

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Budgeted and Forecast Year Ending June 30, 2018 and Budgeted Year Ending June 30, 2019

	GAAP FY18 Budget	Forecast Excluding Lease Accounting (as of March 31, 2018)	GAAP FY19 Budget	Excluding Lease Accounting FY19 Budget	Forecasted to FY19 Budget Excluding Lease Accounting
Operating Revenues:					
Terminal operating revenues	\$ 531,052,863	\$ 529,102,000	\$ 577,791,483	\$ 577,791,483	\$ 48,689,483
Other revenues	10,660,056	10,702,000	11,938,790	11,938,790	1,236,790
Operating revenues - Grants	1,433,333	3,514,000	4,495,000	4,495,000	981,000
Total operating revenues	543,146,252	543,318,000	594,225,273	594,225,273	50,907,273
Operating Expenses:					
Terminal operations	229,317,741	240,904,000	260,301,786	260,301,786	19,397,786
Terminal maintenance	109,849,922	108,850,000	115,293,701	115,293,701	6,443,701
General and administrative	65,437,768	61,600,000	63,582,977	63,582,977	1,982,977
Facility rental	180,000	72,982,000	1,107,154	87,580,152	14,598,152
Depreciation and Amortization	84,979,871	58,364,000	98,701,288	67,130,836	8,766,836
Total operating expenses	489,765,303	542,700,000	538,986,907	593,889,453	51,189,453
Operating income (loss)	53,380,949	618,000	55,238,366	335,820	(282,180)
Non-operating revenues (expenses)					
Interest income	369,098	1,090,433	1,765,056	1,765,056	674,623
Interest expense	(123,903,771)	(22,322,313)	(125,440,248)	(22,487,594)	(165,281)
Debt issue costs	-	(162,864)	(150,000)	(150,000)	12,864
Revenues/expenses (primary government)	1,500,000	2,173,618	19,950,948	19,950,948	17,777,330
Revenues from federal government	4,287,500	1,124,628	1,182,663	1,182,663	58,035
Gain/(loss) on disposals	-	(1,505,663)	-	-	1,505,663
Income (loss) before capital contributions and transfers	(117,747,173)	(19,602,161)	(102,691,580)	261,073	19,863,234
Capital contributions and transfers	(64,366,224)	(18,984,161)	(47,453,215)	596,893	19,581,054
Commonwealth Port Fund allocation	40,893,859	39,281,000	42,891,749	42,891,749	3,610,749
Proceeds to federal government - channel dredging	-	(451,224)	-	-	451,224
Proceeds (to) from primary government	131,921,993	43,950,848	105,374,058	105,374,058	61,423,210
Increase (decrease) in Net Position	\$ 108,449,628	\$ 63,796,463	\$ 100,812,592	\$ 148,862,700	\$ 85,066,237

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Budgeted for the Twelve Months Ended June 30, 2019

	Primary Government		Component Unit		Total
	Authority	Virginia International Terminals, LLC	Eliminations		
Operating Revenues:					
Terminal operating revenues	\$ -	\$ 577,791,483	\$ -	\$ 577,791,483	
Other revenues	11,938,790	-	-	11,938,790	
Other Revenues - Grants	4,495,000	-	-	4,495,000	
Operating revenues from component unit	152,547,307	-	(152,547,307)	-	
Total operating revenues	168,981,097	577,791,483	(152,547,307)	594,225,273	
Operating Expenses:					
Terminal operations	2,205,465	258,096,322	-	260,301,786	
Terminal maintenance	11,415,178	103,878,523	-	115,293,701	
General and administrative	18,114,098	45,468,879	-	63,582,977	
Facility rental	1,107,154	-	-	1,107,154	
Depreciation and Amortization	92,373,057	6,328,231	-	98,701,288	
Payments due to Authority	-	152,547,307	(152,547,307)	-	
Total operating expenses	125,214,953	566,319,261	(152,547,307)	538,986,907	
Operating income (loss)	43,766,144	11,472,221	-	55,238,366	
Non-operating revenues (expenses)					
Interest income	1,765,056	-	-	1,765,056	
Interest expense	(125,440,248)	-	-	(125,440,248)	
Debt issue costs	(150,000)	-	-	(150,000)	
Revenues/expenses (primary government)	19,950,948	-	-	19,950,948	
Revenues from federal government	1,182,663	-	-	1,182,663	
Gain/(loss) on disposals	-	-	-	-	
	(102,691,580)	-	-	(102,691,580)	
Income (loss) before capital contributions and transfers	(58,925,436)	11,472,221	-	(47,453,215)	
Capital contributions					
Commonwealth Port Fund allocation	42,891,749	-	-	42,891,749	
Transfers to federal government - channel dredging	-	-	-	-	
Proceeds (to) from primary government	105,374,058	-	-	105,374,058	
Increase (decrease) in Net Position	89,340,371	11,472,221	-	100,812,592	
Net Position - Beginning of Year	508,960,716	116,554,407	-	625,515,123	
Net Position - End of Period	\$ 598,301,087	\$ 128,026,628	\$ -	\$ 726,327,715	

VIRGINIA INTERNATIONAL TERMINALS, LLC (Consolidated)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Budgeted and Forecast Year Ending June 30, 2018 and Budgeted Year Ending June 30, 2019

	Forecasted			
	Budgeted	FY18	Budgeted	Forecasted to
	FY18	(as of March 31, 2018)	FY19	FY19 Budget
Operating Revenues:				
Terminal operating revenues	\$ 531,052,863	\$ 529,102,741	\$ 577,791,483	\$ 48,688,742
Other revenues	-	-	-	-
Operating Revenues -Grants	-	-	-	-
Total operating revenues	531,052,863	529,102,741	577,791,483	48,688,742
Operating Expenses:				
Terminal operations	227,573,378	239,036,922	258,096,322	19,059,400
Terminal maintenance	100,208,204	101,116,847	103,878,523	2,761,676
General and administrative	45,013,173	44,834,395	45,468,879	634,484
Facility Rental	-	-	-	-
Depreciation and amortization	3,346,720	5,112,120	6,328,231	1,216,111
Total operating expenses	376,141,475	390,100,284	413,771,954	23,671,670
Operating income (loss)	154,911,388	139,002,457	164,019,528	25,017,071
Transfers to the Authority	136,268,346	134,809,000	152,547,307	17,738,307
Operating income (loss) after Transfer	\$ 18,643,042	\$ 4,193,457	\$ 11,472,221	\$ 7,278,764

**VIRGINIA INTERNATIONAL TERMINALS, LLC
 FUTURE CAPITAL OUTLAY PROJECTS
 FISCAL YEAR ENDING JUNE 30, 2019**

Projects	Projected Cost
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CAPITAL PROJECTS:

N4 Related	\$	4,950,000
IT, excluding N4		1,870,000
Container Handling Equipment		1,828,000
Billing System		1,400,000
Miscellaneous other		152,642
Total	\$	10,200,642

VIRGINIA PORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Budgeted and Forecast Year Ending June 30, 2018 and Budgeted Year Ending June 30, 2019

	Budgeted	Forecasted	Budgeted	Forecasted to
	FY18	FY18	FY19	FY19 Budget
		<i>(as of March 31, 2018)</i>		
Operating Revenues:				
Operating revenues from component unit	\$ 136,268,346	\$ 134,809,000	\$ 152,547,307	\$ 17,738,307
Other revenues	10,660,056	10,702,000	11,938,790	1,236,790
Operating Revenues -Grants	1,433,333	4,846,000	4,495,000	(351,000)
Total operating revenues	148,361,735	150,357,000	168,981,097	18,624,097
Operating Expenses:				
Terminal operations	1,787,474	1,772,000	2,205,465	433,465
Terminal maintenance	10,059,475	10,778,000	11,415,178	637,178
General and administrative	19,963,727	16,765,605	18,114,098	1,348,493
Facility Rental	180,000	180,000	1,107,154	927,154
Depreciation and amortization	81,633,152	79,706,000	92,373,057	12,667,057
Total operating expenses	113,623,828	109,201,605	125,214,953	16,013,348
Operating income (loss)	34,737,907	41,155,395	43,766,144	2,610,749
Non-operating revenues (expenses)				
Interest income	369,098	1,090,433	1,765,056	674,623
Interest expense	(123,903,771)	(124,808,696)	(125,440,248)	(631,552)
Debt Issue Costs	-	(162,864)	(150,000)	12,864
Revenues/Expenses (Primary Government)	1,500,000	2,173,618	19,950,948	17,777,330
Revenues from Federal Government	4,287,500	1,124,628	1,182,663	58,035
Gain (loss) on disposals	-	(1,505,663)	-	1,505,663
	(117,747,173)	(122,088,544)	(102,691,580)	19,396,964
Income (loss) before capital contributions and transfers	(83,009,266)	(80,933,149)	(58,925,436)	22,007,713
Capital contributions and transfers				
Commonwealth Port Fund allocation	40,893,859	39,281,000	42,891,749	3,610,749
Transfers to federal government - channel dredging	-	(451,224)	-	451,224
Proceeds (to) from primary government	131,921,993	43,950,848	105,374,058	61,423,210
Increase (decrease) in Net Position	89,806,586	1,847,475	89,340,371	87,492,896
Net Position - Beginning of Year	504,934,869	507,113,241	508,960,716	1,847,475
Net Position - End of Year	\$ 594,741,455	\$ 508,960,716	\$ 598,301,087	\$ 89,340,371

VIRGINIA PORT AUTHORITY
BUDGET SUMMARY - CASH BASIS
FOR THE YEAR ENDING JUNE 30, 2019

Description	2018 Budgeted	2018 Forecast	2019 Budgeted
Revenues (all sources)			
Terminal Revenues	\$ 146,928,402	\$ 145,511,000	\$ 164,486,097
Shared Services	16,385,742	17,648,510	20,075,654
Commonwealth Port Fund Allocation	40,893,859	39,281,000	42,891,749
Operating Revenues-Grants	1,433,333	3,514,000	4,495,000
Total Revenue	<u>205,641,336</u>	<u>205,954,510</u>	<u>231,948,500</u>
Operating Expenditures			
Commerce Advertising	815,748	893,814	830,234
National & International Trade Services	3,526,028	3,394,036	3,783,743
General Management & Direction	21,976,102	21,577,419	24,074,461
GM&D - Facilities Rent	75,648,640	72,982,000	87,580,152
Operational Maintenance	10,059,475	10,778,000	11,415,178
Debt Service for Port Facilities	38,147,454	36,739,542	38,755,839
Security Services	9,578,605	9,387,602	9,758,469
Payments in Lieu of Taxes	1,254,239	1,111,540	1,530,725
Aid to Localities	1,000,000	1,000,000	1,000,000
Port Facilities Planning	533,235	610,098	674,740
Reversion to the General Fund	180,000	180,000	180,000
Total Operating Expenditures	<u>162,719,526</u>	<u>158,654,050</u>	<u>179,583,540</u>
Available for Capital Outlay	<u>42,921,810</u>	<u>47,300,460</u>	<u>52,364,960</u>
Capital Financing			
VIG Financing Sources	161,019,808	164,226,529	87,805,805
MELP	-	30,284,000	8,500,000
Federal Grant funds	4,350,000	4,715,000	2,456,000
State Grant funds - NIT optimization	132,101,993	43,950,848	105,374,058
State Grant funds	-	3,396,000	18,861,075
Total Capital Financing	<u>297,471,801</u>	<u>246,572,377</u>	<u>222,996,938</u>
Capital Expenditures			
Maintenance Reserve	1,547,000	5,109,860	1,690,000
NIT Optimization	132,101,993	43,950,848	105,374,058
VIG Phase II	161,019,808	164,226,529	87,805,805
Cargo Handling Facilities	21,465,000	21,345,932	46,597,661
Federal Grant Projects	4,350,000	4,715,000	2,456,000
State Grant Projects	-	3,396,000	18,861,075
MELP	-	2,553,485	26,249,377
Total Capital Expenditures	<u>320,483,801</u>	<u>242,744,169</u>	<u>289,033,976</u>
Estimated Change in Fund Balance	<u>\$ 19,909,810</u>	<u>\$ 51,128,668</u>	<u>\$ (13,672,078)</u>
Staff Positions	<u>211</u>	<u>212</u>	<u>216</u>
VPA Liquidity Reserve Balance	<u>\$ 7,748,199</u>	<u>\$ 7,944,866</u>	<u>\$ 8,635,066</u>
Revenue Stabilization Fund	<u>\$ 40,000,000</u>	<u>\$ 39,608,407</u>	<u>\$ 40,000,000</u>
Aggregate Net Revenue Coverage (1.1x test)	<u>1.47</u>	<u>1.30</u>	<u>1.36</u>
Aggregate Adjusted Net Revenue Coverage (1.25x test)	<u>1.70</u>	<u>1.49</u>	<u>1.56</u>
Net Revenue Coverage (1.0x test)	<u>1.36</u>	<u>1.19</u>	<u>1.26</u>

**VIRGINIA PORT AUTHORITY
BUDGETED CASH FLOW SUMMARY
FISCAL YEAR ENDING JUNE 30, 2019**

Terminal Revenues:

Revenues	\$	164,486,097
Shared Services		20,075,654

Operating Expenditures:

Commerce Advertising	830,234	
National & International Trade Services	3,783,743	
General Management & Direction	24,074,461	
GM&D - Facilities Rent	77,580,152	
Debt Service for Port Facilities	19,802,306	
Security Services	8,993,349	
Payments in Lieu of Taxes	1,530,725	
Port Facilities Planning	674,740	
Reversion to the General Fund	132,000	
Total Operating Expenditures		137,401,710
Capital Expenditures		29,359,286
Budgeted Net Use of Cash	<u>\$</u>	<u>17,800,755</u>

Commonwealth Port Fund:

Revenues	\$	47,386,749
Operating Expenditures:		
Operational & Reserve Maintenance	11,415,178	
Security Maintenance	765,119	
Debt Service for Port Facilities	18,953,533	
Aid to Localities	1,000,000	
CPF - Facilities Rent	10,000,000	
Reversion to the General Fund	48,000	
Total Operating Expenditures		42,181,831
Capital Expenditures		6,108,375
VPA liquidity reserve adjustment and RSF adjustment		
Budgeted Net Use of Cash	<u>\$</u>	<u>(903,457)</u>
Total All funds	<u>\$</u>	<u>16,897,299</u>

(Note: Budgeted CPF capital expenditures includes utilizing estimated beginning of year CPF cash and appropriation balances.)

**VIRGINIA PORT AUTHORITY
FUTURE CAPITAL OUTLAY PROJECTS
FISCAL YEAR ENDING JUNE 30, 2019**

Projects	Projected Cost
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CAPITAL PROJECTS:

Container Handling Equipment	\$	24,589,700
NIT Expansion		13,200,000
55 ft Dredging-FY19 portion		10,000,000
NIT Dredging		9,000,000
Improvements to Container Handling Facilities		8,940,236
Financial System Replacement		8,000,000
IT, excluding N4		6,423,500
VIP Rail Expansion		5,700,000
Miscellaneous other		1,961,000
Total	\$	87,814,436

Summary by source:

Terminal Revenue Paygo	\$	29,359,286
State Grants		28,861,075
2015 Bond		12,820,000
MELP		8,209,700
CPF Paygo		6,108,375
Federal Grants		2,456,000
	\$	87,814,436