2,193,625.00	2,896,280.00	2,918,362.67	0.00	2,918,362.67
Fines and forfeits	48,500.00	48,500.00	142,407.00	0.00	142,407.00
Interest	120,000.00	120,000.00	130,307.42	0.00	130,307.42
Miscellaneous	520,523.00	753,918.00	327,895.21	0.00	327,895.21
Total revenues	<u>12,906,133.00</u>	<u>14,171,178.00</u>	<u>14,856,477.15</u>	<u>(10,036.73)</u>	<u>14,846,440.42</u>
Expenditures:					
General government	7,283,782.00	8,312,027.00	8,059,525.69	(80,623.20)	7,978,902.49
Public safety	5,825,371.00	6,006,560.00	4,963,137.70	7,018.33	4,970,156.03
Health and sanitation	120,750.00	120,750.00	89,240.32	0.00	89,240.32
Culture and recreation	655,250.00	665,250.00	598,254.03	0.00	598,254.03
Social services	61,000.00	66,000.00	66,000.00	0.00	66,000.00
Capital projects	100,000.00	1,132,433.00	111,033.18	0.00	111,033.18
Total expenditures	<u>14,046,153.00</u>	<u>16,303,020.00</u>	<u>13,887,190.92</u>	<u>(73,604.87)</u>	<u>13,813,586.05</u>
Excess (deficiency) of revenues over expenditures	(1,140,020.00)	(2,131,842.00)	969,286.23	63,568.14	1,032,854.37
Other financing sources (uses):					
Capital leases	0.00	0.00	111,033.18	0.00	111,033.18
Operating transfers in	340,020.00	340,020.00	1,468,122.74	0.00	1,468,122.74
Operating transfers (out)	0.00	0.00	(1,317,928.28)	0.00	(1,317,928.28)
	<u>340,020.00</u>	<u>340,020.00</u>	<u>261,227.64</u>	<u>0.00</u>	<u>261,227.64</u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2004

	Budget Amounts		Actual	Adjustments	Actual Amounts
	<u>Original</u>	<u>Final</u>	<u>Modified</u> <u>Accrual Basis</u>	<u>Budget</u> <u>Basis</u>	<u>Budget</u> <u>Basis</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (800,000.00)	\$ (1,791,822.00)	\$ 1,230,513.87	\$ 63,568.14	\$ 1,294,082.01
Fund balance at beginning of year as previously reported	800,000.00	1,791,822.00	2,592,410.82	0.00	2,592,410.82
Prior period adjustment	0.00	0.00	241,096.48	0.00	241,096.48
Fund balance at beginning of year as restated	800,000.00	1,791,822.00	2,833,507.30	0.00	2,833,507.30
Fund balance at end of year	0.00	0.00	\$ 4,064,021.17	\$ 63,568.14	\$ 4,127,589.31

See accompanying notes and accountants' report.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 COAL SEVERANCE TAX FUND
 For the Fiscal Year Ended June 30, 2004

	<u>Budget Amounts</u>		<u>Actual Modified Accrual Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Amounts Budget Basis</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Other taxes	\$ 90,000.00	\$ 90,000.00	\$ 127,097.34	\$ 0.00	\$ 127,097.34
Interest	<u>1,500.00</u>	<u>1,500.00</u>	<u>3,755.88</u>	<u>0.00</u>	<u>3,755.88</u>
Total revenues	<u>91,500.00</u>	<u>91,500.00</u>	<u>130,853.22</u>	<u>0.00</u>	<u>130,853.22</u>
Expenditures:					
General government	91,500.00	197,108.00	185,608.00	0.00	185,608.00
Capital projects	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total expenditures	<u>91,500.00</u>	<u>197,108.00</u>	<u>185,608.00</u>	<u>0.00</u>	<u>185,608.00</u>
Excess (deficiency) of revenues over expenditures	0.00	(105,608.00)	(54,754.78)	0.00	(54,754.78)
Fund balance at beginning of year	<u>0.00</u>	<u>105,608.00</u>	<u>158,489.21</u>	<u>0.00</u>	<u>158,489.21</u>
Fund balance at end of year	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 103,734.43</u>	<u>\$ 0.00</u>	<u>\$ 103,734.43</u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2004

AGENCY

Assets

Cash and cash equivalents	\$ <u>1,389,639.95</u>
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Liabilities

Due to	
Other governmental entities	\$ 640,175.95
Other funds	<u>749,464.00</u>
Total liabilities	<u>\$ 1,389,639.95</u>

See accompanying notes and accountants' report.

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

Note 1. Summary of Significant Accounting Policies

The accounting policies and the presentation of the financial report of Berkeley County, West Virginia, has been designed to conform to generally accepted accounting principles as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB). GASB embodies the official pronouncements previously issued by the National Council on Governmental Accounting (NCGA).

A. Reporting entity

Berkeley County is one of fifty-five counties established under the Constitution and the Laws of the State of West Virginia. There are six offices elected County-wide: County Commission, County Clerk, Circuit Clerk, Assessor, Sheriff and Prosecuting Attorney.

The County Commission is the legislative body for Berkeley County, and as such, budgets and provides all of the funding used by the separate Constitutional Offices except for the offices of the Assessor and the Sheriff, which also have additional revenues sources. The Berkeley County Clerk's office maintains the accounting system for the County's operations. The operations of the County as a whole, however, including all the Constitutional offices, have been combined in these financial statements.

The services provided by the County and accounted for within these financial statements include law enforcement for unincorporated areas of the County, health and social services and cultural and recreational programs and other governmental services.

These financial statements present all the fund types and account groups of the County. Blended component units, although legally separate entities, are in substance part of the County's operations.

B. Government-wide and fund financial statements

The government-wide financial statements report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of internal activity has been removed from these statements. Governmental activities, which normally are supported by taxes and in governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Management has elected not to present The Berkeley County Building Commission (Building Commission), which is considered a component unit of the County. For additional information concerning the Building Commission or any other potential component unit, contact the County Clerk's office at 100 West King Street, Martinsburg, WV 25401.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the governmental-wide statements. Major individual funds are reported as separate columns in the fund financial statements.

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

C. Measurement Focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds (when appropriate) and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgment, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for government's activities, where the focus of attention is on providing services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held by others. The County's operations require the use of governmental and fiduciary funds. The fund types used by the County are described as follows:

Governmental Fund Types

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds: Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds.)

Fiduciary Funds

Agency Funds: Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are merely clearing accounts for assets held by a government as an agent for individual, private organizations, government or other funds.

The agency funds are used to account for assets held by the County sheriff in an agency capacity for other governmental units. Agency funds, by definition, are excluded from the County's Combined Statement of Revenues, Expenditures and Changes in Fund Balances.

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

The County reports the following major governmental funds:

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

Coal Severance Fund: The coal severance tax fund is a fund that accounts for the revenues and expenditures from a severance tax placed on coal.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand and demand deposits. Counties are authorized by statute to 1) provide excess funds to either the State Investment Pool or the Municipal Bond Commission for investment purposes, or 2) to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposits and repurchase agreements.

2. Receivables and payables

All property tax receivables are shown net of an allowance for uncollectible.

3. Property Tax Calendar

Property taxes, based on assessed values at July 1 of the prior year, may be paid in two installments. The first installment is due by September 1st and is delinquent on October 1st; the second installment is due by March 1st and is delinquent on April 1st. Taxes paid on or before the due date are allowed a two and one half percent (2.5%) discount. A tax lien is issued for all unpaid real estates taxes as of the date of the sheriff's sale, and these liens are sold between October 14th and November 23rd of each year. Sixty days of estimated property tax collections are recorded in deferred revenues at the end of each fiscal year.

4. Inventory

The County considers inventories of materials and supplies utilized in the governmental fund type operations as expended at the time of purchase. Therefore, they do not appear in the County's financial statements.

5. Restricted assets

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - consists of capital assets including capital assets, net of accumulated depreciation and is reduced by the outstanding balances of any capital leases, bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets - consists of net assets with constraints placed on the use either by external groups (such as creditors, grantors, contributors) or laws or regulations of other governments.

Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

6. Capital Assets

Capital outlays are recorded as expenditures of the general and special revenue funds and as assets in the government-wide financial statements to the extent that the County's capitalization threshold of \$5,000 is met. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings	25-30 years
Improvements	10-20 years
Equipment	3-10 years

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Maintenance, repairs and minor equipment are charged to operations when incurred. The County does not own any infrastructure assets.

7. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and for other employees who are expected to become eligible in the future to receive such payment upon termination are

8. Interfund Charges

The County allocates to several funds salaries, wages and related costs of personnel who perform services for such funds but are paid out of the general fund. These services are billed on a periodic basis to the appropriate funds at the time the services are performed.

9. Fund equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

Note 2. Stewardship, compliance, and accountability

A. Budgets and Budgetary Accounting

The following are the statutory procedures followed by the County Commission in establishing the budget for Berkeley County, West Virginia:

1. Prior to March 2nd of each year, the various elected officials submit to the County Commission proposed requests for their respective offices for the fiscal year commencing July 1.
2. Upon review and approval of these requests, the County Commission prepares proposed budgets on forms prescribed by the State Auditor and submits them to the State Auditor by March 28th for approval.
3. The County Commission then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

Revisions are authorized only with the prior written approval of the State Auditor. The revised budgeted amounts reflected in the accompanying financial statements are such approved amounts. The budgets presented were prepared on the modified accrual basis of accounting.

BERKELEY COUNTY, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2004

Note 3. Detailed notes on all funds

A. Deposits and investments

Deposits and investments are categorized to give an indication of the level of risk assumed by the County at year-end. The categories are described as follows:

Insured, registered, or securities held by the government or its agent in the government's name.

Uninsured and unregistered, with the securities held by the counter party, or by its trust department or agent in the government's name.

Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the government's name.

Deposits

At year end, the government's bank balance of deposits was \$6,904,708 for governmental funds and \$1,428,134 for agency funds. Of the bank balance, \$200,000 was covered by federal depository insurance or by collateral held by the government's agent in the government's name (Category 1). Of the remaining balance, \$8,132,842 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name (Category 3).

B. Receivables

Taxes receivable of \$ 423,061.09 consists of unpaid taxes for five years net of uncollectible taxes of \$134,202.

C. Capital Assets

Capital Asset values as of July 1, 2004 have been restated to account for the addition and removal of several assets from the County's depreciation schedule in prior years and omitted from the summary of assets presented in prior financial statements.

	Prior Balance at <u>6/30/03</u>	Prior Year Asset <u>Additions</u>	<u>Deductions</u>	Restated Balance at <u>6/30/2003</u>
Land-restated	\$ 1,912,988.00	\$ 0.00	\$ 1,060,560.00	\$ 852,428.00
Building-restated	8,740,384.00	0.00	4,542,800.00	4,197,584.00
Improvements-restated	2,467,111.28	0.00	0.00	2,467,111.28
Equipment-restated	<u>2,565,397.26</u>	<u>306,861.00</u>	<u>27,300.00</u>	<u>2,844,958.26</u>
Totals	<u>\$ 15,685,880.54</u>	<u>\$ 306,861.00</u>	<u>\$ 5,630,660.00</u>	<u>\$ 10,362,081.54</u>

BERKELEY COUNTY, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2004

A summary of changes in General Fixed Assets for the fiscal year ended June 30, 2004 and the changes in Capital Assets Values based on current and prior year depreciation allowances as follows:

	Restated Balance at <u>7/1/03</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>6/30/04</u>
Land-restated	\$ 852,428.00	\$ 0.00	\$ 0.00	\$ 852,428.00
Building-restated	4,197,584.00	0.00	0.00	4,197,584.00
Improvements-restated	2,467,111.28	0.00	0.00	2,467,111.28
Equipment-restated	<u>2,844,958.26</u>	<u>133,904.40</u>	<u>0.00</u>	<u>2,978,862.66</u>
Totals	<u>\$ 10,362,081.54</u>	<u>\$ 133,904.40</u>	<u>\$ 0.00</u>	<u>\$ 10,495,985.94</u>

Capital Assets-Net of Depreciation

Accumulated Depreciation on Capital Asset categories as of July 1, 2004 have been restated to account for the addition and removal of several assets from the County's depreciation schedule in prior years and omitted from the summary of assets presented in prior financial statements.

	Accumulated Depreciation as Stated <u>6/30/03</u>	Effect of Prior Year Asset <u>Additions</u>	<u>Deductions</u>	Accumulated Depreciation Restated <u>6/30/03</u>
Building-restated	\$ 1,423,050.00	\$ 0.00	\$ 188,710.00	\$ 1,234,340.00
Improvements-restated	151,736.00	0.00	0.00	151,736.00
Equipment-restated	<u>1,050,724.00</u>	<u>274,727.00</u>	<u>5,915.00</u>	<u>1,319,536.00</u>
Totals	<u>\$ 2,625,510.00</u>	<u>\$ 274,727.00</u>	<u>\$ 194,625.00</u>	<u>\$ 2,705,612.00</u>

A summary of changes in Capital Asset values based on current and prior year depreciation allowances:

	Restated Balance at <u>7/1/03</u>	<u>Accumulated Depreciation</u>		Balance at <u>6/30/04</u>
		<u>Restated Prior Year</u>	<u>Current Year</u>	
Land-restated	\$ 852,428.00	\$ 0.00	\$ 0.00	\$ 852,428.00
Building-restated	4,197,584.00	1,234,340.00	94,432.00	2,868,812.00
Improvements-restated	2,467,111.28	151,736.00	78,606.00	2,236,769.28
Equipment-restated	<u>2,978,862.66</u>	<u>1,319,536.00</u>	<u>269,268.00</u>	<u>1,390,058.66</u>
Totals	<u>\$ 10,495,985.94</u>	<u>\$ 2,705,612.00</u>	<u>\$ 442,306.00</u>	<u>\$ 7,348,067.94</u>

BERKELEY COUNTY, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2004

Depreciation Expense-Current

Depreciation expense was charged to governmental activities of the County as follows:

General government	\$ 167,354.00
Public safety	244,365.00
Health and sanitation	5,423.00
Culture and recreation	2,193.00
Social services	<u>22,971.00</u>
Total Current Depreciation	<u><u>\$ 442,306.00</u></u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2004 is a follows:

Due to / From other funds:

<u>Receivables Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General County Fund	Community Partnership Grant	\$ <u>100,000.00</u>

Transfers in/ Transfers out:

General County Fund	Magistrate Court	\$ 83,075.50
General County Fund	Worthless Check	24,768.90
General County Fund	Home Land Security	34,000.00
General County Fund	Universal Hiring	35,265.97
General County Fund	Assessor's Valuation Fund	171,851.11
General County Fund	Spring Street Building Debt Service	50,000.00
General County Fund	County Health Insurance	822,205.25
County Health Insurance	General County Fund	742,704.20
Bullet Proof Vest Fund	Federal Grant	3,855.28
Federal Grant Fund	Federal Grant	27,480.02
COPS Grant Fund	General County Fund	376,457.06
Universal Hiring Fund	General County Fund	411,723.03
Homeland Security Fund	General County Fund	<u>34,000.00</u>
Total Transfers		<u><u>\$ 2,817,386.32</u></u>

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

E. Long Term Obligations

Capital Leases

The County had the following long term capital lease obligations relating to governmental activities as of June 30, 2004.

1. A lease purchase agreement dated February 28, 2002 for (5) 2002 Ford Crown Victoria Police Cruisers payable payable to Ford Motor Credit in annual installments of \$28,261.10, and a final payment of \$28,261.10 due April 1, 2005.

Due in fiscal year ending June 30, 2005	\$ <u>28,261.00</u>
Total minimum lease payments	28,261.00
Less: amount representing interest	<u>1,298.00</u>
Present value of minimum lease payments	<u><u>\$ 26,963.00</u></u>

2. A lease purchase agreement for (1) Fire Truck for the Office of Emergency Services payable in annual installments of \$25,589.15, and a final payment of \$25,589.15 on October 16, 2007.

Due in fiscal year ending June 30, 2005	\$ 25,589.00
Due in fiscal year ending June 30, 2006	25,589.00
Due in fiscal year ending June 30, 2007	25,589.00
Due in fiscal year ending June 30, 2008	<u>25,589.00</u>
Total minimum lease payments	102,356.00
Less: amount representing interest	<u>13,719.00</u>
Present value of minimum lease payments	<u><u>\$ 88,637.00</u></u>

3. A lease purchase agreement dated March 28, 2003 for (6), 2002 Ford Crown Victoria Police Cruisers payable to Ford Motor Credit in annual installments of \$37,516.20, and a final payment of \$37,516.20 due March 28, 2006.

Due in fiscal year ending June 30, 2005	\$ 37,516.00
Due in fiscal year ending June 30, 2006	<u>37,516.00</u>
Total minimum lease payments	75,032.00
Less amount representing interest	<u>6,250.00</u>
Present value of minimum lease payments	<u><u>\$ 68,782.00</u></u>

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

4. A lease purchase agreement date March 1, 2003 for a Computer AS 400 payable to IBM in monthly installments of \$10,966.48, and a final payment of \$10,966.48 due February 1, 2006.	
Due in fiscal year ending June 30, 2005	\$ 131,598.00
Due in fiscal year ending June 30, 2006	<u>87,732.00</u>
Total minimum lease payments	219,330.00
Less amount representing interest	<u>11,104.00</u>
Present value of minimum lease payments	<u>\$ 208,226.00</u>
5. A lease purchase agreement dated March 1, 2003 for a photocopier for the Finance Department payable to IBM in monthly installments of \$178.36, and a final payment of \$178.36 due February 1, 2006.	
Due in fiscal year ending June 30, 2005	\$ 2,140.00
Due in fiscal year ending June 30, 2006	<u>1,427.00</u>
Total minimum lease payments	3,567.00
Less amount representing interest	<u>182.00</u>
Present value of minimum lease payments	<u>\$ 3,385.00</u>
6. A lease purchase agreement dated September 1, 2002 for (2) photocopiers for the Prosecuting Attorney Department payable to IBM in monthly installments of \$593.56, and a final payment of \$593.56 due August 1, 2006.	
Due in fiscal year ending June 30, 2005	\$ 7,123.00
Due in fiscal year ending June 30, 2006	7,123.00
Due in fiscal year ending June 30, 2007	<u>1,187.00</u>
Total minimum lease payments	15,433.00
Less amount representing interest	<u>995.00</u>
Present value of minimum lease payments	<u>\$ 14,438.00</u>
7. A lease purchase agreement dated April 2001 for a photocopier for the Assessor's office payable to Document Solutions Leasing in five annual installments of \$6,384 ending April 2006.	
Due in fiscal year ending June 30, 2005	\$ <u>6,384.00</u>
Total minimum lease payments	6,384.00
Less amount representing interest	<u>361.00</u>
Present value of minimum lease payments	<u>\$ 6,023.00</u>

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

8. A lease purchase agreement dated September 2003 for an office equipment payable to Xerox in 60 monthly installments of \$357 ending August 2008.

Due in fiscal year ending June 30, 2005	\$	4,280.00
Due in fiscal year ending June 30, 2006		4,280.00
Due in fiscal year ending June 30, 2007		4,280.00
Due in fiscal year ending June 30, 2008		4,280.00
Due in fiscal year ending June 30, 2009		<u>713.00</u>
 Total minimum lease payments		 17,833.00
Less: amount representing interest		<u>2,089.00</u>
 Present value of minimum lease payments	 \$	 <u><u>15,744.00</u></u>

9. A lease purchase agreement dated August 2003 for office equipment payable to Xerox in 36 monthly installments of \$46.12 ending July 2006.

Due in fiscal year ending June 30, 2005	\$	553.00
Due in fiscal year ending June 30, 2006		553.00
Due in fiscal year ending June 30, 2007		<u>46.00</u>
 Total minimum lease payments		 1,152.00
Less: amount representing interest		<u>72.00</u>
 Present value of minimum lease payments	 \$	 <u><u>1,080.00</u></u>

10. A lease purchase agreement dated September 2003 for office equipment payable to Xerox in 60 monthly installments of \$152.96 ending August 2008.

Due in fiscal year ending June 30, 2005	\$	1,836.00
Due in fiscal year ending June 30, 2006		1,836.00
Due in fiscal year ending June 30, 2007		1,836.00
Due in fiscal year ending June 30, 2008		1,836.00
Due in fiscal year ending June 30, 2009		<u>304.00</u>
 Total minimum lease payments		 7,648.00
Less: amount representing interest		<u>896.00</u>
 Present value of minimum lease payments	 \$	 <u><u>6,752.00</u></u>

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

11. A lease purchase agreement dated September 2004 for office equipment payable to Xerox in 60 monthly installments of \$165.36 ending August 2008.

Due in fiscal year ending June 30, 2005	\$ 1,984.00
Due in fiscal year ending June 30, 2006	1,984.00
Due in fiscal year ending June 30, 2007	1,984.00
Due in fiscal year ending June 30, 2008	1,984.00
Due in fiscal year ending June 30, 2009	<u>331.00</u>
Total minimum lease payments	8,267.00
Less: amount representing interest	<u>969.00</u>
Present value of minimum lease payments	<u><u>\$ 7,298.00</u></u>

12. A lease purchase agreement dated March 2004 for office equipment payable to Court Square Leasing in 36 monthly installments of \$62.00 ending March 2007.

Due in fiscal year ending June 30, 2005	\$ 744.00
Due in fiscal year ending June 30, 2006	744.00
Due in fiscal year ending June 30, 2007	<u>558.00</u>
Total minimum lease payments	2,046.00
Less: amount representing interest	<u>164.00</u>
Present value of minimum lease payments	<u><u>\$ 1,882.00</u></u>

13. A lease purchase agreement dated June 2004 for a digital copier payable to Court Square Leasing in 36 monthly installments of \$102.00 ending May 2007.

Due in fiscal year ending June 30, 2005	\$ 1,224.00
Due in fiscal year ending June 30, 2006	1,224.00
Due in fiscal year ending June 30, 2007	<u>1,122.00</u>
Total minimum lease payments	3,570.00
Less: amount representing interest	<u>302.00</u>
Present value of minimum lease payments	<u><u>\$ 3,268.00</u></u>

14. A lease purchase agreement dated March 2004 for an animal control vehicle payable to Ford Motor Credit in 4 annual installments of \$5,137.65 ending March 2007.

Due in fiscal year ending June 30, 2005	\$ 5,138.00
Due in fiscal year ending June 30, 2006	5,138.00
Due in fiscal year ending June 30, 2007	<u>5,138.00</u>
Total minimum lease payments	15,414.00
Less: amount representing interest	<u>1,731.00</u>
Present value of minimum lease payments	<u><u>\$ 13,683.00</u></u>

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

15. A lease purchase agreement dated November 2003 for a 2003 Kia Sorrento payable to the Bank of Clarke County in 48 monthly installments of \$457.31 ending October 2007.

Due in fiscal year ending June 30, 2005	\$ 5,488.00
Due in fiscal year ending June 30, 2006	5,488.00
Due in fiscal year ending June 30, 2007	5,488.00
Due in fiscal year ending June 30, 2008	<u>1,828.00</u>
 Total minimum lease payments	 18,292.00
Less: amount representing interest	<u>1,377.00</u>
 Present value of minimum lease payments	 \$ <u><u>16,915.00</u></u>

A summary of the payments related to all of the lease obligations are as follows:

Due in fiscal year ending June 30, 2005	\$ 259,858.00
Due in fiscal year ending June 30, 2006	180,634.00
Due in fiscal year ending June 30, 2007	47,228.00
Due in fiscal year ending June 30, 2008	35,517.00
Due in fiscal year ending June 30, 2009	<u>1,348.00</u>
 Total minimum lease payments	 524,585.00
Less: amount representing interest	<u>41,509.00</u>
 Present value of minimum lease payments	 \$ <u><u>483,076.00</u></u>

Capital lease values as of July 1, 2003 have been restated to reflect the change in classification of leases to the Berkeley County Building Commission to Contingent Liabilities.

	Prior Balance at 6/30/2003	Deductions	Restated Balance as of 6/30/2003
Capital leases	\$ <u>5,996,288.77</u>	\$ <u>5,387,661.96</u>	\$ <u>608,626.81</u>

A summary of changes in Long-Term Debt for the fiscal year follows:

	Restated Balance at 7/1/2003	Additions	Deductions	Balance at 6/30/2004
Compensated absences	\$ 978,336.78	\$ 34,499.06	\$ -	\$ 1,012,835.84
Capital leases	<u>608,626.81</u>	<u>111,033.18</u>	<u>236,583.99</u>	<u>483,076.00</u>
 Totals	 \$ <u><u>1,586,963.59</u></u>	 \$ <u><u>145,532.24</u></u>	 \$ <u><u>236,583.99</u></u>	 \$ <u><u>1,495,911.84</u></u>

BERKELEY COUNTY, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2004

F. Deficit fund balance

<u>Fund</u>	<u>Reasons for Deficits</u>	<u>Amount</u>
Community Partnership Grant	Projected funding was not received in a timely timely	\$ <u>(3,041.93)</u>
Totals		\$ <u><u>(3,041.93)</u></u>

Note 4. Other information

A. Employees Retirement Systems

Berkeley County, West Virginia participates in two state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of its employees. The systems are administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

West Virginia Public Employee Retirement System

Eligibility to participate

All employees of the State of West Virginia and any participating political subdivision are required to become plan members, except employees who are members of other state retirement systems.

Authority establishing contribution obligations and benefit provisions

West Virginia State Code

Funding policy and contributions

PERS members are required to contribute 4.5% of their annual covered salary, and the County is required to contribute 10.5%. The contribution requirements of PERS members are established and may be amended only by the State of West Virginia Legislature. The County's contributions to PERS for the fiscal year ended June 30, 2004 totaled \$157,954.96 for employees' share and \$368,561.61 for employer's share.

Period required to vest

Five years

Benefits and eligibility for distribution

A member who has attained age 60 and has earned 5 or more years of contributing service or who has attained age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last ten years) times the years service times 2% equals the annual retirement benefit.

Deferred retirement option

No deferred retirement option is available.

Provisions for cost of living adjustments or death benefits

This plan has no provisions for cost of living adjustments. There are provisions for death benefits.

Annual pension cost and amount contributed

For the fiscal year ended June 30, 2004, the annual cost was \$526,516.57 for all covered employees with a contributed percentage of 100%.

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

Trend information

Trend information showing the progress of the System in accumulating sufficient assets to pay benefits when due is presented in the annual financial report. A copy of this report may be obtained from the state agency.

Plan Description

Berkeley County, West Virginia, contributes to the Public Employees' Retirement System (PERS) of West Virginia, a cost-sharing, multiple employer, defined benefit pension plan. PERS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. Benefits provisions are established by state law and may be amended by the State of West Virginia Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing the Public Employees' Retirement System, Building 5, Room 1000, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305.

West Virginia Deputy Sheriff Retirement System (WVDRS)

Eligibility to participate

West Virginia Deputy sheriffs first employed after the effective date and any deputy sheriffs hired prior to the effective date who elect to become members.

Authority establishing contribution obligations and benefit provisions

West Virginia State Code

Funding policy and contribution

Certain fees for reports generated by sheriff's offices are paid to this plan in accordance with West Virginia State Code. WVDRS members are required to contribute 8.5% of their annual covered salary and the County is required to contribute 9.5% . The contribution requirements of WVDRS members are established and may be amended only by the State of West Virginia Legislature. The County's contribution to WVDRS for the fiscal year ending June 30, 2004 totaled \$114,094.76 for employees' share and \$127,517.66 for employer's share.

Period required to vest

Five years

Benefits and eligibility for distribution

A member who has attained age 60 and has earned 5 or more years of contributing service or who has attained age 50 and if the sum of his/her age plus years of credited service is equal to or greater than 70. The final average salary (three highest consecutive years in the last ten years) times the years of service times 2.25% equal the annual retirement benefit.

Deferred retirement option

No deferred retirement option is available.

Provisions for cost of living adjustments or death benefits

This plan has no provisions for cost of living adjustments. There are provisions for death benefits.

Annual pension cost and amount contributed:

For the fiscal year ended June 30, 2004 the annual cost was \$241,612.42 for all covered employees with a contributed percentage of 100%.

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

Trend information

Trend information showing the progress of the system in accumulating sufficient assets to pay benefits when due is presented in the annual financial report. A copy of this report may be obtained from the state agency.

Plan Description

Berkeley County, West Virginia, contributes to the West Virginia Deputy Sheriff Retirement System (WVDRS) of West Virginia, a cost-sharing, multiple employer, defined benefit pension plan. WVDRS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended by the State of West Virginia Legislature. WVDRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing the West Virginia Deputy Sheriff Retirement System, Building 5, Room 1000, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305.

B. Pending Litigation

The County has been named as a defendant in several court cases pending before the Circuit Court of Berkeley County, West Virginia. In one case, the County is challenging the assessment of certain federal payroll tax liabilities in the approximated amount of \$205,000. Because the likelihood of an unfavorable outcome is either not probable, or the amount of any resultant liability can be reasonably estimated, no accrual for pending litigation is reflected in the County's financial statements.

C. Other Boards and Authorities

The Berkeley County Commission appoints members to the following non-profit corporations. These organizations were created by West Virginia Code and by definition are not component units.

Berkeley County Board of Health
Berkeley County Public Service District
Berkeley County Public Sewer Service District
Berkeley County Development Authority
Eastern West Virginia Regional Airport
Martinsburg Berkeley County Parks and Recreation Board
Martinsburg Berkeley County Convention and Visitor's Bureau
Berkeley County Fire Board
Berkeley County Emergency Ambulance Authority
Berkeley County Solid Waste Authority
Berkeley County Farmland Protection Board

D. Prior Period Adjustments

Fund balances presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Funds were restated for the following deposits:

Transfer of the Judicial Capital Projects Fund	\$ (197,581.11)
Deposit to the General Fund from the School Fund	253,553.82
Deposit to the Magistrate Court Fund from the General Fund	(8,297.25)
Deposit to the Worthless Check Fund from the General Fund	<u>(4,160.09)</u>
	\$ <u><u>43,515.37</u></u>

None of the above restatements effect excess (deficiency) of revenues and other financing sources over expenditures and other uses for the current year.

BERKELEY COUNTY, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2004

The County restated its fixed assets and capital leases to reflect the inter-governmental lease agreements for the funding of the Blue Ridge Outlet Center project with the Berkeley County Building Commission, a Component Unit of the County.

E. Commitments and Contingencies

The County participates in a number of federally assisted grant programs, mainly from the U.S. Department of Transportation and National Park Service. These programs are subject to financial and compliance audits by the grantors or their representatives.

F. Contingent Lease Liability

- 1 The County entered into a inter-governmental lease agreement with the Berkeley County Building Commission to provide debt service funding for interest expense and redemption of \$9,995,000 of bonds issued by the Building Commission. The bond issue of the Building Commission was made to refinance existing debt related to the buildings known as the Blue Ridge Outlet Center and obtain funding for additional renovation of the building outlet complex. The renovated buildings will be used by the County as office space for various County offices. This bond was subsequently refinanced in July 2004.

Due in fiscal year ending June 30, 2005	\$ 646,445.00
Due in fiscal year ending June 30, 2006	647,445.00
Due in fiscal year ending June 30, 2007	647,420.00
Due in fiscal year ending June 30, 2008	646,605.00
Due in fiscal year ending June 30, 2009	645,250.00
Due in fiscal years ending June 30, 2010-2033	<u>16,638,737.50</u>
Total minimum lease payments	19,871,902.50
Less: amount representing interest	<u>9,876,902.50</u>
Present value of minimum lease payments	<u>\$ 9,995,000.00</u>

- 2 A lease Agreement with Berkeley County Building Commission to lease an office building know as the Spring Street building located at 205 E. King Street, Martinsburg, WV.

This agreement dated September 30, 1999, requires the County Commission to make annual lease payments in the amount of \$109,608.61 with a final lease payment due September 20, 2009 in the amount of \$109,608.61; annual payments include implied interest.

Due in fiscal year ending June 30, 2005	\$ 109,609.00
Due in fiscal year ending June 30, 2006	109,609.00
Due in fiscal year ending June 30, 2007	109,609.00
Due in fiscal year ending June 30, 2008	109,609.00
Due in fiscal year ending June 30, 2009	109,609.00
Due in fiscal years ending June 30, 2010-2033	<u>109,609.00</u>
Total minimum lease payments	657,654.00
Less: amount representing interest	<u>118,576.00</u>
Present value of minimum lease payments	<u>\$ 539,078.00</u>

BERKELEY COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

A summary of the payments related to all contingent lease liabilities are as follows:

Due in fiscal year ending June 30, 2005	\$ 756,054.00
Due in fiscal year ending June 30, 2006	757,054.00
Due in fiscal year ending June 30, 2007	757,029.00
Due in fiscal year ending June 30, 2008	756,214.00
Due in fiscal year ending June 30, 2009	754,859.00
Due in fiscal years ending June 30, 2010-2033	<u>16,748,346.50</u>
Total minimum lease payments	20,529,556.50
Less: amount representing interest	<u>9,995,478.50</u>
Present value of minimum lease payments	<u><u>\$ 10,534,078.00</u></u>

G. Subsequent Event

Subsequent to June 30, 2004, the County entered into an inter-government lease agreement (contingent liability) with the Berkeley County Building Commission to provide debt service funding for interest expense and the redemption of \$18,995,000 of revenue bonds issued by the Building Commission. Those bonds issued by the Building Commission were made to refinance the above contingent liability of \$9,995,000 and provide an additional \$9,000,000 of funding for the renovating the Blue Ridge Outlet Center office complex.

Due in fiscal year ending June 30, 2005	\$ 236,377.22
Due in fiscal year ending June 30, 2006	1,215,489.79
Due in fiscal year ending June 30, 2007	1,215,017.50
Due in fiscal year ending June 30, 2008	1,212,080.00
Due in fiscal year ending June 30, 2009	1,213,805.00
Due in fiscal years ending June 30, 2010-2035	<u>29,602,887.49</u>
Total minimum lease payments	34,695,657.00
Less: amount representing interest	<u>15,700,657.00</u>
Present value of minimum lease payments	<u><u>\$ 18,995,000.00</u></u>

BERKELEY COUNTY, WEST VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 ASSESSOR'S VALUATION FUND
 For the Fiscal Year Ended June 30, 2004

	Budget Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget Positive (Negative)
Revenues:				
Other taxes	\$ 406,630.00	\$ 406,630.00	\$ 424,516.51	\$ 17,886.51
Intergovernmental:				
Map sales	500.00	500.00	72.00	(428.00)
Other			179.65	179.65
Interest	4,500.00	4,500.00	10,853.02	6,353.02
 Total revenues	 411,630.00	 411,630.00	 435,621.18	 23,991.18
 Expenditures:				
General government	401,630.00	424,443.00	238,924.70	185,518.30
Capital outlay	50,000.00	255,000.00	4,436.00	250,564.00
 Total expenditures	 451,630.00	 679,443.00	 243,360.70	 436,082.30
 Excess (deficiency) of revenues over expenditures	 (40,000.00)	 (267,813.00)	 192,260.48	 460,073.48
 Fund balance at beginning of year	 40,000.00	 267,813.00	 267,813.86	 0.86
 Fund balance at end of year	 \$ 0.00	 \$ 0.00	 \$ 460,074.34	 \$ 460,074.34

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2004

	Dog & Kennel	General School	Magistrate Court	Worthless Check	911 Emergency Communication	Home Confinement	Federal Grant # 9	Community Partnership # 10	Fiduciary	Wireless Communication # 21A	Spring Street Building Debt Service	Roundhouse # 23	Enhanced 911 Equipment
<u>Assets</u>													
Cash	\$ 22,365.35	\$ 49,180.70	\$ 0.00	\$ 1,951.53	\$ 181,595.14	\$ 103,231.20	\$ 136,570.38	\$ 96,958.07	\$ 156,428.58	\$ 63,519.34	\$ 44,185.34	\$ 41,202.44	\$ 26,573.63
Investments, at cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables, net of allowances:													
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Accrued interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due from:													
Other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	<u>\$ 22,365.35</u>	<u>\$ 49,180.70</u>	<u>\$ 0.00</u>	<u>\$ 1,951.53</u>	<u>\$ 181,595.14</u>	<u>\$ 103,231.20</u>	<u>\$ 136,570.38</u>	<u>\$ 96,958.07</u>	<u>\$ 156,428.58</u>	<u>\$ 63,519.34</u>	<u>\$ 44,185.34</u>	<u>\$ 41,202.44</u>	<u>\$ 26,573.63</u>
<u>Fund Balances</u>													
Liabilities:													
Accounts payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Due to:	0.00												
Other governmental entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00
Deferred revenues:													
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund balances:													
Reserved for encumbrances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unreserved	<u>22,365.35</u>	<u>49,180.70</u>	<u>0.00</u>	<u>1,951.53</u>	<u>181,595.14</u>	<u>103,231.20</u>	<u>136,570.38</u>	<u>(3,041.93)</u>	<u>156,428.58</u>	<u>63,519.34</u>	<u>44,185.34</u>	<u>41,202.44</u>	<u>26,573.63</u>
Total fund balances	<u>22,365.35</u>	<u>49,180.70</u>	<u>0.00</u>	<u>1,951.53</u>	<u>181,595.14</u>	<u>103,231.20</u>	<u>136,570.38</u>	<u>(3,041.93)</u>	<u>156,428.58</u>	<u>63,519.34</u>	<u>44,185.34</u>	<u>41,202.44</u>	<u>26,573.63</u>
Total liabilities and Total fund balances	<u>\$ 22,365.35</u>	<u>\$ 49,180.70</u>	<u>\$ 0.00</u>	<u>\$ 1,951.53</u>	<u>\$ 181,595.14</u>	<u>\$ 103,231.20</u>	<u>\$ 136,570.38</u>	<u>\$ 96,958.07</u>	<u>\$ 156,428.58</u>	<u>\$ 63,519.34</u>	<u>\$ 44,185.34</u>	<u>\$ 41,202.44</u>	<u>\$ 26,573.63</u>

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - (Continued)
 June 30, 2004

	Assessor's Valuation	Rainy Day	Concealed Weapon	Voter's Registration	Special Law Enforcement Forfeiture	Prosecuting Attorney Forfeiture	Law Enforcement Bk. Grant	Universal Hiring COPS # 100	Task Force Reimbursement	Homeland Security # 102	Local Law Enforcement # 103	Dept. of Transportation # 104	2003 Bullet Proof Vests # 105
<u>Assets</u>													
Cash	\$ 459,989.34	\$ 148,174.99	\$ 11,751.71	\$ 12,749.29	\$ 23,282.51	\$ 5,596.95	\$ 0.58	\$ 0.00	\$ 5,607.41	\$ 11,895.18	\$ 624.88	\$ 0.00	\$ 0.00
Investments, at cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables, net of allowances:													
Taxes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due from:													
Other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	\$ 459,989.34	\$ 148,174.99	\$ 11,751.71	\$ 12,749.29	\$ 23,282.51	\$ 5,596.95	\$ 0.58	\$ 0.00	\$ 5,607.41	\$ 11,895.18	\$ 624.88	\$ 0.00	\$ 0.00
<u>Fund Balances</u>													
Liabilities:													
Accounts payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Due to:													
Other governmental entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred revenues:													
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund balances:													
Reserved for encumbrances	0.00	0.00	0.00	3,672.00	1,211.00	0.00	0.00	0.00	428.00	0.00	0.00	0.00	0.00
Unreserved	459,989.34	148,174.99	11,751.71	9,077.29	22,071.51	5,596.95	0.58	0.00	5,179.41	11,895.18	624.88	0.00	0.00
Total fund balances	459,989.34	148,174.99	11,751.71	12,749.29	23,282.51	5,596.95	0.58	0.00	5,607.41	11,895.18	624.88	0.00	0.00
Total liabilities and Total fund balances	\$ 459,989.34	\$ 148,174.99	\$ 11,751.71	\$ 12,749.29	\$ 23,282.51	\$ 5,596.95	\$ 0.58	\$ 0.00	\$ 5,607.41	\$ 11,895.18	\$ 624.88	\$ 0.00	\$ 0.00

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2004

	ESPG # 106	COPS Universal Hiring	FEMA Hazard Mitigation	Musselman Middle School # 151	Midget League Football	Youth Fair Association # 153	Poor House Farm # 154	Hedgesville VFD # 155	County Health Insurance	TOTAL
<u>Assets</u>										
Cash	\$ 0.00	\$ 76,000.00	\$ 118,362.69	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 210,663.67	\$ 2,008,460.90
Investments, at cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables, net of allowances:										
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due from:										
Other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other governments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total assets	<u>\$ 0.00</u>	<u>\$ 76,000.00</u>	<u>\$ 118,362.69</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 210,663.67</u>	<u>\$ 2,008,460.90</u>
<u>Fund Balances</u>										
Liabilities:										
Accounts payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Due to:										
Other governmental entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00
Deferred revenues:										
Taxes	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>
Fund balances:										
Reserved for encumbrances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,311.00
Unreserved	<u>0.00</u>	<u>76,000.00</u>	<u>118,362.69</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>210,663.67</u>	<u>1,903,149.90</u>
Total fund balances	<u>0.00</u>	<u>76,000.00</u>	<u>118,362.69</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>210,663.67</u>	<u>1,908,460.90</u>
Total liabilities and Total fund balances	<u>\$ 0.00</u>	<u>\$ 76,000.00</u>	<u>\$ 118,362.69</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 210,663.67</u>	<u>\$ 2,008,460.90</u>

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2004

	Dog & Kennel	General School	Magistrate Court	Worthless Check	911 Emergency Communication	Home Confinement	Federal Grant # 9	Community Partnership # 10	Fiduciary	Wireless Communication # 20	Spring Street Building Debt Service	Roundhouse # 23	Enhanced 911 Equipment
Revenues:													
Taxes	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and permits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernmental:													
Federal	0.00	0.00	0.00	0.00	0.00	0.00	119,230.16	0.00	0.00	0.00	0.00	41,186.44	0.00
State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105,542.70	0.00	0.00	0.00	0.00	0.00
Local	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charges for services	15,350.00	0.00	75,000.00	24,616.58	14,150.00	100,864.44	0.00	0.00	33,521.00	89,196.16	0.00	0.00	31,861.37
Fines and forfeits	0.00	564,967.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	700.76	2,686.94	0.00	145.70	4,534.48	2,016.71	125.58	0.00	3,730.03	63.85	27.84	8.34	9.36
Miscellaneous	9.50	0.00	8,075.50	789.82	0.00	0.00	0.00	46,406.44	0.00	0.00	0.00	0.00	0.00
Total revenues	<u>16,060.26</u>	<u>567,654.59</u>	<u>83,075.50</u>	<u>25,552.10</u>	<u>18,684.48</u>	<u>102,881.15</u>	<u>119,355.74</u>	<u>151,949.14</u>	<u>37,251.03</u>	<u>89,260.01</u>	<u>27.84</u>	<u>41,194.78</u>	<u>31,870.73</u>
Expenditures:													
General government	0.00	47,520.00	0.00	0.00	0.00	0.00	0.00	11,972.93	2,280.00	25,740.67	5,842.50	0.00	0.00
Public safety	16,095.64	516,113.99	0.00	0.00	0.00	38,916.64	55,254.03	61,826.28	0.00	0.00	0.00	0.00	5,297.10
Health and sanitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture and recreation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Social services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,871.00	0.00	0.00	0.00	0.00	0.00
Total expenditures	<u>16,095.64</u>	<u>563,633.99</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>38,916.64</u>	<u>55,254.03</u>	<u>96,670.21</u>	<u>2,280.00</u>	<u>25,740.67</u>	<u>5,842.50</u>	<u>0.00</u>	<u>5,297.10</u>
Excess (deficiency) of revenues over expenditures	(35.38)	4,020.60	83,075.50	25,552.10	18,684.48	63,964.51	64,101.71	55,278.93	34,971.03	63,519.34	(5,814.66)	41,194.78	26,573.63
Other financing sources (uses):													
Operating transfers in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00
Operating transfers (out)	0.00	0.00	(83,075.50)	(24,768.90)	0.00	0.00	(31,335.30)	0.00	0.00	0.00	0.00	0.00	0.00
Total other financing sources (uses)	<u>0.00</u>	<u>0.00</u>	<u>(83,075.50)</u>	<u>(24,768.90)</u>	<u>0.00</u>	<u>0.00</u>	<u>(31,335.30)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,000.00</u>	<u>0.00</u>	<u>0.00</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(35.38)	4,020.60	0.00	783.20	18,684.48	63,964.51	32,766.41	55,278.93	34,971.03	63,519.34	44,185.34	41,194.78	26,573.63
Fund balance at beginning of year as previously stated	<u>22,400.73</u>	<u>45,160.10</u>	<u>0.00</u>	<u>1,168.33</u>	<u>162,910.66</u>	<u>39,266.69</u>	<u>103,803.97</u>	<u>(58,320.86)</u>	<u>121,457.55</u>	<u>0.00</u>	<u>0.00</u>	<u>7.66</u>	<u>0.00</u>
Adjustments to fund balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund balance at beginning of year as restated	<u>22,400.73</u>	<u>45,160.10</u>	<u>0.00</u>	<u>1,168.33</u>	<u>162,910.66</u>	<u>39,266.69</u>	<u>103,803.97</u>	<u>(58,320.86)</u>	<u>121,457.55</u>	<u>0.00</u>	<u>0.00</u>	<u>7.66</u>	<u>0.00</u>
Fund balance at end of year	\$ <u>22,365.35</u>	\$ <u>49,180.70</u>	\$ <u>0.00</u>	\$ <u>1,951.53</u>	\$ <u>181,595.14</u>	\$ <u>103,231.20</u>	\$ <u>136,570.38</u>	\$ <u>(3,041.93)</u>	\$ <u>156,428.58</u>	\$ <u>63,519.34</u>	\$ <u>44,185.34</u>	\$ <u>41,202.44</u>	\$ <u>26,573.63</u>

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2004

	Assessor's <u>Valuation</u>	Rainy <u>Day</u>	Concealed <u>Weapon</u>	Voter's <u>Registration</u>	Special Law Enforcement <u># 73</u>	Prosecuting Attorney Forfeiture	Law Enforcement <u>Bk. Grant</u>	Universal Hiring <u># 100</u>	Task Force <u>Reimbursement</u>	Homeland Security <u># 102</u>	Local Law Enforcement <u># 103</u>	Dept. of Transportation <u># 104</u>	2003 Bullet Proof Vests <u># 105</u>
Revenues:													
Taxes	\$ 424,516.51	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and permits	0.00	0.00	17,730.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernmental:													
Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	411,723.03	0.00	69,483.86	14,731.00	611,403.63	6,119.72
State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,431.00	0.00	0.00	0.00	0.00
Charges for services	72.00	0.00	0.00	3,428.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fines and forfeits	0.00	0.00	0.00	0.00	16,907.00	9,751.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	10,853.02	133.47	373.94	284.85	710.81	76.47	0.29	0.00	0.00	11.97	0.00	0.00	0.00
Miscellaneous	179.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	560.00	0.00	0.00	0.00
Total revenues	435,621.18	133.47	18,103.94	3,713.45	17,617.81	9,827.49	0.29	411,723.03	22,431.00	70,055.83	14,731.00	611,403.63	6,119.72
Expenditures:													
General government	71,594.59	0.00	0.00	0.00	0.00	4,518.69	3,989.56	0.00	0.00	0.00	0.00	0.00	0.00
Public safety	0.00	0.00	21,430.76	0.00	12,870.40	0.00	0.00	411,723.03	16,823.59	58,160.65	14,106.12	0.00	9,975.00
Health and sanitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture and recreation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	638,883.65	0.00
Social services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenditures	71,594.59	0.00	21,430.76	0.00	12,870.40	4,518.69	3,989.56	411,723.03	16,823.59	58,160.65	14,106.12	638,883.65	9,975.00
Excess (deficiency) of revenues over expenditures	364,026.59	133.47	(3,326.82)	3,713.45	4,747.41	5,308.80	(3,989.27)	0.00	5,607.41	11,895.18	624.88	(27,480.02)	(3,855.28)
Other financing sources (uses):													
Operating transfers in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	411,723.03	0.00	34,000.00	0.00	27,480.02	3,855.28
Operating transfers (out)	(171,851.11)	0.00	0.00	0.00	0.00	0.00	0.00	(411,723.03)	0.00	(34,000.00)	0.00	0.00	0.00
Total other financing sources (uses)	(171,851.11)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,480.02	3,855.28
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	192,175.48	133.47	(3,326.82)	3,713.45	4,747.41	5,308.80	(3,989.27)	0.00	5,607.41	11,895.18	624.88	0.00	0.00
Fund balance at beginning of year as previously stated	267,813.86	148,041.52	15,078.53	9,035.84	18,535.10	288.15	3,989.85	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments to fund balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund balance at beginning of year as restated	267,813.86	148,041.52	15,078.53	9,035.84	18,535.10	288.15	3,989.85	0.00	0.00	0.00	0.00	0.00	0.00
Fund balance at end of year	\$ 459,989.34	\$ 148,174.99	\$ 11,751.71	\$ 12,749.29	\$ 23,282.51	\$ 5,596.95	\$ 0.58	\$ 0.00	\$ 5,607.41	\$ 11,895.18	\$ 624.88	\$ 0.00	\$ 0.00

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2004

	ESPG # 106	COPS Universal Hiring	FEMA Hazard Mitigation	Musselman Middle School # 151	Midget League Football	Youth Fair Association # 153	Poor House Farm # 154	Hedgesville VFD # 155	County Health Insurance	TOTAL
Revenues:										
Taxes	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 424,516.51
Other taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and permits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,730.00
Intergovernmental:										
Federal	0.00	76,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,349,877.84
State	14,097.08	0.00	0.00	5,340.05	10,000.00	31,500.00	7,000.00	18,000.00	0.00	191,479.83
Local	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,431.00
Charges for services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105,216.00	493,276.15
Fines and forfeits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	591,625.67
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,041.62	32,536.03
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56,020.91
Total revenues	<u>14,097.08</u>	<u>76,000.00</u>	<u>0.00</u>	<u>5,340.05</u>	<u>10,000.00</u>	<u>31,500.00</u>	<u>7,000.00</u>	<u>18,000.00</u>	<u>111,257.62</u>	<u>3,179,493.94</u>
Expenditures:										
General government	14,097.08	0.00	17,021.00	0.00	0.00	0.00	0.00	0.00	91,659.94	296,236.96
Public safety	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,000.00	0.00	1,256,593.23
Health and sanitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture and recreation	0.00	0.00	0.00	5,340.05	10,000.00	31,500.00	7,000.00	0.00	0.00	692,723.70
Social services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,871.00
Total expenditures	<u>14,097.08</u>	<u>0.00</u>	<u>17,021.00</u>	<u>5,340.05</u>	<u>10,000.00</u>	<u>31,500.00</u>	<u>7,000.00</u>	<u>18,000.00</u>	<u>91,659.94</u>	<u>2,268,424.89</u>
Excess (deficiency) of revenues over expenditures	0.00	76,000.00	(17,021.00)	0.00	0.00	0.00	0.00	0.00	19,597.68	911,069.05
Other financing sources (uses):										
Operating transfers in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	822,205.25	1,349,263.58
Operating transfers (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(742,704.20)	(1,499,458.04)
Total other financing sources (uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>79,501.05</u>	<u>(150,194.46)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	0.00	76,000.00	(17,021.00)	0.00	0.00	0.00	0.00	0.00	99,098.73	760,874.59
Fund balance at beginning of year as previously stated	0.00	0.00	135,383.69	0.00	0.00	0.00	0.00	0.00	111,564.94	1,147,586.31
Adjustments to fund balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund balance at beginning of year as restated	0.00	0.00	135,383.69	0.00	0.00	0.00	0.00	0.00	111,564.94	1,147,586.31
Fund balance at end of year	<u>\$ 0.00</u>	<u>\$ 76,000.00</u>	<u>\$ 118,362.69</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 210,663.67</u>	<u>\$ 1,908,460.90</u>

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2004

	<u>State</u>	<u>School</u>	<u>County Offices</u>	<u>Other</u>	<u>TOTAL</u>
<u>Assets</u>					
Cash and cash equivalents	\$ <u>2,047.62</u>	\$ <u>0.00</u>	\$ <u>749,464.00</u>	\$ <u>638,128.33</u>	\$ <u>1,389,639.95</u>
<u>Liabilities</u>					
Other governmental entities	\$ 2,047.62	\$ 0.00	\$ 0.00	\$ 638,128.33	\$ 640,175.95
Other Liabilities	<u>0.00</u>	<u>0.00</u>	<u>749,464.00</u>	<u>0.00</u>	<u>749,464.00</u>
Total liabilities	<u>\$ 2,047.62</u>	<u>\$ 0.00</u>	<u>\$ 749,464.00</u>	<u>\$ 638,128.33</u>	<u>\$ 1,389,639.95</u>

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Housing and Urban Development			
Pass-through program from:			
West Virginia Development Office			
Emergency Shelters Grants Program Community Networks/County Project	14.231	N.A.	\$ 14,097.08
Emergency Shelters Grants Program Community Networks/County Project	14.231	N.A.	<u>21,776.36</u>
Economic Development Initiative			
<i>Total U. S. Department of Housing and Urban Development</i>			<u>35,873.44</u>
U. S. Department of Justice			
Direct programs:			
Universal Hiring Grant Wage and Benefits Assistance Program	16.592	N.A.	411,723.03
Law Enforcement Block Grant Wage and Benefits Assistance Program	16.592	N.A.	14,106.12
2003 Bulletproof Vest Grant Special Equipment Project	16.592	N.A.	<u>9,975.00</u>
Subtotal Direct Programs			<u>435,804.15</u>
West Virginia Division of Criminal Justice Services			
VOCA Grant Prosecuting Attorney's Office	16.575	N.A.	<u>34,199.41</u>
<i>Total U. S. Department of Justice</i>			<u>\$ 470,003.56</u>

See Accountants' Report.

BERKELEY COUNTY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation			
Pass-through programs from:			
WV Department of Transportation			
Surface Transportation Grant Roundhouse Project	20.205	N.A.	\$ 638,883.93
Transportation Enhancement Grant Roundhouse Project	20.205	N.A.	31,234.64
Transportation, Community, and System Preservation Program Roundhouse Project	20.205	N.A.	<u>2,243.03</u>
<i>Total U.S. Department of Transportation</i>			<u>672,361.60</u>
U. S. Department of Homeland Security			
Direct Program:			
Citizens Corps Council County Homeland Security	83.564	N.A.	<u>58,160.65</u>
<i>Total U.S. Department of Homeland Security</i>			<u>58,160.65</u>
Federal Emergency Management Agency			
Pass-through program from:			
WV Office of Emergency Services County Project	83.548	N.A.	<u>17,021.00</u>
<i>Total Federal Emergency Management Agency</i>			<u>17,021.00</u>
Total Expenditures of Federal Awards			<u>\$ 1,253,420.25</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the Federal grant activity of Berkeley County West Virginia, and is on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

N.A. = Not Available

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