

**VIRGINIA PORT AUTHORITY AND VIRGINIA INTERNATIONAL TERMINALS, LLC
FINANCIAL HIGHLIGHTS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2015**

The following is a summary of the results of operations through the seventh month of FY 2015.

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Actual vs. Budget and Prior Year**

Operating Revenues

Operating revenues year to date were 3% over budget and 27% over prior year. The increase over prior year was predominantly due to volume and the consolidation of a subsidiary company not included in FY 2014 results. Container volume was up 9% for the seven months ending January from the same period last year.

Operating Expenses

Terminal operating expenses year to date were \$1.1 million (1.0%) over budget and \$11.0 million (11.0%) above prior year. The variance versus budget was due primarily to increased truck and rail volume. On a per unit basis, year to date operating expenses remain below budget due to increased efficiencies and productivity.

Terminal maintenance expenses year to date were \$4.2 million (8.6%) over budget and \$18.5 million above prior year. Terminal maintenance is higher than prior year in part due to the inclusion of a subsidiary company not included in prior year results, volume, the age of equipment, and preparations for the re-opening of PMT. Efficiency measures continue to be evaluated and implemented.

General and administrative expenses year to date were \$2.1 million (6.8%) under budget and \$2.5 million (9.7%) higher than prior year. Management continues to monitor general and administrative expenses to remain conservative where possible.

Facilities rental expenses year to date were \$379 thousand (1.2%) over budget and \$2.2 million (7.1%) higher than prior year. The Authority is in its fourth year under full facility rental rates per the VIG terminal lease.

Non-Operating Revenue & Expenses

Year to date interest income was \$79 thousand under budget and \$109 thousand below prior year, primarily due to continued low interest rates and market adjustments.

Year to date interest expense was \$376 thousand under budget and \$450 thousand below prior year.

Capital Contributions and Transfers

The CPF allocation year to date was \$124 thousand (0.6%) under budget and \$226 thousand (1.0%) above prior year. Staff will continue to monitor performance.

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC

STATEMENT OF NET POSITION

As of January 31, 2015

	Primary Government	Component Unit		
		Virginia International Terminals, LLC	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	67,026,178	11,530,519	-	78,556,697
Restricted assets:				
Cash and cash equivalents	12,177,505	13,505,785	-	25,683,290
Investments	-	2,627,078	-	2,627,078
Investments held by Treasurer of VA	128,795	-	-	128,795
Accounts receivable, net	2,456,351	77,025,827	-	79,482,178
Due from transportation trust	5,728,773	-	-	5,728,773
Due from component unit	4,020,012	-	(4,020,012)	-
Inventories	-	15,080,772	-	15,080,772
Prepaid expenses and other	72,100	15,411,619	-	15,483,719
Total current assets	<u>91,609,714</u>	<u>135,181,599</u>	<u>(4,020,012)</u>	<u>222,771,301</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	37,487,456	-	-	37,487,456
Investments	13,827,300	-	-	13,827,300
Pension plan assets	2,131,152	2,799,587	-	4,930,739
Bond issue costs, net	975,552	-	-	975,552
Other	-	-	-	-
Non-depreciable capital assets	221,621,220	-	-	221,621,220
Depreciable capital assets, net	502,015,004	19,794,328	-	521,809,332
Total noncurrent assets	<u>778,057,684</u>	<u>22,593,915</u>	<u>-</u>	<u>800,651,599</u>
Total Assets	<u>869,667,398</u>	<u>157,775,514</u>	<u>(4,020,012)</u>	<u>1,023,422,900</u>
DEFERRED OUTFLOW OF RESOURCES				
Bond Insurance and Refunding Costs, Net	5,113,116	-	-	5,113,116
Total assets and deferred outflows	<u>874,780,514</u>	<u>157,775,514</u>	<u>(4,020,012)</u>	<u>1,028,536,016</u>

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC

STATEMENT OF NET POSITION

As of January 31, 2015

	Primary Government	Component Unit		
		Virginia International Terminals, LLC	Eliminations	Total
	Authority			
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	9,321,929	25,262,282	-	34,584,211
Interest payable	1,705,994	-	-	1,705,994
Retainage payable	268,733	-	-	268,733
Long-term debt - current portion	21,675,720	-	-	21,675,720
Compensated absences - current portion	495,588	1,905,127	-	2,400,715
Payroll withholdings	-	430,378	-	430,378
Obligations under securities lending	4,106,813	-	-	4,106,813
Due to Parent Member	-	4,020,012	(4,020,012)	-
Total current liabilities	<u>37,574,777</u>	<u>31,617,799</u>	<u>(4,020,012)</u>	<u>65,172,564</u>
Noncurrent liabilities:				
Long-term debt	495,874,525	-	-	495,874,525
Compensated absences	6,924	1,633,232	-	1,640,156
Workers compensation costs	-	2,008,378	-	2,008,378
Accrued pension and OPEB obligations	194,709	3,020,974	-	3,215,683
Other noncurrent liabilities	-	-	-	-
Total noncurrent liabilities	<u>496,076,158</u>	<u>6,662,584</u>	<u>-</u>	<u>502,738,742</u>
Total Liabilities	<u>533,650,935</u>	<u>38,280,383</u>	<u>(4,020,012)</u>	<u>567,911,306</u>
DEFERRED INFLOW OF RESOURCES				
Bond Premiums and Refunding Costs, Net	-	-	-	-
Total liabilities and deferred inflows	<u>533,650,935</u>	<u>38,280,383</u>	<u>(4,020,012)</u>	<u>567,911,306</u>
NET POSITION				
Net Investment in Capital Assets	257,149,410	19,794,328	-	276,943,738
Restricted for:				
Debt service	28,953,681	16,132,863	-	45,086,544
Pension	-	-	-	-
Unrestricted	55,026,488	83,567,940	-	138,594,428
Total net position	<u>341,129,579</u>	<u>119,495,131</u>	<u>-</u>	<u>460,624,710</u>
	<u>874,780,514</u>	<u>157,775,514</u>	<u>(4,020,012)</u>	<u>1,028,536,016</u>

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Month Ended January 31, 2015

	Primary		Component Unit	
	Government	Virginia International		
	Authority	Terminals, LLC	Eliminations	Total
Operating Revenues:				
Terminal operating revenues	\$ -	\$ 36,062,250	\$ -	\$ 36,062,250
Other revenues	707,207	-	-	707,207
Operating Revenues -Grants	891,513	-	-	891,513
Operating revenues from component unit	980,140	-	(980,140)	-
Total operating revenues	2,578,860	36,062,250	(980,140)	37,660,970
Operating Expenses:				
Terminal operations	87,394	17,456,637	-	17,544,031
Terminal maintenance	977,296	7,137,073	-	8,114,369
General and administrative	1,699,067	2,525,834	-	4,224,901
Facility Rental	4,878,791	-	-	4,878,791
Depreciation and amortization	3,620,266	274,874	-	3,895,140
Payments due to Authority	-	980,140	(980,140)	-
Total operating expenses	11,262,814	28,374,558	(980,140)	38,657,232
Operating income (loss)	(8,683,954)	7,687,692	-	(996,262)
Non-operating revenues (expenses)				
Interest income	75,308	6,913	-	82,221
Interest expense	(1,651,792)	-	-	(1,651,792)
Bond Issue Costs	-	-	-	-
Commonwealth Rail Relocation income	-	-	-	-
Commonwealth Rail Relocation expenses	-	-	-	-
Other revenues from component unit	-	-	-	-
Revenues from Federal Government	-	-	-	-
Revenues/Expenses (Primary Government)	500,000	-	-	500,000
Other income (expense)	-	-	-	-
Gain (loss) on disposals	-	-	-	-
Income (loss) before capital contributions and transfers	(9,760,438)	7,694,605	-	(2,065,833)
Capital contributions				
Commonwealth Port Fund allocation	3,589,742	-	-	3,589,742
Capital contributions (to) from component unit	-	-	-	-
Increase (decrease) in Net Position	(6,170,696)	7,694,605	-	1,523,909
Net Position - Beginning of Month	347,300,275	111,800,526	-	459,100,801
Net Position - End of Month	\$ 341,129,579	\$ 119,495,131	\$ -	\$ 460,624,710

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Actual vs Budget and Prior Year

For the Month Ended January 31, 2015

	Actual	Budget	Prior Year	Variance Actual/Budget
Operating Revenues:				
Terminal operating revenues	\$ 36,062,250	\$ 34,653,909	\$ 26,301,898	\$ 1,408,341
Other revenues	707,207	657,961	543,960	\$ 49,246
Operating revenues - Grants	891,513	367,821	393,876	\$ 523,693
Total operating revenues	37,660,970	35,679,690	27,239,734	\$ 1,981,280
Operating Expenses:				
Terminal operations	17,544,031	15,726,067	14,418,846	1,817,964
Terminal maintenance	8,114,369	6,898,360	5,547,906	1,216,009
General and administrative	4,224,901	4,567,854	3,784,646	(342,953)
Facility Rental	4,878,791	4,603,768	4,270,837	275,023
Depreciation and amortization	3,895,140	4,286,681	3,950,973	(391,541)
Total operating expenses	38,657,232	36,082,730	31,973,209	2,574,502
Operating income (loss)	(996,262)	(403,040)	(4,733,475)	(593,222)
Non-operating revenues (expenses)				
Interest income	82,221	51,153	93,414	31,068
Interest expense	(1,651,792)	(1,691,631)	(1,683,402)	39,839
Bond Issue Costs	-	-	-	-
Commonwealth Rail Relocation income	-	-	-	-
Commonwealth Rail Relocation expenses	-	-	-	-
Other revenues from component unit	-	-	-	-
Revenues from Federal Government	-	-	-	-
Revenues/Expenses (Primary Government)	500,000	500,000	-	-
Other Income (expense)	-	-	-	-
Gain/(loss) on disposals	-	-	-	-
Income (loss) before capital contributions and transfers	(2,065,833)	(1,543,517)	(6,323,463)	(522,316)
Capital contributions and transfers				
Commonwealth Port Fund allocation	3,589,742	3,391,097	3,337,076	198,645
Increase (decrease) in Net Assets	1,523,909	1,847,579	(2,986,388)	(323,670)
Cumulative Impact of GASB Equity Adjustment	-	-	-	-
Increase (decrease) in Net Assets After GASB Adjustment	1,523,909	1,847,579	(2,986,388)	(323,670)
Net Position - Beginning of Month	459,100,801	452,982,470	441,839,951	
Net Position - End of Month	\$ 460,624,710	\$ 454,830,049	\$ 438,853,563	\$ 5,794,661

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Seven Months Ended January 31, 2015

	Primary Government	Component Unit		
	Authority	Virginia International Terminals, LLC	Eliminations	Total
Operating Revenues:				
Terminal operating revenues	\$ -	\$ 249,235,605	\$ -	\$ 249,235,605
Other revenues	5,251,195	-	-	5,251,195
Other Revenues - Grants	3,111,882	-	-	3,111,882
Operating revenues from component unit	62,570,609	-	(62,570,609)	-
	70,933,686	249,235,605	(62,570,609)	257,598,682
Operating Expenses:				
Terminal operations	859,744	110,060,060	-	110,919,804
Terminal maintenance	4,596,247	48,138,090	-	52,734,337
General and administrative	10,864,241	17,900,799	-	28,765,040
Facility Rental	32,604,905	-	-	32,604,905
Depreciation and amortization	25,341,863	2,075,556	-	27,417,419
Payments due to Authority	-	62,570,609	(62,570,609)	-
	74,267,000	240,745,114	(62,570,609)	252,441,505
Operating income (loss)	(3,333,314)	8,490,491	-	5,157,177
Non-operating revenues (expenses)				
Interest income	269,223	9,518	-	278,741
Interest expense	(11,465,683)	-	-	(11,465,683)
Commonwealth Rail Relocation expenses	-	-	-	-
Revenues/Expenses (Primary Government)	947,463	-	-	947,463
Gain (loss) on disposals	-	-	-	-
	(13,582,311)	8,500,009	-	(5,082,302)
Capital contributions				
Commonwealth Port Fund allocation	21,803,189	-	-	21,803,189
Capital contributions (to) from component unit	(10,000,000)	10,000,000	-	-
Increase (decrease) in Net Assets	(1,779,122)	18,500,009	-	16,720,887
Net Position - Beginning of Year	342,908,701	100,995,122	-	443,903,823
Net Position - End of Year	\$ 341,129,579	\$ 119,495,131	\$ -	\$ 460,624,710

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Actual vs Budget and Prior Year

For the Seven Months Ended January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Variance</u> <u>Actual/Budget</u>
Operating Revenues:				
Terminal operating revenues	\$ 249,235,605	\$ 241,969,577	\$ 196,285,430	\$ 7,266,028
Other revenues	5,251,195	5,173,970	4,498,212	77,225
Operating revenues - Grants	3,111,882	2,574,744	2,318,643	537,139
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Total operating revenues	257,598,682	249,718,291	203,102,285	7,880,391
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Operating Expenses:				
Terminal operations	110,919,804	109,850,638	99,889,510	1,069,166
Terminal maintenance	52,734,337	48,551,599	34,199,438	4,182,738
General and administrative	28,765,040	30,854,434	26,223,707	(2,089,394)
Facility Rental	32,604,905	32,226,378	30,437,769	378,527
Depreciation and amortization	27,417,419	28,699,871	27,639,311	(1,282,452)
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Total operating expenses	252,441,505	250,182,920	218,389,736	2,258,585
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Operating income (loss)	5,157,177	(464,629)	(15,287,450)	5,621,806
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Non-operating revenues (expenses)				
Interest income	278,741	358,070	387,476	(79,329)
Interest expense	(11,465,683)	(11,841,415)	(11,915,213)	(375,732)
Bond Issue Costs	-	-	(69,000)	-
Commonwealth Rail Relocation expenses	-	-	-	-
Revenues from Federal Government	-	-	666,249	-
Revenues/Expenses (Primary Government)	947,463	947,463	1,816,390	-
Gain/(loss) on disposals	-	-	-	-
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Income (loss) before capital contributions and transfers	(5,082,302)	(11,000,511)	(24,401,549)	5,918,209
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Capital contributions and transfers				
Commonwealth Port Fund allocation	21,803,189	21,926,738	21,577,439	(123,549)
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Increase (decrease) in Net Position	16,720,887	10,926,226	(2,824,110)	5,794,661
Cumulative Impact of GASB Equity Adjustment	-	-	(5,014,977)	-
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Increase (decrease) in Net Position After GASB Adjustment	16,720,887	10,926,226	(7,839,087)	5,794,661
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Net Position - Beginning of Year	443,903,823	443,903,823	446,692,650	
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Net Position - End of Year	\$ 460,624,710	\$ 454,830,049	\$ 438,853,563	\$ 5,794,661
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VIRGINIA PORT AUTHORITY
STATEMENT OF CASH FLOWS
For the Seven Months Ended January 31, 2015

	<u>Authority</u>
Cash flows from operating activities:	
Receipts from customers and users	\$67,413,711
Receipts from operating grants	3,111,882
Payments for operating expenses	(40,855,136)
Payments to employees	(4,612,926)
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Net cash provided by (used in) operating activities	25,057,531
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Cash flows from noncapital financing activities:	
Transfer to Primary Government	-
Noncapital transfer to component unit	-
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Net cash provided by (used in) noncapital financing activities	-
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Cash flows from capital and related financing activities:	
Payments from short-term debt	-
Proceeds from long-term debt	-
CPF Contribution	21,988,363
Acquisition of capital assets	(7,193,192)
Principal paid on long-term debt	(23,890,203)
Interest paid on long-term debt	(19,950,648)
Bond Issue Costs	-
Expenditures for Commonwealth Rail relocation	(2,730)
Transfer from primary government	950,193
Capital Transfer to component unit	(10,000,000)
Capital Transfer from component unit	-
Proceeds from primary govt or other state agencies	-
Proceeds from federal government	-
Proceeds from sale of capital assets	-
Gain (loss) on disposals	-
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Net cash provided by (used in) capital and related financing activities	(38,098,218)
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Cash flows from investing activities:	
Proceeds from sales and maturities	2,973,062
Payments for investments	(3,012,448)
Interest and dividends received	242,056
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Net cash provided by (used in) investing activities	202,670
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Net increase (decrease) in cash and cash equivalents	(12,838,018)
Cash and cash equivalents at beginning of year	129,529,156
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Cash and cash equivalents at the end of period	\$116,691,139
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**VIRGINIA PORT AUTHORITY
STATEMENT OF CASH FLOWS**

For the Seven Months Ended January 31, 2015

	<u>Authority</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income/(loss)	(3,333,314)
Adjustments to reconcile earnings to net cash provided by operating activities:	
Depreciation and amortization	25,341,863
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	984,421
(Increase) decrease in due from VIT	(1,774,318)
(Increase) decrease in prepaid expenses	221,393
(Increase) decrease in other noncurrent assets	(29,264)
Increase (decrease) in accounts payable	3,658,268
Increase (decrease) in accrued expenses	-
Increase (decrease) in short-term liabilities	(11,518)
Increase (decrease) in long-term liabilities	-
Net cash provided by (used in) operating activities	<u>\$25,057,531</u>

VIRGINIA PORT AUTHORITY
CASH FLOW SUMMARY
EXCLUDING CONSTRUCTION AND DEBT SERVICE FUNDS
For the Seven Months Ended January 31, 2015

Special Funds (Terminal Revenues):

Revenues 65,598,302

Operating Expenditures:

Commerce Advertising	106,265
National & International Trade Services	2,069,531
General Management & Direction	4,303,066
GM&D - Facilities Rent	29,884,169
Debt Service for Port Facilities	18,287,469
Security Services	3,919,906
Payments in Lieu of Taxes	167,499
Port Facilities Planning	-
Reversion to the General Fund	-

Total Operating Expenditures 58,737,905

Capital Expenditures 147,889

Budgeted Revenues Over(Under)Expenditures	6,712,508
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Commonwealth Port Fund:

Revenues 25,927,510

Operating Expenditures:

Operational & Reserve Maintenance	3,417,418
Security Maintenance	383,440
Debt Service for Port Facilities	11,142,580
Aid to Localities	531,792
Reversion to the General Fund	-

Total Operating Expenditures 15,475,230

Capital Expenditures 5,824,342

Budgeted Revenues Over(Under)Expenditures	4,627,938
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Total All funds	11,340,446
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VIRGINIA PORT AUTHORITY
STATEMENT OF MONTHLY OPERATIONAL REVENUE AND EXPENDITURES (CASH BASIS)
For the Seven Months Ended January 31, 2015

	Special Fund		Commonwealth Port Fund		Total Revenue	Total Budget
	Special Fund Amount	Annual Budget	Commonwealth Port Fund Amount	Annual Budget		
Revenues-						
Transfer from VIT	61,190,221	98,100,000	-	-	61,190,221	98,100,000
4.2% Transfer from TTF & Interest	-	-	22,112,155	38,934,217	22,112,155	38,934,217
Other	4,408,081	8,930,750	3,815,355	-	8,223,436	8,930,750
Total Revenues	65,598,302	107,030,750	25,927,510	38,934,217	91,525,812	145,964,967

				Commonwealth			Annual Appropriation	Total Expended	Unexpended Balance
	Annual Appropriation	Special Fund Expended	Unexpended Balance	Annual Appropriation	Port Fund Expended	Unexpended Balance			
Commerce Advertising	914,253	106,265	807,988	-	-	-	914,253	106,265	807,988
National and International Trade	4,374,365	2,069,531	2,304,834	-	-	-	4,374,365	2,069,531	2,304,834
Port Traffic Rate Management	-	-	-	-	-	-	-	-	-
General Mgmt. & Direction (excl Rent)	10,349,042	4,303,066	6,045,976	-	-	-	10,349,042	4,303,066	6,045,976
Facility Rental	48,632,500	29,884,169	18,748,331	-	-	-	48,632,500	29,884,169	18,748,331
Security Services	9,171,112	3,919,906	5,251,206	1,300,000	383,440	916,560	10,471,112	4,303,346	6,167,766
Port Facilities Planning	1,191,574	-	1,191,574	-	-	-	1,191,574	-	1,191,574
Debt Service for Port Facilities-	-	-	-	-	-	-	-	-	-
Commonwealth Port Fund Bonds	-	-	-	20,810,272	11,142,580	9,667,692	20,810,272	11,142,580	9,667,692
Terminal Revenue Bonds	17,621,294	9,044,520	9,263,733	-	-	-	17,621,294	8,357,561	9,263,733
Equipment Leases	11,394,750	9,242,949	2,151,801	-	-	-	11,394,750	9,242,949	2,151,801
Aid to Localities	-	-	-	1,000,000	531,792	468,208	1,000,000	531,792	468,208
Payment in Lieu of Taxes	1,157,625	167,499	990,126	1,950,000	-	1,950,000	3,107,625	167,499	2,940,126
Reversion to the General Fund	158,013	-	158,013	-	-	-	158,013	-	158,013
Total Expenditures	104,964,528	58,737,905	46,226,623	25,060,272	12,057,812	13,002,460	130,024,800	70,795,717	59,229,083