

**D30N00**  
**Maryland Food Center Authority**

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
Nonbudgeted Fund	\$3,686	\$4,100	\$4,125	\$24	0.6%
<b>Adjusted Nonbudgeted Fund</b>	<b>\$3,686</b>	<b>\$4,100</b>	<b>\$4,125</b>	<b>\$24</b>	<b>0.6%</b>
 <b>Adjusted Grand Total</b>	 <b>\$3,686</b>	 <b>\$4,100</b>	 <b>\$4,125</b>	 <b>\$24</b>	 <b>0.6%</b>

- The fiscal 2017 operating expenses of the Maryland Food Center Authority (MFCA) increase by \$24,380, or 0.6%, compared to fiscal 2016.
- Major changes occur primarily in the areas of personnel, contractual services including landfill and information technology costs, and utilities.
- The total projected operating revenue for MFCA decreases by \$97,484, or 1.9%, compared to fiscal 2016, primarily due to rent from the Wholesale Seafood Market dropping due to expected vacancies resulting from the agency's capital plans.

***Personnel Data***

	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>
Regular Positions	33.00	33.00	33.00	0.00
Contractual FTEs	<u>2.34</u>	<u>2.34</u>	<u>2.34</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>35.34</b>	<b>35.34</b>	<b>35.34</b>	<b>0.00</b>

- There are no changes in the number of regular positions or contractual full-time equivalent positions in MFCA in fiscal 2017.

Note: Numbers may not sum to total due to rounding.

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## ***Analysis in Brief***

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### **Major Trends**

***MFCA Responds to Tenant Needs:*** MFCA tracks the timeliness of responses to Priority 1 maintenance requests (those requests that require immediate attention). In fiscal 2015, the agency received 30 of these requests and responded to 97% (29) within 14 days.

***Limited Recycling at the Wholesale Markets:*** As part of the MFCA goal to maintain safe, sanitary, and efficient facilities, MFCA tracks the amount of waste generated that does not go into a public landfill. The recycling efforts are driven primarily by composting. MFCA reports that, in fiscal 2015, no composting facilities were available and, as a result, no waste was diverted from a public landfill.

### **Issues**

***The Maryland Market Center Project:*** In fiscal 2015, MFCA planned capital funding for site work for a new market site, known as the Maryland Market Center. Little information is available about the plans for the Maryland Market Center, which is pending a feasibility study; however, MFCA is planning to construct new facilities for food storage and processing, a farmers' markets food hub, and a commercial kitchen. The fiscal 2015 funding was largely delayed to fiscal 2016 because the project has moved more slowly than anticipated.

***Food Safety Modernization Act:*** On January 4, 2011, President Barack H. Obama signed the Food Safety Modernization Act into law. The Act is likely to impact MFCA as some rules may require changes to the facility to allow tenants to comply with the law. MFCA is working with tenants to determine work that may be required for tenants to comply. Depending on the size of the business, tenants have up to three years from the date the final regulations were published to comply with the rules.

### **Recommended Actions**

1. Nonbudgeted.

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**Maryland Food Center Authority**

***Operating Budget Analysis***

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**Program Description**

The Maryland Food Center Authority (MFCA) is a nonbudgeted agency, located at the Maryland Food Center in Jessup, Maryland. MFCA has a mission of enhancing and providing economic growth opportunities for Maryland's agricultural-, seafood-, and food-related industries. MFCA develops and oversees authority projects. The three key components of MFCA are (1) the MFCA Administration; (2) the Maryland Wholesale Produce Market; and (3) the Maryland Wholesale Seafood Market. MFCA also owns the Rock Hall Clam House in Kent County. MFCA also provides leases to SYSCO Food Services of Baltimore and Sea Cap, which are distribution companies, and a truck parking lot, operated by Bob's Transport, Inc. While located within the Maryland Food Center, these companies operate independently. Tenants of the Wholesale Produce and Wholesale Seafood markets lease offices, storage, and dock facilities from MFCA.

The key goals of MFCA are to:

- maintain safe, sanitary, and efficient facilities; and
- maintain open communication with customers.

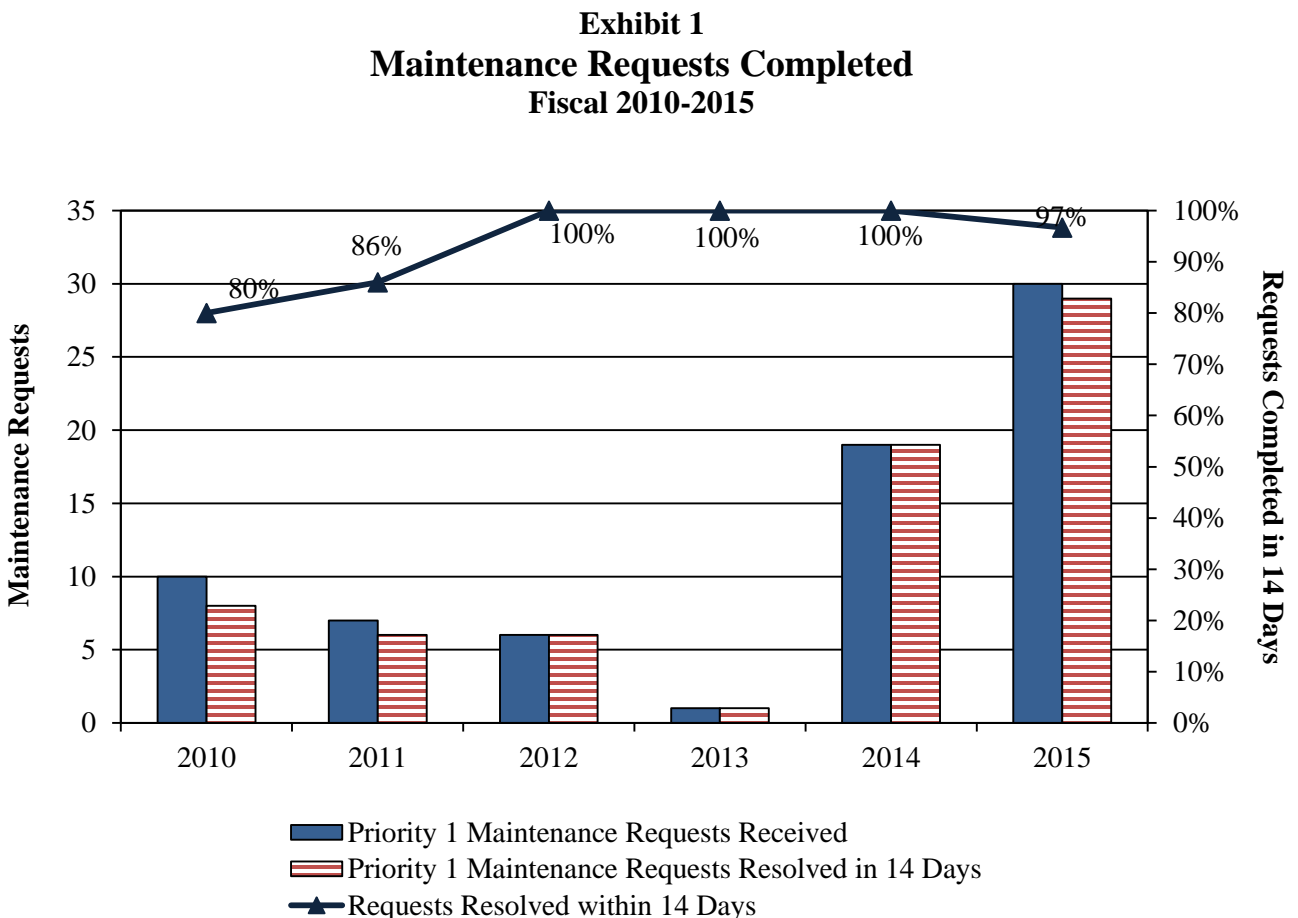
**Performance Analysis: Managing for Results**

**1. MFCA Responds to Tenant Needs**

MFCA operates as a landlord to the tenants occupying the Wholesale Produce and Wholesale Seafood markets. As a result, some measure of the success of MFCA is necessarily related to its ability to maintain good relations with, and respond to the needs of, tenants. One measure of the success of MFCA is an examination of the vacancy rates of the market stalls. In fiscal 2015, both the Wholesale Produce and Wholesale Seafood markets were fully leased. In fiscal 2016, the markets are expected to have some vacancies due to a major tenant leaving and consolidation of operations for other tenants. MFCA is considering tearing down a section of the Wholesale Seafood Market and rebuilding the section with larger cold chain compliant units and, as a result, is expecting higher vacancies in that market in fiscal 2017.

MFCA also annually conducts tenant surveys, which provides an opportunity to receive feedback on the agency’s performance. MFCA has received between 18 and 25 responses to the tenant survey between fiscal 2011 and 2015. With the exception of fiscal 2015, MFCA received no unsatisfactory responses on this survey. In fiscal 2015, MFCA received two unsatisfactory responses. MFCA reports that the agency discusses the results of the surveys with the tenants each year and discusses ways the agency can improve their services.

MFCA tracks the response of maintenance staff to Priority 1 maintenance requests, which are those requests that require immediate attention (for example, water leaks or safety hazards). In fiscal 2014 and 2015, after several years of declines, the number of Priority 1 maintenance requests experienced substantial increases, reaching 30 requests in fiscal 2015, as shown in **Exhibit 1**. MFCA attributes these increases to improved tracking, additional services offered by maintenance staff, and aging facilities. Despite the increased requests, MFCA was able to respond to 100% of Priority 1 maintenance requests within 14 days in fiscal 2014 and 97% in fiscal 2015.

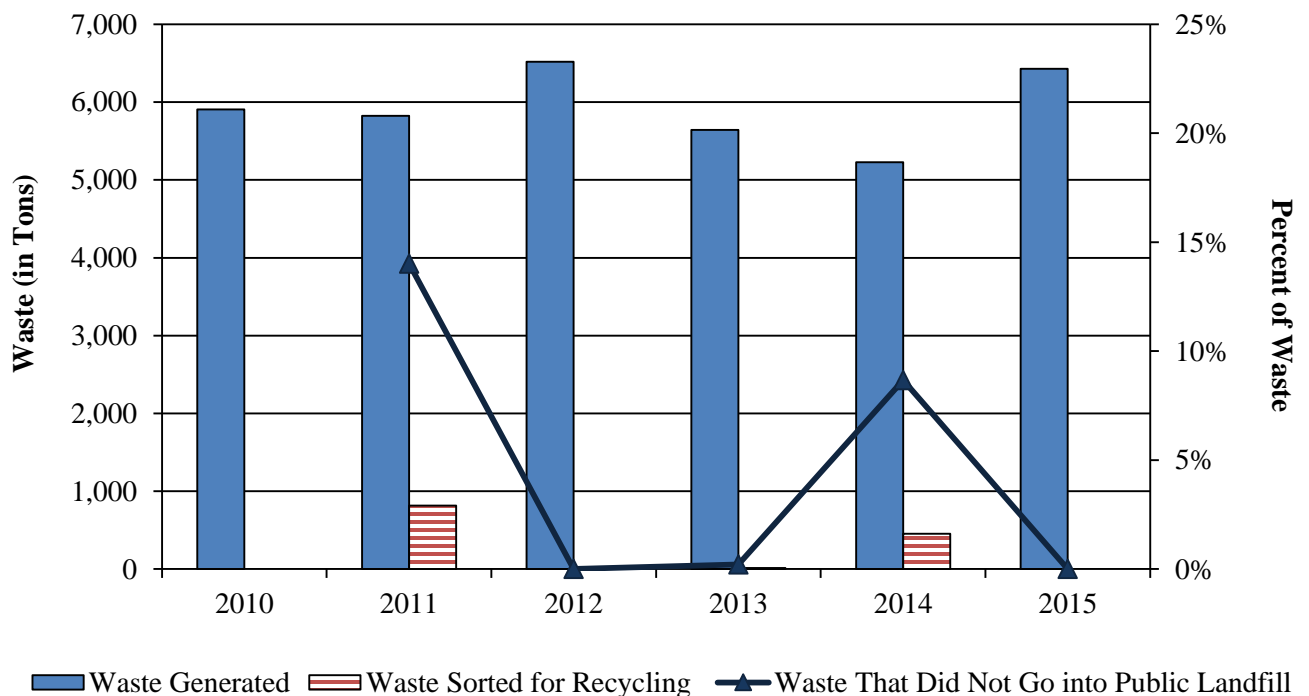


Source: Maryland Food Center Authority; Department of Budget and Management

## 2. Limited Recycling at the Wholesale Markets

MFCA annually reports on the percent of waste generated at the markets that did not go into a public landfill as part of its goal of maintaining safe, sanitary, and efficient services. Composting was expected to be a large part of the recycling program; however, this aspect of the program has experienced difficulties. The Maryland Department of the Environment (MDE) put food composting facilities on hold in calendar 2011 after it determined that it was not an approved practice in Maryland. The concern of MDE was that there was no regulatory program in place for the practice. MDE later drafted regulations and composting re-started. MFCA resumed its composting program in late June 2013. The program continued in fiscal 2014, and during that year, the amount of waste sorted for recycling increased from 12 to 453 tons, 8.7% of the waste generated, as shown in **Exhibit 2**. However, MFCA reported that in fiscal 2015, there were no composting facilities available to take the waste and, as a result, no waste was sorted for recycling. **MFCA should comment on if there are any plans to redevelop a recycling and composting program at the markets.**

**Exhibit 2**  
**Landfill Avoidance**  
**Fiscal 2010-2015**



Source: Maryland Food Center Authority; Department of Budget and Management

## **Fiscal 2016 and 2017 Budget**

MFCA, a nonbudgeted fund agency, submits its budget to the General Assembly for informational purposes only, and an analysis is only prepared in alternate years.

The MFCA fiscal 2016 budget increases by \$414,129, or 11.2%, compared to the fiscal 2015 actual expenditures. The fiscal 2016 budget was developed based on the fiscal 2015 appropriation. Actual fiscal 2015 spending on many items was lower than budgeted, which distorts the magnitude of changes between fiscal 2015 and 2016. For example, travel expenditures, which were only initially budgeted to increase by \$14,005, appear to increase in fiscal 2016 by \$60,308 due to lower than expected fiscal 2015 expenditures. As initially developed, the MFCA fiscal 2016 budget was only \$28,847, or 0.7%, higher than fiscal 2015.

As shown in **Exhibit 3**, the MFCA fiscal 2017 budget increases by \$24,384, or 0.6%, compared to fiscal 2016.

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**Exhibit 3**  
**Proposed Budget**  
**Maryland Food Center Authority**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>Nonbudgeted <u>Fund</u></b>	<b><u>Total</u></b>
Fiscal 2015 Actual	\$3,686	\$3,686
Fiscal 2016 Working Appropriation	4,100	4,100
Fiscal 2017 Allowance	<u>4,125</u>	<u>4,125</u>
Fiscal 2016-2017 Amount Change	\$24	\$24
Fiscal 2016-2017 Percent Change	0.6%	0.6%

### **Where It Goes:**

#### **Personnel Expenses**

Contractual employee payroll as a result of a cost-of-living adjustment and hiring above budgeted salary.....	\$2
Social Security contributions .....	-11
Employee retirement.....	-11
Regular earnings due to a budgeted merit increase in fiscal 2016 that was not provided ...	-54

#### **Other Changes**

Landfill charges based on recent experience .....	35
Upgrading computer operating system .....	22

## *D30N00 – Maryland Food Center Authority*

### **Where It Goes:**

Water, sewage, and electricity based on recent experience .....	19
Consulting based on recent experience and planned information technology (IT) needs....	12
Roof repairs due to age and end of warranty .....	12
Security camera and security gate maintenance .....	8
Statewide personnel system allocation .....	7
Exterminator services contract cost increase and additional services .....	7
Tires and vehicle parts due to equipment age and mileage.....	6
Internet lines based on recent experience .....	5
Plumbing repairs based on recent experience and increased use of agency staff .....	-3
Vehicle repairs based on purchase of new trash truck .....	-4
Building repairs based on agency plans for building.....	-5
Snow removal contract due to the availability of an agency-owned snow plow .....	-5
Security and computer equipment based on IT consultant estimates .....	-8
Vehicles that are fully depreciated.....	-10
Other .....	-1
<b>Total</b>	<b>\$24</b>

Note: Numbers may not sum to total due to rounding.

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### **Personnel**

The largest change between the fiscal 2015 and 2016 budget is in the area of personnel. Personnel costs increase by \$197,465, or 11.6%, between fiscal 2015 and 2016. The fiscal 2016 budget increases include employee and retiree health insurance (\$67,220) and employee retirement (\$36,526). Other increases include salaries (\$63,918) and the deferred compensation match (\$11,458). Although, MFCA may budget for merit increases or deferred compensation matches, as the agency did in fiscal 2016, if State employees do not receive these benefits, MFCA does not provide these benefits.

In total, in fiscal 2017, the budget for personnel decreases by \$75,950, or 4.0%, compared to fiscal 2016. The majority of this decrease results from the budgeting of merit increases in fiscal 2016, which since the increases are not being provided, appears as a decrease in fiscal 2017.

### **Landfill Expenses**

MFCA has no control over landfill costs because the costs are driven by tenant needs. In fiscal 2015, MFCA had higher than expected expenditures for landfill due to increased landfill utilization by tenants resulting in an appearance of a decrease in the budget for this service in fiscal 2016 (\$45,676). The fiscal 2017 budget increase for this purpose is to align with the fiscal 2015 expenditure

and to account for a non-tenant electing to begin using the service in fiscal 2016 and 2017 (an increase of \$35,150).

### **Water/Sewage Use**

MFCA initially anticipated level funding the water/sewage use in fiscal 2015 and 2016. However, the fiscal 2015 expenditures for water/sewage use came in higher than expected, resulting in the appearance of a decrease of \$58,407 in fiscal 2016. In addition, a tenant moved out of the Wholesale Produce Market, which also impacts the fiscal 2016 expenditures. In fiscal 2017, MFCA has increased the budget for water/sewage use (\$16,464) to more closely reflect the recent experience. The fiscal 2017 budget is still approximately \$42,000 lower than the fiscal 2015 actual expenditures.

### **Other Changes**

Several increases in the fiscal 2016 budget for contractual services also largely result from lower than expected expenditures in fiscal 2015, including the budgeting of the agency's share of expenses for potential vacant units (\$25,956) and advertising and promotion (\$24,403).

In fiscal 2017, maintenance repair costs in several areas increase as a result of the age of equipment or structures. For example, an increase of \$11,500 in roof repairs resulted from the age of the roof and the expiration of the warranty.

MFCA also anticipates an increase in certain information technology costs due to the upgrading of the operating system used on agency computers (\$21,600).

### **MFCA Financial Statement**

**Exhibit 4** presents the modified statement of operations for MFCA. This statement is presented on the accrual method of accounting. MFCA anticipates a positive change in net assets in fiscal 2016 (\$170,469) and 2017 (\$18,355). MFCA monitors the agency's expenses monthly and attempts to fill vacancies among units quickly by using a waitlist to avoid a loss of rental income and to ensure that the change in net assets remains positive.

MFCA has two types of rental income paid by tenants for the Wholesale Produce and Wholesale Seafood markets. The first is the rent for a unit that is occupied, which appears in the budget for the administration of MFCA. The second type of rent for tenants is charge back, listed as Charge Back Tenant Expenses in Exhibit 4. Charge back plus entrance fees equal the operating expenses for each market and are used for the operating and maintenance costs of the market. As a result, the revenue for these two items varies between fiscal years based on the projected expenditures in the markets. The figures presented for fiscal 2016 and 2017 are preliminary and would be expected to change with actual expenditures.



**Exhibit 4**  
**Modified Statement of Operations**  
**Fiscal 2015-2017**

	<u>2015 Actual</u>	<u>2016 Est.</u>	<u>2017 Est.</u>	<u>% Change 2015-16</u>	<u>% Change 2016-17</u>
<b>Revenue</b>					
Produce Market Rent	\$1,504,345	\$1,565,131	\$1,579,844	4.0%	0.9%
Seafood Market Rent	541,848	571,068	411,740	5.4%	-27.9%
Charge Back Tenant Taxes	32,872	31,700	31,700	-3.6%	0.0%
SYSCO Rent	122,745	122,745	122,745	0.0%	0.0%
Sea Cap	116,227	120,362	123,973	3.6%	3.0%
Truck Parking Lot Rent	106,344	106,344	106,344	0.0%	0.0%
<b>Charge Back Tenant Expenses</b>					
Produce Market	\$1,052,746	\$1,242,871	\$1,221,313	18.1%	-1.7%
Seafood Market	921,865	922,630	983,459	0.1%	6.6%
<b>Total Rental Income</b>	<b>\$4,398,992</b>	<b>\$4,682,851</b>	<b>\$4,581,117</b>	<b>6.5%</b>	<b>-2.2%</b>
Entrance Fees	463,661	425,000	429,250	-8.3%	1.0%
Miscellaneous	23,644	10,000	10,000	-57.7%	0.0%
Interest	34,483	35,000	35,000	1.5%	0.0%
<b>Total Operating Revenue</b>	<b>\$4,920,780</b>	<b>\$5,152,851</b>	<b>\$5,055,367</b>	<b>4.7%</b>	<b>-1.9%</b>
<b>Expenses</b>					
Operating Budget	\$3,458,971	\$3,870,188	\$3,894,568	11.9%	0.6%
Taxes	227,085	230,000	230,000	1.3%	0.0%
Capital Facilities Maintenance and Depreciation	889,011	882,193	912,443	-0.8%	3.4%
Loss on Disposal of Equipment	241	0	0	-100.0%	
<b>Total Expenses</b>	<b>\$4,575,308</b>	<b>\$4,982,381</b>	<b>\$5,037,011</b>	<b>8.9%</b>	<b>1.1%</b>
<b>Change in Net Assets</b>	<b>\$345,473</b>	<b>\$170,469</b>	<b>\$18,355</b>	<b>-50.7%</b>	<b>-89.2%</b>

Source: Maryland Food Center Authority

## **Fiscal 2016**

Total operating revenue for MFCA is estimated to increase by \$232,071, or 4.7%, in fiscal 2016 compared to fiscal 2015 actual revenue. The majority of the increase (\$190,890) occurs in Charge Back Tenant Expenses, primarily in the Wholesale Produce Market reflecting budgetary changes between these years.

Rent at the Wholesale Produce Market and Wholesale Seafood Market, as well as rent paid by Sea Cap, increases based on the Consumer Price Index. However, actual rent received may vary from this level due to factors such as late fees, rent abatements, and unit vacancies. In fiscal 2016, MFCA anticipates an increase in rental income of 4.0% in the Wholesale Produce Market and 5.4% in the Wholesale Seafood Market. Both markets are expected to be fully leased in fiscal 2016.

A decrease in entrance fees (\$38,661 or 8.3%) results from fewer deliveries into the market. Miscellaneous income is projected to decrease by \$13,644, or 57.7%, in fiscal 2016 compared to fiscal 2015. MFCA currently has one-year agreements for the space at the Rock Hall Clam House and has not assumed that these agreements will continue in fiscal 2016 or 2017.

Total expenses increase by \$407,073, or 8.9%, in fiscal 2016 compared to fiscal 2015. Nearly all of the increase occurs in the operating budget.

## **Fiscal 2017**

MFCA projects a decrease of 1.9% (\$97,484) in operating revenue in fiscal 2017 compared to fiscal 2016. MFCA is considering closing and tearing down a section of the Wholesale Seafood Market and rebuilding a larger section that has cold chain compliant units. MFCA, as a result, anticipates vacancies (and a loss of income) at the market. MFCA is undertaking a feasibility study, expected to be completed by the end of fiscal 2016, related to its plans for the project. The remainder of the decrease occurs among Charge Back Tenant Expenses in the Wholesale Produce Market.

These decreases are partially offset by modest increases in rental income. MFCA anticipates a lower increase in rents based on the Consumer Price Index and is conservatively estimating a 2% vacancy rate at the Wholesale Produce Market. In addition, Charge Back Tenant Expenses at the Wholesale Seafood Market are expected to increase.

Total expenses increase by \$54,630. Slightly more than half of these increases occur among capital facilities, maintenance, and depreciation expenses (\$30,250).

## **Capital Improvements, Maintenance, and Development Projects**

**Exhibit 5** provides additional information on the capital facilities, maintenance, and depreciation line that appears in the modified statement of operations. This exhibit reflects the depreciation costs for these projects rather than the full project costs. The depreciation method

capitalizes the cost of a project over a specific period of time instead of only in the year that the project is completed. Discussion in this section describes the total cost of projects to highlight the magnitude of new capital projects. As a result, the amounts discussed will not match what appears in Exhibit 5. Depreciation costs for certain projects in fiscal 2015 are captured in the line for the associated facility rather than separated by the individual project, as is shown in fiscal 2016 and 2017.

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**Exhibit 5**  
**Capital Improvements, Maintenance, and Development Depreciation**  
**Fiscal 2015-2017**

	<u>2015 Actual</u>	<u>2016 Estimated</u>	<u>2017 Estimated</u>
Landscaping	\$11,807	\$15,000	\$15,000
Normal Maintenance	93,714	55,500	52,000
Rock Hall Bulkhead	0	500	500
Rock Hall Renovations/Electric/Heating, Ventilation, and Air Conditioning	12,211	4,000	4,000
Rock Hall Parking Lot	0	500	500
Emergency Lights (Stairwells)	0	4,000	4,000
Man Doors (Stairwells)	0	5,000	5,000
Equipment Crossing	0	4,510	4,510
Security Cameras	0	7,178	7,178
Maryland Market Center	0	0	0
Truck Wash Facility	0	0	18,750
Loading Dock Canopy	0	3,573	3,573
Trash Truck	0	0	15,000
Scrubber	0	10,152	10,152
Interceptor	0	1,000	1,000
Consulting/Engineering Fees	0	0	0
Cross Dock	62,722	62,722	62,722
Storm Water Management Pond	442	442	442
Produce	470,680	470,680	470,680
Seafood	237,436	237,436	237,436
<b>Total Expenditures</b>	<b>\$889,011</b>	<b>\$882,193</b>	<b>\$912,443</b>

Source: Maryland Food Center Authority

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This exhibit represents anticipated projects in fiscal 2016 and 2017. Some projects may be delayed or cancelled based on changes in priorities or funding availability.

## **Fiscal 2016**

Fiscal 2016 capital projects and associated consulting/engineering fees have a total budgeted cost of \$3.1 million. The majority of this budget (\$2.4 million), representing 76.2% of the total budget costs, is for site development for the Maryland Market Center, discussed further in Issue 1.

A new project for the truck wash facility (\$450,000) was deferred from the prior years. Site development for the project has been completed.

A series of projects have been expanded or added at least partly based on requirements of local governments. Two projects are planned at the Rock Hall Clam House including the continuation of renovations; electrical; and heating, ventilation, and air conditioning work (\$40,000); and work on the parking lot (\$5,000). The renovation work has been ongoing for several years with some additional work required due to increased leased space and requirements of the Fire Marshal. The parking lot work was required due to the change in use of the facility and is required by Kent County.

MFCA also has a project for emergency lights (\$40,000) due to requirements of the Howard County Fire Marshal. In addition, a project to replace stairwell doors (\$50,000) was increased in scope due to requirements of the Fire Marshal.

## **Fiscal 2017**

MFCA experiences an increase of \$30,250 in the depreciation costs associated with capital projects in fiscal 2017. However, there are only two projects, and the cost associated with consulting/engineering fees, planned in that year with a total budgeted cost of \$542,500. The majority of the budgeted cost (\$300,000) is the fiscal 2017 share of the new truck wash facility. The second project is the replacement of a trash truck (\$150,000).

## ***Issues***

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### **1. The Maryland Market Center Project**

In fiscal 2015, MFCA included \$3.2 million in the agency's capital improvement projects list for a new market site, known as the Maryland Market Center. In the agency's fiscal 2016 updated capital improvement projects list, the timing of funding for the Maryland Market Center was adjusted. In fiscal 2015, MFCA spent approximately \$485,000 on this project, with an additional \$2.4 million planned for fiscal 2016. The initial funding for the project was for site work, which MFCA indicates is largely completed.

The project was explained as a possible site development on land behind the Wholesale Seafood Market. MFCA indicates that the plan for the site is to build new facilities for food storage and processing, a farmers' market food hub, and a commercial kitchen that would focus on local agriculture. However, MFCA intended to first complete a feasibility study. The Request for Proposals to complete the feasibility study was released in fall 2015. MFCA expects the feasibility study to be completed by the end of fiscal 2016. **MFCA should discuss the status of the study.**

### **2. Food Safety Modernization Act**

On January 4, 2011, President Barack H. Obama signed the Food Safety Modernization Act (FSMA) into law. The FSMA focuses more on prevention of food safety problems rather than reaction to food safety problems. The Food and Drug Administration (FDA) has been working to implement the law, including promulgating regulations since the law went into effect.

These regulations include those related to foreign supplier verification, produce safety, preventative controls for human food, and preventative controls for animal food. Some of the regulations are not relevant to the tenants of FSMA, because the rules apply to farms or animal food safety. However, some rules require tenants of MFCA to comply.

For example, the FDA rules for preventive controls for human food cover facilities that manufacture, process, pack, or hold human foods. Among other requirements, the rules require a hazard analysis that identifies biological, chemical, or physical hazards that are known or reasonably foreseeable. The facilities are then required to have preventive controls that significantly minimize or prevent the hazards, including sanitation and supply chain controls. The facilities are required to have written procedures relating to the monitoring of preventive controls, and the monitoring must be documented. The facilities are also required to have written procedures to identify and implement corrective actions if preventive controls are not implemented. The food safety plans are required to be reviewed at least every three years or whenever (1) the facility has a significant change that creates a possible new hazard; (2) the facility has an increase in an already identified hazard; (3) new information about possible hazards is available; or (4) a preventive control is not effective. FDA indicated that the rule was effective on September 11, 2015, and compliance dates for the rule vary based on the size of the business with compliance dates ranging from one to three years.

MFCA is not directly impacted by the FSMA; however, tenants will be impacted. MFCA is working with the tenants to determine impacts on the market facilities. These impacts could include capital projects. **MFCA should comment on the expected timeframe for determining changes/improvements to MFCA facilities that may be required to ensure tenants are in compliance with the new rules. MFCA should also comment on how it will accommodate modifications that may be required within its capital program, e.g., deferral of other planned projects, or issuing bonds.**

## ***Recommended Actions***

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1. Nonbudgeted.

## ***Audit Findings***

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Audit Period for Last Audit:	July 20, 2010 – August, 6, 2013
Issue Date:	April 2014
Number of Findings:	2
Number of Repeat Findings:	1
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

**Finding 1:** Independent deposit verifications were not performed for certain collections.

**Finding 2:** MFCA procured certain construction services without obtaining competitive bids and written price quotes, as required by its procurement policy.

\*Bold denotes item repeated in full or part from preceding audit report.



**Object/Fund Difference Report  
Maryland Food Center Authority**

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	33.00	33.00	33.00	0.00	0%
02 Contractual	2.34	2.34	2.34	0.00	0%
<b>Total Positions</b>	<b>35.34</b>	<b>35.34</b>	<b>35.34</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 1,695,742	\$ 1,893,207	\$ 1,817,257	-\$ 75,950	-4.0%
02 Technical and Spec. Fees	86,400	96,648	98,608	1,960	2.0%
03 Communication	34,270	42,075	41,075	-1,000	-2.4%
04 Travel	49,192	109,500	108,600	-900	-0.8%
06 Fuel and Utilities	329,854	284,750	304,214	19,464	6.8%
07 Motor Vehicles	229,055	251,558	242,545	-9,013	-3.6%
08 Contractual Services	880,911	941,654	1,038,941	97,287	10.3%
09 Supplies and Materials	52,495	78,400	80,450	2,050	2.6%
10 Equipment – Replacement	4,347	36,289	28,589	-7,700	-21.2%
11 Equipment – Additional	2,915	16,950	14,950	-2,000	-11.8%
13 Fixed Charges	320,875	349,154	349,340	186	0.1%
<b>Total Objects</b>	<b>\$ 3,686,056</b>	<b>\$ 4,100,185</b>	<b>\$ 4,124,569</b>	<b>\$ 24,384</b>	<b>0.6%</b>
<b>Funds</b>					
07 Nonbudgeted Fund	\$ 3,686,056	\$ 4,100,185	\$ 4,124,569	\$ 24,384	0.6%
<b>Total Funds</b>	<b>\$ 3,686,056</b>	<b>\$ 4,100,185</b>	<b>\$ 4,124,569</b>	<b>\$ 24,384</b>	<b>0.6%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.

*D30N00 – Maryland Food Center Authority*

Appendix 2

**Fiscal Summary**  
**Maryland Food Center Authority**

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
41 Administration	\$ 1,242,640	\$ 1,509,687	\$ 1,490,547	-\$ 19,140	-1.3%
42 Maryland Wholesale Produce Market	1,404,312	1,554,620	1,536,180	-18,440	-1.2%
47 Maryland Wholesale Seafood Market	1,039,104	1,035,878	1,097,842	61,964	6.0%
<b>Total Expenditures</b>	<b>\$ 3,686,056</b>	<b>\$ 4,100,185</b>	<b>\$ 4,124,569</b>	<b>\$ 24,384</b>	<b>0.6%</b>
Nonbudgeted Fund	\$ 3,686,056	\$ 4,100,185	\$ 4,124,569	\$ 24,384	0.6%
<b>Total Appropriations</b>	<b>\$ 3,686,056</b>	<b>\$ 4,100,185</b>	<b>\$ 4,124,569</b>	<b>\$ 24,384</b>	<b>0.6%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.