



Finance Report for  
Fort Monroe Authority Board of Trustees Meeting  
Bay Breeze Conference Center  
December 12, 2013

Financial Statements / Cash on Deposit

Since the completion of the annual audit the Finance Department has been working to bring the financial reporting up to date. Due to the early date of the Board meeting the November financial statements have not been completed. The November statements will be distributed to the Board as soon as they are completed and reviewed.

The financial results presented here are for the four-month period ended October 31, 2013. These financial statements were emailed to the Trustees on November 18<sup>th</sup>. These financial statements are presented on cash or accrual basis (as noted below) and conform to government accounting standards for the presentation of government-wide and fund-based activity.

Government Fund (Cash Basis)

As of October 31, 2013 the Authority government fund had \$2,999,815 in cash together with \$602,346 in restricted cash on deposit in public fund accounts at Old Point National Bank.

For the four-month period the government fund had revenues of \$2,554,434 compared to \$3,113,362 in the prior fiscal year. The primary revenue source is \$2,532,575 in state intergovernmental revenue. The decrease results from the reduction in the Authority's appropriation from \$6.23 million in FY13 to \$5.07 million for FY14.

Government fund expenses for the four-month period were \$1,887,691 compared to \$1,501,458 for the prior fiscal year. The increase results principally from the \$322,514 in VDOT street and road repairs that were funded and completed in FY13 but paid for in FY14.

The excess of revenues over expenditures for the four-month period was \$666,743 compared to \$1,611,904 in the prior fiscal year. The reduction in excess revenues is related to the aforementioned decrease in state appropriation combined with increase in operating expenses.

The government fund net position as of October 31, 2013 was \$5,532,819 compared to \$4,594,207 in the prior fiscal year.

Enterprise Fund – (Accrual Basis)

As of October 31, 2013 the Authority enterprise fund had \$386,712 in cash together with \$221,967 in restricted security deposits on deposit in public fund accounts at Old Point National Bank.

Business activity revenue for the four-month period was \$900,037 compared to \$707,363 for the prior fiscal year. Residential rental revenue increased \$181,721 compared to the prior year. Commercial rental revenue increased \$104,208 compared to the prior year.

Enterprise fund expenses for the four-month period were \$1,257,071 compared to \$1,177,419 for the prior fiscal year. The increase in expenses results from higher utility charges and repair costs associated with the additional portfolio of buildings owned by the Commonwealth.

The net operating deficit for the four-month period was \$357,034 compared to a net deficit of \$470,056 in the prior fiscal year. The reduced deficit results from the increased residential and commercial revenue achieved by the real estate department. The net deficit is expected to continue based on the portfolio of vacant commercial buildings that must be maintained by the Authority until the buildings are leased or sold.

Cash on Deposit

As of the close of business on December 2, 2013, the Fort Monroe Authority had on deposit at Old Point National Bank the following account balances:

Government Fund Operating Account	\$ 2,842,520
Government Restricted Account (VDOT)	352,346
Government Restricted Account (Building 83)	250,000
Enterprise Fund Operating Account	452,731

The finance department believes that the current cash balance will provide enough funding to meet the near-term operating requirements of the Fort Monroe Authority.

Revised FY14/New FY15/16 Budget Request

The Authority continues to work with the Department of Planning and Budget (DPB) on the Authority's request for a supplemental appropriation for FY14 of 2,845,804 for critical projects such as roof repair/replacements to cure water intrusion in buildings with active residential tenants or commercial prospects, gutter cleaning and repairs, replacement of damaged fascia/soffit boards resulting from poorly maintained paint and gutters, commencement of an exterior painting program to address untreated wood, repair of inoperable elevators in commercial buildings, repair/replacement of HVAC units including boilers and chillers in commercial buildings to maintain temperature and moisture control.

The Authority continues to work with DPB on its appropriation request for the FY15/16 biennial budget period. The appropriation requests have not changed since the last Board meeting. As a reminder, for FY15 the Authority has requested \$12,404,565 in financial support from the Commonwealth which includes \$6,006,155 in net operating costs and \$6,398,410 in capital costs to begin implementation of the capital improvement program to address building conditions and utility deficiencies. For FY16 the Authority requested \$10,794,032 in appropriations which includes 5,222,032 in net operating costs and \$5,572,000 in capital costs to continue the capital improvement program.

The Governor is scheduled to release his budget recommendations on December 16<sup>th</sup>.