



Finance Report for the
Fort Monroe Authority Board of Trustees Meeting
Bay Breeze Conference Center
June 19, 2014

Financial Statements / Cash on Deposit

The financial results presented with this narrative are for the eleven-month period ended May 31, 2014 and 2013. 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 May 31, 2014 the Authority government fund had \$3,257,171 in cash on deposit together with \$609,370 in restricted cash on deposit in public fund accounts at Old Point National Bank.

On April 4th the Authority received the final quarterly FY14 appropriation installment of \$1,266,287. On April 16th the Authority received the \$701,620 in supplemental FY14 appropriation approved by the General Assembly. This brought total state appropriation revenue for the year to \$5,766,770. Since the last meeting the Authority also received \$597,956 from the Office of Economic Adjustment for reimbursements for eligible expenses approved under the FY14 OEA grant.

For the eleven-month period the government fund had revenues of \$6,688,849 compared to \$5,869,035 in the prior fiscal year. In addition to the state and federal revenue detailed above the Authority also received \$271,919 in VDOT road maintenance funds transferred from the City of Hampton and grant revenue of \$38,660 from the Fort Monroe Foundation.

Government fund expenses for the eleven-month period were \$4,305,392 compared to \$3,881,815 for the prior fiscal year. In general, operating expenses for the year are comparable to the prior year with the exception of the \$467,571 in VDOT road repairs/signage and the \$202,236 increase for site-wide security costs of the extra-duty officer. These increases were offset by a reduction in consulting fees of \$233,385 largely related to the substantial completion of the Master Plan design process late last year. As previously reported \$346,514 of the VDOT expense was funded and completed in FY13 but paid for in FY14.

The excess of revenues over expenditures for the eleven-month period was \$2,383,457 compared to \$1,987,220 in the prior fiscal year. This excess revenue improved significantly from the previous report due to the receipt of the large state and federal revenue detailed above.

The government fund net position as of May 31, 2014 was \$7,249,533 compared to \$4,969,523 in the prior fiscal year. It is important to note that a large portion of net position is the \$3,248,374 interfund receivable from the Enterprise Fund.

Enterprise Fund (Accrual Basis)

As of May 31, 2014 the Authority enterprise fund had \$775,294 in cash on deposit together with \$225,302 in restricted security deposits on deposit in public fund accounts at Old Point National Bank.

Business activity revenue for the eleven-month period was \$2,855,606 compared to \$1,950,827 for the prior fiscal year. Residential rental revenue continues to be strong with an increase of \$460,327 over the prior year. Commercial rental revenue has increased over the prior year by \$131,218. The utility fund has revenue of \$283,054, most of which was billed to the residential and commercial enterprise funds.

Enterprise fund total operating expenses for the eleven-month period were \$4,574,510 compared to \$2,153,391 for the prior fiscal year. The large increase in expenses results from the increased ownership, operation and maintenance of residential and commercial buildings and the associated land and utility infrastructure transferred by the Army in June 2013.

The net operating deficit for the eleven-month period was \$1,718,094 compared to a net deficit of \$202,564 (before extraordinary expenses) in the prior fiscal year.

Cash on Deposit

As of the close of business on June 6, 2014, the Fort Monroe Authority had on deposit at Old Point National Bank the following account balances:

Government Fund Operating Account	\$ 3,216,457
Government Restricted Account (VDOT)	\$ 352,346
Government Restricted Account (Building 83)	\$ 250,000
Enterprise Fund Operating Account	\$ 893,057

The finance department believes that the current cash balance will provide enough funding to meet the remaining fiscal year operating requirements of the Fort Monroe Authority and provide some carry-over funding for FY15.