

**TOWN OF CAPE CHARLES**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2002**



**Eggleston Smith P.C.**  
Certified Public Accountants & Consultants

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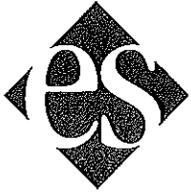
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**INDEPENDENT AUDITORS' REPORT  
ON FINANCIAL STATEMENTS AND SCHEDULES**

To the Council  
Municipal Corporation of Cape Charles, Virginia  
Cape Charles, Virginia

We have audited the accompanying general purpose financial statements of the Municipal Corporation of Cape Charles, Virginia (the Town) as of and for the year ended June 30, 2002, as listed in the contents. These financial statements are the responsibility of the management of the Town. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

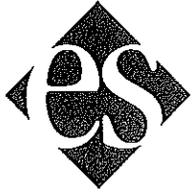
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town, as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2003, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The accompanying other combining financial statement, supporting schedules and statistical schedules as listed in the contents are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Eggleston Smith P.C.*

February 19, 2003



**Eggleston Smith P.C.**  
Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Council  
Municipal Corporation of Cape Charles, Virginia  
Cape Charles, Virginia

We have audited the financial statements and related schedules of the Municipal Corporation of Cape Charles, Virginia (the Town), as of and for the year ended June 30, 2002, and have issued our report dated February 19, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the Town in a separate letter dated February 19, 2003.

This report is intended for the information of the Council, management and federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

*Eggleston Smith P.C.*

February 19, 2003

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**YEAR ENDED**

**JUNE 30, 2002**

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMBINED BALANCE SHEET**  
**ALL FUNDS AND ACCOUNT GROUPS**

June 30, 2002

	Governmental Fund	Proprietary Fund		Account Group			Totals (Memorandum Only)
		General	Enterprise	General Fixed Assets	General Long-Term Debt		
<b>ASSETS</b>							
Cash	\$ 314,037	\$ 1,443	\$ -	\$ -	\$ -	\$ -	\$ 315,480
Receivables (net of allowances for uncollectible accounts):							
Taxes	2,043	-	-	-	-	-	2,043
General accounts	33,032	53,427	-	-	-	-	86,459
Grants	14,727	-	-	-	-	-	14,727
Due from other funds	366,840	170,685	-	-	-	-	537,525
Deferred bond issuance cost	-	11,695	-	-	-	-	11,695
Property, plant and equipment, net	-	6,206,762	2,681,946	-	-	-	8,888,708
Other assets	-	4,622	-	-	-	-	4,622
Amount to be provided for:							
Capital lease	-	-	-	-	10,858	-	10,858
Compensated absences	-	-	-	-	18,698	-	18,698
<b>Total assets</b>	<b>\$ 730,679</b>	<b>\$ 6,448,634</b>	<b>\$ 2,681,946</b>	<b>\$ 29,556</b>	<b>\$ 9,890,815</b>		

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMBINED BALANCE SHEET**  
**ALL FUNDS AND ACCOUNT GROUPS**  
**June 30, 2002**

	Governmental Fund		Proprietary Fund		Account Group			Totals (Memorandum Only)
	General	Enterprise	General	Long-Term Debt	General	Fixed Assets	Long-Term Debt	
<b>LIABILITIES</b>								
Accounts payable	\$ 68,236	\$ 39,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,026
Accrued interest payable	-	6,379	-	-	-	-	-	6,379
Due to other funds	170,685	366,840	-	-	-	-	-	537,525
General obligation bonds payable	-	1,758,152	-	-	-	-	-	1,758,152
Line of credit	125,000	-	-	-	-	-	-	125,000
Capital lease obligation	-	-	-	10,858	-	-	-	10,858
Deferred grant revenue	6,392	-	-	-	-	-	-	6,392
Compensated absences	-	8,587	-	18,698	-	-	-	27,285
Accrued liabilities	34,308	3,981	-	-	-	-	-	38,289
<b>Total liabilities</b>	<b>404,621</b>	<b>2,183,729</b>	<b>-</b>	<b>29,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,617,906</b>
<b>FUND EQUITY</b>								
Contributed capital	-	7,157,319	-	-	-	-	-	7,157,319
Investment in general fixed assets	-	-	2,681,946	-	-	-	-	2,681,946
Fund balances:								
Unreserved:								
Undesignated	326,058	-	-	-	-	-	-	326,058
Retained deficit	-	(2,892,414)	-	-	-	-	-	(2,892,414)
<b>Total fund equity and other credits</b>	<b>326,058</b>	<b>4,264,905</b>	<b>2,681,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,272,909</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 730,679</b>	<b>\$ 6,448,634</b>	<b>\$ 2,681,946</b>	<b>\$ 29,556</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,890,815</b>

See Notes to Financial Statements.

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUNDS  
Year Ended June 30, 2002

	Governmental Fund
	<u>General</u>
Revenues:	
General property taxes	\$ 313,729
Other local taxes	166,394
Permits, privilege fees and regulatory licenses	84,482
Fines and forfeitures	2,544
Revenue from use of money and property	11,807
Charges for services	438
Miscellaneous	24,613
Revenue from the Commonwealth	168,328
Revenue from the Federal Government	<u>11,207</u>
 Total revenues	 <u>783,542</u>
Expenditures:	
Current:	
General government administration	440,474
Public safety	207,128
Public works	110,228
Parks, recreation and culture	33,497
Community development	<u>262,733</u>
 Total expenditures	 <u>1,054,060</u>
 Excess of expenditures over revenues	  (270,518)
 Fund balances at beginning of year	  <u>596,576</u>
 Fund balances at end of year	  <u>\$ 326,058</u>

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUNDS

Year Ended June 30, 2002

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
General property taxes	\$ 349,354	\$ 313,729	\$ (35,625)
Other local taxes	179,196	166,394	(12,802)
Permits, privilege fees and regulatory licenses	26,600	84,482	57,882
Fines and forfeitures	3,000	2,544	(456)
Revenue from use of money and property	8,000	11,807	3,807
Charges for services	750	438	(312)
Miscellaneous	43,544	24,613	(18,931)
Revenue from the Commonwealth	105,313	168,328	63,015
Revenue from the Federal Government	-	11,207	11,207
Total revenues	<u>715,757</u>	<u>783,542</u>	<u>67,785</u>
Expenditures:			
Current:			
General government administration	348,644	440,474	(91,830)
Public safety	212,433	207,128	5,305
Public works	144,129	110,228	33,901
Parks, recreation and culture	59,822	33,497	26,325
Community development	-	262,733	(262,733)
Total expenditures	<u>765,028</u>	<u>1,054,060</u>	<u>(289,032)</u>
Excess of revenues over expenses	\$ <u>(49,271)</u>	(270,518)	\$ <u>(221,247)</u>
Fund balances at beginning of year		<u>596,576</u>	
Fund balances at end of year		\$ <u>326,058</u>	

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND

Year Ended June 30, 2002

	<u>Enterprise</u>
Operating revenues:	
Charges for services	\$ 654,973
Operating expenses:	
Personnel services	216,742
Fringe benefits	32,564
Depreciation	188,677
Amortization	755
Maintenance	54,707
Supplies	5,168
Electricity	48,412
Equipment rental	1,021
Gas expense	84,733
Telephone	2,599
Office expense	10,035
Uniforms	5,036
Miscellaneous	6,088
Professional fees	10,539
Landfill expense	25,490
Waste removal services	66,677
Travel	135
Total operating expenses	<u>759,378</u>
Operating loss	<u>(104,405)</u>
Nonoperating revenue (expense):	
Grant revenue	502,287
Grant related expenses	(502,287)
Interest expense	<u>(96,849)</u>
Total nonoperating expense	<u>(96,849)</u>
Net loss	(201,254)
Retained deficit - beginning of year	<u>(2,691,160)</u>
Retained deficit - end of year	<u>\$ (2,892,414)</u>

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Year Ended June 30, 2002

	<u>Enterprise</u>
Cash flows from operating activities:	
Operating loss	\$ (104,405)
Adjustment to reconcile operating loss from operations to net cash provided by operating activities:	
Depreciation	188,677
Amortization	755
Changes in:	
Accounts receivable	(6,204)
Other current assets	(4,622)
Accounts payable	32,674
Accrued liabilities	3,981
Compensated absences	<u>2,109</u>
Net cash provided by operating activities	<u>112,965</u>
Cash flows from noncapital financing activities:	
Due to other funds	70,019
Due from other funds	<u>117,691</u>
Net cash provided by noncapital financing activities	<u>187,710</u>
Cash flows from capital and related financing activities:	
Interest payments on bonds	(96,849)
Principal payments on bonds	(30,347)
Purchase of property, plant and equipment	<u>(173,371)</u>
Net cash used for capital and related financing activities	<u>(300,567)</u>
Net change in cash	108
Cash - beginning of year	<u>1,335</u>
Cash - end of year	<u>\$ 1,443</u>

See Notes to Financial Statements.

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Financial Reporting Entity

For combined financial reporting purposes, in accordance with GASB Statement 14, The Financial Reporting Entity, the Municipal Corporation of Cape Charles, Virginia (the Town) includes all funds, account groups, agencies, boards, commissions, and authorities for which the Town is financially accountable. Financial accountability was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Town, obligation of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

Financial Statement Presentation

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. Each fund is a separate set of self-balancing accounts that consists of assets, liabilities, fund equity, revenues, and expenditures or expenses. Account groups are used to establish accounting control over certain assets and liabilities that are not recorded in funds. The various funds and account groups are grouped in the financial statements as follows:

Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary Funds. The Governmental Fund measurement focus is on determination of financial position and changes in financial position, rather than on net income determination. The individual Governmental Funds are:

General Fund

The General Fund is the general operating fund of the Town. This fund accounts for all revenues and expenditures of the Town, which are not accounted for in the other funds.

Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income.

Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Town is that the cost of providing services to the general public be financed or recovered through user charges. Enterprise Funds consist of the *Water and Sewer, Garbage Collection and Disposal and Docking and Berthing Facilities Funds*.

Account Groups are used to establish accounting control over general fixed assets and long-term liabilities. General long-term debt and general fixed asset account groups are included herein. Long-term obligations and fixed assets related to Proprietary Funds are accounted for in the Proprietary Funds.

(Continued)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Combined/Combining Format:

Combined Financial Statements -- These statements are referred to as General Purpose Financial Statements and provide a summary overview of the financial position of all funds, account groups and component units, all combined and presented as one in the financial statements. For example, all funds classified as Proprietary Funds are combined and presented under the caption "Enterprise Funds."

Combining Financial Statements by Fund Classification -- These statements present individual financial statements for each fund of a given fund classification. For example, each Enterprise Fund is shown individually.

Budgetary Comparison Statements -- The Combined and Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, compare budget and actual data for all governmental funds for which budgets are adopted. A review of the budgetary comparison presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the Town.

Memorandum Only - Total Columns on Combined Statements - Overview

The total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Basis of Accounting

Governmental Funds

Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as deferred revenues. Sales and utility taxes are recorded as of the date of the underlying transaction or receipt, whichever is earlier.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies.

(Continued)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Proprietary Funds

The accrual basis of accounting is used for the Enterprise Fund. Under the accrual method, revenues are recognized when earned and expenses recognized when incurred.

Budgets and Budgetary Accounting

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

Prior to April, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain citizen comments.

Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Town Council. The Town Manager is authorized to transfer budgeted amounts within general government departments.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Appropriations lapse on June 30 for all Town units.

All budget data presented in the accompanying financial statements is the revised budget as of June 30.

(Continued)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**Cash

Cash consists of cash on hand and certificates of deposit.

Property, Plant and Equipment

All purchased property, plant and equipment are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value at the date of donation.

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the assets capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. Such assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation for property, plant and equipment in the proprietary fund types is computed over the following useful lives using the straight-line method.

	<u>Water and Sewer Fund</u>	<u>Garbage Collection and Disposal Fund</u>	<u>Docking and Berthing Facilities Fund</u>
Water/Sewer System	15 - 50 Years	-	-
Docks	-	-	50 Years
Equipment	3 - 10 Years	3 - 10 Years	5 Years

Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on the first Friday in December. The Town bills and collects its own property taxes.

**NOTE 2. CASH AND INVESTMENTS**

Deposits: At year-end, the carrying value of the Town's deposits with banks was \$315,480 and the bank balance was \$327,973. Of the bank balance, \$327,973 was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks. None of the bank balance was uninsured and uncollateralized in banks not qualifying under the Act at June 30, 2002.

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2002

**NOTE 3. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$85,834 at June 30, 2002, and consisted of the following:

General Fund - Taxes	\$ 65,834
Water and Sewer Fund - Utility Billings	16,000
Garbage Collection and Disposal Fund - Utility Billings	<u>4,000</u>
	<u>\$ 85,834</u>

**NOTE 4. INTERFUND OBLIGATIONS**

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 366,840	\$ 170,685
Water and Sewer	-	366,840
Garbage Collection and Disposal	125,190	-
Docking & Berthing Facilities	<u>45,495</u>	<u>-</u>
	<u>\$ 537,525</u>	<u>\$ 537,525</u>

**NOTE 5. GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Buildings	\$ 147,571	\$ 92,842	\$ -	\$ 240,413
Improvements other than buildings	2,038,999	-	-	2,038,999
Equipment	<u>377,730</u>	<u>24,804</u>	<u>-</u>	<u>402,534</u>
Total	<u>\$ 2,564,300</u>	<u>\$ 117,646</u>	<u>\$ -</u>	<u>\$ 2,681,946</u>

**NOTE 6. PROPRIETARY FIXED ASSETS**

A summary of proprietary fund property, plant, and equipment at June 30, 2002, follows:

	<u>Water and Sewer Fund</u>	<u>Garbage Collection and Disposal Fund</u>	<u>Docking and Berthing Facilities Fund</u>	<u>Total</u>
Water/Sewer System	\$ 7,826,468	\$ -	\$ -	\$ 7,826,468
Docks	-	-	2,119,292	2,119,292
Equipment	-	<u>59,630</u>	-	<u>59,630</u>
Total	7,826,468	59,630	2,119,292	10,005,390
Accumulated depreciation	<u>(2,561,154)</u>	<u>(59,630)</u>	<u>(1,177,844)</u>	<u>(3,798,628)</u>
Net	<u>\$ 5,265,314</u>	<u>\$ -</u>	<u>\$ 941,448</u>	<u>\$ 6,206,762</u>

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 7. CAPITAL LEASE OBLIGATION**

Capital lease obligation payable in monthly installments of \$549.99 including interest at 6.8%, until March 2004, for the acquisition of a police vehicle.

Year Ending September 30,		
2003	\$	6,600
2004		<u>4,951</u>
Total payments due		11,551
Less amount representing interest		<u>693</u>
Present value of minimum lease payments	\$	<u>10,858</u>

**NOTE 8. LONG-TERM DEBT – ENTERPRISE FUND**Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2002:

	<u>General Obligation</u>
Bonds Payable at July 1, 2001	\$ 1,788,499
Principal payments	<u>30,347</u>
Bonds Payable at June 30, 2002	\$ <u>1,758,152</u>

Details of Long-Term IndebtednessGeneral Obligation Bonds:

	<u>Amount Outstanding</u>
\$400,000 General Obligation Bond issued to Virginia Resources Authority, payable in varying monthly installments, including interest from 6.8% to 7.5%, beginning May 1, 1989	\$ 315,000
\$1,579,300 General Obligation Bond to Farmers Home Administration for financing of water system improvements, payable in monthly installments, including interest at 5%, beginning September 3, 1992	<u>1,443,152</u>
General obligation bonds and long-term debt	\$ <u>1,758,152</u>

(Continued)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE 8. LONG-TERM DEBT – ENTERPRISE FUND**

Following is a schedule of long-term maturities:

	Virginia Resources Authority		Farmers Home Administration		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 10,000	\$ 23,123	\$ 21,388	\$ 71,672	\$ 31,388	\$ 94,795
2004	10,000	22,395	22,482	70,578	32,482	92,973
2005	10,000	21,663	23,633	69,427	33,633	91,090
2006	15,000	20,744	24,842	68,218	39,842	88,962
2007	15,000	19,638	26,113	66,947	41,113	86,585
2008-2010	50,000	52,051	86,631	192,549	136,631	244,600
2011-2015	115,000	56,433	176,571	288,729	291,571	345,162
2016-2020	90,000	10,125	226,604	238,696	316,604	248,821
2021-2025	-	-	290,814	174,486	290,814	174,486
2026-2030	-	-	373,219	92,081	373,219	92,081
2031-2032	-	-	170,855	8,729	170,855	8,729
	<u>\$ 315,000</u>	<u>\$ 226,172</u>	<u>\$ 1,443,152</u>	<u>\$ 1,342,112</u>	<u>\$ 1,758,152</u>	<u>\$ 1,568,284</u>

**NOTE 9. CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES**

Town employees earn vacation leave at the rate of one day for each per month. No benefits or pay is received for unused sick leave upon termination. Accumulated vacation up to ten days is paid upon termination except in the case where special permission has been granted. The Town has outstanding accrued vacation pay totaling \$18,698 in the General Long-Term Obligation Account Group and \$8,587 in Enterprise Funds.

**NOTE 10. RETIREMENT PLAN**Plan Description

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employers (age 50 with 25 years of service for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases beginning, limited to 5% per year, in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary.

Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

(Continued)

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2002

**NOTE 10. RETIREMENT PLAN (Concluded)**

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. The Town has assumed this 5% member contribution. In addition, the Municipal Corporation of Cape Charles, Virginia, is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Town's contribution rate for the fiscal year ended 2002 was 5.00% of annual covered payroll.

Annual Pension Cost

For the fiscal year ended June 30, 2002, the Town's annual pension cost of \$49,018 for the VRS was equal to the Town's required and actual contribution of \$49,018. The required contribution was determined as part of the June 30, 2000, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (A) 8.0% investment rate of return, (B) projected salary increases ranging from 4.25% to 6.1% per year, and (C) 3.0% per year cost-of-living adjustments. Both (A) and (B) included an inflation component of 3.0%. The actuarial value of the Town's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short term volatility in the market value of assets over a five year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2000, was 14 years.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/02	\$ 49,018	100%	\$ -
6/30/01	\$ 25,403	99%	\$ 310
6/30/00	\$ 19,637	94%	\$ 1,238

**REQUIRED SUPPLEMENTARY INFORMATION – Schedule of funding progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
6/30/2001	\$ 517,536	\$ 470,524	\$ (47,012)	109.99%	\$ 523,593	(8.98)%
6/30/2000	\$ 426,666	\$ 391,976	\$ (34,690)	108.85%	\$ 441,784	(7.85)%
6/30/1999	\$ 340,797	\$ 348,446	\$ 7,649	97.80%	\$ 370,214	2.07%

**TOWN OF CAPE CHARLES, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

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**NOTE 11. RETAINED EARNINGS**

The following Enterprise Funds had retained deficits in the amounts shown at June 30, 2002:

Water and sewer fund	\$ <u>2,186,274</u>
Docking and berthing facilities fund	\$ <u>819,217</u>

These deficits are the result of the fact that user charges have not been sufficient to cover the costs of depreciation in the current and prior years, and that depreciation is not allocated to contributed capital.

**NOTE 12. SURETY BONDS**

The following surety bond amounts cover all Town employees.

Virginia Municipal Liability Pool	\$ 1,000,000
Blanket Public Officials Bond	\$ 100,000

**NOTE 13. REPORTING ON SEGMENT INFORMATION**

Three funds comprise the Town's enterprise funds: the Water and sewer, Garbage collection and disposal, and Docking and berthing facilities.

	Water and Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Total
Operating revenues	\$ 363,895	\$ 111,770	\$ 179,308	\$ 654,973
Depreciation expense	151,058	-	37,619	188,677
Net income or loss	(193,055)	(12,804)	4,605	(201,254)
Net working capital	(337,785)	121,173	32,907	(183,705)
Total assets	5,325,426	136,165	987,043	6,448,634
Bonds payable from operating revenues	1,758,152	-	-	1,758,152
Total equity	3,169,377	121,173	974,355	4,264,905

**NOTE 14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS AT THE FUNCTIONAL LEVEL**

As per NCGAI 6, paragraph 4, the following are being disclosed:

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Overexpended</u>
General government administration	\$ 348,644	\$ 440,472	\$ 91,828
Community development	-	262,733	262,733

**TOWN OF CAPE CHARLES**  
**COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

TOWN OF CAPE CHARLES, VIRGINIA

COMBINING BALANCE SHEET  
ENTERPRISE FUNDS

June 30, 2002

	Water And Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Totals (Memorandum Only)
<b>ASSETS</b>				
Current assets:				
Cash	\$ 1,343	\$ -	\$ 100	\$ 1,443
Accounts receivable, net	42,452	10,975	-	53,427
Deferred bond issuance cost	11,695	-	-	11,695
Due from other funds	-	125,190	45,495	170,685
Other assets	<u>4,622</u>	<u>-</u>	<u>-</u>	<u>4,622</u>
Total current assets	60,112	136,165	45,595	241,872
Property, plant and equipment, net	<u>5,265,314</u>	<u>-</u>	<u>941,448</u>	<u>6,206,762</u>
Total assets	<u>\$ 5,325,426</u>	<u>\$ 136,165</u>	<u>\$ 987,043</u>	<u>\$ 6,448,634</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Current liabilities:				
Accounts payable	\$ 13,759	\$ 14,693	\$ 11,338	\$ 39,790
Accrued liabilities	2,332	299	1,350	3,981
Accrued interest payable	6,379	-	-	6,379
Due to other funds	366,840	-	-	366,840
Compensated absences	<u>8,587</u>	<u>-</u>	<u>-</u>	<u>8,587</u>
Total current liabilities	<u>397,897</u>	<u>14,992</u>	<u>12,688</u>	<u>425,577</u>
Long-term liabilities:				
General obligation bonds payable	<u>1,758,152</u>	<u>-</u>	<u>-</u>	<u>1,758,152</u>
Fund equity:				
Contributed capital	5,355,651	8,096	1,793,572	7,157,319
Retained earnings (deficit)	(2,186,274)	113,077	(819,217)	(2,892,414)
Undesignated	<u>(2,186,274)</u>	<u>113,077</u>	<u>(819,217)</u>	<u>(2,892,414)</u>
Total fund equity and other credits	<u>3,169,377</u>	<u>121,173</u>	<u>974,355</u>	<u>4,264,905</u>
Total liabilities, fund equity and other credits	<u>\$ 5,325,426</u>	<u>\$ 136,165</u>	<u>\$ 987,043</u>	<u>\$ 6,448,634</u>

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**Year Ended June 30, 2002**

	Water and Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Totals (Memorandum Only)
Operating revenues:				
Charges for services	\$ 363,895	\$ 111,770	\$ 179,308	\$ 654,973
Operating expenses:				
Personnel services	157,099	26,156	33,487	216,742
Fringe benefits	25,025	5,283	2,256	32,564
Depreciation	151,058	-	37,619	188,677
Amortization	755	-	-	755
Maintenance	51,143	425	3,139	54,707
Supplies	4,237	342	589	5,168
Electricity	45,391	-	3,021	48,412
Equipment rental	-	-	1,021	1,021
Gas expense	628	-	84,105	84,733
Telephone	1,191	-	1,408	2,599
Office expense	7,734	156	2,145	10,035
Uniforms	5,036	-	-	5,036
Miscellaneous	5,918	45	125	6,088
Professional fees	4,751	-	5,788	10,539
Landfill expense	-	25,490	-	25,490
Waste removal services	-	66,677	-	66,677
Travel	135	-	-	135
Total operating expenses	460,101	124,574	174,703	759,378
Operating income (loss)	(96,206)	(12,804)	4,605	(104,405)
Nonoperating revenue (expense):				
Grant revenue	-	-	502,287	502,287
Grant related expenses	-	-	(502,287)	(502,287)
Interest expense	(96,849)	-	-	(96,849)
Total nonoperating expense	(96,849)	-	-	(96,849)
Net income (loss)	(193,055)	(12,804)	4,605	(201,254)
Retained earnings (deficit) - beginning of year	(1,993,219)	125,881	(823,822)	(2,691,160)
Retained earnings (deficit) - end of year	\$ (2,186,274)	\$ 113,077	\$ (819,217)	\$ (2,892,414)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**Year Ended June 30, 2002**

	Water and Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Totals (Memorandum Only)
<b>Cash flows from operating activities:</b>				
Operating income (loss)	\$ (96,206)	\$ (12,804)	\$ 4,605	\$ (104,405)
Adjustment to reconcile operating income (loss) from operations to net cash provided by operating activities:				
Depreciation	151,058	-	37,619	188,677
Amortization	755	-	-	755
Changes in:				
Accounts receivable	(5,883)	(321)	-	(6,204)
Other current assets	(4,622)	-	-	(4,622)
Accounts payable	7,559	13,927	11,188	32,674
Accrued liabilities	2,332	299	1,350	3,981
Compensated absences	2,192	(83)	-	2,109
Net cash provided by operating activities	<u>57,185</u>	<u>1,018</u>	<u>54,762</u>	<u>112,965</u>
<b>Cash flow from noncapital financing activities</b>				
Due to other funds	70,019	-	-	70,019
Due from other funds	<u>-</u>	<u>(1,018)</u>	<u>118,709</u>	<u>117,691</u>
Net cash provided by (used in) noncapital financing activities	<u>70,019</u>	<u>(1,018)</u>	<u>118,709</u>	<u>187,710</u>
<b>Cash flows from capital and related financing activities:</b>				
Interest payments on bonds	(96,849)	-	-	(96,849)
Principal payments on bonds	(30,347)	-	-	(30,347)
Purchase of property, plant and equipment	<u>-</u>	<u>-</u>	<u>(173,371)</u>	<u>(173,371)</u>
Net cash used for capital and related financing activities	<u>(127,196)</u>	<u>-</u>	<u>(173,371)</u>	<u>(300,567)</u>
Net change in cash	8	-	100	108
Cash - beginning of year	<u>1,335</u>	<u>-</u>	<u>-</u>	<u>1,335</u>
Cash - end of year	<u>\$ 1,343</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 1,443</u>

**TOWN OF CAPE CHARLES**

**SUPPORTING SCHEDULES**

**JUNE 30, 2002**

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
Year Ended June 30, 2002

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL FUND:</b>			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 265,554	\$ 257,871	\$ (7,683)
Public service corporation taxes - real and personal property	4,500	5,766	1,266
Personal property taxes	77,000	46,570	(30,430)
Penalties and interest	2,300	3,522	1,222
Total general property taxes	<u>349,354</u>	<u>313,729</u>	<u>(35,625)</u>
Other local taxes:			
Local sales and use taxes	31,045	38,765	7,720
Consumer utility taxes	64,000	50,986	(13,014)
Business license taxes	62,751	57,008	(5,743)
Motor vehicle licenses	15,000	15,974	974
Tobacco taxes	2,500	(1,423)	(3,923)
Transient & occupancy taxes	3,900	5,084	1,184
Total other local taxes	<u>179,196</u>	<u>166,394</u>	<u>(12,802)</u>
Permits, privilege fees and regulatory licenses:			
Other permits	<u>26,600</u>	<u>84,482</u>	<u>57,882</u>
Fines and forfeitures:			
Court fines and forfeitures	<u>3,000</u>	<u>2,544</u>	<u>(456)</u>
Revenue from use of money and property:			
Revenue from use of money	<u>8,000</u>	<u>11,807</u>	<u>3,807</u>
Charges for services:			
Grass cutting fees	<u>750</u>	<u>438</u>	<u>(312)</u>

(Continued)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES - BUDGET AND ACTUAL**  
Year Ended June 30, 2002

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>GENERAL FUND: (Continued)</b>			
Revenue from local sources: (Continued)			
Miscellaneous revenue:			
Gas tax refunds	\$ 2,000	\$ 1,783	\$ (217)
DMV fees	8,200	6,281	(1,919)
Miscellaneous	<u>33,344</u>	<u>16,549</u>	<u>(16,795)</u>
Total miscellaneous revenue	<u>43,544</u>	<u>24,613</u>	<u>(18,931)</u>
Total revenue from local sources	<u>610,444</u>	<u>604,007</u>	<u>(6,437)</u>
Revenue from the Commonwealth:			
Noncategorical aid:			
ABC profits	4,000	4,377	377
Property tax relief	<u>36,000</u>	<u>39,865</u>	<u>3,865</u>
Total noncategorical aid	<u>40,000</u>	<u>44,242</u>	<u>4,242</u>
Categorical aid:			
Other categorical aid:			
Commission for the Arts Grant	5,000	5,000	-
VA Department of Transportation	-	15,550	15,550
Litter Prevention	865	857	(8)
Law Enforcement	-	31,046	31,046
Chesapeake Bay	55,448	65,633	10,185
Fire program	<u>4,000</u>	<u>6,000</u>	<u>2,000</u>
Total other categorical aid	<u>65,313</u>	<u>124,086</u>	<u>58,773</u>
Total revenue from the Commonwealth	<u>105,313</u>	<u>168,328</u>	<u>63,015</u>
Revenue from the Federal Government:			
Categorical aid:			
Canine / Youth Grant	-	10,810	10,810
Selective enforcement	-	397	397
Total revenue from the Federal Government	<u>-</u>	<u>11,207</u>	<u>11,207</u>
Total General Fund	<u>\$ 715,757</u>	<u>\$ 783,542</u>	<u>\$ 67,785</u>

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2002

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL FUND:			
General government administration:			
Personal service	\$ 200,489	\$ 130,652	\$ 69,837
DMV clerk	8,761	4,867	3,894
Legal and accounting	24,500	34,007	(9,507)
Professional services	5,400	-	5,400
Training	2,100	-	2,100
Travel	3,850	2,072	1,778
Advertising	5,250	7,090	(1,840)
Telephone	7,790	9,201	(1,411)
Stationary, printing, office supplies	27,950	14,206	13,744
Fidelity bonds and insurance	10,239	13,390	(3,151)
Supplies	-	6,872	(6,872)
Dues and subscriptions	1,800	1,836	(36)
Employees fringe benefits	27,607	26,531	1,076
Maintenance	8,350	27,943	(19,593)
Miscellaneous	14,558	29,856	(15,298)
Capital outlay	-	130,998	(130,998)
Interest	-	953	(953)
Total general government administration	<u>348,644</u>	<u>440,474</u>	<u>(91,830)</u>
Public safety:			
Law enforcement and traffic control:			
Police department	<u>208,158</u>	<u>200,606</u>	<u>7,552</u>
Fire and rescue services:			
Fire department	<u>4,275</u>	<u>6,522</u>	<u>(2,247)</u>
Total fire and rescue services	<u>4,275</u>	<u>6,522</u>	<u>(2,247)</u>
Total public safety	<u>212,433</u>	<u>207,128</u>	<u>5,305</u>

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2002

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL FUND: (Continued)			
Public works:			
Salaries and wages	\$ 59,618	\$ 60,462	\$ (844)
Street lighting	37,000	25,178	11,822
Equipment maintenance and operation	25,650	3,835	21,815
Travel	300	-	300
Insurance	2,596	-	2,596
Employee fringe benefits	12,115	9,492	2,623
Telephone	600	208	392
Uniforms	500	-	500
Total	<u>138,379</u>	<u>99,175</u>	<u>39,204</u>
Maintenance of buildings and grounds:			
Janitorial supplies	250	39	211
Other supplies	3,000	642	2,358
Exterminating services		-	-
Electricity		9,751	(9,751)
Miscellaneous		150	(150)
Litter Prevention		-	-
Fuel oil-heating	2,500	471	2,029
Total maintenance of buildings and grounds	<u>5,750</u>	<u>11,053</u>	<u>(5,303)</u>
Total public works	<u>144,129</u>	<u>110,228</u>	<u>33,901</u>
Parks, recreational and cultural:			
Parks and recreation:			
Recreation centers and playgrounds	29,142	-	29,142
Arts	-	5,000	(5,000)
Total parks and recreation	<u>29,142</u>	<u>5,000</u>	<u>24,142</u>

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2002

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL FUND: (Continued)			
Library:			
Library administration	\$ 30,680	\$ 28,497	\$ 2,183
Total parks, recreational and cultural	<u>59,822</u>	<u>33,497</u>	<u>26,325</u>
Community development:			
Planning and community development: Community development	<u>-</u>	<u>262,733</u>	<u>(262,733)</u>
Total General Fund	<u>\$ 765,028</u>	<u>\$ 1,054,060</u>	<u>\$ (289,032)</u>

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
June 30, 2002

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Total assessed value of taxed property	\$ <u>79,957,458</u>
Debt limit - 10 percent of total assessed value	\$ 7,995,746
Amount of debt applicable to debt limit:	
Gross debt	<u>1,758,152</u>
Legal debt margin	\$ <u>6,237,594</u>

TOWN OF CAPE CHARLES, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2002

Federal Granting Agency/ Recipient State Agency/ <u>Grant Program</u>	<u>Federal Catalog Number</u>	<u>Balance July 1, 2001</u>	<u>Federal Revenue</u>	<u>Expendi- tures</u>	<u>Balance June 30, 2002</u>
DEPARTMENT OF JUSTICE					
Direct payments:					
Office of Justice Programs					
Byrne Grant	16.580	\$ -	\$ 10,810	\$ 10,810	\$ -
Selective Enforcement	16.710	<u>387</u>	<u>397</u>	<u>784</u>	<u>-</u>
Total Department of Justice		<u>387</u>	<u>11,207</u>	<u>11,594</u>	<u>-</u>
Total Federal Financial Assistance		<u>\$ 387</u>	<u>\$ 11,207</u>	<u>\$ 11,594</u>	<u>\$ -</u>

**TOWN OF CAPE CHARLES**

**STATISTICAL SCHEDULES**

**JUNE 30, 2002**

**TOWN OF CAPE CHARLES, VIRGINIA**  
**GENERAL GOVERNMENTAL REVENUE BY SOURCE**  
**Last Ten Fiscal Years**

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue From Use of Money and Property	Charges from Services	Miscellaneous	Inter- Governmental	Totals
1992-1993	\$ 138,949	\$ 171,233	\$ 1,808	\$ 4,086	\$ 4,260	\$ 2,271	\$ 51,650	\$ 54,118	\$ 428,375
1993-1994	170,079	177,567	1,200	3,117	5,637	3,649	32,946	58,762	452,957
1994-1995	190,766	193,131	990	5,876	13,037	382	100,835	98,713	603,730
1995-1996	206,724	160,519	940	3,324	11,470	5,204	17,296	106,449	511,926
1996-1997	216,833	188,006	780	5,152	4,554	4,758	16,233	138,318	574,634
1997-1998	225,333	179,200	2,235	8,679	9,184	316	16,114	132,517	573,578
1998-1999	229,276	198,785	8,607	6,512	12,483	13,417	15,345	69,365	553,790
1999-2000	254,699	209,822	32,148	6,090	10,983	1,290	33,041	404,268	952,341
2000-2001	254,423	215,978	38,256	4,268	20,395	382	86,430	227,169	847,301
2001-2002	313,729	166,394	84,482	2,544	11,807	438	24,613	179,535	783,542

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government Administration	Public Safety	Public Works	Parks, Recreation & Cultural	Community Development	Debt Service	Total
1992-1993	\$ 129,858	\$ 155,657	\$ 103,476	\$ 21,977	\$ 34,054	\$ 414	\$ 445,436
1993-1994	124,115	170,812	102,871	10,646	40,831	140	449,415
1994-1995	137,045	183,894	106,936	72,826	8,766	-	509,467
1995-1996	233,176	124,051	127,389	52,335	16,693	-	553,644
1996-1997	127,522	106,078	123,029	23,455	137,717	-	517,801
1997-1998	206,300	186,727	101,781	19,601	3,414	-	517,823
1998-1999	233,162	264,109	109,578	17,019	1,830	-	625,698
1999-2000	287,988	255,573	116,077	22,456	85,889	-	767,983
2000-2001	259,396	244,662	153,134	21,255	83,847	-	762,294
2001-2002	440,474	207,128	110,228	33,497	262,733	-	1,054,060

**TOWN OF CAPE CHARLES, VIRGINIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

Fiscal Year	(1) Total Tax Levy	(1) Current Tax Collections	Percent of Levy Collected	(2) Delinquent Tax Collection	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Levy
1992-1993	\$ 147,359	\$ 142,497	96.70%	\$ 6,375	\$ 148,872	101.03%	\$ 32,707	22.20%
1993-1994	179,246	171,343	95.59%	4,311	175,654	98.00%	28,396	15.84%
1994-1995	199,545	186,393	93.41%	2,654	189,050	94.74%	33,471	16.77%
1995-1996	232,707	(3)	(3)	(3)	227,004	97.55%	39,174	16.83%
1996-1997	241,861	(3)	(3)	(3)	209,601	86.66%	32,260	13.34%
1997-1998	239,852	228,267	95.17%	10,639	238,906	99.61%	33,206	13.84%
1998-1999	254,938	245,665	96.36%	10,599	256,264	100.52%	31,808	12.48%
1999-2000	279,791	246,431	88.08%	5,541	251,972	90.06%	31,800	11.37%
2000-2001	335,333	282,130	84.13%	2,271	284,401	84.81%	76,034	22.67%
2001-2002	367,207	298,683	81.34%	27,268	325,951	88.76%	67,876	18.48%

NOTES:  
 (1) Exclusive of penalties and interest  
 (2) Does not include land redemptions  
 (3) Current and delinquent collections not available

TOWN OF CAPE CHARLES, VIRGINIA

ASSESSED VALUATION OF ALL TAXABLE PROPERTY  
Last Ten Fiscal Years

Fiscal Year	Real	Personal	Mobile Homes	Public Utility		Total
				Real Estate	Real Estate	
1992-1993	\$ 27,010,300	\$ 2,823,400	\$ -	\$ 834,367	\$ 834,367	\$ 30,668,067
1993-1994	42,527,100	2,544,700	-	1,147,500	1,147,500	46,219,300
1994-1995	42,527,100	2,696,200	-	1,147,500	1,147,500	46,370,800
1995-1996	42,049,500	3,647,500	21,500	1,106,512	1,106,512	46,825,012
1996-1997	42,234,300	4,074,900	24,200	1,083,021	1,083,021	47,416,421
1997-1998	42,208,400	3,976,700	24,200	1,060,996	1,060,996	47,270,296
1998-1999	42,128,300	4,730,300	24,200	1,180,424	1,180,424	48,063,224
1999-2000	53,887,900	4,370,400	21,000	1,287,793	1,287,793	59,567,093
2000-2001	54,343,800	7,626,200	59,920	1,234,419	1,234,419	63,264,339
2001-2002	71,771,400	6,612,100	15,620	1,558,338	1,558,338	79,957,458

TOWN OF CAPE CHARLES, VIRGINIA

PROPERTY TAX RATES (1)

Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property	Mobile Homes		Public Utility Real Estate	
	\$	0.34		\$	2.00	\$	0.34
1992-1993		0.34	\$ 2.00	-	\$	0.34	
1993-1994		0.34	2.00	-		0.34	
1994-1995		0.35	2.00	-		0.35	
1995-1996		0.37	2.00	0.37		0.37	
1996-1997		0.37	2.00	0.37		0.37	
1997-1998		0.37	2.00	0.37		0.37	
1998-1999		0.37	2.00	0.37		0.37	
1999-2000		0.37	2.00	0.37		0.37	
2000-2001		0.37	2.00	0.37		0.37	
2001-2002		0.37	2.00	0.37		0.37	

NOTE: (1) Per \$100 of assessed value

TOWN OF CAPE CHARLES, VIRGINIA

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

Fiscal Year	(1) Population	Assessed Value	(2)		Less: Debt Payable from Enterprise Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Gross and Net Bonded Debt					
1992-1993	1,370	\$ 30,668,067	\$ 1,964,300	\$ 1,964,300	\$ -	-	\$ -	
1993-1994	1,358	46,219,300	1,959,300	1,959,300	-	-	-	
1994-1995	1,341	46,370,800	1,944,099	1,944,099	-	-	-	
1995-1996	1,332	46,825,012	1,922,340	1,922,340	-	-	-	
1996-1997	1,317	47,416,421	1,901,538	1,901,538	-	-	-	
1997-1998	1,298	47,270,296	1,873,497	1,873,497	-	-	-	
1998-1999	1,279	48,063,224	1,846,152	1,846,152	-	-	-	
1999-2000	1,279	59,567,093	1,817,856	1,817,856	-	-	-	
2000-2001	1,134	63,264,339	1,788,499	1,788,499	-	-	-	
2001-2002	1,134	79,957,458	1,758,152	1,758,152	-	-	-	

NOTES:  
(1) Virginia State Data Center  
(2) Includes all long-term general obligations

**TOWN OF CAPE CHARLES, VIRGINIA**  
**REVENUE BOND COVERAGE**  
**WATER AND SEWER BONDS**  
Last Five Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses(1)	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage	
				Principal	Interest		
1997 - 1998	\$ 366,753	\$ 159,732	\$ 207,021	\$ 26,610	\$ 103,135	\$ 129,745	159.56%
1998 - 1999	350,844	233,902	116,942	27,460	101,583	129,043	90.62%
1999 - 2000	375,618	251,801	123,817	28,296	100,422	128,718	96.19%
2000 - 2001	366,430	288,298	78,132	29,357	98,635	127,992	61.04%
2001-2002	363,895	309,043	54,852	30,347	96,849	127,196	43.12%

(1) Total operating expenses exclusive of depreciation