



Finance Report for
Fort Monroe Authority Board of Trustees Meeting
Bay Breeze Conference Center
October 24, 2013

Financial Statements / Cash on Deposit

The Finance Department has been actively assisting the external auditor in reviewing the financial statements for fiscal year ended June 30, 2013. The audit period has been lengthened by the valuation process for the 312.75-acre parcel, the 196 buildings and structures including with the land parcel, and all the underground utilities. The audit period was also extended pending the outcome of reporting requirements for certain pension and post-employment payment obligations. Due to the extraordinary efforts of the finance department, the audit work has been completed and included in the board package is a copy of the audited financial statements for the fiscal year. These financial statements are presented on an accrual basis and conform to government accounting standards for the presentation of government-wide and fund-based activity.

Government Fund (Accrual Basis)

As of June 30th the Authority government fund had \$3,195,153 in cash and cash equivalents together with \$24,512 in restricted cash and cash equivalents.

For the fiscal year the government fund had revenues of \$6,490,508 compared to \$4,953,189 in the prior fiscal year. Primary revenue sources include \$5,068,841 in state intergovernmental revenue, \$1,415,036 in federal intergovernmental revenue, and \$6,631 in miscellaneous income.

Government fund expenses for the fiscal year were \$3,926,021 compared to \$3,300,430 for the prior fiscal year. The Authority spent \$630,416 in capital expenditures compared to \$111,885 in the prior fiscal year.

The excess of revenues over expenditures for the fiscal year was \$1,934,071 compared to \$1,540,874 in the prior fiscal year.

The government fund net position at the end of the year was \$4,164,174 compared to \$2,230,103 in the prior fiscal year. The large increase in net position was due to the delay in property transfer.

Special Revenue Fund – Fort Monroe Foundation (Accrual Basis)

As of June 30th the Foundation special revenue fund had \$73,836 in cash and cash equivalents together with \$5,023 in restricted cash and cash equivalents.

For the fiscal year the Foundation special revenue fund had revenues of \$51,316 from individual and business donations and interest income compared to \$75,163 in the prior fiscal year.

Foundation expenses for the fiscal year were \$27,394 compared to \$25,196 for the prior fiscal year.

The excess of revenues over expenditures for the fiscal year was \$23,922 compared to \$49,972 in the prior fiscal year.

The special revenue fund net position at the end of the year was \$74,622 compared to \$50,700 in the prior fiscal year.

Enterprise Fund – (Accrual Basis)

As of June 30th the Authority enterprise fund had \$170,638 in cash and cash equivalents.

Business activity revenue for the fiscal year was \$2,166,532 compared to \$1,572,407 for the prior fiscal year.

Enterprise fund expenses for the fiscal year were \$3,351,378 compared to \$2,005,676 for the prior fiscal year.

The enterprise fund had \$1,340 in non-operating revenue for the fiscal year compared to \$336,302 in the prior fiscal year. The large balance in the prior fiscal year resulted from the net insurance proceeds from Hurricane Irene.

The net operating deficit for the fiscal year was \$1,183,506 compared to a net deficit of \$96,967 in the prior fiscal year. The large net deficit results primarily from the large portfolio of vacant commercial that must be maintained by the Authority until the buildings are leased or sold.

Cash on Deposit

As of the close of business on October 16, 2013, the Fort Monroe Authority had on deposit at Old Point National Bank the following account balances:

Government Fund Operating Account	\$ 3,815,351
Government Restricted Account (VDOT)	352,346
Government Restricted Account (Building 83)	250,000
Enterprise Fund Operating Account	487,926

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

As a result of the evaluations completed by the Operations and Real Estate Department since the June deed transfer of 312.75 acres, the Authority has requested a supplemental appropriation for FY14 of 2,845,804. This request includes funding 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 also considered its preservation obligations when developing its FY15/16 biennial budget request. 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.