



Financial Report for
Fort Monroe Authority Board of Trustees Meeting
Bay Breeze Conference Center
April 20, 2017

Financial Statements

All statements are now presented on an accrual basis to make the consolidation more representative of the financial position of the Fort Monroe Authority (FMA). Intercompany account activity on the consolidated Statement of Net Position has also been eliminated to present a clearer financial position.

Statement of Net Position

The Statement of Net Position reflects the FMA's financial position as of February 28, 2017. As of that date, the FMA had \$3,613,166 in operating and petty cash funds. In addition, the FMA had \$464,036 in restricted cash, which consists primarily of resident and tenant security deposits. Restricted cash for the current year is \$138,200, which reflects the first of 5 annual payments required under the legally binding agreements with two local providers of homeless support services required by the HUD application.

Total Assets as of February 28, 2017 is \$5,723,304 compared to \$6,281,448 in the prior year. The reduction in Total Assets is largely due to the completion of the construction projects and the transfer of the completed construction projects to the Commonwealth financial accounts.

Total Liabilities are \$3,945,750 compared to \$1,177,085 in the prior year. The difference results from an increase in Accounts Payable related to Hurricane Matthew repairs damages not yet paid and the Net Pension Liability not recorded on the interim statements last year.

The decrease in retained earnings versus the prior year due results from the recording of the pension liability and other pension related entries and the transfer of the construction projects to the Commonwealth financial reports.

Statement of Activities

The Statement of Activities reflects the revenue and costs for the first eight months of the fiscal year. The budget figures reflected on these statements are a pro-rata portion of the annual budget which may reflect in some differences in timing of expenses versus budget.

Consolidated revenue for the eight-month period was \$7,814,396 compared to \$7,100,195 for the prior year and \$9,340,541 in budgeted revenue. Residential Revenue is ahead of budget and prior year due to the continued high rate of residential occupancy. Commercial revenue is below prior year levels due to a large CAM reconciliation billing in FY16 and is below budget due to delays in executing leases for new commercial tenants. Utility revenue is higher than the prior year due to a change in accounting practice implemented last year. Miscellaneous Revenue includes \$242 thousand for the final payment from FEMA on Hurricane Irene mitigation projects and an advance payment of \$500,000 on the Hurricane Matthew damage claim.

Payroll and fringe expenses are slightly higher than last year due to the increased cost of fringe benefits but below budget for the first eight months. Other operating expenses were higher than the same period last year due primarily to unreimbursed damage costs from Hurricane Matthew (Insurance and Storm-Related Damages) and the change in accounting practices for the utility fund (Utility & Public Works Expenses).

The shortfall of revenue versus costs for the first eight months of the fiscal year was \$320,399 compared to a shortfall of \$102,280 for the first eight months of the prior fiscal year. This shortfall results primarily from the accrued repairs costs for Hurricane Matthew related damages. The FMA is working with the state insurance program to process reimbursements for the repair costs.

Cash on Deposit

As of the close of business on April 14, 2017, the FMA had on deposit at Old Point National Bank the following account balances:

Government Fund Operating Account	\$ 3,066,092
Government Fund Restricted Accounts	138,200
Flexible Spending Employee Account Balances	3,924
Enterprise Fund Residential Operating Account	355,119
Enterprise Fund Residential Security Deposit Account	288,287
Enterprise Fund Utility Operating Account	75,872
Enterprise Fund Special Events Account	110,992

The finance department believes that the current cash balance together with the remaining general fund transfers and business revenue will provide enough funding to meet the near-term operating requirements of the FMA.

FY17/18 Budget Update

There have been no changes to the FY17/18 biennial state budget. The FMA's FY17 general fund appropriation remains as \$5,082,648 (original \$5,298,368 less the \$215,720 for the 5% budget saving strategies). The general fund appropriation for FY18 remains at \$4,974,791 (original \$5,298,369 less the \$323,581 for the 7.5% budget saving strategies).