

CHEVY CHASE VILLAGE

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2008**

No extracts from this report may be published without written consent.

Stegman & Company

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2
FINANCIAL STATEMENTS	
Basic Financial Statements:	
Government-wide Financial Statement:	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Assets	11
Statement of Revenues, Expenditures and Changes	
in Fund Balance - Governmental Funds	12
Reconciliation of the Governmental Funds Statement of	
Revenues, Expenditures and Changes in Fund	
Balance to the Statement of Activities	13
Notes to Financial Statements	14
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues and Expenditures - Budget and Actual	
(Non-GAAP Budgetary Basis) - General Fund	22
Schedule of Police Services Expenditures	23
Schedule of Safe Speed Program Expenditures	24
Schedule of Communications Expenditures	25
Schedule of Public Works Expenditures	26
Schedule of Administrative Expenditures	27
Schedule of Facilities, Infrastructure and Equipment Acquisitions	28
Schedule of Special Project Expenditures	29

INDEPENDENT AUDITORS' REPORT

Board of Managers
Chevy Chase Village
Chevy Chase, Maryland

We have audited the accompanying financial statements of the governmental activities and the governmental funds of Chevy Chase Village as of June 30, 2008, and for the year then ended, which comprise Chevy Chase Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Chevy Chase Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and governmental funds of Chevy Chase Village at June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis found on pages 2 through 7, and budgetary comparison schedules found on pages 22 through 29, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Stegman & Company

Baltimore, Maryland
October 30, 2008

CHEVY CHASE VILLAGE

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008 AND 2007

The management of Chevy Chase Village, (the "Village"), consists of the Village Manager and the elected Board of Managers. As management, we offer readers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2008.

Overview of the Financial Statements

In accordance with financial reporting standards for governments, the Village reports its financial condition and the results of its operations in two formats. The full-accrual (GAAP) format reports the "Statement of Net Assets" and the "Statement of Activities" on pages 8 and 9. The modified accrual (non-GAAP Budgetary) format presents the "Balance Sheet" and the "Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds" on pages 10 and 12. The differences between the reports arise primarily as the result of the treatment of fixed assets, long-term debt, revenue recognition and certain expenses. The two formats are reconciled and the differences are explained in the reports on pages 11 and 13.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The Notes to Financial Statements are an integral part of the basic financial statements and can be found on pages 14 to 21.

Financial Summary

The comparative data shown below represents the Village's net assets (000's omitted).

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash, investments and receivables	\$ 7,224	\$ 3,873
Capital assets, net of depreciation	<u>2,268</u>	<u>2,207</u>
	<u>9,492</u>	<u>6,080</u>
<u>Liabilities</u>		
Payables and other current obligations	553	167
Long term obligations	<u>167</u>	<u>144</u>
	<u>720</u>	<u>311</u>
<u>Net assets</u>		
Investment in capital assets - net of related debt	2,268	2,207
Restricted for Safe Speed Program approved projects	1,990	-
Unrestricted net assets	<u>4,514</u>	<u>3,562</u>
<u>Total net assets</u>	<u>\$ 8,772</u>	<u>\$ 5,769</u>

The amounts reported as "Net Assets" in the Statement of Net Assets (page 8) are approximately \$3,322,000 and \$2,727,000 higher than the amount reported as "Fund Balance" in the Governmental Funds Balance Sheet (page 10) in 2008. This occurs primarily because of the differences in the treatment of capital assets and the revenue and expense recognition principles found in accounting principles generally accepted in the United States ("GAAP") and traditional non-GAAP budgetary accounting.

Financial operations during FY 2008 produced results substantially more favorable than had been anticipated at the time of adoption of the FY 2008 budget. A comparison of budget versus actual, using non-GAAP budgetary accounting is summarized below and shown in detail on page 22. Changes to the Unreserved Fund Balance is the operational milestone the Village uses to assess year-to-year fiscal stability.

Schedule of Revenue and Expenses - Budget and Actual

(in thousands)

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)
Revenue	\$ 6,895	\$ 7,594	\$ 699
Expenditures	<u>5,575</u>	<u>5,186</u>	<u>389</u>
Excess of revenue over expenditures	<u>\$ 1,320</u>	<u>\$ 2,408</u>	<u>\$ 1,088</u>

Village Operations

The Statement of Activities (page 9) presents the change in the Village's Net Assets during the most recent fiscal year measured on the full accrual basis of accounting. Essentially, all changes in net assets are reported as soon as the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (eg., uncollected taxes and earned, but unused, vacation leave). These statements record an expense for depreciation and the related outlays for capital items are reflected in the corresponding year end balance sheet (Statement of Net Assets).

Change in Net Assets

(in thousands)

	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues:		
Charges for services	\$ 226	\$ 213
Safe speed program	3,499	-
Operating grants and contributions	<u>235</u>	<u>249</u>
	<u>3,960</u>	<u>462</u>
General revenues:		
Property, income, highway user and taxes levied for general purposes	4,314	3,448
Miscellaneous	18	18
Unrestricted investment earnings	<u>112</u>	<u>159</u>
	<u>4,444</u>	<u>3,625</u>
Total revenues	<u>8,404</u>	<u>4,087</u>
Expenses		
Police and communications	1,258	1,114
Safe speed program	1,509	-
Public works, parks and recreation	1,571	1,511
Administration and special projects	<u>1,063</u>	<u>1,033</u>
Total expenses	<u>5,401</u>	<u>3,658</u>
Increase in net assets	3,003	429
Net assets - beginning of year	<u>5,769</u>	<u>5,340</u>
Net assets - end of year	<u>\$ 8,772</u>	<u>\$ 5,769</u>

The Statement of Net Assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Village's net assets at June 30, 2008 totalled \$8.772 million which included capital assets of \$2.268 million. The capital assets are presented at cost less the accumulated depreciation and reduced by any unpaid debt incurred to acquire the asset. At June 30, 2008, there was no debt associated with the capital assets. Capital assets include property, buildings and improvements, furniture and equipment, and vehicles. An asset is capitalized if it has a cost in excess of \$1,000 and a useful life greater than one year. The Village infrastructure which is comprised of the existing streets and sidewalks is not capitalized and, as such, does not appear as a component of net assets. The Management elected to adopt the Modified Approach for infrastructure assets which allows governments to expense the current costs of preserving eligible infrastructure in lieu of depreciation. Accounting principles generally accepted in the United States permit this option so long as the Village has a regularly scheduled

maintenance program which sustains the operational condition of infrastructure assets. Future infrastructure additions are required to be capitalized and depreciated.

Capital Assets - at cost
(in thousands)

	<u>2008</u>	<u>2007</u>
Land and improvements	\$ 321	\$ 314
Building and improvements	2,571	2,536
Police vehicles and equipment	569	534
Public works vehicles and equipment	565	458
Furniture and equipment	<u>301</u>	<u>275</u>
	4,327	4,117
Less: accumulated depreciation	<u>(2,059)</u>	<u>(1,910)</u>
Total capital assets, net	<u>\$ 2,268</u>	<u>\$ 2,207</u>

Major capital asset additions during the year ending June 30, 2008 included the following:

- Purchase of a new truck for Public Works
- Purchase of an all purpose vehicle for the speed camera program
- Replacements of or upgrades to most data processing equipment
- Renovations to the Village Hall

Fund Accounting and Budgets

The Village's General Fund groups related accounts to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, has used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

At its annual meeting the Village adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with the budget. The budget to actual comparisons are presented by department on pages 23 to 29. The financial statements for the General Fund are presented on pages 10 and 12.

The General Fund is the operating fund for Chevy Chase Village. At June 30, 2008, the Village's General Fund reported an ending fund balance of \$5.450 million. Approximately, \$1.588 million of the fund balance is reserved for public safety purposes, including, but not limited to pedestrian safety programs. The balance of \$3.862 million is unreserved and undesignated which means it is available for spending at the Village's discretion. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total expenditures. The current fund balance is 105.1% of current years expenditures. The fund balance at June 30, 2007 was 83.2% of 2007 expenditures.

The balance of Chevy Chase Village's General Fund increased by \$2.407 million in 2008. The 2008 budget had anticipated using \$313 thousand of the fund surplus. The actual result of operations was nearly \$1.041 million better than the initial forecast. Key factors contributing to this difference were:

- Income tax revenues were nearly \$832 thousand more than projected.
- Expenditures in all departments were less than the forecasted amount.

Economic Factors and the Status of Village Funds

The Village enjoys a strong financial position but is dependent on state income tax collections and real property assessments to provide the funding for the regular village operations. These factors which are beyond its direct control, are quite variable. The State of Maryland is realizing significant growth in real property assessments and this trend has impacted the Village's property tax revenues. However, the difficulties experienced in the housing industry are expected to impact the assessment cycle and property tax revenue increases are not expected to match prior periods. Fiscal year 2008's property tax revenues were only 1.7% greater than fiscal 2007. Fiscal 2009's property tax revenues are budgeted at 0.25 % greater than fiscal 2008's actual property tax revenues.

Income tax revenues are much more variable than the property taxes. While the property tax base is relatively steady, the income tax revenues are impacted by the tax liability of the residents and can be impacted as residents move into and out of the Village. Income tax revenues in fiscal 2008 were 38.7% higher than the budget and were 28% higher than fiscal 2007's collections. Income tax revenues for fiscal 2009 are budgeted as \$2,500,000 or 16.2% less than fiscal 2008's actual receipts.

For fiscal 2009, the Village budget anticipates a surplus from the speed camera operations of \$4,043,500. That surplus is only available for eligible projects. The budget for remaining operations expects to use \$286,735 of reserves to satisfy the projected deficit between revenues and expenditures. A portion of the projected deficit arises from the expense incurred to complete projects which were budgeted and begun in the prior fiscal year but were not completed by year end.

In addition to the cost of normal operations, which is expected to increase 7.74% to \$4,202,080, the Village is pursuing special projects including the continuation of the payments to Montgomery County for the Wohlfarth property, possible modifications to the interior of the Village Hall, the survey related to the relocation of certain utilities into below ground conduits. Long range plans for Village improvements include projects under consideration, in evaluation for feasibility or in the engineering design phase. They include development work with the Maryland State Highway Administration for a pedestrian walkway along Brookeville Road, the evaluation of the communications infrastructure and street light improvements.

A significant portion of the Village's assets are in cash and investments. The cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000, and, by agreement with the Bank, the excess deposits are collateralized at 102% to protect the Village's position. Investments are primarily in instrumentalities of the U.S. Government and in the Maryland Local Government Investment Pool, which is a money market type account operated by the Maryland Treasurer and rated AAA by Standard & Poor and in certificates of deposit which are fully insured by the FDIC.

Requests for Information

This financial report is designed to provide a general overview of Chevy Chase Village's finances for any interested party. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the "Village Manager, Chevy Chase Village", 5906 Connecticut Avenue, Chevy Chase, Maryland 20815, or inquiries can be sent via e-mail to ccv@montgomerycountymd.gov.

CHEVY CHASE VILLAGE

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 449,770
Investments	4,817,054
Due from other governments	1,327,138
Speed program citations receivable	\$ 829,840
Allowance for uncollectible citations	(207,460) 622,380
Other receivables	7,788
Capital assets, net	2,268,483
Total assets	9,492,613
LIABILITIES	
Accounts payable	423,562
Accrued salaries	48,405
Non-current liabilities:	
Due within one year	80,600
Due in more than one year	167,854
Total liabilities	720,421
NET ASSETS	
Invested in capital assets, net of related debt	2,268,483
Restricted for Safe Speed Program approved projects	1,989,854
Unrestricted	4,513,855
TOTAL NET ASSETS	\$ 8,772,192

See accompanying notes.

CHEVY CHASE VILLAGE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Governmental Activities:	Governmental Activities					Net (Expense) Revenues and Changes in Net Assets
	Functions/Programs	Expenses	Program Revenues and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Police services	\$ 932,421	\$ 70,139	\$ 98,570	\$ -	\$ -	\$ (763,712)
Safe speed program	1,509,174	3,498,829	-	-	-	1,989,655
Communications	325,990	-	-	-	-	(325,990)
Public works	913,862	3,774	118,515	-	-	(791,573)
Administration	817,930	37,109	-	-	-	(780,821)
Facilities, infrastructure, and equipment	656,778	114,725	18,005	-	-	(524,048)
Special projects	245,155	-	-	-	-	(245,155)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,401,310	\$ 3,724,576	\$ 235,090	\$ -	\$ -	(1,441,644)
General revenues:						
Taxes:						
Property - levied for general purposes						1,038,599
Income taxes						3,170,099
Shared taxes						105,837
Miscellaneous						18,388
Safe speed program investment earnings						199
Unrestricted investment earnings						111,314
Total general revenues and special items						4,444,436
CHANGE IN NET ASSETS						3,002,792
NET ASSETS, BEGINNING OF YEAR						5,769,400
NET ASSETS, END OF YEAR						\$ 8,772,192

See accompanying notes.

CHEVY CHASE VILLAGE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 449,770
Investments	4,817,054
Due from other governments	1,327,138
Speed program citations receivable	829,840
Allowance for uncollectible citations	<u>(207,460)</u>
Other receivables	<u>7,788</u>
TOTAL ASSETS	<u>\$ 7,224,130</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 170,720
Accrued salaries	48,405
Deferred speed program fees payable	252,842
Deferred income tax revenues	932,377
Deferred safe speed program revenues	<u>369,537</u>
Total liabilities	<u>1,773,881</u>
FUND BALANCE	
Restricted for Safe Speed Program approved projects	1,588,345
Unreserved - undesignated	<u>3,861,904</u>
Total fund balance	<u>5,450,249</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,224,130</u>

See accompanying notes.

CHEVY CHASE VILLAGE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Total fund balance - governmental funds (page 10)	\$ 5,450,249
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities not reported as assets in governmental funds. The cost of these assets is \$4,327,667 and the accumulated depreciation is \$2,059,184	2,268,483
Deferred safe speed program revenues are recorded on the modified accrual basis	369,537
Deferred income tax revenues are recorded on the modified accrual basis	932,377
Non-current liabilities are not reported as liabilities in the governmental funds	<u>(248,454)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES (page 8)	<u>\$ 8,772,192</u>

See accompanying notes.

CHEVY CHASE VILLAGE

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>
REVENUES	
Taxes - income and property	\$ 4,020,891
Taxes - state and county shared revenues	224,352
Safe speed program citations collected	2,876,449
Fees, licenses and permits	46,066
Fines and forfeitures	7,821
Investment earnings - safe speed program	199
Investment earnings - unrestricted	111,314
Federal and state police grants	98,570
Contracted police services	65,205
Rent	114,725
Miscellaneous	<u>28,323</u>
Total Revenues	<u>7,593,915</u>
EXPENDITURES	
Police services	902,706
Safe speed program	1,288,304
Communications	320,978
Public works	863,142
Administration	811,894
Facilities, infrastructure and equipment	719,418
Special projects	<u>279,662</u>
Total Expenditures	<u>5,186,104</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,407,811
FUND BALANCE - BEGINNING OF YEAR	<u>3,042,438</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,450,249</u>

See accompanying notes.

CHEVY CHASE VILLAGE

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
JUNE 30, 2008

Total net change in fund balance - governmental funds (page 12) \$ 2,407,811

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

Capital assets in governmental funds are expenditures. In the statement of Activities, instead of expense, the cost outlays are allocated over their estimated useful lives as depreciation expense. Amount by which capital outlays (\$209,981) exceeds depreciation expense (\$149,035) for the period 60,946

Increases in revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Increase in the deferred state income tax reserve 187,808
Net increase in the Safe Speed Program uncollected revenues 369,537

Expenses for compensated absences reported in the Statement of Activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds. (23,310)

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES (page 9) \$ 3,002,792

See accompanying notes.

CHEVY CHASE VILLAGE

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Chevy Chase Village conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to local government. A summary of significant accounting policies followed by Chevy Chase Village are presented below.

Reporting Entity

Chevy Chase Village (the "Village") was established as a special taxing area in 1914 and incorporated in 1954. Since inception, the Village has operated under the Council-Manager form of government. Services provided include general government, public safety, public works, parks and recreation and the Village building.

The Village has no component units as defined by generally accepted accounting principles.

Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the Village. Governmental activities are those which are supported by taxes and intergovernmental revenues, whereas business-type activities are those supported through customer service charges. The Village does not have any business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those specifically associated with a program or function. Program revenues include charges for services and grants and contributions restricted to the capital or operational requirements of specific programs or functions. Revenues that are not classified as program revenues, such as taxes, are reported as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting is determined by its measurement focus. Government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized when earned and grants are recognized when all eligibility requirements are met.

Governmental fund statements are presented using the flow of economic resources measurements focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collected within 60 days of the year-end. Expenditures are recorded when the related liability is incurred as in the accrual basis of accounting. However, principal and interest on long-term debt and expenditures for compensated absences are recorded when the payments are due.

Those revenues susceptible to accrual are property taxes, taxes collected by the state and county on behalf of the Village, franchise taxes, revenues from other agencies, interest revenue and charges for services. Fines and forfeitures, licenses permits, penalties and interest (on property taxes) and other revenues become measurable and available when cash is received by the Village and are recognized as revenue at that time.

The Village has one major governmental fund, the general fund. It is used to account for all activities of the government. The general fund accounts for the normal recurring activities of the Village such as police services, communications, public works, administration, facilities and related infrastructure and equipment and special projects. These activities are financed primarily by income taxes, property taxes, other taxes, service charges and grants from other governmental units.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Assets, Liabilities and Net Assets or Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months at time of purchase. Cash deposits of the Village are made in accordance with the Annotated Code of Maryland (the Code), which requires depositories to give security in the form of collateral as provided for in the Code for the safekeeping of these deposits.

Funds are also permitted to be invested either in bonds or other obligations for the payment of principal and interest of which the full faith and credit of the United States of America are pledged, obligations of Federal government agencies issued pursuant to acts of Congress, or in the Local Government Investment Pool created by the State of Maryland. The Village is also permitted and has invested in bank-issued certificates of deposit.

Capital Assets

Capital assets, which include property improvements, furniture, equipment and vehicles, are reported in the governmental activities fund in the government-wide financial statements. The Village defines capital assets as those which have an acquisition cost or donated value of at least \$1,000 and an estimated useful life greater than one year. Such assets are valued at historical or estimated historical cost if actual cost is not available. Donated assets are stated at their donated value at the date of donation. The costs of normal maintenance and repairs that do not add value or extend asset lives are not capitalized.

Expenditures for major assets and improvements are capitalized as the assets are acquired or constructed. Exhaustible capital assets are depreciated or charged as an expense against their operations. Accumulated depreciation is reported in the Statement of Net Assets. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

<u>Category</u>	<u>Years</u>
Buildings and improvements and infrastructure	40
Vehicles and equipment	3 - 8
Office furniture and equipment	8

Compensated Absences

Village policy allows employees to accumulate unused vacation that is payable to the employee at retirement or termination. The policy also permits employees to accumulate sick leave for future use or for payment upon retirement at the rate of one hour for every three hours of accumulated sick leave.

Vested or accumulated vacation or sick leave is accrued when earned by the employee and a liability is recorded in the government-wide financial statements. At June 30, 2008, the liability to the Village employees for accrued annual and sick leave was \$248,454 based on the wage rates in effect during the fiscal year.

Post-Employment Benefits

The Village does not provide any post-employment benefits to its employees.

Fund Equity

The government-wide financial statements utilize a net asset presentation. Net assets are categorized as invested in capital (net of related debt), restricted and unrestricted.

Invested in capital assets, net of related debt - This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net assets - This category presents net assets subject to external restrictions imposed by creditors, grantors or laws and regulations of other governments. At June 30, 2008, the restricted net assets were \$ 1,989,854. This is the net proceeds from the operation of the Safe Speed Program and the investment income earned by the program investments. The program regulations restrict the use of the net proceeds of the program.

Unrestricted net assets - This category presents the net assets of the Village not included elsewhere.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash on Hand

At year-end, cash on hand for petty cash and change funds was \$300.

Deposits

At year-end, the carrying amount of the Village's deposit was \$449,770 and the bank balance was \$1,574,001. The deposits of the Village were not exposed to custodial credit risk at June 30, 2008. By arrangement with the bank the Village's deposits in excess of the FDIC insured limit are collateralized at 102% by investments in U.S. Treasuries. The Village has a contractual arrangement with the bank for funds to be transferred daily from investment in a repurchase agreement to cover checks as presented. For the Village's \$532,582 in repurchase agreements, collateralization is provided at the rate of 102% by investments in a combination of U.S. Treasuries, FNMA and FHLMC mortgage backed securities held by the bank in the Village's name.

Reconciliation of cash, cash equivalents and Investments as Shown on the Statement of Net Assets:

Cash on hand	\$ 300
Carrying amount of deposits	<u>449,470</u>
Total	449,770
Carrying amount of investments	<u>4,817,054</u>
Total cash, cash equivalents and investments per Statement of Net Assets	<u>\$ 5,266,824</u>

Investment Rate Risk

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit the Village's exposure to fair value losses arising from increasing interest rates, the Village's investment policy limits the term of investment maturities generally to one year or less. Management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the Village from having to sell investments below original cost for that purpose. The investment income includes the following for the year ended June 30, 2008:

Interest and dividends - unrestricted	\$ 111,314
Interest and dividends - Safe speed program investments	<u>199</u>
Net interest and dividends	<u>\$ 111,513</u>

Credit Risk

Village investment policy does not permit investments in commercial paper or corporate bonds, except under state law in the state investment pool. The Village invests in the Maryland Local Government Investment Pool (MLGIP) which is under the administration of the State Treasurer. The MLGIP was established in 1982 under Article 95, Section 22G of the Annotated Code of Maryland and is rated AAA by Standard & Poor, their highest rating for money market mutual funds. The MLGIP seeks to maintain a constant value of \$1.00 per unit. Unit Value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value. Investments also include bank certificates of deposit and US Treasury Bills.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Village will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2008, all of the Village's investments were insured or registered, invested in US Treasury securities, invested in MLGIP or were collateralized by US securities which were held by the Village's agent in the Village's name.

3. PENSION PLAN

The Board of Managers of Chevy Chase Village established a trust-administered, single employer, defined contribution pension plan effective May 15, 1964, for eligible employees. Currently, the trustee for the plan is the Principal Financial Group.

Employees become eligible participants of the defined contribution money purchase pension plan after completing 12 months of employment in which a minimum of 1,000 hours has been worked and the employee is at least 21 years of age. The Village makes contributions equal to 10% of the active participants' annual compensation to the plan.

The trustee held no securities of the Village on behalf of the pension plan during or at the close of the fiscal year.

Non-vested portions of terminated participants' account balances are applied to reduce the earliest employer contribution made after the forfeitures are determined. Active participants may make nondeductible voluntary contributions of up to 10% of their annual compensation to their account balance. Voluntary employee contributions are 100% vested and employer contributions vest at the following rate:

<u>Vesting Service</u>	<u>Vesting Percentage</u>
Less than 3 years	0
At least 3 but less than 4 years	20
At least 4 but less than 5 years	40
At least 5 but less than 6 years	60
At least 6 but less than 7 years	80
7 or more years	100

The plan defines a vesting year of service as one in which the employee works 2,000 or more hours.

Total Village contributions were \$120,747 for the year ended June 30, 2008.

4. DEFERRED COMPENSATION PLAN

The Village offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 to all its employees. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) shall be held in trust for the exclusive benefit of the plan participants and their beneficiaries, and the assets can not be diverted for any other purpose and are not included in the Village's financial statements.

The plan is administered by the Hartford Life Insurance Corporation. In the year ended June 30, 2008, employee contributions to the plan totaled \$14,028.

5. PROPERTY TAXES

The property tax calendar is from July 1 through June 30 with taxes payable by September 30 and December 31. The Village believes all property taxes to be fully collectible and makes no allowance for uncollectible property taxes.

Real and personal property taxes are levied at rates enacted by the Board of Managers in the annual budget on the assessed value as determined by the Maryland State Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings.

The real property tax rate during the year ended June 30, 2008 was \$0.111 per \$100 of assessed value. The personal property tax rate was \$0.66 per \$100 of assessed value. Real and personal property taxes are billed and collected by Montgomery County and remitted to the Village.

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Cost			
	Balance <u>June 30, 2007</u>	<u>Additions</u>	Deletions or <u>Transfers Out</u>	
Capital Assets, not being depreciated:				
Brookville land and improvements	\$ 313,891	\$ -	\$ -	\$ 313,891
Capital Assets, being depreciated:				
Street and sidewalk improvements	-	7,200	-	7,200
Village Building and improvements	917,770	-	-	917,770
Building renovations - Village Hall	1,619,181	34,507	-	1,653,688
Office furniture and equipment	274,830	26,053	-	300,883
Police vehicles and equipment	534,015	35,726	-	569,741
Public works -				
Vehicles and equipment	387,100	100,598	-	487,698
Parks and recreation -				
Vehicles and equipment	70,897	5,899	-	76,796
	<u>4,117,684</u>	<u>209,983</u>	-	<u>4,327,667</u>
Less accumulated depreciation	<u>1,910,147</u>	<u>149,037</u>	-	<u>2,059,184</u>
Net capital assets	<u>\$ 2,207,537</u>	<u>\$ 60,946</u>	<u>\$ -</u>	<u>\$ 2,268,483</u>

7. NON-CURRENT LIABILITIES

The following summarizes the changes in non-current liabilities for the year ended June 30, 2008. The Village policy is to pay the eligible employee one hour wages for each three hours of accumulated sick leave.

	Balance		Balance	Due Within
Compensated Absences	<u>June 30, 2007</u>	<u>Increase</u>	<u>June 30, 2008</u>	<u>One Year</u>
Accrued sick leave	\$ 93,233	\$ 21,919	\$ 115,152	\$ 19,100
Accrued vacation payroll	<u>131,911</u>	<u>1,391</u>	<u>133,302</u>	<u>61,500</u>
Total	<u>\$ 225,144</u>	<u>\$ 23,310</u>	<u>\$ 248,454</u>	<u>\$ 80,600</u>

8. RISK MANAGEMENT

The Village's risk management techniques include participation in a public entity pool and the purchase of commercial insurance.

For property, general liability, excess liability, primary auto, police liability, public official, and boiler and machinery liability coverage, the Village became a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

The Village pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. The maximum coverage under the liability pool of the Trust is \$5,000,000. In the event that the Trust experiences a deficit, it has the right to assess its members up to twice their annual premium. During the year ended June 30, 2008, the Village paid premiums of \$29,458 to the Trust.

The Village is fully insured for worker's compensation through the Injured Worker's Insurance Fund of Maryland. Employees are bonded through commercial insurance carriers to limit the loss to the Village in the event of employee acts of embezzlement or theft.

9. POLICE SERVICES

During 1995, the Village entered into agreements with the Town of Chevy Chase, Martin's Additions, Chevy Chase View, the Town of Somerset, and Section 3 of the Village of Chevy Chase to provide police services to their communities. All agreements are for one-year renewable terms with payments based upon police service hours rendered. Only Martin's Addition, Chevy Chase View, and Section 3 of the Village of Chevy Chase renewed the contracts for the period of July 1, 2007 through June 30, 2008.

10. DEFERRED INCOME TAX REVENUE

At June 30, 2008, Chevy Chase Village was advised by the State of Maryland that \$938,950 of the Local Tax Reserve Fund was allocable to Chevy Chase Village. In accordance with the provision of Government Accounting Standards Board ("GASB") 33 regarding the accounting and reporting of nonexchange transactions, the Village recorded income and a receivable from the State of \$6,573 since it was available for the satisfaction of current liabilities. The balance of the receivable of \$932,377 has been recorded as deferred income tax revenue. This deferred amount has been reflected as an increase in the entity-wide statements in accordance with full accrual accounting.

11. DEFERRED SAFE SPEED PROGRAM REVENUE

In 2008, Chevy Chase Village instituted a program to enforce compliance with the posted speed limits in the Village. The program utilizes photographic equipment to capture the license number of vehicles determined to be in violation of the posted limits. As of June 30, 2008, 88,982 citations had been mailed and fines had been collected on 68,300 citations. The balance of the receivable, after allowing for estimated uncollectable fines of \$207,460 and fees of \$252,843 payable to the vendor upon collection, has been recorded as deferred revenue of \$369,537 since it is not expected to be available for the satisfaction of current obligations. In accordance with full-accrual accounting, the deferred amount has been reflected as an increase in liabilities in the entity-wide statements.

12. WOHLFARTH PROPERTY

On August 12, 2002, the Village entered into a memorandum of understanding with Montgomery County (the "County") and the Maryland-National Capital Park Planning Commission (the "Commission") for the purpose of acquiring property immediately adjacent to the Village. This property, known as the Wohlfarth property, is to be maintained and operated as a public park. The Village is expected to contribute \$1,250,000 to the cost of acquisition. Approximately \$311,600 of that amount will be provided by Program Open Space Funds which the Village will receive from the County. In addition to the \$200,000 paid in fiscal 2003, the Village will contribute \$100,000 per year through 2009 and the balance will be due July 15, 2010. The Village paid their required annual contribution of \$100,000 for fiscal 2008.

The Commission and the Village are responsible for developing a management plan for the property. If the property is annexed by the Village, it will be responsible for municipal services to the property and the Commission will handle park maintenance and operations.

The Village shall have the right of first refusal in the event that the County determines to sell all or a portion of the property. The purchase price would be 80% of the then current fair market value of the property to be sold. In the event the Village does not exercise its right of first refusal and the County sells the land, the Village shall receive the greater of 20% of the proceeds or the amount of money it contributed to the acquisition of the property. A sale of part of the property would adjust the Village's reimbursement proportionally to the fraction of the property sold.

13. LITIGATION

The Village has been named as a Co-Defendant with Montgomery County, Maryland, the City of Rockville, Maryland and the City of Gaithersburg, Maryland in a class action lawsuit which challenges the validity of the contracts executed with Affiliated Computer Services, Inc. (ACS) by each of the named jurisdictions. ACS provides certain technical services related to the safe speed program. That program uses photographic equipment to identify vehicles which exceed the posted speed limits. The matter has been referred to the Counsel designated by the Village's insurer. The Village expects to vigorously defend its actions. At this time, no assessment of the potential economic exposure to the Village can be made.

REQUIRED SUPPLEMENTARY INFORMATION

CHEVY CHASE VILLAGE

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Property taxes	\$ 1,014,929	\$ 1,014,929	\$ 1,038,599	\$ 23,670
Income taxes	2,150,000	2,150,000	2,982,292	832,292
Total taxes	3,164,929	3,164,929	4,020,891	855,962
Intergovernmental assistance:				
County reimbursements - duplication of services	110,600	110,600	105,837	(4,763)
Highway user distributions	146,200	146,200	118,515	(27,685)
State Police grants	85,280	85,280	98,570	13,290
Total intergovernmental assistance	342,080	342,080	322,922	(19,158)
Other income				
Safe speed program citations collected	-	3,027,376	2,876,449	(150,927)
Contracted police services	63,360	63,360	65,205	1,845
Investment income	129,651	129,651	111,513	(18,138)
Building rent	87,275	87,275	114,725	27,450
Other income	80,409	80,409	82,210	1,801
	360,695	3,388,071	3,250,102	(137,969)
Total operating revenues	3,867,704	6,895,080	7,593,915	698,835
EXPENDITURES				
Police	938,538	963,538	902,706	60,832
Safe speed program	-	1,393,858	1,288,304	105,554
Communications	312,889	352,890	320,978	31,912
Public works	957,357	944,357	863,142	81,215
Administration	821,892	891,892	811,894	79,998
Facilities, infrastructure and equipment acquisition	760,792	747,592	719,418	28,174
Special projects	262,500	280,500	279,662	838
	4,053,968	5,574,627	5,186,104	388,523
Total expenditures	4,053,968	5,574,627	5,186,104	388,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ (186,264)	\$ 1,320,453	\$ 2,407,811	\$ 1,087,358

CHEVY CHASE VILLAGE

**SCHEDULE OF POLICE SERVICES EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Personnel:				
Payroll	\$ 590,558	\$ 610,558	\$ 579,916	\$ 30,642
Employer obligations	85,604	90,605	74,152	16,453
Employee benefits	129,875	127,339	137,400	(10,061)
Organizational development	<u>22,650</u>	<u>25,185</u>	<u>19,075</u>	<u>6,110</u>
Total personnel	<u>828,687</u>	<u>853,687</u>	<u>810,543</u>	<u>43,144</u>
Operations:				
Communications	8,616	8,616	7,970	646
Community relations	200	200	-	200
General expenditures	8,375	8,375	15,170	(6,795)
Insurance	10,400	10,400	7,932	2,468
Professional services	6,200	6,200	2,357	3,843
Service contracts	6,210	6,210	5,203	1,007
Supplies	5,800	5,800	7,291	(1,491)
Vehicle operations	50,000	50,000	35,402	14,598
Equipment maintenance and repair	5,500	5,500	3,352	2,148
Computer and technical support	<u>8,550</u>	<u>8,550</u>	<u>7,486</u>	<u>1,064</u>
Total operations	<u>109,851</u>	<u>109,851</u>	<u>92,163</u>	<u>17,688</u>
Total Police Expenditures	<u>\$ 938,538</u>	<u>\$ 963,538</u>	<u>\$ 902,706</u>	<u>\$ 60,832</u>

CHEVY CHASE VILLAGE

**SCHEDULE OF SAFE SPEED PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Personnel:				
Payroll	\$ -	\$ 88,600	\$ 87,096	\$ 1,504
Employer obligations	-	7,706	6,629	1,077
Employee benefits	-	4,152	295	3,857
	-	100,458	94,020	6,438
Operations:				
Licenses and contracts	-	6,750	6,745	5
Printing	-	375	343	32
Legal services	-	48,000	44,648	3,352
Hardware & software applications	-	3,450	3,204	246
Internet and wireless communications	-	921	360	561
Supplies	-	2,270	527	1,743
Building modifications	-	1,075	988	87
Contract fees	-	1,159,109	1,089,138	69,971
	-	1,221,950	1,145,953	75,997
Speed camera funded projects:				
Vehicle and equipment acquisitions	-	17,700	17,513	187
Streets	-	22,500	22,693	(193)
Sidewalks	-	6,250	8,125	(1,875)
Special Projects - Brookville Road	-	25,000	-	25,000
	-	71,450	48,331	23,119
Total Safe Speed Program Expenditures	\$ -	\$ 1,393,858	\$ 1,288,304	\$ 105,554

CHEVY CHASE VILLAGE

**SCHEDULE OF COMMUNICATIONS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Personnel:				
Payroll	\$ 210,806	\$ 245,806	\$ 225,198	\$ 20,608
Employer obligations	17,105	22,106	18,865	3,241
Employee benefits	58,058	57,083	52,926	4,157
Organizational development	<u>2,100</u>	<u>3,075</u>	<u>2,621</u>	<u>454</u>
Total personnel	<u>288,069</u>	<u>328,070</u>	<u>299,610</u>	<u>28,460</u>
Operations:				
Communications	3,920	3,920	2,810	1,110
General expenditures	350	1,350	1,377	(27)
Professional services	1,000	-	-	-
Service contracts	10,900	10,900	10,857	43
Supplies	1,150	1,150	2,825	(1,675)
Equipment purchases, maintenance and repair	3,000	3,000	2,025	975
Computer and technical support	<u>4,500</u>	<u>4,500</u>	<u>1,474</u>	<u>3,026</u>
Total operations	<u>24,820</u>	<u>24,820</u>	<u>21,368</u>	<u>3,452</u>
Total Communications Expenditures	<u>\$ 312,889</u>	<u>\$ 352,890</u>	<u>\$ 320,978</u>	<u>\$ 31,912</u>

CHEVY CHASE VILLAGE

**SCHEDULE OF PUBLIC WORKS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Personnel:				
Payroll	\$ 416,286	\$ 416,286	\$ 408,918	\$ 7,368
Employer obligations	60,198	60,198	52,730	7,468
Employee benefits	110,276	108,911	85,268	23,643
Contract labor/staff	20,000	20,000	962	19,038
Organizational development	750	2,115	1,151	964
Total personnel	<u>607,510</u>	<u>607,510</u>	<u>549,029</u>	<u>58,481</u>
Operations:				
Communications	4,604	4,604	3,710	894
Disposal and recycling	257,943	257,943	260,875	(2,932)
General expenditures	11,800	11,800	5,639	6,161
Insurance	7,000	7,000	5,578	1,422
Professional services	500	500	-	500
Weather events	17,000	17,000	9,873	7,127
Small tools and shop supplies	3,000	3,000	5,216	(2,216)
Vehicles - operations	47,000	34,000	22,417	11,583
Equipment maintenance and repair	1,000	1,000	805	195
Total operations	<u>349,847</u>	<u>336,847</u>	<u>314,113</u>	<u>22,734</u>
 Total Public Works Expenditures	 <u>\$ 957,357</u>	 <u>\$ 944,357</u>	 <u>\$ 863,142</u>	 <u>\$ 81,215</u>

CHEVY CHASE VILLAGE

**SCHEDULE OF ADMINISTRATIVE EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Personnel:				
Payroll	\$ 343,026	\$ 399,120	\$ 345,770	\$ 53,350
Employer obligations	27,684	32,494	25,769	6,725
Employee benefits	86,050	87,100	81,571	5,529
Temporary Staff	5,000	-	-	-
Organizational development	18,250	24,250	13,553	10,697
Total personnel	<u>480,010</u>	<u>542,964</u>	<u>466,663</u>	<u>76,301</u>
Operations:				
Communications	8,132	8,367	7,230	1,137
Community relations	40,000	40,000	35,563	4,437
General expenditures	22,610	22,720	21,665	1,055
Insurance	17,000	17,000	15,507	1,493
Professional services	208,500	199,885	212,809	(12,924)
Service contracts	6,040	19,540	10,002	9,538
Supplies	6,000	6,750	16,108	(9,358)
Equipment maintenance and repair	2,000	2,000	763	1,237
Computer and technical support	28,600	28,600	24,364	4,236
Furniture and equipment purchases	3,000	4,066	1,220	2,846
Total operations	<u>341,882</u>	<u>348,928</u>	<u>345,231</u>	<u>3,697</u>
Total Administrative Expenditures	<u>\$ 821,892</u>	<u>\$ 891,892</u>	<u>\$ 811,894</u>	<u>\$ 79,998</u>

CHEVY CHASE VILLAGE

**SCHEDULE OF FACILITIES, INFRASTRUCTURE AND EQUIPMENT ACQUISITIONS
FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Village Hall:				
General expenses	\$ 5,000	\$ 5,000	\$ 10,944	\$ (5,944)
Insurance	386	386	441	(55)
Service contracts	20,000	20,000	20,329	(329)
Supplies	3,300	3,300	4,377	(1,077)
Utilities	40,930	40,930	29,363	11,567
Furniture and equipment purchases	4,000	8,800	2,503	6,297
Equipment repair and maintenance	2,500	2,500	2,888	(388)
Total Village Hall	<u>76,116</u>	<u>80,916</u>	<u>70,845</u>	<u>10,071</u>
Parks, trees and greenspace:				
Infrastructure	3,072	11,072	7,762	3,310
Professional services	2,500	2,500	1,000	1,500
Service contracts	75,850	57,850	52,026	5,824
Supplies	5,200	5,200	2,028	3,172
Tree programs	289,500	299,500	308,563	(9,063)
Utilities	3,800	3,800	1,371	2,429
Equipment repair and maintenance	1,500	1,500	904	596
Total Parks, trees, and greenspace	<u>381,422</u>	<u>381,422</u>	<u>373,654</u>	<u>7,768</u>
Streets, walks and drains	<u>167,054</u>	<u>167,054</u>	<u>163,807</u>	<u>3,247</u>
Building, vehicles and equipment:				
Building				
Public works	-	5,000	1,365	3,635
Vehicles				
Public works	82,700	82,700	81,110	1,590
Equipment				
Police services	13,500	11,000	12,009	(1,009)
Communications	14,500	6,500	5,694	806
Public works	15,000	7,500	8,368	(868)
Village building	500	500	-	500
Administration	10,000	5,000	2,566	2,434
Total Building, vehicles and equipment	<u>136,200</u>	<u>118,200</u>	<u>111,112</u>	<u>7,088</u>
Total Facilities, infrastructure and equipment acquisitions	<u>\$ 760,792</u>	<u>\$ 747,592</u>	<u>\$ 719,418</u>	<u>\$ 28,174</u>

CHEVY CHASE VILLAGE

**SCHEDULE OF SPECIAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Wohlfarth property	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Village hall improvements	35,000	35,000	34,507	493
Resident survey and staffing assessment	22,500	22,500	22,500	-
Building regulation	<u>105,000</u>	<u>123,000</u>	<u>122,655</u>	<u>345</u>
 Total special projects	 <u>\$ 262,500</u>	 <u>\$ 280,500</u>	 <u>\$ 279,662</u>	 <u>\$ 838</u>