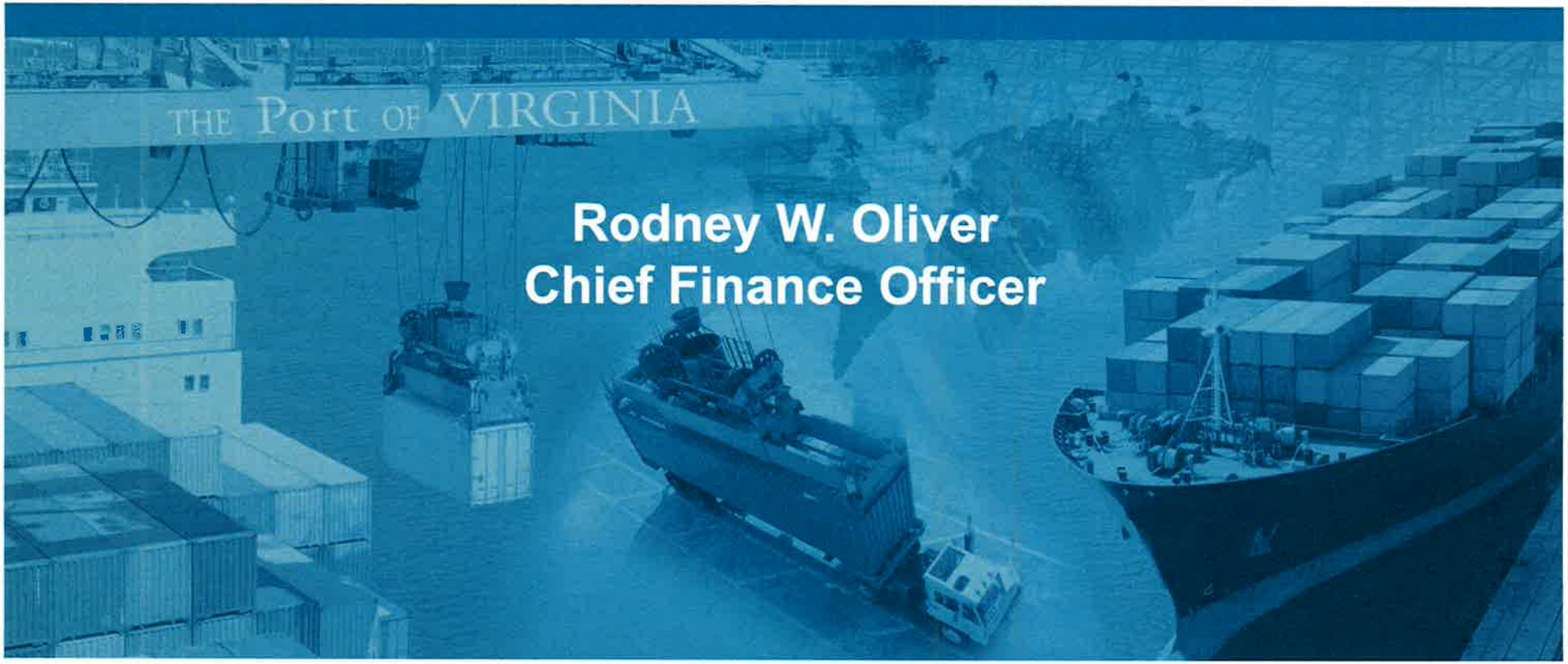
THE PORT OF VIRGINIA

Board of Commissioners

Session 357

March 25, 2014

February 2014 Financial Report



Rodney W. Oliver
Chief Finance Officer

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 29,931,063	$ 28,355,672	$ 1,575,392	5.6%

- ***Actual container volume was 102,289 vs. 103,099 budget, a 0.8% decrease***
- ***Operating revenue was 5.6% over budget, primarily due to an increase in miscellaneous revenues (demurrage, storage, refrigerated services, etc.)***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 29,931,063	$ 28,355,672	$ 1,575,392	5.6%
Operating Expenses:				
Terminal operations	14,121,104	12,824,019	(1,297,084)	-10.1%
Terminal maintenance	5,364,861	4,887,118	(477,743)	-9.8%
General and administrative	3,487,543	3,697,865	210,322	5.7%
Facility Rental	4,347,896	4,178,072	(169,824)	-4.1%
Depreciation and amortization	3,929,183	3,926,507	(2,676)	-0.1%
Total operating expenses	31,250,586	29,513,581	(1,737,005)	-5.9%

- ***Total operating expense was $1.7 million over budget***
- ***Terminal operations expense was up for the month, primarily due to weather and volume mix***
- ***Terminal maintenance was up, primarily due to weather***
- ***General and Administrative expense was 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 FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 29,931,063	$ 28,355,672	$ 1,575,392	5.6%
Operating Expenses:				
Terminal operations	14,121,104	12,824,019	(1,297,084)	-10.1%
Terminal maintenance	5,364,861	4,887,118	(477,743)	-9.8%
General and administrative	3,487,543	3,697,865	210,322	5.7%
Facility Rental	4,347,896	4,178,072	(169,824)	-4.1%
Depreciation and amortization	3,929,183	3,926,507	(2,676)	-0.1%
Total operating expenses	31,250,586	29,513,581	(1,737,005)	-5.9%
Operating income (loss)	(1,319,523)	(1,157,910)	(161,613)	14.0%

- ***The higher than budgeted revenue was offset by higher than budgeted operating expenses resulting in an operating loss of $1.3 million or $162 thousand below budget for the month of February***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 29,931,063	$ 28,355,672	$ 1,575,392	5.6%
Operating Expenses:				
Terminal operations	14,121,104	12,824,019	(1,297,084)	-10.1%
Terminal maintenance	5,364,861	4,887,118	(477,743)	-9.8%
General and administrative	3,487,543	3,697,865	210,322	5.7%
Facility Rental	4,347,896	4,178,072	(169,824)	-4.1%
Depreciation and amortization	3,929,183	3,926,507	(2,676)	-0.1%
Total operating expenses	31,250,586	29,513,581	(1,737,005)	-5.9%
Operating income (loss)	(1,319,523)	(1,157,910)	(161,613)	14.0%
Non-operating revenues (expenses)	(1,655,014)	(1,730,603)	75,589	4.4%
Capital contributions and transfers	2,750,141	3,244,518	(494,377)	-15.2%

- ***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 15.2% lower than budget***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 29,931,063	$ 28,355,672	$ 1,575,392	5.6%
Operating Expenses:				
Terminal operations	14,121,104	12,824,019	(1,297,084)	-10.1%
Terminal maintenance	5,364,861	4,887,118	(477,743)	-9.8%
General and administrative	3,487,543	3,697,865	210,322	5.7%
Facility Rental	4,347,896	4,178,072	(169,824)	-4.1%
Depreciation and amortization	3,929,183	3,926,507	(2,676)	-0.1%
Total operating expenses	31,250,586	29,513,581	(1,737,005)	-5.9%
Operating income (loss)	(1,319,523)	(1,157,910)	(161,613)	14.0%
Non-operating revenues (expenses)	(1,655,014)	(1,730,603)	75,589	4.4%
Capital contributions and transfers	2,750,141	3,244,518	(494,377)	-15.2%
Increase (decrease) in Net Assets	$ (224,396)	$ 356,006	$ (580,401)	-163.0%

- ***The overall results show a decrease in Net Assets of $224 thousand which is $580 thousand below budget***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 233,033,350	$ 240,869,311	$ (7,835,961)	-3.3%

- ***Actual container volume was 868,260 vs. 875,428 budget, a 0.8% 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 EIGHT MONTHS ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 233,033,350	$ 240,869,311	$ (7,835,961)	-3.3%
Operating Expenses:				
Terminal operations	114,010,613	107,316,215	(6,694,397)	-6.2%
Terminal maintenance	39,564,297	39,548,505	(15,792)	0.0%
General and administrative	29,711,249	29,717,295	6,046	0.0%
Facility Rental	34,785,665	33,424,576	(1,361,089)	-4.1%
Depreciation and amortization	31,568,496	31,540,057	(28,439)	-0.1%
Total operating expenses	249,640,319	241,546,648	(8,039,671)	-3.4%

- ***Terminal operations expense was $6.7 million over budget mostly due to rail mix and higher than budgeted premium pay***
- ***Terminal maintenance expense was only slightly over budget***
- ***General and administrative expense was slightly lower than budget***
- ***Facility rental expense was higher than budget due to a change in estimate***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 233,033,350	$ 240,869,311	$ (7,835,961)	-3.3%
Operating Expenses:				
Terminal operations	114,010,613	107,316,215	(6,694,397)	-6.2%
Terminal maintenance	39,564,297	39,548,505	(15,792)	0.0%
General and administrative	29,711,249	29,717,295	6,046	0.0%
Facility Rental	34,785,665	33,424,576	(1,361,089)	-4.1%
Depreciation and amortization	31,568,496	31,540,057	(28,439)	-0.1%
Total operating expenses	249,640,319	241,546,648	(8,039,671)	-3.4%
Operating income (loss)	(16,606,969)	(677,337)	(15,929,632)	2351.8%

- ***The combination of lower than budgeted revenue and higher than budgeted expenses have resulted in an operating loss of $16.6 million or $15.9 million below budget year to date***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 233,033,350	$ 240,869,311	$ (7,835,961)	-3.3%
Operating Expenses:				
Terminal operations	114,010,613	107,316,215	(6,694,397)	-6.2%
Terminal maintenance	39,564,297	39,548,505	(15,792)	0.0%
General and administrative	29,711,249	29,717,295	6,046	0.0%
Facility Rental	34,785,665	33,424,576	(1,361,089)	-4.1%
Depreciation and amortization	31,568,496	31,540,057	(28,439)	-0.1%
Total operating expenses	249,640,319	241,546,648	(8,039,671)	-3.4%
Operating income (loss)	(16,606,969)	(677,337)	(15,929,632)	2351.8%
Non-operating revenues (expenses)	(10,769,113)	(11,341,120)	572,007	5.0%
Capital contributions and transfers	24,327,580	25,956,144	(1,628,564)	-6.3%

- ***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 $1.6 million below budget***

PORT OF VIRGINIA
CONSOLIDATED INCOME STATEMENT FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2014

	Actual	Budget	$ Variance	% Variance
Operating Revenues	$ 233,033,350	$ 240,869,311	$ (7,835,961)	-3.3%
Operating Expenses:				
Terminal operations	114,010,613	107,316,215	(6,694,397)	-6.2%
Terminal maintenance	39,564,297	39,548,505	(15,792)	0.0%
General and administrative	29,711,249	29,717,295	6,046	0.0%
Facility Rental	34,785,665	33,424,576	(1,361,089)	-4.1%
Depreciation and amortization	31,568,496	31,540,057	(28,439)	-0.1%
Total operating expenses	249,640,319	241,546,648	(8,039,671)	-3.4%
Operating income (loss)	(16,606,969)	(677,337)	(15,929,632)	2351.8%
Non-operating revenues (expenses)	(10,769,113)	(11,341,120)	572,007	5.0%
Capital contributions and transfers	24,327,580	25,956,144	(1,628,564)	-6.3%
Increase (decrease) in Net Assets	$ (3,048,502)	$ 13,937,687	$ (16,986,189)	-121.9%

- ***The overall result is a decrease in Net Assets of $3.0 million which is $17.0 million below budget***

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