



Financial Report for
Fort Monroe Authority Finance Committee Meeting
Old Quarters #1
November 13, 2014

Financial Statements / Cash on Deposit

The financial statements for the first three-months of the fiscal year were presented at the last Finance Committee meeting. The statements for October should be released prior to the Committee meeting and will be distributed to the Committee as soon as they are completed.

Cash on Deposit

As of the close of business on November 5, 2014, the Fort Monroe Authority had on deposit at Old Point National Bank the following account balances:

Government Fund Operating Account	\$ 4,060,447
Government Fund Restricted Accounts	
Earned by unpaid VDOT invoices	165,306
Reserve for Building 83 renovations	350,000
Building Condition Assessment (OEA)	187,000
Historic Structure Report for Museum (OEA)	63,000
Flexible Spending Employee Account Balances	9,999
Enterprise Fund Operating Account	737,381
Enterprise Fund Security Deposit Account	231,210

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 Fort Monroe Authority.

FY15/16 Revised Budget

Presented with this report are the proposed revisions to the Authority's FY15 and FY16 budgets. The changes in the revised budgets are driven by:

- (1) the increase in funding from OEA (highlighted in green on the Government Fund budget worksheet),
- (2) the mandated 5%/7% budget savings strategies (highlighted in blue on both the Government and Enterprise Fund budget worksheets), and
- (3) the increase in funding requirements for the renovations to B83 and B80 based on contractor bids from pre-final construction drawings (highlighted in orange on both the Government and Enterprise Fund budget worksheets).

The first two items above were discussed in the last Finance Committee meeting. For your reference, overviews of both items are included below. The drivers for the increased renovation costs and the Authority's value engineering process will be discussed in detail at the Committee meeting.

Budget Savings Strategies

As previously discussed, in late August the Governor's Chief of Staff sent a memo to all agency heads documenting the Governor's directive for all state-funded entities to develop budget savings strategies in response to the Commonwealth's projected revenue shortfall for the biennial period. The directive called for all state-funded entities to propose budget savings strategies equal to 5% of General Fund support (excluding the PILOT fee) for FY15 and 7% of General Fund support for FY16. The Authority was provided targets of \$286,710 in savings for FY15 and \$315,355 in savings for FY16. The Authority's department directors met to discuss budget savings strategies in early September and successfully identified budget savings strategies to meet the required targets. The savings strategies were reviewed with and approved by Secretary of Commerce and Trade Maurice Jones on Friday, September 19th and submitted to DPB for their review and the Governor's approval. The Authority received notice on October 15th that the Governor had accepted the budget savings strategies for FY15.

OEA Grant Status

FY15 was to be the Authority's first year of a two-year phase-out of federal grant support from the Office of Economic Adjustment (OEA). The limit of the grant for FY15 was to be \$550,551 under the terms of the phase-out agreement. After the Executive Director attended the Association of Defense Communities conference in June, the Authority received notice that OEA was postponing the beginning of the FMA's phase-out and OEA would accept a normal grant proposal for FY15 as in past years. The Authority's Procurement Manager Yvonne Cash worked with the Finance Department to develop a grant proposal for approximately \$1.2 million. After the grant was reviewed by the OEA Technical Review Committee, the Authority was awarded a grant for \$1,191,592. There are no new projects funded by the grant so the additional funds from OEA create the opportunity for state appropriated money to fund other projects.