

TOWN OF CAPE CHARLES
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2001



Eggleston Smith P.C.
Certified Public Accountants & Consultants

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CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SCHEDULES	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	2
GENERAL PURPOSE FINANCIAL STATEMENTS	
Exhibit 1 Combined balance sheet - all funds and account groups	4 and 5
Exhibit 2 Combined statement of revenues, expenditures and changes in fund balance - all governmental funds	6
Exhibit 3 Combined statement of revenues, expenditures and changes in fund balances - budget and actual - all governmental funds	7
Exhibit 4 Combined statement of revenues, expenses and changes in retained earnings - proprietary fund	8
Exhibit 5 Combined statement of cash flows - proprietary fund	9
Notes to financial statements	10 - 19
COMBINING FINANCIAL STATEMENTS	
Exhibit A-1 Combining balance sheet - enterprise funds	21
Exhibit A-2 Combining statement of revenues, expenses and changes in retained earnings - enterprise funds	22
Exhibit A-3 Combining statement of cash flows - enterprise funds	23
SUPPORTING SCHEDULES	
Schedule 1 General fund - statement of revenues - budget and actual	25 and 26
Schedule 2 General fund - statement of expenditures - budget and actual	27 - 29

(Continued)

CONTENTS (Concluded)

	Page	
Schedule 3	Statement of Treasurer's accountability	30
Schedule 4	Statement of Treasurer's accountability to the Town	31
Schedule 5	Computation of legal debt margin	32
Schedule 6	Schedule of expenditures of federal awards	33
STATISTICAL SCHEDULES		
Schedule 7	General governmental revenue by source - last ten fiscal years	35
Schedule 8	General governmental expenditures by function - last ten fiscal years	36
Schedule 9	Property tax levies and collections - last ten fiscal years	37
Schedule 10	Assessed valuation of all taxable property - last ten fiscal years	38
Schedule 11	Property tax rates - last ten fiscal years	39
Schedule 12	Ratio of net general bonded debt to assessed value and net bonded debt per capita - last ten fiscal years	40
Schedule 13	Revenue bond coverage - water and sewer bonds - last four fiscal years	41



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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, 2001, 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 USA 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.

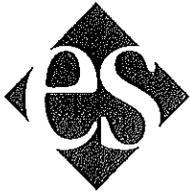
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the USA.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2001, 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.

September 11, 2001



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, 2001, and have issued our report dated September 11, 2001. We conducted our audit in accordance with auditing standards generally accepted in the USA 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 September 11, 2001.

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.

September 11, 2001

Eggleston Smith P.C.

GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED

JUNE 30, 2001

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED BALANCE SHEET
ALL FUNDS AND ACCOUNT GROUPS

June 30, 2001

	Governmental Fund	Proprietary Fund	Account Group			Totals (Memorandum Only)
			General Fixed Assets	General Long-Term Debt		
ASSETS						
Cash	\$ 567,721	\$ 1,335	\$ -	\$ -	\$ -	\$ 569,056
Receivables (net of allowances for uncollectible accounts):						
Taxes	16,429	-	-	-	-	16,429
General accounts	6,714	47,223	-	-	-	53,937
Prepaid expenses	6,665	-	-	-	-	6,665
Due from other funds	317,412	308,967	-	-	-	626,379
Deferred bond issuance cost	-	12,450	-	-	-	12,450
Property, plant and equipment, net	-	6,222,068	2,564,300	-	-	8,786,368
Amount to be provided for:						
Capital lease	-	-	-	16,504	-	16,504
Compensated absences	-	-	-	13,814	-	13,814
Total assets	\$ 914,941	\$ 6,592,043	\$ 2,564,300	\$ 30,318	\$ -	\$ 10,101,602

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED BALANCE SHEET
ALL FUNDS AND ACCOUNT GROUPS

June 30, 2001

	Governmental Fund	Proprietary Fund	Account Group			Totals (Memorandum Only)
			General Fixed Assets	General Long-Term Debt	General	
LIABILITIES						
Accounts payable	\$ 9,398	\$ 7,116	\$ -	\$ -	\$ -	\$ 16,514
Accrued interest payable	-	6,379	-	-	-	6,379
Due to other funds	308,967	317,412	-	-	-	626,379
General obligation bonds payable	-	1,788,499	-	-	-	1,788,499
Capital lease obligation	-	-	-	16,504	-	16,504
Compensated absences	-	6,478	-	13,814	-	20,292
Total liabilities	318,365	2,125,884	-	30,318	-	2,474,567
FUND EQUITY						
Contributed capital	-	7,157,319	-	-	-	7,157,319
Investment in general fixed assets	-	-	2,564,300	-	-	2,564,300
Fund balances:						
Unreserved:						
Undesignated	596,576	-	-	-	-	596,576
Retained deficit	-	(2,691,160)	-	-	-	(2,691,160)
Total fund equity and other credits	596,576	4,466,159	2,564,300	-	-	7,627,035
Total liabilities, fund equity and other credits	\$ 914,941	\$ 6,592,043	\$ 2,564,300	\$ 30,318	\$ -	\$ 10,101,602

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, 2001

	<u>Governmental Fund</u>
	<u>General</u>
Revenues:	
General property taxes	\$ 254,423
Other local taxes	215,978
Permits, privilege fees and regulatory licenses	38,256
Fines and forfeitures	4,268
Revenue from use of money and property	20,395
Charges for services	382
Miscellaneous	86,430
Revenue from the Commonwealth	122,254
Revenue from the Federal Government	<u>104,915</u>
Total revenues	<u>847,301</u>
Expenditures:	
Current:	
General government administration	259,396
Public safety	244,662
Public works	153,134
Parks, recreation and culture	21,255
Community development	<u>83,847</u>
Total expenditures	<u>762,294</u>
Excess of revenues over expenses	<u>85,007</u>
Fund balances at beginning of year	<u>511,569</u>
Fund balances at end of year	<u>\$ 596,576</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, 2001

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
General property taxes	\$ 243,460	\$ 254,423	\$ 10,963
Other local taxes	183,645	215,978	32,333
Permits, privilege fees and regulatory licenses	15,600	38,256	22,656
Fines and forfeitures	3,500	4,268	768
Revenue from use of money and property	8,000	20,395	12,395
Charges for services	750	382	(368)
Miscellaneous	11,774	86,430	74,656
Revenue from the Commonwealth	309,522	122,254	(187,268)
Revenue from the Federal Government	88,972	104,915	15,943
Total revenues	<u>865,223</u>	<u>847,301</u>	<u>(17,922)</u>
Expenditures:			
Current:			
General government administration	227,354	259,396	(32,042)
Public safety	239,780	244,662	(4,882)
Public works	134,743	153,134	(18,391)
Parks, recreation and culture	22,507	21,255	1,252
Community development	260,704	83,847	176,857
Total expenditures	<u>885,088</u>	<u>762,294</u>	<u>122,794</u>
Excess of revenues over expenses	\$ <u>(19,865)</u>	<u>85,007</u>	\$ <u>104,872</u>
Fund balances at beginning of year		<u>511,569</u>	
Fund balances at end of year		\$ <u>596,576</u>	

TOWN OF CAPE CHARLES, VIRGINIA

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

Year ended June 30, 2001

	<u>Enterprise</u>
Operating revenues:	
Charges for services	\$ 537,784
Operating expenses:	
Personnel services	222,839
Fringe benefits	27,911
Depreciation	190,339
Amortization	755
Maintenance	36,239
Supplies	6,889
Electricity	43,474
Meter parts and repairs	13,873
Telephone	2,917
Office supplies	1,364
Uniforms	4,319
Miscellaneous	14,283
Professional fees	5,298
Landfill expense	32,426
Travel	<u>2,053</u>
Total operating expenses	<u>604,979</u>
Operating loss	<u>(67,195)</u>
Nonoperating revenue (expense):	
Grant revenue	46,863
Grant related expenses	(46,863)
Interest expense	<u>(98,635)</u>
Total nonoperating expense	<u>(98,635)</u>
Net loss	(165,830)
Retained deficit - beginning of year	<u>(2,525,330)</u>
Retained deficit - end of year	<u>\$ (2,691,160)</u>

See Notes to Financial Statements.

TOWN OF CAPE CHARLES, VIRGINIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2001

	Enterprise
Cash flows from operating activities:	
Operating loss	\$ (67,195)
Adjustment to reconcile operating loss from operations to net cash provided by operating activities:	
Depreciation	190,339
Amortization	755
Changes in:	
Accounts receivable	8,939
Accounts payable	5,798
Compensated absences	56
Net cash provided by operating activities	138,692
Cash flows from noncapital financing activities	
Due to other funds	31,208
Due from other funds	(46,895)
Net cash used by noncapital financing activities	(15,687)
Cash flows from capital and related financing activities:	
Interest payments on long-term debt	(98,635)
Principal payments on bonds	(29,357)
Proceeds from grant	46,863
Grant related expenses	(46,863)
Net cash used for capital and related financing activities	(127,992)
Net change in cash	(4,987)
Cash - beginning of year	6,322
Cash - end of year	\$ 1,335

See Notes to Financial Statements.

TOWN OF CAPE CHARLES, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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:

1. 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.

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 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*.

3. 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.

4. 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.

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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.
6. 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.

D. Basis of Accounting1. 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.

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.

2. 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.

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

The following is presented only as an example and assumes that the approval of the budget is accomplished through an Appropriation Resolution which has the effect of appropriating funds at the time the budget is approved. Section 15.2-2503 of the Code of Virginia provides that the budget shall be for informative and fiscal planning purposes only. Accordingly, the information disclosed in the financial statements regarding the budgetary and appropriation policies of a local government should be based on the policies followed by the reporting government.

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

1. 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.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department 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.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all Town units.
8. All budget data presented in the accompanying financial statements is the revised budget as of June 30.

F. Cash

Cash consists of cash on hand and certificates of deposit.

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

G. 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

H. 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 \$569,056 and the bank balance was \$602,328. Of the bank balance, \$602,328 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, 2001.

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

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 \$73,105 at June 30, 2001, and consisted of the following:

General Fund - Taxes	\$ 59,605
Water and Sewer Fund - Utility Billings	10,665
Garbage Collection and Disposal Fund - Utility Billings	<u>2,835</u>
	<u>\$ 73,105</u>

NOTE 4. INTERFUND OBLIGATIONS

Fund	Interfund Receivable	Interfund Payable
General	\$ 317,412	\$ 308,967
Water and Sewer	-	296,821
Garbage Collection and Disposal	124,172	-
Docking & Berthing Facilities	<u>184,795</u>	<u>20,591</u>
	<u>\$ 626,379</u>	<u>\$ 626,379</u>

NOTE 5. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Buildings	\$ 98,064	\$ 49,507	\$ -	\$ 147,571
Improvements other than buildings	2,038,999	-	-	2,038,999
Equipment	359,872	17,858	-	377,730
Total	<u>\$ 2,496,935</u>	<u>\$ 67,365</u>	<u>\$ -</u>	<u>\$ 2,564,300</u>

NOTE 6. PROPRIETARY FIXED ASSETS

A summary of proprietary fund property, plant, and equipment at June 30, 2001, follows:

	Water and Sewer Fund	Garbage Collection and Disposal Fund	Docking and Berthing Facilities Fund	Total
Water/Sewer System	\$ 7,826,468	\$ -	\$ -	\$ 7,826,468
Docks	-	-	1,945,921	1,945,921
Equipment	-	59,630	-	59,630
Total	7,826,468	59,630	1,945,921	9,832,019
Accumulated depreciation	<u>(2,410,096)</u>	<u>(59,630)</u>	<u>(1,140,225)</u>	<u>(3,609,951)</u>
Net	<u>\$ 5,416,372</u>	<u>\$ -</u>	<u>\$ 805,696</u>	<u>\$ 6,222,068</u>

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

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,	
2002	\$ 6,600
2003	6,600
2004	<u>4,950</u>
Total payments due	18,150
Less amount representing interest	<u>1,646</u>
Present value of minimum lease payments	<u>\$ 16,504</u>

NOTE 8. LONG-TERM DEBT - ENTERPRISE FUNDChanges in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2001:

	General Obligation
Bonds Payable at July 1, 2000	\$ 1,817,856
Retirement	<u>29,357</u>
Bonds Payable at June 30, 2001	<u>\$ 1,788,499</u>

Details of Long-Term IndebtednessGeneral Obligation Bonds:

	Amount Outstanding
\$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	\$ 325,000
\$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>1,463,499</u>
General obligation bonds and long-term debt	<u>\$ 1,788,499</u>

(continued)

TOWN OF CAPE CHARLES, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE 8. LONG-TERM DEBT -- ENTERPRISE FUND

Following is a schedule of long-term maturities:

	<u>Virginia Resources Authority</u>		<u>Farmers Home Administration</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 10,000	\$ 23,845	\$ 20,347	\$ 72,713	\$ 30,347	\$ 96,558
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
2007-2010	65,000	71,689	112,744	259,496	177,744	331,185
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>\$ 325,000</u>	<u>\$ 250,015</u>	<u>\$ 1,463,499</u>	<u>\$ 1,414,825</u>	<u>\$ 1,788,499</u>	<u>\$ 1,664,842</u>

NOTE 9. CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES

In accordance with GASB Statement 1, the Town has accrued the liability arising from 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 \$13,814 in the General Long-Term Obligation Account Group and \$6,478 in Enterprise Funds.

NOTE 10. RETIREMENT PLANPlan 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 State legislature. 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.

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 10. RETIREMENT PLAN (Concluded)

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. This 5% member contribution may be assumed by the employer. 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 statute and approved by the VRS Board of Trustees. The Municipal Corporation of Cape Charles, Virginia, contribution rate for the fiscal year ended 2001 was 5.00% of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2001, the Town's annual pension cost of \$25,093 for the VRS was below the Town's required contribution of \$25,403. 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% cost-of-living adjustments. Both (A) and (B) included an inflation component of 3.0%. The actuarial value of the plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-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>
6/30/99	\$ 12,128	111%	\$ -
6/30/00	\$ 19,637	94%	\$ 1,238
6/30/01	\$ 25,403	99%	\$ 310

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>
6/30/1998	\$ 277,538	\$ 275,001	\$ (2,537)	100.92%	\$ 236,266	(1.07)%
6/30/1999	\$ 340,797	\$ 333,899	\$ (6,898)	102.07%	\$ 370,214	(1.86)%
6/30/2000	\$ 426,666	\$ 391,976	\$ (34,690)	108.85%	\$ 441,784	(7.85)%

TOWN OF CAPE CHARLES, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 11. RETAINED EARNINGS

The following Enterprise Funds had retained earnings deficits in the amounts shown at June 30, 2001:

Water and sewer fund	\$ <u>1,993,219</u>
Docking and berthing facilities fund	\$ <u>823,822</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

	<u>Amount</u>
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 System, Garbage Collection and Disposal, and Docking and Berthing Facilities.

	<u>Water and Sewer</u>	<u>Garbage Collection and Disposal</u>	<u>Docking and Berthing Facilities</u>	<u>Total</u>
Operating revenues	\$ 366,430	\$ 106,474	\$ 64,880	\$ 537,784
Depreciation expense	152,283	800	37,256	190,339
Net income or loss	(172,786)	4,745	2,211	(165,830)
Net working capital	(265,441)	133,977	164,054	32,590
Total assets	5,466,726	134,826	990,491	6,592,043
Bonds and other long-term liabilities:				
Payable from operating revenues	1,788,499	-	-	1,788,499
Total equity	3,362,432	133,977	969,750	4,466,159

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	227,354	259,396	32,042
Public safety	239,780	244,662	4,882
Public works	134,743	153,134	18,391

TOWN OF CAPE CHARLES
COMBINING FINANCIAL STATEMENTS
JUNE 30, 2001

TOWN OF CAPE CHARLES, VIRGINIA

COMBINING BALANCE SHEET
ENTERPRISE FUNDS

June 30, 2001

	Water And Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Totals (Memorandum Only)
ASSETS				
Current assets:				
Cash	\$ 1,335	\$ -	\$ -	\$ 1,335
Accounts receivable, net	36,569	10,654	-	47,223
Deferred bond issuance cost	12,450	-	-	12,450
Due from other funds	-	124,172	184,795	308,967
Total current assets	<u>50,354</u>	<u>134,826</u>	<u>184,795</u>	<u>369,975</u>
Property, plant and equipment, net	<u>5,416,372</u>	<u>-</u>	<u>805,696</u>	<u>6,222,068</u>
Total assets	<u>\$ 5,466,726</u>	<u>\$ 134,826</u>	<u>\$ 990,491</u>	<u>\$ 6,592,043</u>
LIABILITIES AND FUND EQUITY				
Current liabilities:				
Accounts payable	\$ 6,200	\$ 766	\$ 150	\$ 7,116
Accrued interest payable	6,379	-	-	6,379
Due to other funds	296,821	-	20,591	317,412
Compensated absences	6,395	83	-	6,478
Total current liabilities	<u>315,795</u>	<u>849</u>	<u>20,741</u>	<u>337,385</u>
Long-term liabilities:				
Notes payable	<u>1,788,499</u>	<u>-</u>	<u>-</u>	<u>1,788,499</u>
Fund equity:				
Contributed capital	5,355,651	8,096	1,793,572	7,157,319
Retained earnings (deficit)				
Undesignated	<u>(1,993,219)</u>	<u>125,881</u>	<u>(823,822)</u>	<u>(2,691,160)</u>
Total fund equity and other credits	<u>3,362,432</u>	<u>133,977</u>	<u>969,750</u>	<u>4,466,159</u>
Total liabilities, fund equity and other credits	<u>\$ 5,466,726</u>	<u>\$ 134,826</u>	<u>\$ 990,491</u>	<u>\$ 6,592,043</u>

TOWN OF CAPE CHARLES, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS

Year Ended June 30, 2001

	Water and Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Totals (Memorandum Only)
Operating revenues:				
Charges for services	366,430	106,474	64,880	537,784
Operating expenses:				
Personnel services	150,829	53,065	18,945	222,839
Fringe benefits	18,721	9,190	-	27,911
Depreciation	152,283	800	37,256	190,339
Amortization	755	-	-	755
Maintenance	30,698	5,541	-	36,239
Supplies	6,491	238	160	6,889
Electricity	39,501	-	3,973	43,474
Meter parts and repairs	13,873	-	-	13,873
Telephone	2,010	-	907	2,917
Office supplies	1,364	-	-	1,364
Uniforms	3,896	423	-	4,319
Miscellaneous	12,809	46	1,428	14,283
Professional fees	5,298	-	-	5,298
Landfill expense	-	32,426	-	32,426
Travel	2,053	-	-	2,053
Total operating expenses	440,581	101,729	62,669	604,979
Operating income (loss)	(74,151)	4,745	2,211	(67,195)
Nonoperating revenue (expense):				
Grant revenue	-	-	46,863	46,863
Grant related expenses	-	-	(46,863)	(46,863)
Interest expense	(98,635)	-	-	(98,635)
Total nonoperating revenue (expense)	(98,635)	-	-	(98,635)
Net income (loss)	(172,786)	4,745	2,211	(165,830)
Retained earnings (deficit) - beginning of year	(1,820,433)	121,136	(826,033)	(2,525,330)
Retained earnings (deficit) - end of year	\$ (1,993,219)	\$ 125,881	\$ (823,822)	\$ (2,691,160)

TOWN OF CAPE CHARLES, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

Year Ended June 30, 2001

	Water and Sewer	Garbage Collection and Disposal	Docking and Berthing Facilities	Totals (Memorandum Only)
Cash flows from operating activities:				
Operating income (loss)	\$ (74,151)	\$ 4,745	\$ 2,211	\$ (67,195)
Adjustment to reconcile operating income (loss) from operations to net cash provided by operating activities:				
Depreciation	152,283	800	37,256	190,339
Amortization	755	-	-	755
Changes in:				
Accounts receivable	7,595	1,344	-	8,939
Accounts payable	5,123	525	150	5,798
Compensated absences	192	(136)	-	56
Net cash provided by operating activities	<u>91,797</u>	<u>7,278</u>	<u>39,617</u>	<u>138,692</u>
Cash flow from noncapital financing activities				
Due to other funds	31,208	-	-	31,208
Due from other funds	-	(7,278)	(39,617)	(46,895)
Net cash provided by (used in) noncapital financing activities	<u>31,208</u>	<u>(7,278)</u>	<u>(39,617)</u>	<u>(15,687)</u>
Cash flows from capital and related financing activities:				
Interest payments on long-term debt	(98,635)	-	-	(98,635)
Principal payments on bonds	(29,357)	-	-	(29,357)
Proceeds from grant	-	-	46,863	46,863
Grant related expenses	-	-	(46,863)	(46,863)
Net cash used for capital and related financing activities	<u>(127,992)</u>	<u>-</u>	<u>-</u>	<u>(127,992)</u>
Net change in cash	(4,987)	-	-	(4,987)
Cash - beginning of year	<u>6,322</u>	<u>-</u>	<u>-</u>	<u>6,322</u>
Cash - end of year	<u>\$ 1,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,335</u>

TOWN OF CAPE CHARLES

SUPPORTING SCHEDULES

JUNE 30, 2001

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GENERAL FUND:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 200,000	\$ 194,477	\$ (5,523)
Public service corporation taxes - real and personal property	4,500	4,567	67
Personal property taxes	36,660	51,563	14,903
Penalties and interest	2,300	3,816	1,516
Total general property taxes	<u>243,460</u>	<u>254,423</u>	<u>10,963</u>
Other local taxes:			
Local sales and use taxes	31,045	34,754	3,709
Consumer utility taxes	64,000	68,890	4,890
Business license taxes	67,600	87,908	20,308
Motor vehicle licenses	15,000	15,514	514
Tobacco taxes	2,000	5,009	3,009
Transient & occupancy taxes	4,000	3,903	(97)
Total other local taxes	<u>183,645</u>	<u>215,978</u>	<u>32,333</u>
Permits, privilege fees and regulatory licenses:			
Other permits	<u>15,600</u>	<u>38,256</u>	<u>22,656</u>
Fines and forfeitures:			
Court fines and forfeitures	<u>3,500</u>	<u>4,268</u>	<u>768</u>
Revenue from use of money and property:			
Revenue from use of money	<u>8,000</u>	<u>20,395</u>	<u>12,395</u>
Charges for services:			
Grass cutting fees	<u>750</u>	<u>382</u>	<u>(368)</u>

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL FUND: (Continued)			
Revenue from local sources: (Continued)			
Miscellaneous revenue:			
Gas tax refunds	2,500	541	(1,959)
DMV fees	8,400	5,677	(2,723)
Sale of Land	-	25,010	25,010
Miscellaneous	874	55,202	54,328
Total miscellaneous revenue	<u>11,774</u>	<u>86,430</u>	<u>74,656</u>
Total revenue from local sources	<u>466,729</u>	<u>620,132</u>	<u>153,403</u>
Revenue from the Commonwealth:			
Noncategorical aid:			
ABC profits	5,791	5,046	(745)
Property tax relief	23,000	17,909	(5,091)
Total noncategorical aid	<u>28,791</u>	<u>22,955</u>	<u>(5,836)</u>
Categorical aid:			
Other categorical aid:			
Commission for the Arts Grant	2,500	2,500	-
DCR Beach Grant	190,000	-	(190,000)
DEQ Grant	865	930	65
Safety Program	-	500	500
DMV Alcohol	-	267	267
Law Enforcement	32,989	31,845	(1,144)
Chesapeake Bay	50,377	59,257	8,880
Fire program	4,000	4,000	-
Total other categorical aid	<u>280,731</u>	<u>99,299</u>	<u>(181,432)</u>
Total revenue from the Commonwealth	<u>309,522</u>	<u>122,254</u>	<u>(187,268)</u>
Revenue from the Federal Government:			
Categorical aid:			
Canine / Youth Grant	63,000	71,754	8,754
Law Enforcement Block Grant	9,999	4,188	(5,811)
Cops Hiring Program	15,973	28,973	13,000
	<u>88,972</u>	<u>104,915</u>	<u>15,943</u>
Total General Fund	<u>\$ 865,223</u>	<u>\$ 847,301</u>	<u>\$ (17,922)</u>

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2001

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GENERAL FUND:			
General government administration:			
Personal service	\$ 124,134	\$ 122,312	\$ 1,822
DMV clerk	8,972	8,601	371
Legal and accounting	24,400	18,734	5,666
Training	200	75	125
Travel	1,600	1,760	(160)
Advertising	4,500	5,934	(1,434)
Telephone	6,800	4,948	1,852
Stationary, printing, office supplies	5,900	5,956	(56)
Fidelity bonds and insurance	11,287	8,181	3,106
Supplies	800	702	98
Dues and subscriptions	2,660	1,369	1,291
Employees fringe benefits	17,301	18,524	(1,223)
Maintenance	6,700	6,246	454
Miscellaneous	10,600	16,949	(6,349)
Capital outlay	1,500	38,645	(37,145)
Interest	-	460	(460)
Total general government administration	<u>227,354</u>	<u>259,396</u>	<u>(32,042)</u>
Public safety:			
Law enforcement and traffic control:			
Police department	<u>233,505</u>	<u>239,607</u>	<u>(6,102)</u>
Fire and rescue services:			
Fire department	<u>6,275</u>	<u>5,055</u>	<u>1,220</u>
Total fire and rescue services	<u>6,275</u>	<u>5,055</u>	<u>1,220</u>
Total public safety	<u>239,780</u>	<u>244,662</u>	<u>(4,882)</u>

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2001

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL FUND: (Continued)			
Public works:			
Salaries and wages	\$ 56,681	\$ 55,920	\$ 761
Street lighting	26,000	25,951	49
Equipment maintenance and operation	20,750	29,416	(8,666)
Travel	250	127	123
Insurance	3,507	1,322	2,185
Employee fringe benefits	9,740	10,159	(419)
Telephone	600	682	(82)
Uniforms	500	423	77
	<u>118,028</u>	<u>124,000</u>	<u>(5,972)</u>
Total			
Maintenance of buildings and grounds:			
Janitorial supplies	250	23	227
Other supplies	1,500	7,902	(6,402)
Exterminating services	600	600	-
Electricity	11,000	11,985	(985)
Miscellaneous	-	2,756	(2,756)
Litter Prevention	865	915	(50)
Fuel oil-heating	2,500	4,953	(2,453)
	<u>16,715</u>	<u>29,134</u>	<u>(12,419)</u>
Total maintenance of buildings and grounds			
Total public works	<u>134,743</u>	<u>153,134</u>	<u>(18,391)</u>
Parks, recreational and cultural:			
Parks and recreation:			
Recreation centers and playgrounds	2,208	1,258	950
Arts	5,000	5,000	-
	<u>7,208</u>	<u>6,258</u>	<u>950</u>
Total parks and recreation			

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2001

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GENERAL FUND: (Continued)			
Library:			
Library administration	\$ 15,299	\$ 14,997	\$ 302
Total parks, recreational and cultural	<u>22,507</u>	<u>21,255</u>	<u>1,252</u>
Community development:			
Planning and community development:			
Community development	<u>260,704</u>	<u>83,847</u>	<u>176,857</u>
Total General Fund	<u>\$ 885,088</u>	<u>\$ 762,294</u>	<u>\$ 122,794</u>

TOWN OF CAPE CHARLES, VIRGINIA
STATEMENT OF TREASURER'S ACCOUNTABILITY
June 30, 2001

Assets held by the Treasurer:

Cash in banks:

Checking:

Bank of America	\$ 150,363
Suntrust Bank	127,699

Savings:

Bank of America	2,880
Commonwealth of Virginia - LGIP	73,085

Certificates of deposit:

Shore Bank	143,852
Suntrust Bank	17,455
Bank of America	<u>53,722</u>

Total	<u>\$ 569,056</u>
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Liabilities of the Treasurer:

Balance of Town funds (Schedule 4)	<u>\$ 569,056</u>
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Total	<u>\$ 569,056</u>
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TOWN OF CAPE CHARLES, VIRGINIA

STATEMENT OF TREASURER'S ACCOUNTABILITY TO THE TOWN
June 30, 2001

	Governmental Fund	Proprietary Funds	Total (Memorandum Only)
Balance, July 1, 2000	\$ 491,873	\$ 6,322	\$ 498,195
Receipts:			
General property taxes	247,972	-	247,972
Other local taxes	215,978	-	215,978
Permits, privilege fees and regulatory licenses	38,256	-	38,256
Fines and forfeitures	4,268	-	4,268
Revenue from use of money and property	20,395	-	20,395
Charges for services	382	537,784	538,166
Miscellaneous	115,570	-	115,570
Intergovernmental	227,169	-	227,169
Total receipts	869,990	537,784	1,407,774
Total receipts and balances	1,361,863	544,106	1,905,969
Disbursements (net):			
Warrants (checks) issued	794,142	414,779	1,208,921
Principal retirement	-	29,357	29,357
Interest and fiscal charges	-	98,635	98,635
Total disbursements	794,142	542,771	1,336,913
Balance, June 30, 2001	\$ 567,721	\$ 1,335	\$ 569,056

These receipts and disbursements are recorded on a cash basis. Revenues and expenditures reflected in supplementary data and basic financial statements are recorded on the accrual and/or modified accrual basis, except where otherwise noted.

TOWN OF CAPE CHARLES, VIRGINIA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2001

Total assessed value of taxed property	\$	<u>63,264,339</u>
Debt limit - 10 percent of total assessed value	\$	6,326,434
Amount of debt applicable to debt limit:		
Gross debt		<u> </u>
Legal debt margin	\$	<u>6,326,434</u>

TOWN OF CAPE CHARLES, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2001

Federal Granting Agency/ Recipient State Agency/ <u>Grant Program</u>	<u>Federal Catalog Number</u>	<u>Balance July 1, 2000</u>	<u>Federal Revenue</u>	<u>Expendi- tures</u>	<u>Balance June 30, 2001</u>
DEPARTMENT OF JUSTICE					
Direct payments:					
Office of Justice Programs					
Law Enforcement Block Grant	16.592	\$ 9,999	\$ 4,188	\$ 12,583	\$ 1,604
Byrne Grant	16.580	-	71,754	71,754	-
Selective Enforcement	20.600	714	-	327	387
COPS Universal Hiring Grant	16.710	-	28,973	28,973	-
Total Department of Justice		<u>10,713</u>	<u>104,915</u>	<u>113,637</u>	<u>1,991</u>
Total Federal Financial Assistance		<u>\$ 10,713</u>	<u>\$ 104,915</u>	<u>\$ 113,637</u>	<u>\$ 1,991</u>

TOWN OF CAPE CHARLES

STATISTICAL SCHEDULES

JUNE 30, 2001

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
1991-1992	117,361	176,445	1,207	3,896	7,431	1,752	12,897	50,795	371,784
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

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
1991-1992	107,434	191,768	140,795	14,881	17,518	428	472,824
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

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
1991-1992	144,437	136,777	94.70%	-	136,777	94.70%	39,083	27.06%
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	186,396	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%

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 (1)
Last Ten Fiscal Years

Fiscal Year	Real		Personal	Mobile Homes		Public Utility		Total
	Real	Real		Mobile Homes	Real Estate	Real Estate		
1991-1992	27,035,300		2,630,100	-		834,367		30,499,767
1992-1993	27,010,300		2,823,400	-		834,367		30,668,067
1993-1994	42,527,100		2,544,700	-		1,147,500		46,219,300
1994-1995	42,527,100		2,696,200	-		1,147,500		46,370,800
1995-1996	42,049,500		3,647,500	21,500		1,106,512		46,825,012
1996-1997	42,234,300		4,074,900	24,200		1,083,021		47,416,421
1997-1998	42,208,400		3,976,700	24,200		1,060,996		47,270,296
1998-1999	42,128,300		4,730,300	24,200		1,180,424		48,063,224
1999-2000	53,887,900		4,370,400	21,000		1,287,793		59,567,093
2000-2001	54,343,800		7,626,200	59,920		1,234,419		63,264,339

NOTE: (1) 100% fair market value

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
1991-1992	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

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) Gross and Net Bonded Debt	Less: Debt Payable from Enterprise Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value.	Net Bonded Debt Per Capita
1991-1992	1,384	29,640,000	390,000	390,000	-	-	-
1992-1993	1,370	29,833,000	1,964,300	1,964,300	-	-	-
1993-1994	1,358	45,072,000	1,959,300	1,959,300	-	-	-
1994-1995	1,341	47,425,000	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	-	-	-

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		
1996 - 1997	378,935	249,275	129,660	20,802	105,083	125,885	103.00%
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%

(1) Total operating expenses exclusive of depreciation