

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

DUNHAM, AUKAMP & RHODES, PLC  
Certified Public Accountants  
Chantilly, Virginia

MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY

DIRECTORS

Essex County

Primary Member: Honorable Ronnie Gill

Gloucester County

Primary Member: *Treasurer*, Honorable Christopher Hutson

King and Queen County

Primary Member: Honorable Doris Morris

King William County

Primary Member: Mr. Steve Hudgins

Mathews County

Primary Member: *Chair*, Mrs. Melinda Conner (Mathews County Administrator)

Middlesex County

Primary Member: Mr. David Kretz

Town of Tappahannock

Primary Member: Mr. Eric Pollitt

Town of Urbanna

Primary Member: Mr. Garth Wheeler

Town of West Point

Primary Member: *Vice Chair*, Mr. John Edwards, Jr. (West Point Town Manager)

\**"Honorable" indicates County Board of Supervisor member*

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

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**Dunham, Aukamp & Rhodes, PLC**  
*Certified Public Accountants*

4437 Brookfield Corporate Dr., Suite 205-D  
Chantilly, VA 20151

**INDEPENDENT AUDITOR'S REPORT**

To the Commissioners  
Middle Peninsula Chesapeake Bay Public Access Authority  
Saluda, Virginia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Middle Peninsula Chesapeake Bay Public Access Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Managements is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made be management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Middle Peninsula Chesapeake Bay Public Access Authority as of June 30, 2021 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison schedule on pages 3 through 5 and page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2022, on our consideration of Middle Peninsula Chesapeake Bay Public Access Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Middle Peninsula Chesapeake Bay Public Access Authority's internal control over financial reporting and compliance.



Certified Public Accountants  
Chantilly, Virginia

February 4, 2022

**Middle Peninsula Chesapeake Bay  
Public Access Authority  
Management's Discussion and Analysis**

In this section of the annual financial report of the Middle Peninsula Chesapeake Bay Public Access Authority (the "Authority"), management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2021. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly represent the Authority's financial position and the result of operations. All disclosures necessary to enable the reader to gain an accurate understanding of the Authority's financial activities have been included. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Overview of the Financial Statements**

The financial statements presented herein included all of the activities of the Authority using the integrated approach as prescribed by GASB Statement No. 34. Management's Discussion and Analysis (MD&A) is intended to introduce the Authority's financial statements. In addition to this Management's Discussion and Analysis (MD&A), the report consists of the enterprise fund financial statements, and the notes to the financial statements. These financial statements are designed to be more corporate-like in that all activities of the Authority are considered to be business-type activities.

**Required Financial Statements**

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap shot view of the assets the Authority has, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Business-type activities are reported on the accrual basis of accounting. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position details the Authority's revenues and expenses by functional type, and the net operating result of the current year. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The Statement of Cash Flows shows the cash flows from the Authority's operating, capital and related financing, and investing activities.

The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Authority's financial condition.

The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior years. Significant changes from the prior year are explained in the following paragraphs.

**Financial Analysis****Summary Statements of Net Position  
June 30,**

	<u>2021</u>	<u>2020</u>
Current Assets	\$ 290,141	\$ 276,260
Capital Assets (net)	<u>4,425,104</u>	<u>4,221,940</u>
Total Assets	<u>4,715,245</u>	<u>4,498,200</u>
Current Liabilities	<u>70,103</u>	<u>1,800</u>
Invested in Capital Assets	4,425,104	4,221,940
Restricted	59,213	58,482
Unrestricted	<u>160,825</u>	<u>215,978</u>
Total Net Position	<u>\$4,645,142</u>	<u>\$4,496,400</u>

Current assets increased during the year by \$13,881 primarily as a result current operations and donations from taxpayers to the Authority.

Capital assets increased during the year by approximately \$31,000, due to land with a value of \$246,880 being donated to the authority less depreciation on infrastructure taken in the amount of \$43,716.

Total net position increased by \$148,742 this year due to current year results of operations

**Summary Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended June 30,**

	<u>2021</u>	<u>2020</u>
Revenues		
Operating revenues	\$ 581,083	\$ 40,194
Interest	<u>568</u>	<u>3,622</u>
Total Revenues	<u>581,651</u>	<u>43,816</u>
Expenses	<u>432,909</u>	<u>65,732</u>
Change in net position	148,742	(21,916)
Net position at beginning of year	<u>4,496,400</u>	<u>4,518,316</u>
Net position at end of year	<u>\$4,645,142</u>	<u>\$4,496,400</u>

Operating revenues increased by approximately \$540,000 primarily due to three properties donated to the Authority in the current year and new grant revenues. Grants and donations are received sporadically and can be expected to vary greatly from year to year, as can the value of individual donations.

Total operating expenses increased from the prior year by approximately \$367,000. Consulting and contractual expense increased by \$350,000 based on grant expenses for new programs. Facility maintenance costs increased by \$7,400 due to required repairs at the two tenant houses leased out by the Authority. Legal expenses increased by \$3,800 as a result of costs for receiving and titling the new properties in the current year.

Grants and contributions exceeded budget amount by \$103,000 as a result of new properties contributed to the Authority, but realized \$80,000 lower than expected state grants.

Contractual expense was approximately \$82,000 less than budgeted due to timing difference on the required grant consulting expenses.

Maintenance costs were approximately \$4,500 more than budgeted due to unexpected repair costs on properties owned and maintained by the Authority.

Legal and accounting costs exceeded the budget by \$3,900 due to costs for receiving and titling the new properties in the current year.

### **Capital Assets**

The capital assets in the governmental funds primarily consist of real estate purchased by or donated to the Authority and the construction of additional facilities. Depreciation is taken on the income producing properties.

### **Economic Factors and Future Outlook**

Management of the Authority continues to take advantage of the economic climate that has led private landowners to make donations of waterfront property for public benefit. Management continues to look for resources to acquire and manage its properties including access fees, rental income, private business partnerships, private foundations and grant opportunities. General funds remain extremely limited and management believes the Authority should continue to look for new strategies to monetize public land holdings; increase public awareness of fee based recreational opportunities and look towards the use of new social media marketing opportunities to drive users to Authority holdings. The Authority should also consider requesting annual appropriations from its member localities and the General Assembly to support the work of the Authority into the future including working with Delegate Hodges to draft legislation to increase revenue generating options of the Commonwealth's Public Access Authorities

### **Contacting the Authority's Financial Management Staff**

This financial report is designed to provide a general overview of the Authority's finances and show the Authority's accountability for the funds it receives. If you have questions about this report or need additional information, contact the Authority's Secretary at 125 Bowden Street in Saluda, Virginia.



**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 139,789
Restricted cash	54,106
Accounts receivable	88,326
Prepaid expense	7,920
Total Current Assets	290,141

**Capital Assets**

Property and equipment	4,758,476
Accumulated depreciation	(333,372)
Total Capital Assets	4,425,104

Total Assets	\$4,715,245
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**LIABILITIES**

**Current Liabilities**

Accounts payable	68,103
Deferred rent	1,000
Security deposit	1,000
Total Liabilities	70,103

**NET POSITION**

**Net Position**

Invested in capital assets, net of related debt	4,425,104
Restricted	59,213
Unrestricted - Board Designated	32,269
Unrestricted	128,556
Total Net Position	\$4,645,142

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Operating Revenues</b>		
Grants and contributions		\$ 561,259
Rental income		17,200
Access fees		2,624
	Total Operating Revenues	581,083
<b>Operating Expenses</b>		
Consulting and contractual		354,455
Depreciation		43,716
Insurance		10,139
Facility maintenance		9,998
Legal and accounting		9,013
Miscellaneous		5,020
Fees and permits		400
Utilities		168
	Total Operating Expenses	432,909
	Operating Income	148,174
<b>Non-Operating Revenues</b>		
Interest income		568
	Change in Net Position	148,742
Net Position - Beginning of Year		4,496,400
Net Position - End of Year		\$4,645,142

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Cash Flows from Operating Activities</b>	
Received from customers	\$ 247,877
Paid to suppliers for goods and services	<u>(321,137)</u>
Net Cash Flows from Operating Activities	<u>(73,260)</u>
 <b>Cash Flows from Investing Activities</b>	
Interest income	<u>568</u>
Net Cash Flows from Investing Activities	<u>568</u>
Net Change in Cash and Cash Equivalents	(72,692)
Cash and Cash Equivalents - Beginning of Year	<u>266,587</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 193,895</u></u>
 <b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities</b>	
Operating income	\$ 148,174
Depreciation	43,716
Noncash contributions of property	(246,880)
Changes in assets and liabilities	
Accounts receivable	(88,326)
Rent receivable	1,800
Prepaid expenses	(47)
Accounts payable	68,103
Deferred rent	1,000
Security deposit	<u>(800)</u>
Net Cash Flows from Operating Activities	<u><u>\$ (73,260)</u></u>
 <b>Supplemental Schedule of Noncash Capital and Related Financing Activities</b>	
Contributions of Capital Assets	<u><u>\$ 246,880</u></u>

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Organization and Summary of Accounting Policies**

The Middle Peninsula Chesapeake Bay Public Access Authority (the “Authority”) was created by the Virginia General Assembly on April 7, 2002 and ratified by participating localities on June 13, 2003. The Authority recognizes that shorelines are high priority natural areas and that it is critical to set aside access sites for all types of recreational activities important to the regional economy and to the citizens of the Commonwealth of Virginia. As a regional leader in addressing public access issues, the Authority understands the importance of public outreach and quality education as it relates to water access. The Authority’s mission is to better inform the public on issues of public access concern and increase public access opportunities. Participating localities include the Counties of Essex, Gloucester, King & Queen, King William, Mathews and Middlesex and the Towns of Tappahannock, Urbanna, and West Point.

Authority funding is obtained from public contributions, funds provided by the Commonwealth of Virginia, and Federal grants for specified projects designed to further the Authority’s goals and objectives.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) (prior to the adoption of GASB 34) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) Reporting Entity – The Authority’s governing body is composed of members appointed by the nine-member jurisdictions. The Authority is not a component unit of any of the member governments, and there are no component units to be included in the Authority’s financial statements.
- (b) Basis of Accounting – The accounting and reporting policies of the Authority relating to the accompanying basic financial conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and by the Financial Accounting Standards Board (when applicable).

Management believes that the periodic determination of revenues earned, expenses incurred and net income is desirable for purposes of facilitating management control and accountability. Therefore, the activities of the Authority are accounted for as a proprietary fund which uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Authority considers grant revenue as earned when the grant expenditure is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Authority generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Authority may defer the use of restricted assets based on a review of the specific transaction.

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 1 – Organization and Summary of Accounting Policies (Continued)**

- (c) Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The residual component of net position is considered unrestricted. The Board has decided to designate program funds from several properties for the future care and maintenance of the associated property. Because this is a self-imposed restriction, these funds are considered unrestricted, but have been shown separately to reflect the intended use of those funds.
- (d) Concentrations of Credit Risk – Financial instruments that potentially expose the Authority to concentrations of credit risk consist primarily of cash equivalents. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Authority has not experienced any losses on its cash equivalents.
- (e) Cash and Cash Equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by the Authority’s Board designation or other arrangements under trust agreements with third-party payers.
- (f) Accounts Receivable – Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2021, and no allowance for doubtful accounts has been provided. No amounts were written off during the year ended June 30, 2021.
- (g) Management Estimates – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (h) Capital Assets – Capital assets are recorded at historical or estimated historical cost if actual historical cost is not available for items exceeding \$1,000. Donated property is recorded at fair market value on the date the property was transferred. Depreciation is taken on the straight-line method over the estimated useful life of the respective assets as follows:

Buildings and improvements	20-30 years
Wharfs	10 years
Equipment	7 years

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 1 – Organization and Summary of Accounting Policies (Continued)**

- (i) Budgets and Budgetary Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the adopted budgets as amended.
  
- (j) Advertising Costs – Advertising costs are expensed as incurred.

**NOTE 2 – Cash and Cash Equivalents**

State statute authorizes the Authority to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value.

At June 30, 2021 the carrying amount of the Authority's deposits with banks was \$107,523 and the bank balances were \$71,471. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments in 2a7-like pools are valued based on the value of pool shares. The Authority invests a 2a7-like pool, the Local Government Investment Pool, managed by the Virginia Department of Treasury. Permitted investments in the pool include U.S. government obligations, repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, short-term corporate notes, and short-term taxable municipal obligations. The investment pool has not been assigned a risk category since the Authority is not issued securities, but rather owns an undivided interest in the assets of the pool. The Authority's balance in the investment pool was \$84,572 at June 30, 2021.

**NOTE 3 – Restricted Cash**

Several land purchases by the Authority were made with funding provided by federal grants. These grants require that any income from timber sales or similar income sources to be restricted for the use, care and maintenance of the property from which the revenues were derived. As of June 30, 2021, the Authority had \$54,106 in restricted cash to be used for various properties owned by the Authority.

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 4 – Property and Equipment**

A summary of property and equipment as of June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Land	\$3,429,042	\$246,880	\$ -	\$3,675,922
Buildings and improvements	1,023,500	-	-	1,023,500
Wharf and dock facilities	51,851	-	-	51,851
Equipment	7,203	-	-	7,203
Accumulated depreciation	<u>(289,656)</u>	<u>(43,716)</u>	<u>-</u>	<u>(333,372)</u>
Net	<u>\$4,221,940</u>	<u>\$203,164</u>	<u>\$ -</u>	<u>\$4,425,104</u>

Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued, or have significant restrictions on future use.

**NOTE 5 – Lease Commitments**

The Authority leases several residential buildings located on various properties they own. One of the leases was for a one-year period that expired in March 2019, but has been extended on a month-to-month basis in the amount of \$800 per month. The other lease agreement is for a three-year period that expired in February 2020, but has continued on a month-to-month basis with lease payments of \$1,000 per month. Rental income for the year ended June 30, 2021 on all operating leases was \$17,200.

**NOTE 6 – Board Designated Funds**

The Board has voluntarily designated certain program funds, such as timber sales, access fees and wharf tie-up fees, to be used for the upkeep and maintenance of the respective properties. The amount of Board designated funds at June 30, 2021 consisted of the following:

Captain Sinclair Property	\$28,040
Perrin Wharf Property	<u>4,229</u>
Total	<u>\$32,269</u>

**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 7 – Restricted Net Position**

Several properties were originally obtained with federal funding. The acquisition of those properties included restrictions that any program service revenue obtained from the properties be restricted to the use of the respective properties. In addition, certain contributions have been received with restrictive use for future land acquisitions. Components of restricted net position consisted of the following as of June 30, 2021:

Clay Tract	\$32,330
Haworth Tract	25,494
Land Acquisition	<u>1,389</u>
Total	<u>\$59,213</u>

**NOTE 8 – Commitments**

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse. As of June 30, 2021, the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

**NOTE 9 – Uncertainties**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact the Authority's contributions and net income. Other financial impact could occur though such potential impact is unknown at this time.

**NOTE 10 – Evaluation of Subsequent Events**

The Authority has evaluated subsequent events through February 4, 2022, the date which the financial statements were available to be issued.



**MIDDLE PENINSULA CHESAPEAKE BAY  
PUBLIC ACCESS AUTHORITY  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating Revenues</b>				
Grants and contributions		\$ 561,259	\$ 457,778	\$ 103,481
Rental income		17,200	21,600	(4,400)
Access fees		2,624	1,820	804
	Total Operating Revenues	<u>581,083</u>	<u>481,198</u>	<u>99,885</u>
<b>Operating Expenses</b>				
Consulting and contractual		354,455	436,267	81,812
Insurance		10,139	9,659	(480)
Facility maintenance		9,998	5,500	(4,498)
Legal and accounting		9,013	5,120	(3,893)
Miscellaneous		5,020	1,000	(4,020)
Fees and permits		400	150	(250)
Utilities		168	-	(168)
	Total Operating Expenses	<u>389,193</u>	<u>457,696</u>	<u>68,503</u>
	Operating Income	191,890	23,502	168,388
<b>Non-Operating Revenues</b>				
Interest income		568	3,559	(2,991)
	Net Gain - Budgetary Basis	<u>192,458</u>	<u>27,061</u>	<u>165,397</u>

**Dunham, Aukamp & Rhodes, PLC**  
*Certified Public Accountants*

4437 Brookfield Corporate Dr., Suite 205-D  
Chantilly, VA 20151

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

To the Commissioners  
Middle Peninsula Chesapeake Bay Public Access Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities, business-type activities, and the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of Middle Peninsula Chesapeake Bay Public Access Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Middle Peninsula Chesapeake Bay Public Access Authority's basic financial statements, and have issued our report thereon dated February 4, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Middle Peninsula Chesapeake Bay Public Access Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Middle Peninsula Chesapeake Bay Public Access Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Middle Peninsula Chesapeake Bay Public Access Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Middle Peninsula Chesapeake Bay Public Access Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions 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 or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Chantilly, Virginia

February 4, 2022