

The Port of Virginia

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC.

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For The Budgeted and Forecasted Year Ending June 30, 2015 and Budgeted Year Ending June 30, 2016

	Forecasted			Forecasted to FY16	
	Budgeted FY15	FY15 (As of February 28, 2015)	Budgeted FY16	%	Budget \$ Change
Operating Revenues:					
Terminal operating revenues	\$ 419,053,185	\$ 434,660,015	\$ 475,199,764	9.3%	\$ 40,539,749
Other revenues	8,731,954	8,759,528	10,013,622	14.3%	1,254,094
Other Revenues - Grants	4,413,846	5,137,811	4,455,248	-13.3%	(682,563)
Total operating revenues	432,198,985	448,557,354	489,668,634	9.2%	41,111,280
Operating Expenses:					
Terminal operations	190,565,567	196,258,213	210,410,252	7.2%	14,152,039
Terminal maintenance	83,316,015	89,193,021	101,073,440	13.3%	11,880,419
General and administrative	52,222,478	51,362,357	64,158,560	24.9%	12,796,203
Facility rental	55,369,248	57,447,275	59,566,579	3.7%	2,119,304
Depreciation and amortization	50,066,027	46,739,770	51,771,981	10.8%	5,032,211
Total operating expenses	431,539,336	441,000,636	486,980,812	10.4%	45,980,176
Operating income (loss)	659,650	7,556,718	2,687,822	-64.4%	(4,868,896)
Non-operating revenues (expenses)					
Interest income	613,835	409,352	581,892	42.1%	172,540
Interest expense	(20,299,569)	(19,762,303)	(20,303,061)	-2.7%	(540,758)
Bond issue cost	-	-	-	0.0%	-
Revenues from Federal Government	17,875,000	2,875,000	8,984,250	212.5%	6,109,250
Revenues/Expenses (Primary Government)	6,000,000	6,000,000	21,437,500	257.3%	15,437,500
Gain (loss) on disposals	-	-	-	0.0%	-
Income (loss) before capital contributions and transfers	4,848,916	(2,921,233)	13,388,403	558.3%	16,309,636
Capital contributions and transfers					
Commonwealth Port Fund allocation	38,465,482	37,937,353	40,400,867	6.5%	2,463,514
Increase (decrease) in Net Position	43,314,398	35,016,120	53,789,270	53.6%	18,773,150
Net Position - Beginning of Year	443,903,823	443,903,823	478,919,943	7.9%	35,016,120
Net Position - End of Year	\$ 487,218,221	\$ 478,919,943	\$ 532,709,213	11.2%	\$ 53,789,270

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VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Budgeted For The Twelve Months Ended June 30, 2016

	GROSS		Shared Services	Primary Government	Component Unit		Total
	Authority	Elimination	Authority	Virginia International Terminals, LLC	Eliminations		
Operating Revenues:							
Terminal operating revenues	\$ -	\$ -	\$ -	\$ 475,199,764	\$ -	\$ 475,199,764	
Other revenues	22,227,398	(12,213,776)	10,013,622	-	-	10,013,622	
Other Revenues - Grants	4,455,248	-	4,455,248	-	-	4,455,248	
Operating revenues from component unit	121,883,656	-	121,883,656	-	(121,883,656)	-	
Total operating revenues	148,566,302	(12,213,776)	136,352,526	475,199,764	(121,883,656)	489,668,634	
Operating Expenses:							
Terminal operations	2,437,656	-	2,437,656	207,972,596	-	210,410,252	
Terminal maintenance	8,134,675	-	8,134,675	92,938,765	-	101,073,440	
General and administrative	37,012,886	(12,213,776)	24,799,110	39,359,450	-	64,158,560	
Facility rental	59,566,579	-	59,566,579	-	-	59,566,579	
Depreciation and amortization	45,977,294	-	45,977,294	5,794,687	-	51,771,981	
Payments due to Authority	-	-	-	121,883,656	(121,883,656)	-	
Total operating expenses	153,129,090	(12,213,776)	140,915,314	467,949,154	(121,883,656)	486,980,812	
Operating income (loss)	(4,562,788)	-	(4,562,788)	7,250,610	-	2,687,822	
Non-operating revenues (expenses)							
Interest income	266,892	-	266,892	315,000	-	581,892	
Interest expense	(20,303,061)	-	(20,303,061)	-	-	(20,303,061)	
Bond issue cost	-	-	-	-	-	-	
Revenues from Federal Government	8,984,250	-	8,984,250	-	-	8,984,250	
Revenues/Expenses (Primary Government)	21,437,500	-	21,437,500	-	-	21,437,500	
Gain (loss) on disposals	-	-	-	-	-	-	
Income (loss) before capital contributions and transfers	5,822,793	-	5,822,793	7,565,610	-	13,388,403	
Capital contributions							
Commonwealth Port Fund allocation	40,400,867	-	40,400,867	-	-	40,400,867	
Increase (decrease) in Net Position	46,223,660	-	46,223,660	7,565,610	-	53,789,270	
Net Position - Beginning of Year	347,554,209	-	347,554,209	131,365,734	-	478,919,943	
Net Position - End of Year	\$ 393,777,869	\$ -	\$ 393,777,869	\$ 138,931,344	\$ -	\$ 532,709,213	

**VIRGINIA PORT AUTHORITY
BUDGETED CASH FLOW SUMMARY
FISCAL YEAR ENDING JUNE 30, 2016**

Special Funds (Terminal Revenues):

Revenues		136,352,526
Operating Expenditures:		
Operational Maintenance	1,841,975	
Commerce Advertising	563,250	
National & International Trade Services	3,218,782	
General Management & Direction	22,810,309	
GM&D - Facilities Rent	59,122,725	
Debt Service for Port Facilities	19,179,215	
Security Services	9,239,644	
Payments in Lieu of Taxes	1,357,625	
Port Facilities Planning	1,080,031	
Reversion to the General Fund	117,711	
 Total Operating Expenditures		 118,531,267
 Capital Expenditures		 5,780,000
 Budgeted Revenues Over(Under)Expenditures		 <u>12,041,259</u>

Commonwealth Port Fund:

Revenues		40,400,867
Operating Expenditures:		
Operational & Reserve Maintenance	8,600,000	
Security Maintenance	675,651	
Debt Service for Port Facilities	22,203,501	
Aid to Localities	1,000,000	
Reversion to the General Fund	75,412	
 Total Operating Expenditures		 32,554,564
 Capital Expenditures		 9,525,000
 Budgeted Revenues Over(Under)Expenditures		 <u>(1,678,697)</u>
 Total All funds		 <u>10,362,562</u>

OPERATING RESULTS AND DEBT SERVICE COVERAGE

	Budgeted 2015	Forecast 2015	Budgeted 2016
Virginia International Terminals			
VIT Gross Receipts	368,266,251	383,563,034	428,473,160
VIT Current Expenses	(252,809,602)	(285,405,817)	(302,928,671)
VIT Current Expense (CE) Reserve (Deposit)/Withdrawal	(2,300,000)	(5,491,487)	2,704,695
VIT Deposits to CEMA	(11,135,098)	(7,671,449)	(13,904,077)
VIT Net Revenue	102,021,551	84,994,281	114,345,107
Virginia Port Authority			
VPA Gross Revenues			
VIT Net Revenue	102,021,551	84,994,281	114,345,107
VPA Security Surcharges and Other Income	8,731,954	7,991,169	9,999,489
Total VPA Gross Revenues	110,753,506	92,985,450	124,344,596
Current Expenses (Operating Expenditures)			
Operating Expenditures - Special Funds			
Total Budgeted TR Expenditures	(75,874,500)	(77,101,985)	(85,089,005)
Operating Expenditures - Special Funds	(75,874,500)	(77,101,985)	(85,089,005)
Operating Expenditures - CPF			
Non Capital Security in CPF	(402,950)	(447,531)	(152,775)
Non Capital/ Non Barge Op Maintenance in CPF	(1,970,000)	(1,433,403)	(3,512,116)
Non Capital Reserve Maintenance	(925,000)	(782,267)	(1,550,000)
Operating Expenditures - CPF	(3,297,950)	(2,663,201)	(5,214,891)
Total Operating Expenditures	(79,172,450)	(79,765,186)	(90,303,896)
VPA Net Revenues	31,581,056	13,220,264	34,040,700
Operating (& Capital Expenses) paid with CPF's	3,297,950	2,663,201	5,214,891
Debt Service Coverage			
Principal & Interest Requirement:			
Principal	3,365,000	3,365,000	6,490,000
Interest	12,133,032	10,112,061	10,419,811
Interest received on Debt Service Reserve	(211,832)	(30,000)	(179,499)
Principal & Interest Requirement:	15,286,200	13,447,061	16,730,312
Pledged Net Revenues	42,716,154	20,891,713	47,944,777
Pledged Adjusted Net Revenues	46,014,104	23,554,914	53,159,668
Pledged Net Revenue Coverage (1.1x test)	2.79	1.55	2.87
Pledged Adjusted net Revenue Coverage (1.35x test)	3.01	1.75	3.18
Principal and Interest Senior Debt Service	15,286,200	13,447,061	16,730,312
Principal and Interest MELP Debt Service	10,094,920	10,094,920	6,932,266
Total Debt Service	25,381,120	23,541,981	23,662,577
VPA Net Revenues	31,581,056	13,220,264	34,040,700
MELP DSC Covenant (1.0x test)	1.24	0.56	1.44

(1) Pledged net revenues equal VPA revenues plus VIT deposits to CEMA

(2) Pledged adjusted net revenues equal pledged net revenues plus operating expenses paid with CPF

**VIRGINIA PORT AUTHORITY
FUTURE CAPITAL OUTLAY PROJECTS
FISCAL YEAR ENDING JUNE 30, 2016**

Projects	Est Contract Date	Projected Cost
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CAPITAL PROJECTS:

FY2016:

Container Handling Equipment	44,353,680
NIT Rail/3rd Street Improvements	2,000,000
VIG II Rail Portal	250,000
VIG II Modeling and Simulation (also see maint)	1,825,000
IT Projects (DR, GPS for equipment, etc.)	1,749,000
NIT North Gate/Yard (TIGER)	15,000,000
Rebuild VIP Rail	750,000
VIP Rail Expansion	5,000,000
NIT Infrastructure	3,500,000
NIT Rail Expansion	13,400,000
Dredging	7,700,000
PMT landside Infrastructure Improvements	2,000,000
PMT Wharf and Fender Improvements	3,640,000
Richmond Infrastructure Improvements	2,600,000
VPA - CIEE Corp Support (2011 Funds)	3,500,000
CIEE - Fill to maintain elev 10	3,500,000
VPA - CIEE Project Operations & Management	2,000,000
CIEE Pre-dredge debris removal	3,000,000
CIEE Wick Drains	5,200,000
CIEE CIRRC Permitting	1,000,000
FED Port Security Grant	1,484,250

Total	\$ 123,451,930
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Summary by source:

CPF Paygo	9,525,000
TR Paygo	5,780,000
State Grant	21,437,500
Federal Grant	8,984,250
Bond	77,725,180
	\$ 123,451,930