

**TOWN OF CAPE CHARLES**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2000**

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

**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, 2000, 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 generally accepted auditing standards 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.

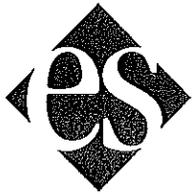
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2000, 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.

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.*

October 27, 2000



**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, 2000, and have issued our report dated October 27, 2000. We conducted our audit in accordance with generally accepted auditing standards 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*.

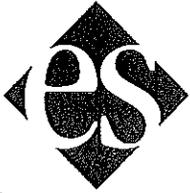
**Internal Control over Financial Reporting**

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.

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.*

October 27, 2000



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

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the compliance of the Municipal Corporation of Cape Charles, Virginia (the Town) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about whether the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended June 30, 2000.

**Internal Control over Compliance**

The Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of law, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

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.*

October 27, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED

JUNE 30, 2000

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED BALANCE SHEET  
ALL FUNDS AND ACCOUNT GROUPS

June 30, 2000

|   | Governmental Funds |                    | Proprietary Fund    |                            | Account Group                |                  |                      | Totals<br>(Memorandum<br>Only) |
|---|--------------------|--------------------|---------------------|----------------------------|------------------------------|------------------|----------------------|--------------------------------|
|   | General            | Special<br>Revenue | Enterprise          | General<br>Fixed<br>Assets | General<br>Long-Term<br>Debt |                  |                      |                                |
| <b>ASSETS</b>   |                    |                    |                     |                            |                              |                  |                      |                                |
| Cash  | \$ 491,873         | \$ -               | \$ 6,322            | \$ -                       | \$ -                         | \$ -             | \$ 498,195           |                                |
| Receivables (net of allowances for uncollectible accounts): |                    |                    |                     |                            |                              |                  |                      |                                |
| Taxes   | 9,978              | -                  | -                   | -                          | -                            | -                | 9,978                |                                |
| General accounts  | 35,854             | 5,426              | 56,162              | -                          | -                            | -                | 97,442               |                                |
| Due from other funds  | 286,204            | -                  | 262,072             | -                          | -                            | -                | 548,276              |                                |
| Deferred bond issuance cost                                 | -                  | -                  | 13,205              | -                          | -                            | -                | 13,205               |                                |
| Property, plant and equipment, net                          | -                  | -                  | 6,412,407           | 2,496,935                  | -                            | -                | 8,909,342            |                                |
| Amount to be provided for:                                  |                    |                    |                     |                            |                              |                  |                      |                                |
| Compensated absences  | -                  | -                  | -                   | -                          | 13,414                       | -                | 13,414               |                                |
| <b>Total assets</b>   | <b>\$ 823,909</b>  | <b>\$ 5,426</b>    | <b>\$ 6,750,168</b> | <b>\$ 2,496,935</b>        | <b>\$ 13,414</b>             | <b>\$ 13,414</b> | <b>\$ 10,089,852</b> |                                |

TOWN OF CAPE CHARLES, VIRGINIA

COMBINED BALANCE SHEET  
ALL FUNDS AND ACCOUNT GROUPS  
June 30, 2000

|   | Governmental Funds |                    | Proprietary Fund    |                            | Account Group                |               |             | Totals<br>(Memorandum<br>Only) |
|---|--------------------|--------------------|---------------------|----------------------------|------------------------------|---------------|-------------|--------------------------------|
|   | General            | Special<br>Revenue | Enterprise          | General<br>Fixed<br>Assets | General<br>Long-Term<br>Debt |               |             |                                |
| <b>LIABILITIES</b>                                      |                    |                    |                     |                            |                              |               |             |                                |
| Accounts payable  | \$ 50,268          | \$ 5,426           | \$ 1,318            | \$ -                       | \$ -                         | \$ -          | \$ -        | \$ 57,012                      |
| Accrued interest payable                                | -                  | -                  | 6,379               | -                          | -                            | -             | -           | 6,379                          |
| Due to other funds                                      | 262,072            | -                  | 286,204             | -                          | -                            | -             | -           | 548,276                        |
| General obligation bonds payable                        | -                  | -                  | 1,817,856           | -                          | -                            | -             | -           | 1,817,856                      |
| Compensated absences                                    | -                  | -                  | 6,422               | -                          | -                            | 13,414        | -           | 19,836                         |
| <b>Total liabilities</b>                                | <b>312,340</b>     | <b>5,426</b>       | <b>2,118,179</b>    | <b>-</b>                   | <b>-</b>                     | <b>13,414</b> | <b>-</b>    | <b>2,449,359</b>               |
| <b>FUND EQUITY</b>                                      |                    |                    |                     |                            |                              |               |             |                                |
| Contributed capital                                     | -                  | -                  | 7,157,319           | -                          | -                            | -             | -           | 7,157,319                      |
| Investment in general fixed assets                      | -                  | -                  | -                   | 2,496,935                  | -                            | -             | -           | 2,496,935                      |
| Fund balances:  |                    |                    |                     |                            |                              |               |             |                                |
| Unreserved:   |                    |                    |                     |                            |                              |               |             |                                |
| Undesignated  | 511,569            | -                  | -                   | -                          | -                            | -             | -           | 511,569                        |
| Retained deficit  | -                  | -                  | (2,525,330)         | -                          | -                            | -             | -           | (2,525,330)                    |
| <b>Total fund equity and other credits</b>              | <b>511,569</b>     | <b>-</b>           | <b>4,631,989</b>    | <b>2,496,935</b>           | <b>-</b>                     | <b>-</b>      | <b>-</b>    | <b>7,640,493</b>               |
| <b>Total liabilities, fund equity and other credits</b> | <b>\$ 823,909</b>  | <b>\$ 5,426</b>    | <b>\$ 6,750,168</b> | <b>\$ 2,496,935</b>        | <b>\$ 13,414</b>             | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ 10,089,852</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, 2000**

|  | Governmental Funds |                    | Totals<br>(Memorandum<br>Only) |
|--|--------------------|--------------------|--------------------------------|
|  | General            | Special<br>Revenue |                                |
| <b>Revenues:</b>                                   |                    |                    |                                |
| General property taxes                             | \$ 254,699         | \$ -               | \$ 254,699                     |
| Other local taxes                                  | 209,822            | -                  | 209,822                        |
| Permits, privilege fees and<br>regulatory licenses | 32,148             | -                  | 32,148                         |
| Fines and forfeitures                              | 6,090              | -                  | 6,090                          |
| Revenue from use of money and property             | 10,983             | -                  | 10,983                         |
| Charges for services                               | 1,290              | -                  | 1,290                          |
| Miscellaneous                                      | 33,041             | -                  | 33,041                         |
| Revenue from the Commonwealth                      | 282,582            | -                  | 282,582                        |
| Revenue from the Federal Government                | 121,686            | 451,426            | 573,112                        |
| <b>Total revenues</b>                              | <b>952,341</b>     | <b>451,426</b>     | <b>1,403,767</b>               |
| <b>Expenditures:</b>                               |                    |                    |                                |
| <b>Current:</b>                                    |                    |                    |                                |
| General government administration                  | 287,988            | -                  | 287,988                        |
| Public safety                                      | 255,573            | -                  | 255,573                        |
| Public works                                       | 116,077            | -                  | 116,077                        |
| Parks, recreation and culture                      | 22,456             | -                  | 22,456                         |
| Community development                              | 85,889             | 516,941            | 602,830                        |
| <b>Total expenditures</b>                          | <b>767,983</b>     | <b>516,941</b>     | <b>1,284,924</b>               |
| <b>Excess of revenues<br/>over expenses</b>        | <b>184,358</b>     | <b>(65,515)</b>    | <b>118,843</b>                 |
| <b>Fund balances at beginning of year</b>          | <b>327,211</b>     | <b>65,515</b>      | <b>392,726</b>                 |
| <b>Fund balances at end of year</b>                | <b>\$ 511,569</b>  | <b>\$ -</b>        | <b>\$ 511,569</b>              |

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, 2000

| Special Revenue Fund |          |  |
|----------------------|----------|--|
| Budget               | Actual   | Variance<br>Favorable<br>(Unfavorable) |
| \$ -                 | \$ -     | \$ -                                   |
| -                    | -        | -                                      |
| -                    | -        | -                                      |
| -                    | -        | -                                      |
| -                    | -        | -                                      |
| -                    | -        | -                                      |
| -                    | 451,426  | 451,426                                |
| -                    | 451,426  | 451,426                                |
| -                    | -        | -                                      |
| -                    | -        | -                                      |
| -                    | -        | -                                      |
| -                    | 516,941  | (516,941)                              |
| -                    | 516,941  | (516,941)                              |
| \$ -                 | (65,515) | \$ 65,515                              |
|                      | 65,515   |  |
|                      | \$ -     |  |

**TOWN OF CAPE CHARLES, VIRGINIA**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND  
Year ended June 30, 2000**

|                                      | <u>Enterprise</u>            |
|--------------------------------------|------------------------------|
| Operating revenues:                  |                              |
| Charges for services                 | <u>\$ 544,268</u>            |
| Operating expenses:                  |                              |
| Personnel services                   | 215,662                      |
| Fringe benefits                      | 23,754                       |
| Depreciation                         | 196,506                      |
| Amortization                         | 755                          |
| Maintenance                          | 31,100                       |
| Supplies                             | 6,534                        |
| Electricity                          | 37,245                       |
| Meter parts and repairs              | 5,980                        |
| Telephone                            | 4,567                        |
| Office supplies                      | 1,642                        |
| Uniforms                             | 4,395                        |
| Miscellaneous                        | 5,551                        |
| Professional fees                    | 3,289                        |
| Landfill expense                     | 34,919                       |
| Travel                               | <u>160</u>                   |
| Total operating expenses             | <u>572,059</u>               |
| Operating loss                       | <u>(27,791)</u>              |
| Nonoperating revenue (expense):      |                              |
| Grant revenue                        | 156,102                      |
| Grant related expenses               | (176,693)                    |
| Interest expense                     | <u>(100,422)</u>             |
| Total nonoperating expense           | <u>(121,013)</u>             |
| Net loss                             | (148,804)                    |
| Retained deficit - beginning of year | <u>(2,376,526)</u>           |
| Retained deficit - end of year       | <u><u>\$ (2,525,330)</u></u> |

See Notes to Financial Statements.

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMBINED STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
Year Ended June 30, 2000

|  | <u>Enterprise</u> |
|--|-------------------|
| Cash flows from operating activities:  |                   |
| Operating loss   | \$ (27,791)       |
| Adjustment to reconcile operating loss from operations to net cash provided by operating activities: |                   |
| Depreciation   | 196,506           |
| Amortization   | 755               |
| Changes in:  |                   |
| Accounts receivable  | (868)             |
| Accounts payable   | (1,263)           |
| Compensated absences   | 2,058             |
|  | <u>169,397</u>    |
| Net cash provided by operating activities  |                   |
| Cash flows from noncapital financing activities  |                   |
| Due to other funds   | 34,498            |
| Due from other funds   | (46,180)          |
|  | <u>(11,682)</u>   |
| Net cash used by noncapital financing activities   |                   |
| Cash flows from capital and related financing activities:  |                   |
| Interest payments on long-term debt  | (100,422)         |
| Principal payments on bonds  | (28,296)          |
| Purchase of equipment  | (8,393)           |
| Proceeds from grant  | 156,102           |
| Grant related expenses   | (176,693)         |
|  | <u>(157,702)</u>  |
| Net cash used for capital and related financing activities   |                   |
| Net change in cash   | 13                |
| Cash - beginning of year   | 6,309             |
| Cash - end of year   | <u>\$ 6,322</u>   |

See Notes to Financial Statements.

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2000

## 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.

Based on the foregoing criteria, the Cape Charles Library was not included in the Town's annual report. The Library has its own governing body and is not financially dependent on the Town for its sources of revenue nor does the Town control its operations.

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, 2000

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Special Revenue Fund consists of the *Community Development Block Grant*.

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 these 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 Special Revenue Funds are combined and presented under the caption "Special Revenue Funds."

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

(Continued)

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2000

## 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, which are collected by the state or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the Town.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of 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, 2000

**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 15.1-162 provides that the budget shall be for informative and fiscal planning purposes only and that the approval of a budget does not constitute an appropriation. This section further provides that funds may be appropriated on an annual, semiannual, quarterly or monthly basis. 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, 2000

**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<br/>Sewer Fund</u> | <u>Garbage<br/>Collection and<br/>Disposal Fund</u> | <u>Docking and<br/>Berthing<br/>Facilities<br/>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 \$498,195 and the bank balance was \$516,722. Of the bank balance, \$516,722 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, 2000.

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2000

**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 \$44,430 at June 30, 2000, and consisted of the following:

|  |                  |
|--|------------------|
| General Fund - Taxes                                       | \$ 30,930        |
| Water and Sewer Fund - Utility Billings                    | 10,665           |
| Garbage Collection and Disposal Fund -<br>Utility Billings | <u>2,835</u>     |
|  | <u>\$ 44,430</u> |

**NOTE 4. INTERFUND OBLIGATIONS**

| Fund                            | Interfund<br>Receivable | Interfund<br>Payable |
|---------------------------------|-------------------------|----------------------|
| General                         | \$ 286,204              | \$ 262,072           |
| Water and Sewer                 | -                       | 265,613              |
| Garbage Collection and Disposal | 116,894                 | -                    |
| Docking & Berthing Facilities   | <u>145,178</u>          | <u>20,591</u>        |
|                                 | <u>\$ 548,276</u>       | <u>\$ 548,276</u>    |

**NOTE 5. GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

|                                      | Balance<br>July 1, 1999 | Additions        | Deletions   | Balance<br>June 30, 2000 |
|--------------------------------------|-------------------------|------------------|-------------|--------------------------|
| Buildings                            | \$ 70,453               | \$ 27,611        | \$ -        | \$ 98,064                |
| Improvements other<br>than buildings | 2,038,999               | -                | -           | 2,038,999                |
| Equipment                            | <u>342,294</u>          | <u>17,578</u>    | -           | <u>359,872</u>           |
| Total                                | <u>\$ 2,451,746</u>     | <u>\$ 45,189</u> | <u>\$ -</u> | <u>\$ 2,496,935</u>      |

**NOTE 6. PROPRIETARY FIXED ASSETS**

A summary of proprietary fund property, plant, and equipment at June 30, 2000, follows:

|                             | Water and<br>Sewer Fund | Garbage<br>Collection and<br>Disposal Fund | Docking and<br>Berthing<br>Facilities Fund | Total               |
|-----------------------------|-------------------------|--|--|---------------------|
| Water/Sewer System          | \$ 7,826,468            | \$ -                                       | \$ -                                       | \$ 7,826,468        |
| Docks                       | -                       | -  | 1,945,921                                  | 1,945,921           |
| Equipment                   | -                       | <u>59,630</u>                              | -  | <u>59,630</u>       |
| Total                       | 7,826,468               | 59,630                                     | 1,945,921                                  | 9,832,019           |
| Accumulated<br>depreciation | <u>(2,257,813)</u>      | <u>(58,830)</u>                            | <u>(1,102,969)</u>                         | <u>(3,419,612)</u>  |
| Net                         | <u>\$ 5,568,655</u>     | <u>\$ 800</u>                              | <u>\$ 842,952</u>                          | <u>\$ 6,412,407</u> |

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2000

## NOTE 7. 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, 2000:

|                                |                               |
|--------------------------------|-------------------------------|
|                                | <u>General<br/>Obligation</u> |
| Bonds Payable at July 1, 1999  | \$ 1,846,152                  |
| Retirement                     | 28,296                        |
| Bonds Payable at June 30, 2000 | <u>\$ 1,817,856</u>           |

Details of Long-Term IndebtednessGeneral Obligation Bonds:

|   |                               |
|---|-------------------------------|
|   | <u>Amount<br/>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                        | \$ 335,000                    |
| \$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>1,482,856</u>              |
| General obligation bonds and long-term debt   | <u>\$ 1,817,856</u>           |

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>     |
| 2001      | \$ 10,000                           | \$ 24,563         | \$ 19,357                          | \$ 73,703           | \$ 29,357           | \$ 98,266           |
| 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              |
| 2006-2010 | 80,000                              | 92,433            | 137,586                            | 327,714             | 217,586             | 420,147             |
| 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>\$ 335,000</u>                   | <u>\$ 274,578</u> | <u>\$ 1,482,856</u>                | <u>\$ 1,488,528</u> | <u>\$ 1,817,856</u> | <u>\$ 1,763,106</u> |

**TOWN OF CAPE CHARLES, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2000

**NOTE 8. CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES**

In accordance with GASB Statement 1, the Town has accrued the liability arising from outstanding claims and judgments and compensated absences.

The Town has accrued a liability of \$18,000 as settlement regarding activity with grant funds provided by the Department of Criminal Justice for the years 1992-1994.

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 \$13,414 in the General Long-Term Obligation Account Group and \$6,422 in Enterprise Funds.

**NOTE 9. 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 who retire with a reduced benefit at age 55 (age 50 for participating law enforcement officers and firefighters) with at least five years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.5 percent of their average final salary (AFS) up to \$13,200 plus 1.65 percent of AFS over \$13,200 for each year of credited service. An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of credited service. Employees with 35 years or more of credited service are entitled to an annual benefit equal to 1.65 percent of AFS for each year of credited service. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits.

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, 2000

## NOTE 9. 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 2000 was 5.30% of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2000, the Town's annual pension cost of \$18,399 for the VRS was below the Town's required contribution of \$19,637. The required contribution was determined as part of the June 30, 1999, 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 4.0% to 6.15% per year, and (C) 3.5% cost-of-living adjustments. Both (A) and (B) included an inflation component of 4.0%. 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, 1999, was 27 years.

| <u>Fiscal Year<br/>Ending</u> | <u>Annual Pension<br/>Cost (APC)</u> | <u>Percentage of APC<br/>Contributed</u> | <u>Net Pension<br/>Obligation</u> |
|-------------------------------|--------------------------------------|--|-----------------------------------|
| 6/30/00                       | \$ 19,637                            | 94%                                      | \$ 1,238                          |

Schedule of Funding Progress

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets<br/>(A)</u> | <u>Actuarial Accrued<br/>Liability (AAL)<br/>- Entry Age<br/>(B)</u> | <u>Unfunded<br/>AAL<br/>(UAAL)<br/>(B-A)</u> | <u>Funded<br/>Ratio<br/>(A/B)</u> | <u>Covered<br/>Payroll<br/>(C)</u> | <u>UAAL as a<br/>Percentage of<br/>Covered Payroll<br/>((B-A)/C)</u> |
|---|--|--|--|-----------------------------------|------------------------------------|--|
| 6/30/96                                 | \$ 200,211                                       | \$ 185,681   | \$ (14,530)                                  | 107.8%                            | \$ 221,027                         | (6.6)%   |
| 6/30/98                                 | \$ 277,536                                       | \$ 276,625   | \$ (911)                                     | 100.3%                            | \$ 236,266                         | (0.4)%   |
| 6/30/99                                 | \$ 340,797                                       | \$ 348,446   | \$ 7,649                                     | 97.8%                             | \$ 370,214                         | 2.1%   |

## TOWN OF CAPE CHARLES, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2000

**NOTE 10. RETAINED EARNINGS**

The following Enterprise Funds had retained earnings deficits in the amounts shown at June 30, 2000:

|                                      |                     |
|--------------------------------------|---------------------|
| Water and sewer fund                 | <u>\$ 1,820,533</u> |
| Docking and berthing facilities fund | <u>\$ 826,033</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 11. SURETY BONDS**

|                                   | <u>Amount</u> |
|-----------------------------------|---------------|
| All Town employees:               |               |
| Virginia Municipal Liability Pool | \$ 1,000,000  |
| Blanket Public Officials Bond     | \$ 100,000    |

**NOTE 12. 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<br/>Sewer</u> | <u>Garbage<br/>Collection and<br/>Disposal</u> | <u>Docking and<br/>Berthing<br/>Facilities</u> | <u>Total</u> |
|---|----------------------------|--|--|--------------|
| Operating revenues                        | \$ 375,618                 | \$ 107,423                                     | \$ 61,227                                      | \$ 544,240   |
| Depreciation expense                      | 157,997                    | 800  | 37,709   | 196,506      |
| Net income or loss                        | (134,602)                  | 10,349   | (24,551)                                       | (148,804)    |
| Plant, property and<br>equipment:         |                            |  |  |              |
| Additions                                 | 8,393                      | -  | -  | 8,393        |
| Net working capital                       | (215,581)                  | 128,432  | 124,587  | 37,438       |
| Total assets                              | 5,632,346                  | 129,692  | 988,130  | 6,750,168    |
| Bonds and other long-term<br>liabilities: |                            |  |  |              |
| Payable from operating<br>revenues        | 1,817,856                  | -  | -  | 1,817,856    |
| Total equity                              | 3,535,218                  | 129,232  | 967,539  | 4,631,961    |

**TOWN OF CAPE CHARLES**  
**COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

TOWN OF CAPE CHARLES, VIRGINIA

COMBINING BALANCE SHEET  
ENTERPRISE FUNDS

June 30, 2000

|   | Water<br>And Sewer  | Garbage<br>Collection<br>and<br>Disposal | Docking<br>and<br>Berthing<br>Facilities | Totals<br>(Memorandum<br>Only) |
|---|---------------------|--|--|--------------------------------|
| <b>ASSETS</b>                                       |                     |  |  |                                |
| Current assets:                                     |                     |  |  |                                |
| Cash  | \$ 6,322            | \$ -                                     | \$ -                                     | \$ 6,322                       |
| Accounts receivable, net                            | 44,164              | 11,998                                   | -  | 56,162                         |
| Deferred bond issuance cost                         | 13,205              | -  | -  | 13,205                         |
| Due from other funds                                | -                   | 116,894                                  | 145,178                                  | 262,072                        |
| Total current assets                                | <u>63,691</u>       | <u>128,892</u>                           | <u>145,178</u>                           | <u>337,761</u>                 |
| Property, plant and equipment, net                  | <u>5,568,655</u>    | <u>800</u>                               | <u>842,952</u>                           | <u>6,412,407</u>               |
| Total assets  | <u>\$ 5,632,346</u> | <u>\$ 129,692</u>                        | <u>\$ 988,130</u>                        | <u>\$ 6,750,168</u>            |
| <b>LIABILITIES AND FUND EQUITY</b>                  |                     |  |  |                                |
| Current liabilities:                                |                     |  |  |                                |
| Accounts payable                                    | \$ 1,077            | \$ 241                                   | \$ -                                     | \$ 1,318                       |
| Accrued interest payable                            | 6,379               | -  | -  | 6,379                          |
| Due to other funds                                  | 265,613             | -  | 20,591                                   | 286,204                        |
| Compensated absences                                | 6,203               | 219                                      | -  | 6,422                          |
| Total current liabilities                           | <u>279,272</u>      | <u>460</u>                               | <u>20,591</u>                            | <u>300,323</u>                 |
| Long-term liabilities:                              |                     |  |  |                                |
| Notes payable                                       | <u>1,817,856</u>    | <u>-</u>                                 | <u>-</u>                                 | <u>1,817,856</u>               |
| Fund equity:  |                     |  |  |                                |
| Contributed capital                                 | 5,355,651           | 8,096                                    | 1,793,572                                | 7,157,319                      |
| Retained earnings (deficit)                         |                     |  |  |                                |
| Undesignated  | <u>(1,820,433)</u>  | <u>121,136</u>                           | <u>(826,033)</u>                         | <u>(2,525,330)</u>             |
| Total fund equity and other credits                 | <u>3,535,218</u>    | <u>129,232</u>                           | <u>967,539</u>                           | <u>4,631,989</u>               |
| Total liabilities, fund equity<br>and other credits | <u>\$ 5,632,346</u> | <u>\$ 129,692</u>                        | <u>\$ 988,130</u>                        | <u>\$ 6,750,168</u>            |

**TOWN OF CAPE CHARLES, VIRGINIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
ENTERPRISE FUNDS  
Year Ended June 30, 2000**

|   | Water<br>and<br>Sewer | Garbage<br>Collection<br>and<br>Disposal | Docking<br>and<br>Berthing<br>Facilities | Totals<br>(Memorandum<br>Only) |
|---|-----------------------|--|--|--------------------------------|
| Operating revenues:                             |                       |  |  |                                |
| Charges for services                            | 375,618               | 107,423                                  | 61,227                                   | 544,268                        |
| Operating expenses:                             |                       |  |  |                                |
| Personnel services                              | 142,341               | 53,688                                   | 19,633                                   | 215,662                        |
| Fringe benefits                                 | 16,723                | 7,031                                    | -  | 23,754                         |
| Depreciation                                    | 157,997               | 800                                      | 37,709                                   | 196,506                        |
| Amortization                                    | 755                   | -  | -  | 755                            |
| Maintenance                                     | 28,538                | 522                                      | 2,040                                    | 31,100                         |
| Supplies  | 6,330                 | -  | 204                                      | 6,534                          |
| Electricity                                     | 34,113                | -  | 3,132                                    | 37,245                         |
| Meter parts and repairs                         | 5,980                 | -  | -  | 5,980                          |
| Telephone                                       | 3,663                 | -  | 904                                      | 4,567                          |
| Office supplies                                 | 1,642                 | -  | -  | 1,642                          |
| Uniforms  | 4,347                 | 48                                       | -  | 4,395                          |
| Miscellaneous                                   | 3,986                 | -  | 1,565                                    | 5,551                          |
| Professional fees                               | 3,289                 | -  | -  | 3,289                          |
| Landfill expense                                | -                     | 34,919                                   | -  | 34,919                         |
| Travel  | 94                    | 66                                       | -  | 160                            |
| Total operating expenses                        | 409,798               | 97,074                                   | 65,187                                   | 572,059                        |
| Operating income (loss)                         | (34,180)              | 10,349                                   | (3,960)                                  | (27,791)                       |
| Nonoperating revenue (expense):                 |                       |  |  |                                |
| Grant revenue                                   | -                     | -  | 156,102                                  | 156,102                        |
| Grant related expenses                          | -                     | -  | (176,693)                                | (176,693)                      |
| Interest expense                                | (100,422)             | -  | -  | (100,422)                      |
| Total nonoperating revenue (expense)            | (100,422)             | -  | (20,591)                                 | (121,013)                      |
| Net income (loss)                               | (134,602)             | 10,349                                   | (24,551)                                 | (148,804)                      |
| Retained earnings (deficit) - beginning of year | (1,685,831)           | 110,787                                  | (801,482)                                | (2,376,526)                    |
| Retained earnings (deficit) - end of year       | <u>\$ (1,820,433)</u> | <u>\$ 121,136</u>                        | <u>\$ (826,033)</u>                      | <u>\$ (2,525,330)</u>          |

**TOWN OF CAPE CHARLES, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
Year Ended June 30, 2000

|   | Water and<br>Sewer | Garbage<br>Collection<br>and Disposal | Docking and<br>Berthing<br>Facilities | Totals<br>(Memorandum<br>Only) |
|---|--------------------|---------------------------------------|---------------------------------------|--------------------------------|
| Cash flows from operating activities:   |                    |                                       |                                       |                                |
| Operating income (loss)   | \$ (34,180)        | \$ 10,349                             | \$ (3,960)                            | (\$27,791)                     |
| Adjustment to reconcile operating<br>income (loss) from operations to net<br>cash provided by operating activities: |                    |                                       |                                       |                                |
| Depreciation  | 157,997            | 800                                   | 37,709                                | 196,506                        |
| Amortization  | 755                | -                                     | -                                     | 755                            |
| Changes in:   |                    |                                       |                                       |                                |
| Accounts receivable   | (2,491)            | 1,623                                 | -                                     | (868)                          |
| Accounts payable  | (831)              | (404)                                 | (28)                                  | (1,263)                        |
| Compensated absences  | 1,967              | 91                                    | -                                     | 2,058                          |
| Net cash provided by operating activities   | <u>123,217</u>     | <u>12,459</u>                         | <u>33,721</u>                         | <u>169,397</u>                 |
| Cash flow from noncapital financing activities  |                    |                                       |                                       |                                |
| Due to other funds  | 13,907             | -                                     | 20,591                                | 34,498                         |
| Due from other funds  | -                  | (12,459)                              | (33,721)                              | (46,180)                       |
| Net cash used in noncapital<br>financing activities   | <u>13,907</u>      | <u>(12,459)</u>                       | <u>(13,130)</u>                       | <u>(11,682)</u>                |
| Cash flows from capital and related<br>financing activities:  |                    |                                       |                                       |                                |
| Interest payments on long-term debt   | (100,422)          | -                                     | -                                     | (100,422)                      |
| Principal payments on bonds   | (28,296)           | -                                     | -                                     | (28,296)                       |
| Purchase of equipment   | (8,393)            | -                                     | -                                     | (8,393)                        |
| Proceeds from grant   | -                  | -                                     | 156,102                               | 156,102                        |
| Grant related expenses  | -                  | -                                     | (176,693)                             | (176,693)                      |
| Net cash used for capital<br>and related financing activities   | <u>(137,111)</u>   | <u>-</u>                              | <u>(20,591)</u>                       | <u>(157,702)</u>               |
| Net change in cash  | 13                 | -                                     | -                                     | 13                             |
| Cash - beginning of year  | <u>6,309</u>       | <u>-</u>                              | <u>-</u>                              | <u>6,309</u>                   |
| Cash - end of year  | <u>\$ 6,322</u>    | <u>\$ -</u>                           | <u>\$ -</u>                           | <u>\$ 6,322</u>                |

TOWN OF CAPE CHARLES

SUPPORTING SCHEDULES

JUNE 30, 2000

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
Year Ended June 30, 2000

| <u>Fund, Major and Minor Revenue Source</u>                      | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|----------------|----------------|---|
| GENERAL FUND:  |                |                |   |
| Revenue from local sources:                                      |                |                |   |
| General property taxes:  |                |                |   |
| Real property taxes  | \$ 209,258     | \$ 199,385     | \$ (9,873)                                      |
| Public service corporation taxes -<br>real and personal property | 4,500          | 4,765          | 265   |
| Personal property taxes  | 65,550         | 45,358         | (20,192)  |
| Penalties and interest   | 2,700          | 5,191          | 2,491   |
| Total general property taxes                                     | <u>282,008</u> | <u>254,699</u> | <u>(27,309)</u>                                 |
| Other local taxes:   |                |                |   |
| Local sales and use taxes  | 31,000         | 32,519         | 1,519   |
| Consumer utility taxes   | 64,500         | 69,637         | 5,137   |
| Business license taxes   | 78,000         | 84,745         | 6,745   |
| Motor vehicle licenses   | 15,000         | 15,974         | 974   |
| Tobacco taxes  | 4,000          | 3,072          | (928)   |
| Transient & occupancy taxes                                      | 4,000          | 3,875          | (125)   |
| Total other local taxes  | <u>196,500</u> | <u>209,822</u> | <u>13,322</u>                                   |
| Permits, privilege fees and<br>regulatory licenses:              |                |                |   |
| Other permits  | <u>18,700</u>  | <u>32,148</u>  | <u>13,448</u>                                   |
| Fines and forfeitures:   |                |                |   |
| Court fines and forfeitures                                      | <u>6,800</u>   | <u>6,090</u>   | <u>(710)</u>                                    |
| Revenue from use of money and property:                          |                |                |   |
| Revenue from use of money  | <u>8,000</u>   | <u>10,983</u>  | <u>2,983</u>                                    |
| Total revenue from use of<br>money and property                  | <u>8,000</u>   | <u>10,983</u>  | <u>2,983</u>                                    |
| Charges for services:  |                |                |   |
| Grass cutting fees   | <u>5,000</u>   | <u>1,290</u>   | <u>(3,710)</u>                                  |

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
Year Ended June 30, 2000

| <u>Fund, Major and Minor Revenue Source</u> | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-------------------|---|
| GENERAL FUND: (Continued)                   |                   |                   |   |
| Revenue from local sources: (Continued)     |                   |                   |   |
| Miscellaneous revenue:                      |                   |                   |   |
| Gas tax refunds                             | 3,000             | 1,889             | (1,111)   |
| DMV fees                                    | 9,600             | 8,513             | (1,087)   |
| Miscellaneous                               | 1,724             | 22,639            | 20,915  |
| Total miscellaneous revenue                 | <u>14,324</u>     | <u>33,041</u>     | <u>18,717</u>                                   |
| Total revenue from local sources            | <u>531,332</u>    | <u>548,073</u>    | <u>16,741</u>                                   |
| Revenue from the Commonwealth:              |                   |                   |   |
| Noncategorical aid:                         |                   |                   |   |
| ABC profits                                 | 6500              | 6,449             | (51)  |
| Property tax relief                         | -                 | 16,431            | 16,431  |
| Total noncategorical aid                    | <u>6,500</u>      | <u>22,880</u>     | <u>16,380</u>                                   |
| Categorical aid:                            |                   |                   |   |
| Other categorical aid:                      |                   |                   |   |
| Commission for the Arts Grant               | 5,000             | 5,000             | -   |
| DCR Beach Grant                             | 84,630            | 190,000           | 105,370   |
| DEQ Grant                                   | 900               | 549               | (351)   |
| Law Enforcement                             | 32,579            | 32,579            | -   |
| Chesapeake Bay                              | 43,896            | 27,574            | (16,322)  |
| Fire program                                | 4,000             | 4,000             | -   |
| Total other categorical aid                 | <u>171,005</u>    | <u>259,702</u>    | <u>88,697</u>                                   |
| Total revenue from the Commonwealth         | <u>177,505</u>    | <u>282,582</u>    | <u>105,077</u>                                  |
| Revenue from the Federal Government:        |                   |                   |   |
| Categorical aid:                            |                   |                   |   |
| Canine / Youth Grant                        | 63500             | 44,930            | (18,570)  |
| Selective Enforcement                       | 6200              | 1,808             | (4,392)   |
| Law Enforcement Block Grant                 | -                 | 9,999             | 9,999   |
| Cops Hiring Program                         | 74,052            | 64,949            | (9,103)   |
|   | <u>143,752</u>    | <u>121,686</u>    | <u>(22,066)</u>                                 |
| Total General Fund                          | <u>\$ 852,589</u> | <u>\$ 952,341</u> | <u>\$ 99,752</u>                                |

**TOWN OF CAPE CHARLES, VIRGINIA**  
**GENERAL FUND**  
**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL**  
Year Ended June 30, 2000

| <u>Fund, Function, Activity and Elements</u> | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|----------------|----------------|---|
| <b>GENERAL FUND:</b>                         |                |                |   |
| General government administration:           |                |                |   |
| Personal service                             | \$ 135,771     | \$ 142,358     | \$ (6,587)                                      |
| DMV clerk                                    | 8,972          | 8,307          | 665   |
| Legal and accounting                         | 23,050         | 21,873         | 1,177   |
| Training                                     | 200            | -              | 200   |
| Travel                                       | 1,600          | 1,693          | (93)  |
| Advertising                                  | 5,000          | 5,060          | (60)  |
| Telephone                                    | 7,800          | 5,481          | 2,319   |
| Stationary, printing, office supplies        | 6,300          | 6,580          | (280)   |
| Fidelity bonds and insurance                 | 8,430          | 8,436          | (6)   |
| Supplies                                     | 900            | 300            | 600   |
| Dues and subscriptions                       | 2,400          | 1,767          | 633   |
| Employees fringe benefits                    | 19,116         | 20,663         | (1,547)   |
| Maintenance                                  | 4,650          | 11,214         | (6,564)   |
| Miscellaneous                                | 8,750          | 12,996         | (4,246)   |
| Capital outlay                               | 73,281         | 39,189         | 34,092  |
| Penalties and Interest                       | 200            | 2,071          | (1,871)   |
| Total general government<br>administration   | <u>306,420</u> | <u>287,988</u> | <u>18,432</u>                                   |
| Public safety:                               |                |                |   |
| Law enforcement and traffic control:         |                |                |   |
| Police department                            | <u>196,601</u> | <u>249,305</u> | <u>(52,704)</u>                                 |
| Fire and rescue services:                    |                |                |   |
| Fire department                              | <u>6,250</u>   | <u>6,268</u>   | <u>(18)</u>                                     |
| Total fire and rescue services               | <u>6,250</u>   | <u>6,268</u>   | <u>(18)</u>                                     |
| Total public safety                          | <u>202,851</u> | <u>255,573</u> | <u>(52,722)</u>                                 |

(Continued)

**TOWN OF CAPE CHARLES, VIRGINIA**  
**GENERAL FUND**  
**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL**  
Year Ended June 30, 2000

| <u>Fund, Function, Activity and Elements</u>  | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------|----------------|---|
| GENERAL FUND: (Continued)                     |                |                |   |
| Public works:                                 |                |                |   |
| Salaries and wages                            | \$ 55,132      | \$ 39,875      | \$ 15,257                                       |
| Street lighting                               | 26,000         | 26,323         | (323)   |
| Equipment maintenance and operation           | 18,500         | 20,458         | (1,958)   |
| Travel  | 250            | 121            | 129   |
| Insurance                                     | 3,248          | 1,723          | 1,525   |
| Employee fringe benefits                      | 8,782          | 3,853          | 4,929   |
| Telephone                                     | 600            | 631            | (31)  |
| Uniforms                                      | 500            | 50             | 450   |
| Total   | <u>113,012</u> | <u>93,034</u>  | <u>19,978</u>                                   |
| Maintenance of buildings and grounds:         |                |                |   |
| Janitorial supplies                           | 300            | 156            | 144   |
| Other supplies                                | 3,200          | 3,006          | 194   |
| Exterminating services                        | 600            | 520            | 80  |
| Electricity                                   | 11,000         | 11,968         | (968)   |
| Hurricane cleanup                             | -              | 3,529          | (3,529)   |
| Fuel oil-heating                              | 2,500          | 3,864          | (1,364)   |
| Total maintenance of buildings<br>and grounds | <u>17,600</u>  | <u>23,043</u>  | <u>(5,443)</u>                                  |
| Total public works                            | <u>130,612</u> | <u>116,077</u> | <u>14,535</u>                                   |
| Parks, recreational and cultural:             |                |                |   |
| Parks and recreation:                         |                |                |   |
| Recreation centers and playgrounds            | 3,708          | 5,274          | (1,566)   |
| Arts  | 5,000          | 5,000          | -   |
| Forestry                                      | -              | 1,584          | (1,584)   |
| Total parks and recreation                    | <u>8,708</u>   | <u>11,858</u>  | <u>(3,150)</u>                                  |

(Continued)

TOWN OF CAPE CHARLES, VIRGINIA

GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2000

| <u>Fund, Function, Activity and Elements</u>                 | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|-------------------|-------------------|---|
| GENERAL FUND: (Continued)                                    |                   |                   |   |
| Library:   |                   |                   |   |
| Library administration                                       | <u>\$ 14,512</u>  | <u>\$ 10,598</u>  | <u>\$ 3,914</u>                                 |
| Total parks, recreational and<br>cultural                    | <u>23,220</u>     | <u>22,456</u>     | <u>764</u>                                      |
| Community development:                                       |                   |                   |   |
| Planning and community development:<br>Community development | <u>161,729</u>    | <u>85,889</u>     | <u>75,840</u>                                   |
| Total General Fund   | <u>\$ 824,832</u> | <u>\$ 767,983</u> | <u>\$ 56,849</u>                                |

**TOWN OF CAPE CHARLES, VIRGINIA**

**STATEMENT OF TREASURER'S ACCOUNTABILITY**

June 30, 2000

Assets held by the Treasurer:

Cash in banks:

Checking:

|                 |    |         |
|-----------------|----|---------|
| Bank of America | \$ | 182,977 |
| Suntrust Bank   |    | 77,052  |

Savings:

|                                 |  |        |
|---------------------------------|--|--------|
| Bank of America                 |  | 2,850  |
| Commonwealth of Virginia - LGIP |  | 25,443 |

Certificates of deposit:

|            |  |         |
|------------|--|---------|
| Shore Bank |  | 204,873 |
|------------|--|---------|

Cash with fiscal agent:

|              |  |       |
|--------------|--|-------|
| Crestar Bank |  | 5,000 |
|--------------|--|-------|

|       |    |                |
|-------|----|----------------|
| Total | \$ | <u>498,195</u> |
|-------|----|----------------|

Liabilities of the Treasurer:

|                                    |    |                |
|------------------------------------|----|----------------|
| Balance of Town funds (Schedule 4) | \$ | <u>498,195</u> |
|------------------------------------|----|----------------|

|       |    |                |
|-------|----|----------------|
| Total | \$ | <u>498,195</u> |
|-------|----|----------------|

TOWN OF CAPE CHARLES, VIRGINIA

STATEMENT OF TREASURER'S ACCOUNTABILITY TO THE TOWN  
June 30, 2000

|  | Governmental Funds |                    |         | Proprietary<br>Funds | Total<br>(Memorandum<br>Only) |
|--|--------------------|--------------------|---------|----------------------|-------------------------------|
|  | General            | Special<br>Revenue |         |                      |                               |
| Balance, July 1, 1999                              | \$ 262,773         | \$ 65,515          |         | \$ 6,309             | \$ 334,597                    |
| Receipts:  |                    |                    |         |                      |                               |
| General property taxes                             | 254,699            | -                  |         | -                    | 254,699                       |
| Other local taxes                                  | 209,822            | -                  |         | -                    | 209,822                       |
| Permits, privilege fees and<br>regulatory licenses | 32,148             | -                  |         | -                    | 32,148                        |
| Fines and forfeitures                              | 6,090              | -                  |         | -                    | 6,090                         |
| Revenue from use of<br>money and property          | 10,983             | -                  |         | -                    | 10,983                        |
| Charges for services                               | 1,290              | -                  | 543,272 |                      | 544,562                       |
| Miscellaneous                                      | 33,041             | -                  |         |                      | 33,041                        |
| Intergovernmental                                  | 404,268            | 451,426            |         |                      | 855,694                       |
| Total receipts                                     | 952,341            | 451,426            |         | 543,272              | 1,947,039                     |
| Total receipts and balances                        | 1,215,114          | 516,941            |         | 549,581              | 2,281,636                     |
| Disbursements (net):                               |                    |                    |         |                      |                               |
| Warrants (checks) issued                           | 723,241            | 516,941            |         | 414,541              | 1,654,723                     |
| Principal retirement                               | -                  | -                  |         | 28,296               | 28,296                        |
| Interest and fiscal charges                        | -                  | -                  |         | 100,422              | 100,422                       |
| Total disbursements                                | 723,241            | 516,941            |         | 543,259              | 1,783,441                     |
| Balance, June 30, 2000                             | \$ 491,873         | \$ -               |         | \$ 6,322             | \$ 498,195                    |

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, 2000

|   |    |                             |
|---|----|-----------------------------|
| Total assessed value of taxed property          | \$ | <u>59,567,093</u>           |
| Debt limit - 10 percent of total assessed value | \$ | 5,956,709                   |
| Amount of debt applicable to debt limit:        |    |                             |
| Gross debt                                      |    | <u>                    </u> |
| Legal debt margin                               | \$ | <u>5,956,709</u>            |

**TOWN OF CAPE CHARLES, VIRGINIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2000

| <u>Federal Granting Agency/<br/>Recipient State Agency/<br/>Grant Program</u>     | <u>Federal<br/>Catalog<br/>Number</u> | <u>Balance<br/>July 1,<br/>1999</u> | <u>Federal<br/>Revenue</u> | <u>Expendi-<br/>tures</u> | <u>Balance<br/>June 30,<br/>2000</u> |
|---|---------------------------------------|-------------------------------------|----------------------------|---------------------------|--------------------------------------|
| <b>DEPARTMENT OF JUSTICE</b>  |                                       |                                     |                            |                           |                                      |
| Direct payments:  |                                       |                                     |                            |                           |                                      |
| Office of Justice Programs  |                                       |                                     |                            |                           |                                      |
| Law Enforcement Block Grant   | 16.592                                | \$ -                                | \$ 9,999                   | \$ -                      | \$ 9,999                             |
| Byrne Grant   |                                       | -                                   | 44,930                     | 44,930                    | -                                    |
| Selective Enforcement   |                                       | -                                   | 1,808                      | 1,094                     | 714                                  |
| COPS Universal Hiring Grant   |                                       | -                                   | 64,949                     | 64,949                    | -                                    |
| <b>Total Department of Justice</b>  |                                       | <u>-</u>                            | <u>121,686</u>             | <u>110,973</u>            | <u>10,713</u>                        |
| <b>DEPARTMENT OF HOUSING AND<br/>URBAN DEVELOPMENT</b>                            |                                       |                                     |                            |                           |                                      |
| Pass-through payments:  |                                       |                                     |                            |                           |                                      |
| Department of Housing and<br>Community Development Block<br>Grant/State's Program |                                       |                                     |                            |                           |                                      |
|   | 14.228                                | <u>65,515</u>                       | <u>451,426</u>             | <u>516,941</u>            | <u>-</u>                             |
| <b>Total Federal Financial Assistance</b>   |                                       | <u>\$ 65,515</u>                    | <u>\$ 573,112</u>          | <u>\$ 627,914</u>         | <u>\$ 10,713</u>                     |

TOWN OF CAPE CHARLES, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2000

Summary of Independent Auditors' Results

- A. An unqualified report was issued dated October 27, 2000, on the financial statements of the Town, as of and for the year ended June 30, 2000.
- B. No reportable conditions in internal control were disclosed by the audit of the financial statements.
- C. The audit disclosed no instances of noncompliance, which are material to the financial statements.
- D. No reportable conditions in internal control over major programs were disclosed by the audit.
- E. An unqualified opinion was issued on compliance for major programs of the Town.
- F. The audit disclosed no findings requiring reporting under OMB Circular A-133.
- G. The Town qualifies as a low risk auditee under the standards prescribed in OMB Circular A-133.
- H. The dollar threshold in determining Type A and Type B programs for the Town was \$300,000. The Town had only one major program, the Community Development Block Grant of \$516,941.

Findings and Questioned Costs for Federal Awards

The audit disclosed no findings required to be reported regarding federal awards.

TOWN OF CAPE CHARLES

STATISTICAL SCHEDULES

JUNE 30, 2000

**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  |
|-------------|------------------------|-------------------|---|-----------------------|--|-----------------------|---------------|--------------------|---------|
| 1990-1991   | 123,453                | 187,675           | 1,325   | 5,481                 | 12,932                                 | 1,617                 | 22,223        | 36,912             | 391,618 |
| 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 |

**TOWN OF CAPE CHARLES, VIRGINIA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
Last Ten Fiscal Years

| Fiscal Year | General<br>Government<br>Admini-<br>stration | Public<br>Safety | Public<br>Works | Parks,<br>Recreation<br>& Cultural | Community<br>Development | Debt<br>Service | Total   |
|-------------|--|------------------|-----------------|------------------------------------|--------------------------|-----------------|---------|
| 1990-1991   | 109,846                                      | 155,957          | 98,184          | 21,485                             | 6,203                    | 428             | 392,103 |
| 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 |

TOWN OF CAPE CHARLES, VIRGINIA

PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years

| Fiscal Year | (1)<br>Total<br>Tax Levy | (1)<br>Current Tax<br>Collections | Percent<br>of Levy<br>Collected | (2)<br>Delinquent<br>Tax<br>Collection | Total Tax<br>Collections | Percent of<br>Total Tax<br>Collections<br>to Tax Levy | (3,4)<br>Outstanding<br>Delinquent<br>Taxes | Percent of<br>Delinquent<br>Taxes to<br>Levy |
|-------------|--------------------------|-----------------------------------|---------------------------------|--|--------------------------|---|---|--|
| 1990-1991   | 126,861                  | 118,255                           | 93.22%                          | 506                                    | 118,761                  | 93.62%  | 31,423                                      | 24.77%                                       |
| 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                  | (5)                               | (5)                             | (5)                                    | 227,004                  | 97.55%  | 39,174                                      | 16.83%                                       |
| 1996-1997   | 241,861                  | (5)                               | (5)                             | (5)                                    | 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%                                       |

NOTES:

- (1) Exclusive of penalties and interest
- (2) Does not include land redemptions
- (3) Includes four years taxes for personal property
- (4) Includes four years taxes for personal property and real estate for fiscal years 1984 - 1988
- (5) 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<br>Homes | Public Utility |                | Total      |
|-------------|------------|-----------|-----------------|----------------|----------------|------------|
|             |            |           |                 | Real<br>Estate | Real<br>Estate |            |
| 1990-1991   | 20,052,200 | 2,633,400 | -               | 957,868        | 957,868        | 23,643,468 |
| 1991-1992   | 27,035,300 | 2,630,100 | -               | 834,367        | 834,367        | 30,499,767 |
| 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 |

NOTE: (1) 100% fair market value

**TOWN OF CAPE CHARLES, VIRGINIA**

**PROPERTY TAX RATES (1)**  
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Real Estate</u> | <u>Personal Property</u> | <u>Mobile Homes</u> | <u>Public Utility Real Estate</u> |
|--------------------|--------------------|--------------------------|---------------------|-----------------------------------|
| 1990-1991          | 0.34               | 2.00                     | -                   | 0.34                              |
| 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                              |

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)<br>Population | Assessed<br>Value | (2)<br>Gross and<br>Net Bonded<br>Debt | Less: Debt<br>Payable from<br>Enterprise<br>Fund | Net<br>Bonded Debt | Ratio of<br>Net Bonded<br>Debt to<br>Assessed Value | Net Bonded<br>Debt Per<br>Capita |
|-------------|-------------------|-------------------|--|--|--------------------|---|----------------------------------|
| 1990-1991   | 1,398             | 23,643,000        | 395,757                                | 395,000  | 757                | 0.0000  | 0.54                             |
| 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  | -                  | -   | -                                |

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 |          |         |
| 1995 - 1996 | 398,664        | 247,875               | 150,789                                | 21,759                    | 110,720  | 132,479  | 113.82% |
| 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%  |

(1) Total operating expenses exclusive of depreciation