



Financial Report for
Fort Monroe Authority Finance Committee Meeting
Building 83
September 12, 2019

Cash on Deposit

As of the close of business on September 9, 2019, the Fort Monroe Authority (FMA) had on deposit at Old Point National Bank and BB&T the following account balances:

Government Fund Operating Account	\$ 1,780,436
Government Fund Restricted Accounts	476,043
Enterprise Fund Residential Operating Account	2,106,042
Enterprise Fund Residential Security Deposit Account	261,075
Enterprise Fund Utility Operating Account	237,669
Enterprise Fund Special Events Account	145,630
Enterprise Fund Building 96 Operating Account	30,394

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.

FY19 Financial Statements

The financial statements attached to this report are the draft, pre-audit annual financial statements for the fiscal year ended June 30, 2019. These statements reflect the posting of the net Pension and Other Post Employment Benefit (OPEB) liabilities and the associated Deferred Inflow of Resources and Deferred Outflow of Resources.

There are a few changes to the financial statements presented with this report. First, the FMA has created a new Government Sub-Fund to track the Fort Monroe Visitor and Education Center (FMVEC) operational costs. A Statement of Net Activity is included in the Government Fund section of the financial statements. Second, the FMA has started a new Enterprise Sub-Fund for the Old Point Comfort Marina management operational costs. The Statement of Net Position and Statement of Net Activity are included with the other Enterprise statements.

Statement of Net Position as of June 30, 2019

As of June 30, 2019, the FMA had \$3,657,266 in operating and petty cash funds compared to \$2,706,947 in the prior year.

As of the same date, the FMA had \$1,034,227 in restricted cash, which consists of resident and tenant security deposits and the restricted cash account. At June 30, 2019, the restricted account contained \$294,019 to reflect the unspent, designated balance of the \$800,000 received for the National Park Service (NPS) portion of the exhibit design, production, and installation at the FMVEC.

Total Assets as of June 30, 2019 were \$7,835,800 compared to \$5,127,847 in the prior year. The Construction in Progress costs include approximately \$900,000 related to the FMVEC exhibit design, fabrication, and installation that will be transferred to the Commonwealth financial statements once the project is complete.

Total Liabilities were \$4,599,311, compared to \$4,303,799 in the prior year. The increase in Net Pension Liability was largely offset by a decrease in Net OPEB Liability.

Total Liabilities reflect a Loan Payable of \$260,784 related to the design cost and leasing commission for the renovation of Building 96 for the VMRC headquarters before Virginia Public Building Authority (VPBA) funds were approved for the project. The second half of the leasing commission was paid and this construction loan was converted to permanent financing in August 2019.

Total Equity as of June 30, 2019 was \$3,236,489 compared to \$824,048 in the prior year.

Statement of Activities (July 1, 2018 – June 30, 2019)

Consolidated revenue for the fiscal year was \$14,557,984 compared to \$13,976,282 for the prior year and \$13,777,712 in budgeted revenue.

Residential revenue is slightly behind last year. Commercial rental revenue is significantly ahead of last year due to leasing activity over the last 24 months, but still below budgeted revenue due to the delay in occupancy of Building 96. Miscellaneous revenue for the current year includes \$1,042,758 in revenue from the Fort Monroe Foundation (FMF) and NPS for the cost of exhibits at the FMVEC.

Operating expenses for the fiscal year were \$12,496,029 compared to \$13,228,428 in the prior year and \$13,777,711 in budgeted expenses. Operating expenses are lower compared to the prior year due to storm-related expenses reflected in the prior fiscal year combined with the results of persistent expense management.

Revenue exceeded expenses for the fiscal year, resulting in an operating surplus of \$2,061,958 compared to an operating surplus of \$747,853 for the prior year. The current year surplus reflects approximately \$1 million in revenue for receipts from the FMF and the NPS towards the costs of installing the exhibits at the FMVEC. This income will be offset by a transfer expense to the Commonwealth once the project is completed.