

**VIRGINIA PORT AUTHORITY AND VIRGINIA INTERNATIONAL TERMINALS, LLC**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE ONE MONTH ENDED JULY 31, 2016**

The following is a summary of the results of operations for the fiscal year-to-date July 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 0.3% favorable to budget; the same revenues were 6.3% unfavorable to the prior year period, resulting from higher volumes experienced in the prior fiscal year. While container volume is 0.6% favorable to budget, volume is 4.7% unfavorable to prior year for July.

**Operating Expenses**

Terminal operating expenses for July were \$1.2 million (7.2%) favorable to budget, and \$2.3 million (13.0%) favorable to the same period prior year. The favorable variance to budget and prior year was due to operating efficiencies and measures taken to adjust to fluctuating volumes.

Terminal maintenance expenses year to date were \$1.9 million (22.8%) favorable to budget and \$1.4 million (17.8%) favorable to the prior year. The favorable variances to prior year and budget is the result of the measured approach to planned investment in refurbishment and repair to aged equipment.

General and administrative expenses year to date were \$892 thousand (6.3%) favorable to budget, and \$12 thousand (0.1%) favorable to prior year. The variances resulted from a measured approach to planned investment in personnel and capability, while managing costs.

Facilities rental expenses were \$83 thousand (2.0%) below budget and \$239 thousand favorable to prior year, principally the result of volume trends at the VIG terminal.

**Non-Operating Revenue & Expenses**

Year to date interest income was \$17 thousand (41.2%) favorable to budget and \$31 thousand (111.9%) favorable to prior year due to favorable market rates.

Year to date interest expense was \$40 thousand favorable to budget and \$5 thousand unfavorable to prior year.

Non-Operating grants were \$1.0 million year to date, principally the result of State assistance to support economic development in local areas.

**Capital Contributions and Transfers**

The CPF allocation year to date was \$275 thousand (14.1%) unfavorable to budget and \$140 thousand (7.7%) unfavorable to prior year, due to the timing and extent of collected transportation trust fund revenues.

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

**STATEMENT OF NET POSITION**

*As of July 31, 2016*

	Component Unit			
	Primary Government Authority	Virginia International Terminals, LLC	Eliminations	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 81,817,866	\$ 25,926,727	\$ -	\$ 107,744,593
Restricted assets:				
Cash and cash equivalents	45,482,391	3,285,519	-	48,767,910
Investments	-	15,783,464	-	15,783,464
Investments held by Treasurer of VA	-	-	-	-
Accounts receivable, net	6,765,486	75,802,952	-	82,568,438
Due from transportation trust	1,984,212	-	-	1,984,212
Due from component unit	10,955,076	-	(10,955,076)	-
Inventories	-	19,840,773	-	19,840,773
Prepaid expenses and other	21,145	5,043,711	-	5,064,856
Total current assets	147,026,176	145,683,146	(10,955,076)	281,754,246
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	42,357,559	-	-	42,357,559
Investments	13,862,866	-	-	13,862,866
Bond issue costs, net	-	-	-	-
Non-depreciable capital assets	218,154,554	-	-	218,154,554
Depreciable capital assets, net	532,635,284	30,530,019	-	563,165,303
Total noncurrent assets	807,010,263	30,530,019	-	837,540,282
Total Assets	954,036,439	176,213,165	(10,955,076)	1,119,294,528
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension and Bond Refunding Costs, Net	5,562,378	7,455,439	-	13,017,817
Deferred Outflows, Pensions	5,176,722	-	-	5,176,722
<b>Total assets and deferred outflows</b>	<b>\$ 964,775,539</b>	<b>\$ 183,668,604</b>	<b>\$ (10,955,076)</b>	<b>\$ 1,137,489,067</b>

**VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC**
**STATEMENT OF NET POSITION**
*As of July 31, 2016*

	Component Unit			
	Primary Government Authority	Virginia International Terminals, LLC	Eliminations	Total
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 11,877,352	\$ 25,821,629	\$ -	\$ 37,698,981
Interest payable	1,676,280	-	-	1,676,280
Retainage payable	834,776	-	-	834,776
Long-term debt - current portion	21,563,524	-	-	21,563,524
Compensated absences - current portion	917,183	1,320,285	-	2,237,468
Payroll withholdings	1,089,703	344,602	-	1,434,305
Obligations under securities lending	341,453	-	-	341,453
Due to Parent Member	-	10,955,076	(10,955,076)	-
Total current liabilities	38,300,271	38,441,592	(10,955,076)	65,786,787
Noncurrent liabilities:				
Long-term debt	504,090,539	-	-	504,090,539
Compensated absences	14,724	424,802	-	439,526
Workers compensation costs	-	1,609,367	-	1,609,367
Accrued pension and OPEB obligations	9,966,426	9,772,262	-	19,738,688
Other noncurrent liabilities	13,277,025	-	-	13,277,025
Total noncurrent liabilities	527,348,714	11,806,431	-	539,155,145
Total Liabilities	565,648,985	50,248,023	(10,955,076)	604,941,932
<b>DEFERRED INFLOW OF RESOURCES</b>				
Defined Benefit Plan	860,702	3,809,529	-	4,670,231
Bond Premiums and Refunding Costs, Net	712,866	-	-	712,866
Total liabilities and deferred inflows	567,222,553	54,057,552	(10,955,076)	610,325,029
<b>NET POSITION</b>				
Net Investment in Capital Assets	114,065,413	30,530,019	-	144,595,432
Restricted for:				
Debt service	20,836,883	19,080,654	-	39,917,537
Unrestricted	262,650,690	80,000,379	-	342,651,069
Total net position	397,552,986	129,611,052	-	527,164,038
	\$ 964,775,539	\$ 183,668,604	\$ (10,955,076)	\$ 1,137,489,067

**VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
*For the Month Ended July 31, 2016*

	Component Unit			Total
	Primary Government Authority	Virginia International Terminals, LLC	Eliminations	
<b>Operating Revenues:</b>				
Terminal operating revenues	\$ -	\$ 37,967,544	\$ -	\$ 37,967,544
Other revenues	854,182	-	-	854,182
Operating Revenues -Grants	28,723	-	-	28,723
Operating revenues from component unit	7,614,486	-	(7,614,486)	-
Total operating revenues	8,497,391	37,967,544	(7,614,486)	38,850,449
<b>Operating Expenses:</b>				
Terminal operations	118,932	15,142,223	-	15,261,155
Terminal maintenance	152,076	6,392,610	-	6,544,686
General and administrative	1,031,143	3,244,876	-	4,276,019
Facility rental	4,811,010	-	-	4,811,010
Depreciation	3,729,520	345,093	-	4,074,613
Payments due to Authority	-	7,614,486	(7,614,486)	-
Total operating expenses	9,842,681	32,739,288	(7,614,486)	34,967,483
Operating income (loss)	(1,345,290)	5,228,256	-	3,882,966
<b>Non-operating revenues (expenses)</b>				
Interest income	53,469.00	4,294	-	57,763
Interest expense	(1,510,253)	-	-	(1,510,253)
Bond issue costs	145,953	-	-	145,953
Revenues/(expenses) (VEDP)	-	-	-	-
Other revenues from component unit	-	-	-	-
Revenue/expenses (state agencies)	-	-	-	-
Revenues from federal government	-	-	-	-
Revenues/expenses (primary government)	999,993	-	-	999,993
Other income (expense)	-	-	-	-
Gain/(loss) on disposals	-	-	-	-
Income (loss) before capital contributions and transfers	(310,838)	4,294	-	(306,544)
(1,656,128)	5,232,550	-	3,576,422	
<b>Capital contributions</b>				
Commonwealth Port Fund allocation	1,674,514	-	-	1,674,514
Transfers to federal government - channel dredging	-	-	-	-
Proceeds (to) from primary government	-	-	-	-
<b>Increase (decrease) in Net Position</b>	18,386	5,232,550	-	5,250,936
<b>Net Position - Beginning of Month</b>	397,534,600	124,378,502	-	521,913,102
<b>Net Position - End of Month</b>	\$ 397,552,986	\$ 129,611,052	\$ -	\$ 527,164,038

**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 July 31, 2016*

	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>	<b>Favorable (Unfavorable) Variance Actual/Budget</b>
<b>Operating Revenues:</b>				
Terminal operating revenues	\$ 37,967,544	\$ 37,411,528	\$ 40,566,163	\$ 556,017
Other revenues	854,182	827,840	894,163	26,342
Operating revenues - Grants	28,723	483,333	-	(454,610)
<b>Total operating revenues</b>	<b>38,850,449</b>	<b>38,722,701</b>	<b>41,460,326</b>	<b>127,749</b>
<b>Operating Expenses:</b>				
Terminal operations	15,261,155	16,446,062	17,551,542	1,184,906
Terminal maintenance	6,544,686	8,482,074	7,962,840	1,937,387
General and administrative	4,276,019	5,000,914	4,023,835	724,895
Facility rental	4,811,010	4,895,468	4,836,858	84,458
Depreciation	4,074,613	4,157,492	4,313,183	82,879
<b>Total operating expenses</b>	<b>34,967,483</b>	<b>38,982,009</b>	<b>38,688,258</b>	<b>4,014,525</b>
<b>Operating income (loss)</b>	<b>3,882,966</b>	<b>(259,308)</b>	<b>2,772,068</b>	<b>4,142,274</b>
<b>Non-operating revenues (expenses)</b>				
Interest income	57,763	40,904	27,260	16,859
Interest expense	(1,510,253)	(1,549,510)	(1,505,401)	39,257
Bond issue costs	145,953	(216,667)	-	362,620
Revenues/(expenses) (VEDP)	-	-	-	-
Other revenues from component unit	-	-	-	-
Revenue/expenses (state agencies)	-	-	-	-
Revenues from federal government	-	1,236,000	-	(1,236,000)
Revenues/expenses (primary government)	999,993	-	950,227	999,993
Other income (expense)	-	-	-	-
Gain/(loss) on disposals	-	-	-	-
<b>Income (loss) before capital contributions and transfers</b>	<b>(306,544)</b>	<b>(489,272)</b>	<b>(527,914)</b>	<b>182,728</b>
<b>Capital contributions and transfers</b>				
Commonwealth Port Fund allocation	1,674,514	1,949,500	1,813,847	(274,986)
Proceeds to federal government - channel dredging	-	-	-	-
Proceeds (to) from primary government	-	-	-	-
<b>Increase (decrease) in Net Position</b>	<b>5,250,936</b>	<b>1,200,920</b>	<b>4,058,001</b>	<b>4,050,016</b>
<b>Net Position - Beginning of Month</b>	<b>521,913,102</b>	<b>521,913,102</b>	<b>484,682,084</b>	<b>-</b>
<b>Net Position - End of Month</b>	<b>\$ 527,164,038</b>	<b>\$ 523,114,022</b>	<b>\$ 488,740,085</b>	<b>\$ 4,050,016</b>

**VIRGINIA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
*For the One Month Ended July 31, 2016*

	<u>Authority</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$8,416,641
Receipts from operating grants	28,723
Payments for operating expenses	(11,080,691)
Payments to employees	(1,244,322)
	-
<b>Net cash provided by (used in) operating activities</b>	<b><u>(3,879,648)</u></b>
 <b>Cash flows from noncapital financing activities:</b>	
Non-operating Grants	-
Transfer (to)/from Primary Government	999,993
Noncapital transfer to component unit	-
Transfer Dredging	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b><u>999,993</u></b>
 <b>Cash flows from capital and related financing activities:</b>	
Payments from short-term debt	-
Proceeds from long-term debt	-
CPF Contribution	5,724,684
Acquisition of capital assets	(1,664,579)
Principal paid on long-term debt	(19,525,469)
Interest paid on long-term debt	(10,091,311)
Bond Issue Costs	145,953
Transfer from primary government	-
Capital Transfer to component unit	-
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	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b><u>(25,410,723)</u></b>
 <b>Cash flows from investing activities:</b>	
Proceeds from sales and maturities	-
Payments for investments	-
Interest and dividends received	30,969
<b>Net cash provided by (used in) investing activities</b>	<b><u>30,969</u></b>
 Net increase (decrease) in cash and cash equivalents	(28,259,409)
 Cash and cash equivalents at beginning of year	197,917,224
 <b>Cash and cash equivalents at the end of period</b>	<b><u><u>\$169,657,816</u></u></b>

**VIRGINIA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
*For the One Month Ended July 31, 2016*

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	<u>Authority</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Operating income/(loss)	\$ (1,345,290)
<b>Adjustments to reconcile earnings to net cash provided by operating activities:</b>	
Depreciation and amortization	3,729,520
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	456,721
(Increase) decrease in due from VIT	(1,903,627)
(Increase) decrease in prepaid expenses	40,904
(Increase) decrease in other noncurrent assets	-
Increase (decrease) in accounts payable	(4,942,433)
Increase (decrease) in accrued expenses	-
Increase (decrease) in short-term liabilities	89,992
Increase (decrease) in long-term liabilities	(5,436)
 <b>Net cash provided by (used in) operating activities</b>	 <b><u>\$ (3,879,648)</u></b>

**VIRGINIA PORT AUTHORITY**  
**CASH FLOW SUMMARY**  
**EXCLUDING CONSTRUCTION AND DEBT SERVICE FUNDS**  
*For the One Month Ended July 31, 2016*

**Special Funds (Terminal Revenues):**

**Revenues** \$ 6,469,009

**Operating Expenditures:**

Commerce Advertising	27,257
National & International Trade Services	279,567
General Management & Direction	2,123,644
GM&D - Facilities Rent	4,327,250
Debt Service for Port Facilities	3,930,950
Security Services	595,755
Payments in Lieu of Taxes	371,608
Port Facilities Planning	29,347
Reversion to the General Fund	-

Total Operating Expenditures 11,685,378

Capital Expenditures -

Budgeted Revenues Over(Under)Expenditures \$ (5,216,370)

**Commonwealth Port Fund:**

**Revenues** \$ 5,895,885

**Operating Expenditures:**

Operational & Reserve Maintenance	1,115,968
Security Maintenance	63,360
Debt Service for Port Facilities	1,484,813
Aid to Localities	26,925
Reversion to the General Fund	-

Total Operating Expenditures 2,691,066

Capital Expenditures 270,980

Budgeted Revenues Over(Under)Expenditures 2,933,839

**Total All funds** **\$ (2,282,531)**



**VIRGINIA PORT AUTHORITY**  
**STATEMENT OF OPERATIONAL REVENUE AND EXPENDITURES (CASH BASIS)**  
*For the One Month Ended July 31, 2016*

	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	\$ 5,553,635	\$ 130,934,218	\$ -	\$ -	\$ 5,553,635	\$ 130,934,218
4.2% Transfer from TTF & Interest	-	-	5,895,885	41,725,606	5,895,885	41,725,606
Other	915,374	10,180,678	-	-	915,374	10,180,678
<b>Total Revenues</b>	<b><u>\$ 6,469,009</u></b>	<b><u>\$ 141,114,896</u></b>	<b><u>\$ 5,895,885</u></b>	<b><u>\$ 41,725,606</u></b>	<b><u>\$ 12,364,894</u></b>	<b><u>\$ 182,840,502</u></b>

		Special Fund		Commonwealth		Annual Appropriation	Total Expended	Unexpended Balance	
		Special Fund Expended	Unexpended Balance	Port Fund Expended	Unexpended Balance				
Commerce Advertising	<b>53426</b>	\$ 914,253	\$ 27,257	\$ 886,996	\$ -	\$ -	\$ 914,253	\$ 27,257	\$ 886,996
National and International Trade	<b>53413</b>	4,374,365	279,567	4,094,798	-	-	4,374,365	279,567	4,094,798
General Mgmt. & Direction (excl Rent)	<b>69901</b>	35,676,805	2,123,644	33,553,161	-	-	35,676,805	2,123,644	33,553,161
Facility Rental	<b>69901</b>	51,153,500	4,327,250	46,826,250	-	-	51,153,500	4,327,250	46,826,250
Security Services	<b>69923</b>	9,740,715	595,755	9,144,960	1,300,000	63,360	11,040,715	659,115	10,381,600
Port Facilities Planning	<b>62606</b>	1,280,247	29,347	1,250,900	-	-	1,280,247	29,347	1,250,900
Debt Service for Port Facilities-	<b>62607</b>	45,715,510	3,930,951	41,784,559	26,888,419	1,484,813	72,603,929	5,415,764	67,188,165
Aid to Localities	<b>62801</b>	-	-	-	1,000,000	26,925	1,000,000	26,925	973,075
Payment in Lieu of Taxes	<b>62802</b>	1,422,625	371,608	1,051,017	1,000,000	-	2,422,625	371,608	2,051,017
Reversion to the General Fund		-	-	-	-	-	-	-	-
<b>Total Expenditures</b>		<b><u>\$ 150,278,020</u></b>	<b><u>\$ 11,685,379</u></b>	<b><u>\$ 138,592,641</u></b>	<b><u>\$ 30,188,419</u></b>	<b><u>\$ 1,575,098</u></b>	<b><u>\$ 180,466,439</u></b>	<b><u>\$ 13,260,477</u></b>	<b><u>\$ 167,205,962</u></b>

**VIRGINIA PORT AUTHORITY**  
**CAPITAL IMPROVEMENT PROGRAM**  
**YEAR TO DATE EXPENDITURES (CASH BASIS)**  
*As of July 31, 2016*

Projects	Project Code	Funding	Appropriation	Year To Date Expenditures	Unexpended Balance	Unexpended Obligated Balance	Unexpended Unobligated Balance
Operational Maintenance	62601	CPF	\$ 6,709,800	\$ 914,043	\$ 5,795,757	\$ 2,427,658	\$ 3,368,099
Operational Maintenance (Equipment)	62601	FED	3,000,000	-	3,000,000	25,337	2,974,663
Maintenance Reserve	13804	CPF	1,584,450	201,925	1,382,525	1,303,682	78,843
Cargo Handling Facilites	16048	CPF	707,529	203,859	503,670	366,685	136,985
Cargo Handling Facilites	16048	SF	901,899	-	901,899	57,424	844,475
Improvements: Expand Empty Yard	16643	SF	5,250,000	-	5,250,000	-	5,250,000
Improvements: Expand Empty Yard	16643	FED	233	-	233	-	233
Improvements: Expand Empty Yard	16643	CPF	2,282,262	53,841	2,228,421	2,228,421	-
Improvements: Expand NIT and Other	16644	CPF	1,290,672	13,280	1,277,392	-	1,277,392
Improvements: Expand NIT and Other	16644	2008/2009 Bond	25,843,995	-	25,843,995	-	25,843,995
Craney Island Marine Terminal Expansion	17513	CPF	10,012,420	-	10,012,420	11,448	10,000,972
Craney Island Marine Terminal Expansion	17513	2011 Bond	103,768,154	7,279,654	96,488,500	39,249,146	57,239,354
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	37,000,000	-	37,000,000	-	37,000,000
<b>Total</b>			<b>\$ 318,851,414</b>	<b>\$ 8,666,602</b>	<b>\$ 310,184,812</b>	<b>\$ 45,669,801</b>	<b>\$ 264,515,011</b>