

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

The following is a summary of the results of operations through the ninth 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 3.7% ahead of budget and 25.3% ahead of 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 8.7% for the nine months ending March from the same period last year.

**Operating Expenses**

Terminal operating expenses year to date were \$2.1 million (1.5%) over budget and \$13.9 million (10.7%) above prior year. The increase versus budget was primarily due to volume, increased overtime pay, and increased drayage expense.

Terminal maintenance expenses year to date were \$6.3 million (10.1%) over budget and \$23.8 million (53.0%) 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 inclement weather costs. Efficiency measures continue to be evaluated and implemented.

General and administrative expenses year to date were \$1.7 million (4.3%) under budget and \$4.3 million (13.0%) higher than prior year. Management continues to monitor general and administrative expenses to remain conservative where possible.

Facilities rental expenses were \$852 thousand (2.1%) over budget and \$3.2 million (8.1%) 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 \$128 thousand under budget and \$68 thousand below prior year, primarily due to continued low interest rates and market adjustments.

Year to date interest expense was \$158 thousand under budget and \$45 thousand below prior year.

**Capital Contributions and Transfers**

The CPF allocation year to date was \$125 thousand (0.5%) over budget and \$566 thousand (2.1%) above prior year. Staff will continue to monitor performance.

**VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC**

**STATEMENT OF NET POSITION**

*As of March 31, 2015*

	Primary Government	Component Unit		
		Virginia International Terminals, LLC	Eliminations	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	66,041,505	17,161,931	-	83,203,436
Restricted assets:				
Cash and cash equivalents	16,520,178	3,234,951	-	19,755,129
Investments	-	12,119,099	-	12,119,099
Investments held by Treasurer of VA	128,795	-	-	128,795
Accounts receivable, net	957,574	81,130,997	-	82,088,571
Due from transportation trust	5,011,899	-	-	5,011,899
Due from component unit	6,149,422	-	(6,149,422)	-
Inventories	-	15,296,064	-	15,296,064
Prepaid expenses and other	305,946	15,770,033	-	16,075,979
Total current assets	95,115,319	144,713,076	(6,149,422)	233,678,973
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	51,977,111	-	-	51,977,111
Investments	-	-	-	-
Pension plan assets	2,131,152	2,799,587	-	4,930,739
Bond issue costs, net	968,682	-	-	968,682
Other	-	-	-	-
Non-depreciable capital assets	222,722,283	-	-	222,722,283
Depreciable capital assets, net	495,397,971	20,690,338	-	516,088,309
Total noncurrent assets	773,197,199	23,489,925	-	796,687,124
Total Assets	868,312,518	168,203,001	(6,149,422)	1,030,366,097
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Bond Insurance and Refunding Costs, Net	(2,616,201)	-	-	(2,616,201)
<b>Total assets and deferred outflows</b>	865,696,317	168,203,001	(6,149,422)	1,027,749,896

**VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC**

**STATEMENT OF NET POSITION**

*As of March 31, 2015*

	Primary Government	Component Unit		
		Virginia International Terminals, LLC	Eliminations	Total
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	8,798,138	27,967,486	-	36,765,624
Interest payable	3,680,719	-	-	3,680,719
Retainage payable	268,733	-	-	268,733
Long-term debt - current portion	21,675,720	-	-	21,675,720
Compensated absences - current portion	495,588	1,894,418	-	2,390,006
Payroll withholdings	-	374,198	-	374,198
Obligations under securities lending	4,106,813	-	-	4,106,813
Due to Parent Member	-	6,149,422	(6,149,422)	-
Total current liabilities	39,025,711	36,385,525	(6,149,422)	69,261,814
Noncurrent liabilities:				
Long-term debt	488,009,816	-	-	488,009,816
Compensated absences	6,925	1,633,232	-	1,640,157
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	488,211,450	6,662,584	-	494,874,034
Total Liabilities	527,237,161	43,048,109	(6,149,422)	564,135,848
<b>DEFERRED INFLOW OF RESOURCES</b>				
Bond Premiums and Refunding Costs, Net	-	-	-	-
Total liabilities and deferred inflows	527,237,161	43,048,109	(6,149,422)	564,135,848
<b>NET POSITION</b>				
Net Investment in Capital Assets	253,091,474	20,690,338	-	273,781,812
Restricted for:				
Debt service	11,079,504	15,382,633	-	26,462,137
Pension	-	-	-	-
Unrestricted	74,288,178	89,081,920	-	163,370,098
Total net position	338,459,156	125,154,892	-	463,614,048
	865,696,317	168,203,001	(6,149,422)	1,027,749,896

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

	Primary		Eliminations	Total
	Government	Component Unit		
	Authority	Virginia International Terminals, LLC		
<b>Operating Revenues:</b>				
Terminal operating revenues	\$ -	\$ 41,268,710	\$ -	\$ 41,268,710
Other revenues	836,732	-	-	\$ 836,732
Operating Revenues -Grants	497,285	-	-	\$ 497,285
Operating revenues from component unit	3,053,344	-	(3,053,344)	\$ -
<b>Total operating revenues</b>	<b>4,387,361</b>	<b>41,268,710</b>	<b>(3,053,344)</b>	<b>\$ 42,602,727</b>
<b>Operating Expenses:</b>				
Terminal operations	56,089	19,141,370	-	\$ 19,197,459
Terminal maintenance	694,016	8,400,929	-	\$ 9,094,945
General and administrative	1,401,263	2,762,651	-	\$ 4,163,914
Facility Rental	4,810,167	-	-	\$ 4,810,167
Depreciation and amortization	3,003,637	737,410	-	\$ 3,741,047
Payments due to Authority	-	3,053,344	(3,053,344)	\$ -
<b>Total operating expenses</b>	<b>9,965,172</b>	<b>34,095,704</b>	<b>(3,053,344)</b>	<b>\$ 41,007,532</b>
<b>Operating income (loss)</b>	<b>(5,577,811)</b>	<b>7,173,006</b>	<b>-</b>	<b>\$ 1,595,195</b>
<b>Non-operating revenues (expenses)</b>				
Interest income	39,367	5,393	-	\$ 44,760
Interest expense	(1,949,085)	-	-	\$ (1,949,085)
Bond Issue Costs	(529,987)	-	-	\$ (529,987)
Gain (loss) on disposals	-	-	-	\$ -
<b>Income (loss) before capital contributions and transfers</b>	<b>(8,017,516)</b>	<b>7,178,399</b>	<b>-</b>	<b>\$ (839,117)</b>
<b>Capital contributions</b>				
Commonwealth Port Fund allocation	3,245,634	-	-	\$ 3,245,634
Capital contributions (to) from component unit	1,660,000	(1,660,000)	-	\$ -
<b>Increase (decrease) in Net Position</b>	<b>(3,111,882)</b>	<b>5,518,399</b>	<b>-</b>	<b>\$ 2,406,517</b>
<b>Net Position - Beginning of Month</b>	<b>341,571,038</b>	<b>119,636,492</b>	<b>-</b>	<b>\$ 461,207,530</b>
<b>Net Position - End of Month</b>	<b>\$ 338,459,156</b>	<b>\$ 125,154,892</b>	<b>\$ -</b>	<b>\$ 463,614,048</b>

**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 March 31, 2015*

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Variance Actual/Budget</u>
<b>Operating Revenues:</b>				
Terminal operating revenues	\$ 41,268,710	\$ 36,009,098	\$ 32,280,638	\$ 5,259,612
Other revenues	836,732	691,904	640,875	144,828
Operating revenues - Grants	497,285	367,821	391,108	129,465
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Total operating revenues	42,602,727	37,068,823	33,312,621	5,533,904
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<b>Operating Expenses:</b>				
Terminal operations	19,197,459	16,408,081	16,021,516	2,789,378
Terminal maintenance	9,094,945	7,134,432	5,381,322	1,960,513
General and administrative	4,163,914	4,200,217	3,453,367	(36,303)
Facility Rental	4,810,167	4,603,768	4,347,896	206,399
Depreciation and amortization	3,741,047	4,285,929	3,958,941	(544,882)
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Total operating expenses	41,007,532	36,632,428	33,163,042	4,375,104
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Operating income (loss)	1,595,195	436,395	149,579	1,158,800
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<b>Non-operating revenues (expenses)</b>				
Interest income	44,760	51,153	(10,760)	(6,393)
Interest expense	(1,949,085)	(1,691,631)	(1,518,062)	(257,454)
Bond Issue Costs	(529,987)	-	-	(529,987)
Gain/(loss) on disposals	-	-	-	-
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Income (loss) before capital contributions and transfers	(839,117)	(1,204,083)	(1,379,243)	364,966
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<b>Capital contributions and transfers</b>				
Commonwealth Port Fund allocation	3,245,634	2,984,884	2,937,334	260,750
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<b>Increase (decrease) in Net Assets</b>	2,406,517	1,780,801	1,558,091	625,716
Cumulative Impact of GASB Equity Adjustment	-	-	-	-
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<b>Increase (decrease) in Net Assets After GASB Adjustment</b>	2,406,517	1,780,801	1,558,091	625,716
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<b>Net Position - Beginning of Month</b>	461,207,530	455,696,523	438,629,168	5,511,007
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<b>Net Position - End of Month</b>	\$ 463,614,048	\$ 457,477,324	\$ 440,187,259	\$ 6,136,723
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**VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
*For the Nine Months Ended March 31, 2015*

	Primary Government	Component Unit		
	Authority	Virginia International Terminals, LLC	Eliminations	Total
<b>Operating Revenues:</b>				
Terminal operating revenues	\$ -	\$ 322,811,511	\$ -	\$ 322,811,511
Other revenues	6,741,085	-	-	6,741,085
Other Revenues - Grants	4,163,813	-	-	4,163,813
Operating revenues from component unit	69,970,187	-	(69,970,187)	-
Total operating revenues	80,875,085	322,811,511	(69,970,187)	333,716,409
<b>Operating Expenses:</b>				
Terminal operations	1,013,362	142,970,993	-	143,984,355
Terminal maintenance	6,071,706	62,689,557	-	68,761,263
General and administrative	14,149,085	23,321,450	-	37,470,535
Facility Rental	42,286,125	-	-	42,286,125
Depreciation and amortization	31,965,766	3,052,917	-	35,018,683
Payments due to Authority	-	69,970,187	(69,970,187)	-
Total operating expenses	95,486,044	302,005,104	(69,970,187)	327,520,961
Operating income (loss)	(14,610,959)	20,806,407	-	6,195,448
<b>Non-operating revenues (expenses)</b>				
Interest income	319,468	13,363	-	332,831
Interest expense	(15,066,562)	-	-	(15,066,562)
Bond Issue Costs	(529,987)	-	-	(529,987)
Revenues/Expenses (Primary Government)	947,463	-	-	947,463
Gain (loss) on disposals	-	-	-	-
Income (loss) before capital contributions and transfers	(28,940,577)	20,819,770	-	(8,120,807)
<b>Capital contributions</b>				
Commonwealth Port Fund allocation	27,831,032	-	-	27,831,032
Capital contributions (to) from component unit	(3,340,000)	3,340,000	-	-
<b>Increase (decrease) in Net Assets</b>	(4,449,545)	24,159,770	-	19,710,225
<b>Net Position - Beginning of Year</b>	342,908,701	100,995,122	-	443,903,823
<b>Net Position - End of Year</b>	\$ 338,459,156	\$ 125,154,892	\$ -	\$ 463,614,048

**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 Nine Months Ended March 31, 2015*

	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>	<b>Variance Actual/Budget</b>
<b>Operating Revenues:</b>				
Terminal operating revenues	\$ 322,811,511	\$ 311,993,020	\$ 257,423,668	\$ 10,818,491
Other revenues	6,741,085	6,568,680	5,752,736	172,405
Operating revenues - Grants	4,163,813	3,310,385	3,169,566	853,429
<b>Total operating revenues</b>	<b>333,716,409</b>	<b>321,872,084</b>	<b>266,345,970</b>	<b>11,844,325</b>
<b>Operating Expenses:</b>				
Terminal operations	143,984,355	141,893,877	130,032,130	2,090,478
Terminal maintenance	68,761,263	62,439,666	44,945,621	6,321,597
General and administrative	37,470,535	39,166,401	33,164,616	(1,695,866)
Facility Rental	42,286,125	41,433,915	39,133,561	852,210
Depreciation and amortization	35,018,683	37,254,169	35,527,435	(2,235,486)
<b>Total operating expenses</b>	<b>327,520,961</b>	<b>322,188,028</b>	<b>282,803,363</b>	<b>5,332,933</b>
<b>Operating income (loss)</b>	<b>6,195,448</b>	<b>(315,944)</b>	<b>(16,457,393)</b>	<b>6,511,392</b>
<b>Non-operating revenues (expenses)</b>				
Interest income	332,831	460,376	400,469	(127,545)
Interest expense	(15,066,562)	(15,224,677)	(15,112,042)	158,115
Bond Issue Costs	(529,987)	-	(69,000)	(529,987)
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	-	-	-	-
<b>Income (loss) before capital contributions and transfers</b>	<b>(8,120,807)</b>	<b>(14,132,781)</b>	<b>(28,755,328)</b>	<b>6,011,975</b>
<b>Capital contributions and transfers</b>				
Commonwealth Port Fund allocation	27,831,032	27,706,282	27,264,914	124,750
<b>Increase (decrease) in Net Position</b>	<b>19,710,225</b>	<b>13,573,501</b>	<b>(1,490,414)</b>	<b>6,136,724</b>
Cumulative Impact of GASB Equity Adjustment	-	-	(5,014,977)	-
<b>Increase (decrease) in Net Position After GASB Adjustment</b>	<b>19,710,225</b>	<b>13,573,501</b>	<b>(6,505,391)</b>	<b>6,136,724</b>
<b>Net Position - Beginning of Year</b>	<b>443,903,823</b>	<b>443,903,823</b>	<b>446,692,650</b>	<b>-</b>
<b>Net Position - End of Year</b>	<b>\$ 463,614,048</b>	<b>\$ 457,477,324</b>	<b>\$ 440,187,259</b>	<b>\$ 6,136,724</b>

**VIRGINIA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
*For the Nine Months Ended March 31, 2015*

	<u>Authority</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$76,436,154
Receipts from operating grants	4,163,813
Payments for operating expenses	(47,410,055)
Payments to employees	(6,445,076)
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<b>Net cash provided by (used in) operating activities</b>	<b>26,744,836</b>
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<b>Cash flows from noncapital financing activities:</b>	
Transfer to Primary Government	-
Noncapital transfer to component unit	-
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<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>
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<b>Cash flows from capital and related financing activities:</b>	
Payments from short-term debt	-
Proceeds from long-term debt	-
CPF Contribution	28,776,211
Acquisition of capital assets	(8,294,255)
Principal paid on long-term debt	(31,754,912)
Interest paid on long-term debt	(21,576,801)
Bond Issue Costs	(529,987)
Expenditures for Commonwealth Rail relocation	(2,730)
Transfer from primary government	950,193
Capital Transfer to component unit	(3,340,000)
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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<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(35,772,280)</b>
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<b>Cash flows from investing activities:</b>	
Proceeds from sales and maturities	16,820,330
Payments for investments	(3,032,417)
Interest and dividends received	249,168
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<b>Net cash provided by (used in) investing activities</b>	<b>14,037,082</b>
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Net increase (decrease) in cash and cash equivalents	5,009,637
Cash and cash equivalents at beginning of year	129,529,156
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<b>Cash and cash equivalents at the end of period</b>	<b>\$134,538,794</b>
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**VIRGINIA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
*For the Nine Months Ended March 31, 2015*

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	<u>Authority</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Operating income/(loss)	(14,610,959)
<b>Adjustments to reconcile earnings to net cash provided by operating activities:</b>	
Depreciation and amortization	31,965,766
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	2,483,198
(Increase) decrease in due from VIT	(3,903,728)
(Increase) decrease in prepaid expenses	7,723,734
(Increase) decrease in other noncurrent assets	(36,134)
Increase (decrease) in accounts payable	3,136,951
Increase (decrease) in accrued expenses	-
Increase (decrease) in short-term liabilities	(13,993)
Increase (decrease) in long-term liabilities	-
<b>Net cash provided by (used in) operating activities</b>	<u><b>26,744,836</b></u>

**VIRGINIA PORT AUTHORITY**  
**CASH FLOW SUMMARY**  
**EXCLUDING CONSTRUCTION AND DEBT SERVICE FUNDS**  
*For the Nine Months Ended March 31, 2015*

**Special Funds (Terminal Revenues):**

Revenues 72,206,265

**Operating Expenditures:**

Commerce Advertising	142,730
National & International Trade Services	2,685,545
General Management & Direction	6,118,359
GM&D - Facilities Rent	38,422,503
Debt Service for Port Facilities	21,213,500
Security Services	5,117,463
Payments in Lieu of Taxes	942,882
Port Facilities Planning	-
Reversion to the General Fund	-

Total Operating Expenditures 74,642,982

Capital Expenditures 106,513

Budgeted Revenues Over(Under)Expenditures (2,543,230)

**Commonwealth Port Fund:**

Revenues 32,672,226

**Operating Expenditures:**

Operational & Reserve Maintenance	4,901,513
Security Maintenance	506,524
Debt Service for Port Facilities	14,337,889
Aid to Localities	571,667
Reversion to the General Fund	-

Total Operating Expenditures 20,317,593

Capital Expenditures 6,594,829

Budgeted Revenues Over(Under)Expenditures 5,759,804

Total All funds 3,216,574

**VIRGINIA PORT AUTHORITY**  
**STATEMENT OF MONTHLY OPERATIONAL REVENUE AND EXPENDITURES (CASH BASIS)**  
*For the Nine Months Ended March 31, 2015*

	Special Fund		Commonwealth Port Fund		Total Revenue	Total Budget
	Special Fund Amount	Annual Budget	Commonwealth Port Fund Amount	Annual Budget		
<b>Revenues-</b>						
Transfer from VIT	66,378,371	98,100,000	-	-	66,378,371	98,100,000
4.2% Transfer from TTF & Interest	-	-	28,856,871	38,934,217	28,856,871	38,934,217
Other	5,827,894	8,930,750	3,815,355	-	9,643,249	8,930,750
<b>Total Revenues</b>	<b><u>72,206,265</u></b>	<b><u>107,030,750</u></b>	<b><u>32,672,226</u></b>	<b><u>38,934,217</u></b>	<b><u>104,878,491</u></b>	<b><u>145,964,967</u></b>

	Annual Appropriation	Special Fund Expended	Unexpended Balance	Annual Appropriation	Commonwealth Port Fund Expended	Unexpended Balance	Annual Appropriation	Total Expended	Unexpended Balance
	<b>Commerce Advertising</b>	914,253	142,730	771,523	-	-	-	914,253	142,730
<b>National and International Trade</b>	4,374,365	2,685,545	1,688,820	-	-	-	4,374,365	2,685,545	1,688,820
<b>Port Traffic Rate Management</b>	-	-	-	-	-	-	-	-	-
<b>General Mgmt. &amp; Direction (excl Rent)</b>	10,349,042	6,118,359	4,230,683	-	-	-	10,349,042	6,118,359	4,230,683
<b>Facility Rental</b>	48,632,500	38,422,503	10,209,997	-	-	-	48,632,500	38,422,503	10,209,997
<b>Security Services</b>	9,171,112	5,117,463	4,053,649	1,300,000	506,524	793,476	10,471,112	5,623,987	4,847,125
<b>Port Facilities Planning</b>	1,191,574	-	1,191,574	-	-	-	1,191,574	-	1,191,574
<b>Debt Service for Port Facilities-</b>	-	-	-	-	-	-	-	-	-
<b>Commonwealth Port Fund Bonds</b>	-	-	-	20,810,272	14,337,889	6,472,383	20,810,272	14,337,889	6,472,383
<b>Terminal Revenue Bonds</b>	17,621,294	11,118,581	7,793,247	-	-	-	17,621,294	9,828,047	7,793,247
<b>Equipment Leases</b>	11,394,750	10,094,919	1,299,831	-	-	-	11,394,750	10,094,919	1,299,831
<b>Aid to Localities</b>	-	-	-	1,000,000	571,667	428,333	1,000,000	571,667	428,333
<b>Payment in Lieu of Taxes</b>	1,157,625	942,882	214,743	1,950,000	-	1,950,000	3,107,625	942,882	2,164,743
<b>Reversion to the General Fund</b>	158,013	-	158,013	-	-	-	158,013	-	158,013
<b>Total Expenditures</b>	<b><u>104,964,528</u></b>	<b><u>74,642,982</u></b>	<b><u>30,729,705</u></b>	<b><u>25,060,272</u></b>	<b><u>15,416,080</u></b>	<b><u>9,644,192</u></b>	<b><u>130,024,800</u></b>	<b><u>89,650,903</u></b>	<b><u>40,373,897</u></b>