

VIRGINIA PORT AUTHORITY AND VIRGINIA INTERNATIONAL TERMINALS, LLC
FINANCIAL HIGHLIGHTS
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2016

The following is a summary of the results of operations for the fiscal year-to-date November 2016.

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

Operating Revenues

Operating revenues year to date were 3.6% favorable to budget; the same revenues were 4.3% favorable to the prior year period. Container volume was 4.9% favorable to budget, 4.1% favorable to prior year through November. The effect of favorable volume has been partially offset by the effect of the Hanjin bankruptcy and lower operating grant revenues.

Operating Expenses

Terminal operating expenses through November were \$1.3 million (1.6%) unfavorable to budget, and \$1.6 million (1.9%) unfavorable to the same period prior year. When viewed in relation to volume, operating expenses per container were both lower in terms of budget and prior year.

Terminal maintenance expenses year to date were \$4.3 million (9.9%) favorable to budget and \$2.2 million (5.4%) favorable to the prior year. The favorable variances to prior year and budget are the result of the measured approach to planned investment in refurbishment and repair to aged equipment, as well as the timing of maintenance and repair activity.

General and administrative expenses year to date were \$1.6 million (6.5%) favorable to budget, and \$257 thousand (1.1%) unfavorable to prior year. The variance to budget largely reflects timing, while the unfavorable variance to prior year is the result of lower staff vacancy and costs arising from new business plans in the current fiscal year.

Non-Operating Revenue & Expenses

Year to date interest expense (net) was \$8.3 million unfavorable to budget and \$8.0 million unfavorable to prior year. \$8.5 million of the total expense is related to the implementation of the new lease accounting in November.

Non-Operating grants were \$7.2 million year to date, principally the result of State assistance to support dredging costs and economic development in local areas. Federal TIGER grants and USACE grants were an additional \$4.9 million.

Year to date gain on disposals of \$13.3 million is a result of the implementation of the new lease accounting in November.

Capital Contributions and Transfers

The CPF allocation year to date was \$1.8 million (10.2%) unfavorable to budget and \$48 thousand unfavorable to prior year, due to the timing and extent of collected transportation trust fund revenues. Net Position increased \$36.1 million through November, \$24.9 million favorable to budget and \$23.9 million favorable to prior year.

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC

STATEMENT OF NET POSITION

As of November 30, 2016

	Authority	Virginia International Terminals, LLC	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 98,162,952	\$ 30,543,523	\$ -	\$ 128,706,475
Restricted assets:				
Cash and cash equivalents	41,599,896	405	-	41,600,301
Investments	-	-	-	-
Investments held by Treasurer of VA	-	-	-	-
Accounts receivable, net	51,895	78,759,471	-	78,811,366
Due from transportation trust	14,250,005	-	-	14,250,005
Due from component unit	15,892,984	-	(15,892,984)	-
Inventories	-	20,838,783	-	20,838,783
Prepaid expenses and other	521,189	5,881,865	-	6,403,054
Total current assets	<u>170,478,921</u>	<u>136,024,047</u>	<u>(15,892,984)</u>	<u>290,609,984</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	42,830,987	-	-	42,830,987
Investments	29,055,936	50,000	-	29,105,936
Bond issue costs, net	-	-	-	-
Non-depreciable capital assets	127,091,014	-	-	127,091,014
Depreciable capital assets, net	2,798,839,546	29,749,244	-	2,828,588,790
Total noncurrent assets	<u>2,998,267,483</u>	<u>29,799,244</u>	<u>-</u>	<u>3,028,066,727</u>
Total Assets	<u>3,168,746,404</u>	<u>165,823,291</u>	<u>(15,892,984)</u>	<u>3,318,676,711</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension and Bond Refunding Costs, Net	33,687,794	7,455,439	-	41,143,233
Deferred Outflows, Pensions	-	-	-	-
Total assets and deferred outflows of resources	<u><u>\$ 3,202,434,198</u></u>	<u><u>\$ 173,278,730</u></u>	<u><u>\$ (15,892,984)</u></u>	<u><u>\$ 3,359,819,944</u></u>

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC

STATEMENT OF NET POSITION

As of November 30, 2016

	Authority	Virginia International Terminals, LLC	Eliminations	Total
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 6,858,058	\$ 26,760,590	\$ -	\$ 33,618,648
Interest payable	463,479	-	-	463,479
Retainage payable	580,893	-	-	580,893
Long-term debt - current portion	15,879,925	-	-	15,879,925
Compensated absences - current portion	1,403,298	1,289,286	-	2,692,584
Payroll withholdings	392,571	419,282	-	811,853
Obligations under securities lending	341,453	-	-	341,453
Due to Parent Member	-	15,892,984	(15,892,984)	-
Total current liabilities	25,919,677	44,362,142	(15,892,984)	54,388,835
Noncurrent liabilities:				
Long-term debt	536,718,842	-	-	536,718,842
Capital lease obligations	2,182,561,835	-	-	2,182,561,835
Workers compensation costs	14,724	424,802	-	439,526
Accrued pension and OPEB obligations	-	10,482,081	-	10,482,081
Other noncurrent liabilities	10,000,682	899,548	-	10,900,230
Total noncurrent liabilities	2,729,296,083	11,806,431	-	2,741,102,514
Total Liabilities	2,755,215,760	56,168,573	(15,892,984)	2,795,491,349
DEFERRED INFLOWS OF RESOURCES				
Defined Benefit Plan	1,420,856	3,809,529	-	5,230,385
Bond Premiums and Refunding Costs, Net	-	-	-	-
Total liabilities and deferred inflows of resources	2,756,636,616	59,978,102	(15,892,984)	2,800,721,734
NET POSITION				
Net Investment in Capital Assets	289,189,120	29,749,244	-	318,938,364
Restricted for:				
Debt service	17,430,828	405	-	17,431,233
Unrestricted	139,177,634	83,550,979	-	222,728,613
Total net position	445,797,582	113,300,628	-	559,098,210
	\$ 3,202,434,198	\$ 173,278,730	\$ (15,892,984)	\$ 3,359,819,944

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Month Ended November 30, 2016

	Virginia			
	Authority	International Terminals, LLC	Eliminations	Total
Operating Revenues:				
Terminal operating revenues	\$ -	\$ 41,528,090	\$ -	\$ 41,528,090
Other revenues	835,386	-	-	835,386
Operating Revenues -Grants	-	-	-	-
Operating revenues from component unit	11,907,215	-	(11,907,215)	-
Total operating revenues	12,742,601	41,528,090	(11,907,215)	42,363,476
Operating Expenses:				
Terminal operations	118,121	16,995,965	-	17,114,086
Terminal maintenance	450,338	7,449,336	-	7,899,674
General and administrative	1,117,204	3,252,889	-	4,370,093
Facility rental	(1,920,040)	-	-	(1,920,040)
Depreciation/Amortization	6,638,276	332,927	-	6,971,203
Payments due to Authority	-	11,907,215	(11,907,215)	-
Total operating expenses	6,403,899	39,938,332	(11,907,215)	34,435,016
Operating income (loss)	6,338,702	1,589,758	-	7,928,460
Non-operating revenues (expenses)				
Interest income	42,930	3,327	-	46,257
Interest expense	(10,076,931)	-	-	(10,076,931)
Bond issue costs	(1,350,144)	-	-	(1,350,144)
Revenues/(expenses) (VEDP)	-	-	-	-
Other revenues from component unit	-	-	-	-
Revenue/expenses (state agencies)	-	-	-	-
Revenues from federal government	-	-	-	-
Revenues/expenses (primary government)	-	-	-	-
Other income (expense)	-	-	-	-
Gain/(loss) on disposals	13,277,025	-	-	13,277,025
	1,892,880	3,327	-	1,896,207
Income (loss) before capital contributions and transfers	8,231,582	1,593,085	-	9,824,667
Capital contributions				
Commonwealth Port Fund allocation	3,289,949	-	-	3,289,949
Transfers to federal government - channel dredging	-	-	-	-
Capital contributions (to) from component unit	21,887,843	(24,887,843)	-	(3,000,000)
Proceeds (to) from other state agencies	-	-	-	-
Increase (decrease) in Net Position	33,409,374	(23,294,758)	-	10,114,616
Net Position - Beginning of Month	412,388,208	136,595,386	-	548,983,594
Net Position - End of Month	\$ 445,797,582	\$ 113,300,628	\$ -	\$ 559,098,210

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 November 30, 2016

	Actual	Budget	Prior Year	Favorable (Unfavorable) Variance Actual/Budget
Operating Revenues:				
Terminal operating revenues	\$ 41,528,090	\$ 37,226,885	\$ 32,648,809	\$ 4,301,205
Other revenues	835,386	896,295	736,976	(60,909)
Operating revenues - Grants	-	433,333	361,350	(433,333)
Total operating revenues	42,363,476	38,556,513	33,747,135	3,806,963
Operating Expenses:				
Terminal operations	17,114,086	16,669,175	15,033,979	(444,911)
Terminal maintenance	7,899,674	8,605,910	8,403,556	706,236
General and administrative	4,370,093	4,775,484	5,160,850	405,391
Facility rental	(1,920,040)	5,348,990	4,578,034	7,269,030
Depreciation /Amortization	6,971,203	4,110,003	3,912,139	(2,861,200)
Total operating expenses	34,435,016	39,509,562	37,088,558	5,074,546
Operating income (loss)	7,928,460	(953,048)	(3,341,423)	8,881,508
Non-operating revenues (expenses)				
Interest income	46,257	17,425	(51,015)	28,832
Interest expense	(10,076,931)	(1,549,510)	(1,613,881)	(8,527,421)
Bond issue costs	(1,350,144)	-	(140,857)	(1,350,144)
Revenues/(expenses) (VEDP)	-	-	-	-
Revenue/expenses (state agencies)	-	-	-	-
Revenues from federal government	-	1,236,000	408,850	(1,236,000)
Revenues/expenses (primary government)	-	-	-	-
Other income (expense)	-	-	-	-
Gain/(loss) on disposals	13,277,025	-	-	13,277,025
Income (loss) before capital contributions and transfers	1,896,207	(296,085)	(1,396,903)	2,192,292
Capital contributions and transfers				
Commonwealth Port Fund allocation	3,289,949	3,477,134	3,416,906	(187,185)
Proceeds to federal government - channel dredging	-	-	-	-
Capital contributions (to) from component unit	(3,000,000)	-	-	(3,000,000)
Proceeds (to) from other state agencies	-	-	102,183	-
Increase (decrease) in Net Position	10,114,616	2,228,001	(1,219,237)	7,886,615
Net Position - Beginning of Month	548,983,594	532,015,995	498,124,437	16,967,599
Net Position - End of Month	\$ 559,098,210	\$ 534,243,996	\$ 496,905,200	\$ 24,854,214

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Five Months Ended November 30, 2016

	Authority	Virginia International Terminals, LLC	Eliminations	Total
Operating Revenues:				
Terminal operating revenues	\$ -	\$ 194,006,721	\$ -	\$ 194,006,721
Other revenues	4,197,511	-	-	4,197,511
Other Revenues - Grants	492,060	-	-	492,060
Operating revenues from component unit	45,510,411	-	(45,510,411)	-
Total operating revenues	50,199,982	194,006,721	(45,510,411)	198,696,292
Operating Expenses:				
Terminal operations	595,286	82,091,117	-	82,686,403
Terminal maintenance	2,541,292	36,551,988	-	39,093,280
General and administrative	6,132,702	17,355,286	-	23,487,988
Facility rental	17,324,000	-	-	17,324,000
Depreciation/Amortization	21,561,056	1,700,895	-	23,261,951
Payments due to Authority	-	45,510,411	(45,510,411)	-
Total operating expenses	48,154,336	183,209,697	(45,510,411)	185,853,622
Operating income (loss)	2,045,646	10,797,024	-	12,842,670
Non-operating revenues (expenses)				
Interest income	324,739	12,945	-	337,684
Interest expense	(16,082,922)	-	-	(16,082,922)
Bond issue costs	(1,597,326)	-	-	(1,597,326)
Revenues/(expenses) (VEDP)	6,200,000	-	-	6,200,000
Other revenues from component unit	-	-	-	-
Revenue/expenses (state agencies)	-	-	-	-
Revenues from federal government	4,870,606	-	-	4,870,606
Revenues/expenses (primary government)	999,993	-	-	999,993
Other income (expense)	-	-	-	-
Gain/(loss) on disposals	13,223,757	-	-	13,223,757
	7,938,847	12,945	-	7,951,792
Income (loss) before capital contributions and transfers	9,984,493	10,809,969	-	20,794,462
Capital contributions				
Commonwealth Port Fund allocation	15,615,582	-	-	15,615,582
Transfers to federal government - channel dredging	(308,628)	-	-	(308,628)
Capital contributions (to) from component unit	21,887,843	(21,887,843)	-	-
Proceeds (to) from other state agencies	-	-	-	-
Increase (decrease) in Net Position	47,179,290	(11,077,874)	-	36,101,416
Net Position - Beginning of Year	398,618,292	124,378,502	-	522,996,794
Net Position - End of Year	\$ 445,797,582	\$ 113,300,628	\$ -	\$ 559,098,210

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 Five Months Ended November 30, 2016

	Actual	Budget	Prior Year	Favorable (Unfavorable) Variance Actual/Budget
Operating Revenues:				
Terminal operating revenues	\$ 194,006,721	\$ 184,731,848	\$ 184,326,468	\$ 9,274,873
Other revenues	4,197,511	4,220,148	4,001,748	(22,637)
Operating revenues - Grants	492,060	2,766,667	2,117,507	(2,274,607)
Total operating revenues	198,696,292	191,718,663	190,445,723	6,977,629
Operating Expenses:				
Terminal operations	82,686,403	84,033,226	84,274,625	1,346,823
Terminal maintenance	39,093,280	43,398,525	41,338,335	4,305,245
General and administrative	23,487,988	25,118,590	23,230,873	1,630,602
Facility rental	17,324,000	23,710,573	23,943,960	6,386,573
Depreciation/Amortization	23,261,951	20,575,543	19,568,765	(2,686,408)
Total operating expenses	185,853,622	196,836,456	192,356,558	10,982,834
Operating income (loss)	12,842,670	(5,117,793)	(1,910,835)	17,960,463
Non-operating revenues (expenses)				
Interest income	337,684	246,875	60,988	90,809
Interest expense	(16,082,922)	(7,747,549)	(8,092,930)	(8,335,373)
Bond issue costs	(1,597,326)	(650,000)	(139,627)	(947,326)
Revenues/(expenses) (VEDP)	6,200,000	-	-	6,200,000
Revenue/expenses (state agencies)	-	-	-	-
Revenues from federal government	4,870,606	6,180,000	4,797,588	(1,309,394)
Revenues/expenses (primary government)	999,993	950,000	950,227	49,993
Other income (expense)	-	-	-	-
Gain/(loss) on disposals	13,223,755	-	-	13,223,755
Income (loss) before capital contributions and transfers	7,951,790	(1,020,674)	(2,423,754)	8,972,464
contributions and transfers	20,794,460	(6,138,468)	(4,334,589)	26,932,928
Capital contributions and transfers				
Commonwealth Port Fund allocation	15,615,582	17,385,669	15,567,977	(1,770,087)
Operating transfers to Authority	-	-	-	-
Proceeds to federal government - channel dredging	(308,628)	-	-	(308,628)
Capital contributions (to) from component unit	-	-	-	-
Capital contributions (to) from other state agencies	-	-	152,861	-
Proceeds (to) from other state agencies	-	-	836,867	-
Increase (decrease) in Net Position	36,101,414	11,247,202	12,223,116	24,854,212
Net Position - Beginning of Year	522,996,794	522,996,794	484,682,084	-
Net Position - End of Year	\$ 559,098,208	\$ 534,243,996	\$ 496,905,200	\$ 24,854,212

VIRGINIA PORT AUTHORITY
STATEMENT OF OPERATIONAL REVENUE AND EXPENDITURES (CASH BASIS)
For the Five Months Ended November 30, 2016

	Special Fund		Commonwealth Port Fund		Total Revenue	Total Budget
	Special Fund Amount	Annual Budget	Commonwealth Port Fund Amount	Annual Budget		
Revenues-						
Transfer from VIT	\$ 38,862,880	\$ 130,934,218	\$ -	\$ -	\$ 38,862,880	\$ 130,934,218
4.2% Transfer from TTF & Interest	-	-	18,221,517	41,725,606	18,221,517	41,725,606
Other	3,630,138	10,180,678	6,335,122	-	9,965,260	10,180,678
Total Revenues	<u>\$ 42,493,018</u>	<u>\$ 141,114,896</u>	<u>\$ 24,556,640</u>	<u>\$ 41,725,606</u>	<u>\$ 67,049,657</u>	<u>\$ 182,840,502</u>

	Annual Appropriation	Special Fund Expended	Unexpended Balance	Annual Appropriation	Commonwealth Port Fund Expended	Unexpended Balance	Annual Appropriation	Total Expended	Unexpended Balance
	Commerce Advertising	\$ 914,253	\$ 161,497	\$ 752,756	\$ -	\$ -	\$ -	\$ 914,253	\$ 161,497
National and International Trade	4,374,365	1,374,153	3,000,212	-	-	-	4,374,365	1,374,153	3,000,212
General Mgmt. & Direction (excl Rent)	35,676,805	27,196,373	8,480,432	-	-	-	35,676,805	27,196,373	8,480,432
Facility Rental	51,153,500	15,000	51,138,500	-	-	-	51,153,500	15,000	51,138,500
Security Services	9,740,715	3,125,500	6,615,215	1,300,000	296,087	1,003,913	11,040,715	3,421,587	7,619,128
Port Facilities Planning	1,280,247	101,049	1,179,198	-	-	-	1,280,247	101,049	1,179,198
Debt Service for Port Facilities-	45,715,510	10,526,812	35,188,698	26,888,419	7,791,765	19,096,654	72,603,929	18,318,576	54,285,353
Aid to Localities	-	-	-	1,000,000	61,363	938,637	1,000,000	61,363	938,637
Payment in Lieu of Taxes	1,422,625	371,608	1,051,017	1,000,000	-	1,000,000	2,422,625	371,608	2,051,017
Reversion to the General Fund	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 150,278,020</u>	<u>\$ 42,871,991</u>	<u>\$ 107,406,029</u>	<u>\$ 30,188,419</u>	<u>\$ 8,149,214</u>	<u>\$ 22,039,205</u>	<u>\$ 180,466,439</u>	<u>\$ 51,021,206</u>	<u>\$ 129,445,233</u>

VIRGINIA PORT AUTHORITY
CAPITAL IMPROVEMENT PROGRAM
YEAR TO DATE EXPENDITURES (CASH BASIS)
As of November 30, 2016

Projects	Project Code	Funding	Appropriation (Allotment)	Year To Date Expenditures	Unexpended Balance	Unexpended Obligated Balance	Unexpended Unobligated Balance
Operational Maintenance	62601	CPF	\$ 16,967,047	\$ 7,164,991	\$ 9,802,056	\$ 4,331,650	\$ 5,470,406
Operational Maintenance (Equipment)	62601	FED	3,000,000	-	3,000,000	703,381	2,296,619
Maintenance Reserve	13804	CPF	4,584,450	313,296	4,271,153	3,570,371	700,782
Cargo Handling Facilites	16048	CPF	707,529	532,356	175,173	147,570	-
Cargo Handling Facilites	16048	SF	901,899	176,779	725,120	538,957	186,163
Improvements: Expand Empty Yard	16643	SF	-	-	-	-	-
Improvements: Expand Empty Yard	16643	FED	233	-	233	232	1
Improvements: Expand Empty Yard	16643	CPF	2,282,262	541,313	1,740,949	646,013	-
Improvements: Expand NIT and Other	16644	CPF	1,290,672	632,176	658,496	-	-
Improvements: Expand NIT and Other	16644	2008/2009 Bond	512,696	239,982	272,714	-	272,714
Craney Island Marine Terminal Expansion	17513	CPF	10,012,420	-	10,012,420	23,218	9,989,202
Craney Island Marine Terminal Expansion	17513	2011/2015 Bond	69,769,397	17,081,527	52,687,870	38,429,093	14,258,777
Expand Port Terminal	17956	2012 Bond	105,500,000	-	105,500,000	-	105,500,000
Craney Island Marine Terminal Expansion	17513	FED	15,000,000	-	15,000,000	-	15,000,000
Procure VIG Equipment	18125	MELP/SF	-	-	-	-	-
Total			\$ 230,528,605	\$ 26,682,420	\$ 203,846,185	\$ 48,390,485	\$ 153,674,665