

An aerial photograph of Virginia Beach, Virginia, taken at sunset. The sky is a mix of orange, yellow, and blue. In the center, a tall, modern skyscraper with a pointed top is illuminated. To its right, a large, multi-story building with a prominent tower is also lit up. The city streets are visible, with cars and buildings scattered across the landscape. A teal-colored rectangular overlay is positioned in the lower-left quadrant of the image, containing white text.

VBDA Monthly Cash Flow

City of Virginia Beach Development Authority

October 20, 2020

Operating Account Summary: September 2020

Beginning Cash

\$4,514,602

- **Significant Cash Receipts**
 - ✓ \$2,150 of interest income
 - ✓ \$1,000 for charity golf event
- **Significant Cash Disbursements**
 - ✓ \$13,000 to Globalinx for conduit management fee
 - ✓ \$2,435 for utilities at 110 S Independence Blvd

Ending Cash

\$4,500,981

Incentive Account Summary: September 2020

Beginning Cash

\$6,060,874

- **Significant Cash Receipts**
 - ✓ \$1,000,000 transfer of EDIP appropriations
 - ✓ \$675 of monthly interest income
 - ✓ \$10,000 return from cancelled award check
- **Significant Cash Disbursements**
 - ✓ \$394,415 of Part A award payments
 - ✓ \$76,831 of Part C award payments
 - ✓ \$704,763 of Part E award payments
 - ✓ \$25,085 of Bio Initiative funding for:
 - ✓ Bio Accelerator rent (\$10,285)
 - ✓ Bio Accelerator consulting fees (\$14,800)

Ending Cash

\$5,870,455

Incentive Account Summary: September 2020

Ending Cash held by VBDA	\$5,870,455
PLUS: EDIP and other Receivables	\$7,061,440
LESS: Payables and Commitments	\$11,010,742
<hr/>	
Ending Available Funding	\$1,921,153

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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

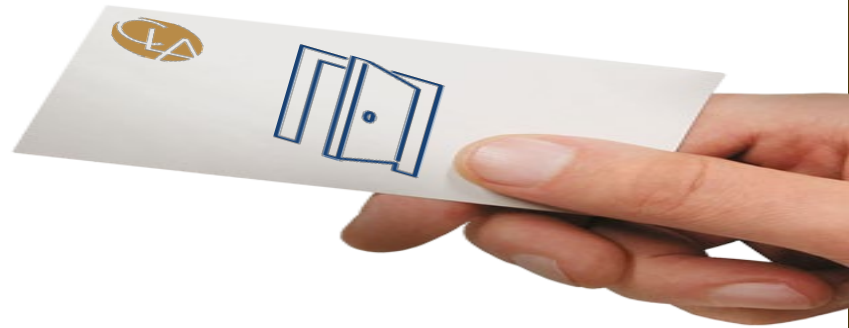
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City of Virginia Beach Development Authority (the Authority)
Results of June 30, 2020 Financial Statement Audit

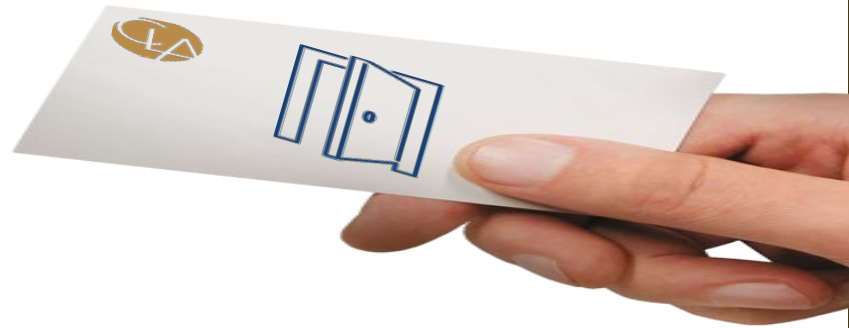
Agenda

- Our audit approach
- Audit results
- Required communications



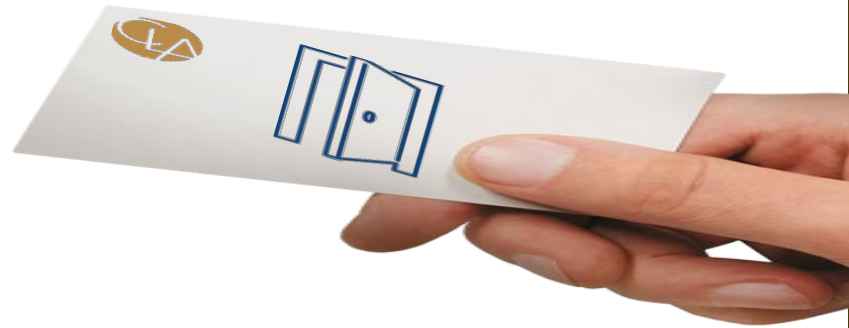
Our Audit Approach

- Approach – Risk Based with emphasis on assessment of key internal controls
- Communication – Frequent, including regular status meetings, and information communications



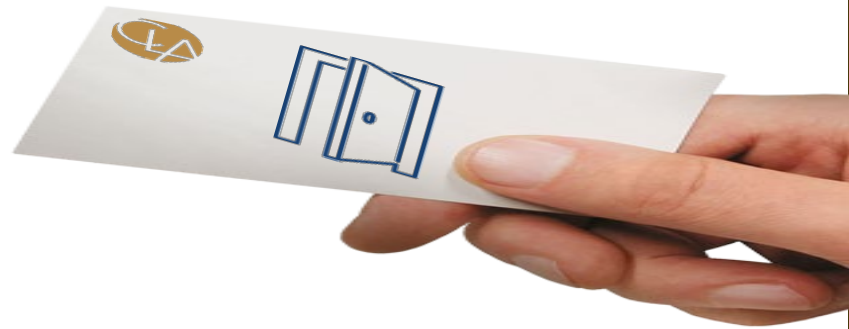
Audit Results

- **Auditors' Opinion on Financial Statements – Unmodified**
- **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards – No material weaknesses or significant deficiencies noted**



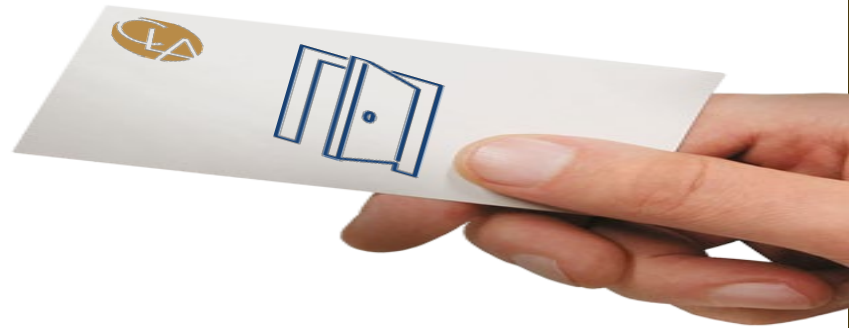
Required Communications

- **Auditors' Responsibility Under Generally Accepted Auditing Standards**
 - The financial statements are the responsibility of management. Our audit was performed for the purpose of forming opinions as to whether the Financial Statements have been prepared in accordance with GAAP.
- **Qualitative Aspects of Accounting Practices**
 - Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies are disclosed in the Summary of Significant Accounting Policies in Note 1 of the Financial Statements.



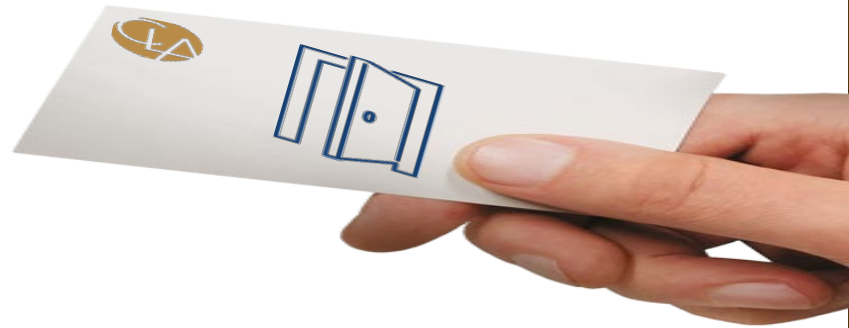
Required Communications (continued)

- The preparation of the Financial Statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
 - Depreciable lives of capital assets
 - Receivable allowance
- We concluded that management has a reasonable basis for significant judgments and estimates that impact the Financial Statements.
- No sensitive Financial Statement disclosures.



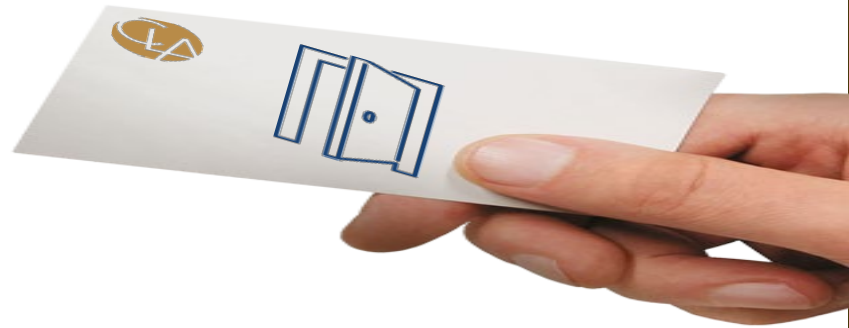
Required Communications (continued)

- **Difficulties Encountered in Performing the Audit**
 - No significant difficulties were encountered during the audit.
- **Disagreements with Management**
 - There were no disagreements with management on financial accounting and reporting matters, auditing procedures, or other matters.
- **Representations from Management**
 - The representation letter was signed by management.
- **Consultations with Other Accountants**
 - We were informed by management that they made no consultations on the application of GAAP and GAAS.

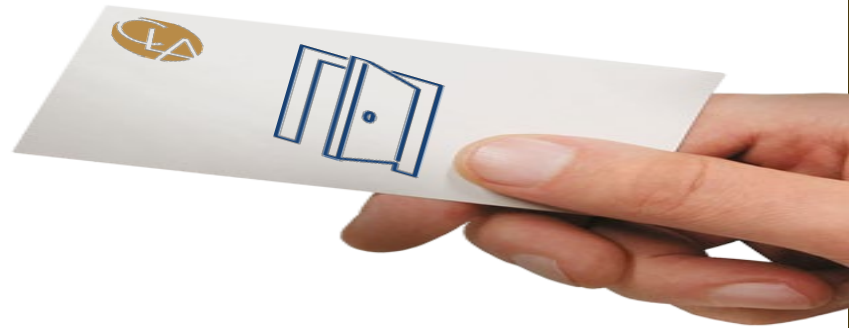


Required Communications (continued)

- **Significant Issues Discussed with Management Prior to Retention**
 - There were no significant issues discussed with management prior to retention as the auditors.
- **Other Significant Findings or Issues**
 - There were no additional findings or issues not previously discussed.
- **Other Information in Documents Containing Audited Financial Statements**
 - We do not express an opinion on required supplemental information or supplemental information.



Thank you to the VBDA staff for their assistance during the engagement!



Contact Information

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Principal

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Aires Coleman, CPA

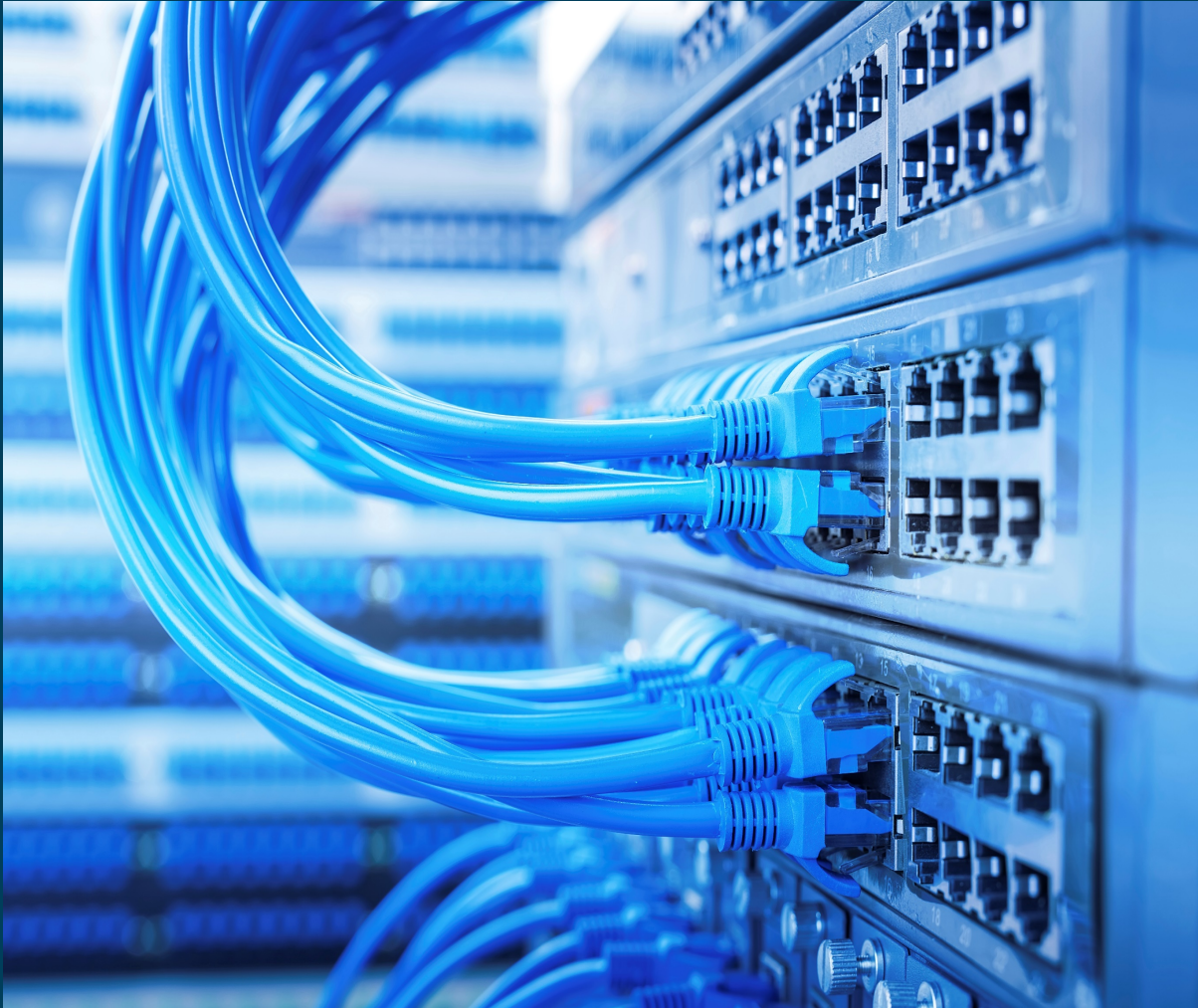
Engagement Director

Aires.Coleman@CLAconnect.com



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Globalinx Communications Facility Management Agreement- Proposed 2021 Maintenance Budget



Ihsane Mouak
City of Virginia Beach Development Authority
October 20, 2020



Disclosure Statement

Applicant: Globalinx Data Center LLC

President: Greg Twitt

Accountant: Bruce Holbrook

Architect: Sal Lemole

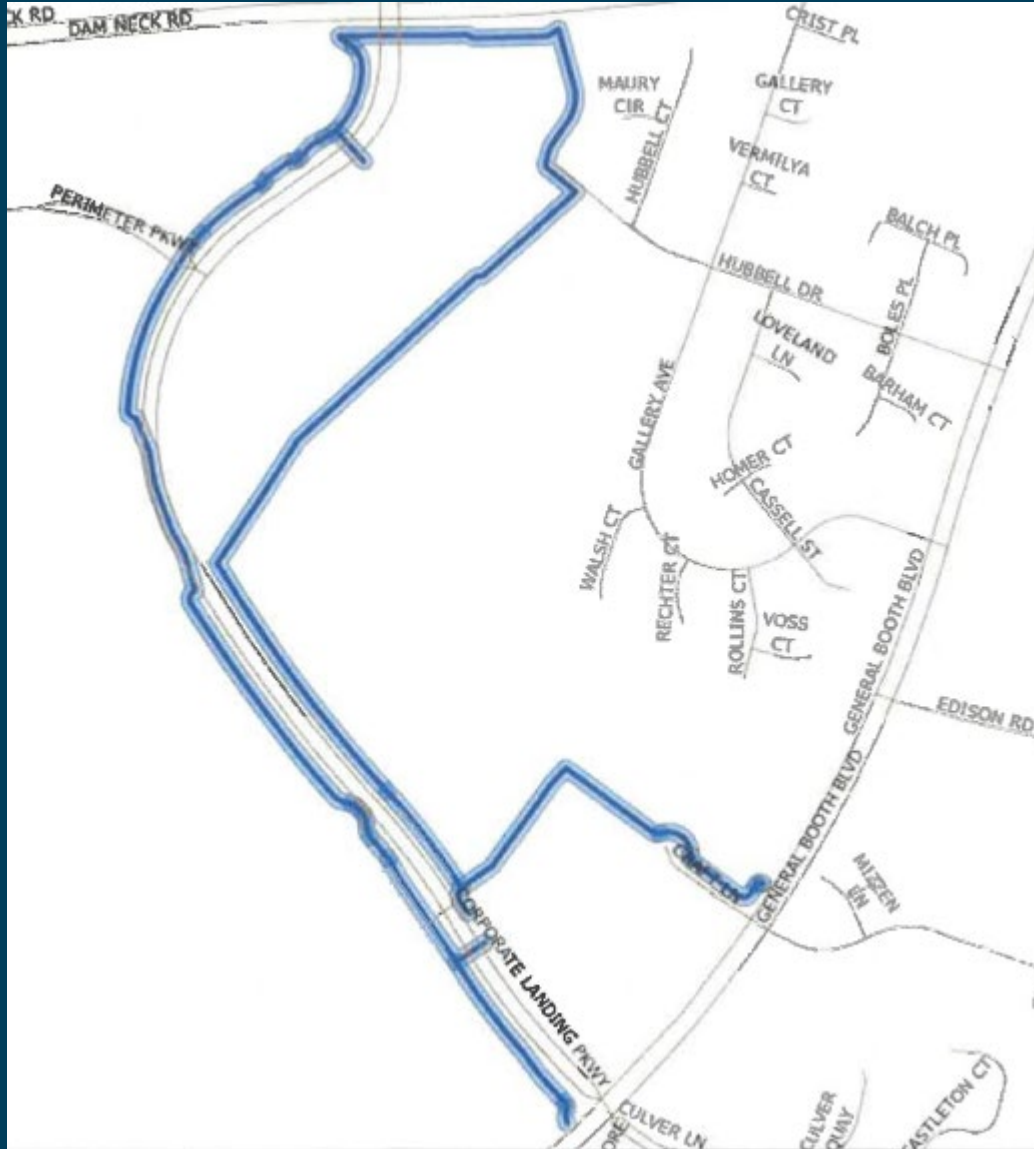
Legal Services: Kyle Korte

Proposed 2021 Maintenance Budget

MANAGEMENT AGREEMENT 2020 BUDGET OCT 2021			
Services	BUDGET 2019/20	Notes	BUDGET 2020/21
LEASE LEGAL PREPARATION FEES	\$7,000	IRU lease agreement Template	
MONITORING EQUIPMENT & INSTALLATION Expo Guardian System	\$16,000	Carried forward for 2020/21 see equipment list, delayed expense LY ,until Need justified	\$16,000
CLEANOUT MAINTENANCE	\$8,000	Completed annual maintenance during feb -sept 2020, drained all manholes & removed mud and cleaned reinforced cement conduit cases	\$8,500
ADVERTISING	\$0		
MARKING POLES	\$2,000	Completed 2020	
CAPPING CONDUIT	\$13,500	Carried forward for 2020/21	\$13,500
HARDWARE SOFTWARE RECORD KEEPING	\$5,000	Carried forward for 2020/21	\$5,500
PROGRAMMING RECORD KEEPING & MONITORING INSTALATION,, NOC	\$12,800	Carried forward for 2020/21	12,800
SAFETY EQUIPMENT			11,965
PERSONNEL EXPENSES	\$0		
INSURANCE EXPENSES	\$7,500	Carried forward for 2020/21	\$7,500
	\$71,800		\$75,765

To date, Globalinx signed a 20-year IRU lease with Century Link and is receiving several inquiries to use the system.

Recommendation



Staff is recommending approval of 2021 maintenance budget as proposed