



**THE PORT OF VIRGINIA**  
Building A Brighter, Cleaner, Greener Future.

# December 2013 Financial Report

Board of Commissioners

January 28, 2014



**PORT OF VIRGINIA**  
**CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED**  
**DECEMBER 31, 2013**

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
<b>Operating Revenues</b>	\$ 27,545,473	\$ 31,898,411	\$ (4,352,938)	-13.6%

- *Actual container volume was 104,210 vs. 110,224 budget, a 5.5% decrease*
- *Accordingly, operating revenue was 13.6% below budget*

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 27,545,473	\$ 31,898,411	\$ (4,352,938)	-13.6%
<b>Operating Expenses:</b>				
Terminal operations	13,978,817	14,095,768	116,951	0.8%
Terminal maintenance	4,589,337	4,982,031	392,694	7.9%
General and administrative	3,514,665	3,728,379	213,714	5.7%
Facility Rental	4,270,837	4,178,072	(92,765)	-2.2%
Depreciation and amortization	3,951,007	3,948,331	(2,676)	-0.1%
<b>Total operating expenses</b>	<b>30,304,663</b>	<b>30,932,581</b>	<b>627,918</b>	<b>2.0%</b>

- ***Total operating expense was \$628 thousand under budget***
- ***Terminal operations expense was down for the month due to lower volume***
- ***Terminal maintenance and General and Administrative expense were below budget***
- ***Facility rental expense was higher than budget due to a change in estimate***
- ***Remaining operating expenses were relatively flat in total***

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
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<b>Total operating expenses</b>	<b>30,304,663</b>	<b>30,932,581</b>	<b>627,918</b>	<b>2.0%</b>
<b>Operating income (loss)</b>	<b>(2,759,190)</b>	<b>965,829</b>	<b>(3,725,019)</b>	<b>-385.7%</b>

- *The lower than budgeted revenue was slightly offset by lower than budgeted operating expenses resulting in an operating loss of \$3.7 million below budget for the month of December*

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 27,545,473	\$ 31,898,411	\$ (4,352,938)	-13.6%
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Facility Rental	4,270,837	4,178,072	(92,765)	-2.2%
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<b>Total operating expenses</b>	<b>30,304,663</b>	<b>30,932,581</b>	<b>627,918</b>	<b>2.0%</b>
<b>Operating income (loss)</b>	<b>(2,759,190)</b>	<b>965,829</b>	<b>(3,725,019)</b>	<b>-385.7%</b>
<b>Non-operating revenues (expenses)</b>	<b>(1,269,875)</b>	<b>(1,614,612)</b>	<b>344,737</b>	<b>21.4%</b>
<b>Capital contributions and transfers</b>	<b>3,070,854</b>	<b>3,244,518</b>	<b>(173,664)</b>	<b>5.4%</b>

- ***Non-operating expenses consist primarily of interest expense which is lower than budget due to bond refundings and the negotiation of lower interest rates on MELPs and interest on investments***
- ***Capital contributions consist primarily of Commonwealth Port Fund Revenue and was 5.4% lower than budget***

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 27,545,473	\$ 31,898,411	\$ (4,352,938)	-13.6%
<b>Operating Expenses:</b>				
Terminal operations	13,978,817	14,095,768	116,951	0.8%
Terminal maintenance	4,589,337	4,982,031	392,694	7.9%
General and administrative	3,514,665	3,728,379	213,714	5.7%
Facility Rental	4,270,837	4,178,072	(92,765)	-2.2%
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<b>Total operating expenses</b>	<b>30,304,663</b>	<b>30,932,581</b>	<b>627,918</b>	<b>2.0%</b>
<b>Operating income (loss)</b>	<b>(2,759,190)</b>	<b>965,829</b>	<b>(3,725,019)</b>	<b>-385.7%</b>
<b>Non-operating revenues (expenses)</b>	<b>(1,269,875)</b>	<b>(1,614,612)</b>	<b>344,737</b>	<b>21.4%</b>
<b>Capital contributions and transfers</b>	<b>3,070,854</b>	<b>3,244,518</b>	<b>(173,664)</b>	<b>5.4%</b>
<b>Increase (decrease) in Net Assets</b>	<b>\$ (958,211)</b>	<b>\$ 2,595,736</b>	<b>\$ (3,553,947)</b>	<b>-136.9%</b>

- The overall results show a decrease in Net Assets of \$958 thousand which is \$3.6 million below budget***

**PORT OF VIRGINIA**  
**CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED**  
**DECEMBER 31, 2013**

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
<b>Operating Revenues</b>	\$ 175,862,553	\$ 184,762,494	\$ (8,899,941)	-4.8%

- *Actual container volume was 669,746 vs. 671,854 budget, a 0.3% decrease*
- *Continued shift in volume mix towards rail and additional incentives contributed to lower than budgeted revenue*

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 175,862,553	\$ 184,762,494	\$ (8,899,941)	-4.8%
<b>Operating Expenses:</b>				
Terminal operations	85,470,662	81,667,427	(3,803,235)	-4.7%
Terminal maintenance	28,651,379	29,622,357	970,978	3.3%
General and administrative	22,439,060	22,269,017	(170,043)	-0.8%
Facility Rental	26,166,932	25,068,432	(1,098,500)	-4.4%
Depreciation and amortization	23,688,339	23,665,253	(23,086)	-0.1%
<b>Total operating expenses</b>	<b>186,416,372</b>	<b>182,292,486</b>	<b>(4,123,886)</b>	<b>-2.3%</b>

- ***Terminal operations expense was \$3.8 million over budget mostly due to rail mix and higher than budgeted premium pay***
- ***General and administrative expense was slightly higher than budget due primarily to a one time unbudgeted expense***
- ***Facility rental expense was higher than budget due to a change in estimate***
- ***Lower than budgeted terminal maintenance expense partially offset the increases in expenses***

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 175,862,553	\$ 184,762,494	\$ (8,899,941)	-4.8%
<b>Operating Expenses:</b>				
Terminal operations	85,470,662	81,667,427	(3,803,235)	-4.7%
Terminal maintenance	28,651,379	29,622,357	970,978	3.3%
General and administrative	22,439,060	22,269,017	(170,043)	-0.8%
Facility Rental	26,166,932	25,068,432	(1,098,500)	-4.4%
Depreciation and amortization	23,688,339	23,665,253	(23,086)	-0.1%
<b>Total operating expenses</b>	186,416,372	182,292,486	(4,123,886)	-2.3%
<b>Operating income (loss)</b>	(10,553,819)	2,470,008	(13,023,827)	-527.3%

- *The combination of lower than budgeted revenue and higher than budgeted expenses have resulted in an operating loss of \$13.0 million below budget*

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 175,862,553	\$ 184,762,494	\$ (8,899,941)	-4.8%
<b>Operating Expenses:</b>				
Terminal operations	85,470,662	81,667,427	(3,803,235)	-4.7%
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Depreciation and amortization	23,688,339	23,665,253	(23,086)	-0.1%
<b>Total operating expenses</b>	<b>186,416,372</b>	<b>182,292,486</b>	<b>(4,123,886)</b>	<b>-2.3%</b>
<b>Operating income (loss)</b>	<b>(10,553,819)</b>	<b>2,470,008</b>	<b>(13,023,827)</b>	<b>-527.3%</b>
<b>Non-operating revenues (expenses)</b>	<b>(7,455,110)</b>	<b>(7,939,441)</b>	<b>484,331</b>	<b>6.1%</b>
<b>Capital contributions and transfers</b>	<b>18,240,365</b>	<b>19,467,108</b>	<b>(1,226,743)</b>	<b>-6.3%</b>

- ***Non-operating expenses consist primarily of interest expense which is lower than budget due to bond refundings and negotiation of lower interest rates on MELPs***
- ***Capital contributions consist primarily of Commonwealth Port Fund Revenue which is currently approximately \$1.2 million below budget***

# PORT OF VIRGINIA

## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Actual	Budget	\$ Variance	% Variance
<b>Operating Revenues</b>	\$ 175,862,553	\$ 184,762,494	\$ (8,899,941)	-4.8%
<b>Operating Expenses:</b>				
Terminal operations	85,470,662	81,667,427	(3,803,235)	-4.7%
Terminal maintenance	28,651,379	29,622,357	970,978	3.3%
General and administrative	22,439,060	22,269,017	(170,043)	-0.8%
Facility Rental	26,166,932	25,068,432	(1,098,500)	-4.4%
Depreciation and amortization	23,688,339	23,665,253	(23,086)	-0.1%
<b>Total operating expenses</b>	186,416,372	182,292,486	(4,123,886)	-2.3%
<b>Operating income (loss)</b>	(10,553,819)	2,470,008	(13,023,827)	-527.3%
<b>Non-operating revenues (expenses)</b>	(7,455,110)	(7,939,441)	484,331	6.1%
<b>Capital contributions and transfers</b>	18,240,365	19,467,108	(1,226,743)	-6.3%
<b>Increase (decrease) in Net Assets</b>	\$ 231,436	\$ 13,997,675	\$ (13,766,239)	-98.3%

- The overall result is an increase in Net Assets of \$231 thousand which is \$13.8 million below budget***



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