



THE PORT OF VIRGINIA

AMERICA'S MOST MODERN GATEWAY

VIRGINIA PORT AUTHORITY

Annual Comprehensive Financial Report
For the Fiscal Year ended June 30, 2025



The Port of Virginia performed the heaviest lift in our history in 2025. The 4,000-ton substation for Dominion Energy's Coastal Virginia Offshore Wind project was offloaded at Portsmouth Marine Terminal in late January.

The Virginia Port Authority is a component unit of the Commonwealth of Virginia.

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE

VIRGINIA PORT AUTHORITY

A COMPONENT UNIT OF THE COMMONWEALTH OF VIRGINIA

FOR THE

FISCAL YEAR ENDED JUNE 30, 2025



Prepared by

The Finance Division of the
Virginia Port Authority

This report was printed on 100% post-consumer recycled paper

TABLE OF CONTENTS

	Pages
INTRODUCTORY SECTION	
Letter from the CEO and Executive Director	1 – 2
Letter of Transmittal	3 – 8
GFOA Certificate of Achievement	9
Board of Commissioners	10
Organizational Chart	11
FINANCIAL SECTION	
Independent Auditor’s Report on Financial Statements	12 – 15
Management’s Discussion and Analysis (MD&A)	16 – 26
Financial Statements:	
Statement of Net Position	27 – 28
Statement of Revenues, Expenses, and Changes in Net Position	29
Statement of Cash Flows	30 – 31
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes to Financial Statements	34 – 80
Required Supplementary Information	
VPA Defined Benefit Plan Schedule of Employer Contributions	81
VPA Defined Benefit Plan Schedule of Changes in the Net Pension Liability and Related Ratios	82
Blended Component Unit – Virginia International Terminals, LLC Defined Benefit Plan Schedule of Employer Contributions	83
Blended Component Unit – Virginia International Terminals, LLC Defined Benefit Plan Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios	84
Supplementary Information	
Combining Statement of Fiduciary Net Position	85
Combining Statement of Changes in Fiduciary Net Position	86
STATISTICAL SECTION	
Net Position by Component	87
Historical Statements of Revenues, Expenses, and Changes in Net Position	88
Historical Revenue Comparisons	89
Historical Debt Issuances	90
Debt Service Payment Requirements	91
Ratio of Outstanding Revenue Bonds, Master Equipment Lease Financings, and Notes Payable by Type to Operating Revenues	92
Outstanding Debt by Type	93
Historical Debt Service Coverage Ratios	94
Operating Results and Debt Service Coverage Resolution No. 97-5	95
Operating Results and Debt Service Coverage Resolution No. 16-9	96
Demographic and Economic Information	97 – 99
Twenty-Foot Equivalent Unit (TEU) Container Throughput	100
Calendar Year 2024 Trade Overview	101 – 104
Other Operational Information	105
Capital Assets	106
Consolidated Statements of Revenues, Expenses, and Changes in Net Position	107
Consolidated Net Position by Component	108

TABLE OF CONTENTS (Continued)

	Pages
COMPLIANCE SECTION	
Continuing Disclosure Agreement Annual Report (Commonwealth Port Fund Revenue Bonds)	109 – 117
Continuing Disclosure Agreement Annual Report (Port Facilities Revenue Bonds)	118 – 126



The Port of Virginia, through our Maritime Incident Response Team, hosted the 33rd Annual Marine Firefighting School in May of 2025. This intensive program welcomed students from around the world and provided hands-on training in maritime firefighting strategy and tactics.



Dear Customers, Partners and Stakeholders:

The overall performance by The Port of Virginia during fiscal year 2025 was impressive.

In a challenging trade environment, we handled more than 1,700 ships and safely processed nearly 3.4 million twenty-foot container units while delivering best-in-class efficiency and service to all of our users, partners and customers. The execution of our \$1.4 billion Gateway Investment Program that is making this port America's Most Modern Gateway continued on time and on budget. And from the financial perspective, the Virginia Port Authority is stable, secure and ready for the future.

The fiscal year brought an end to many major capital projects, the most notable of which were the addition of four new Suez-class ship-to-shore cranes at Virginia International Gateway (VIG); the opening of the Central Rail Yard at Norfolk International Terminals (NIT); and the completion of the East Coast's only dedicated offshore wind logistics hub at Portsmouth Marine Terminal (PMT).

Combined, these projects make us more efficient and productive: the new cranes at VIG give us the capability to work three ultra-large container vessels at once; the expanded rail yard increases our capacity, port-wide, to handle 2 million rail units annually; and the heavy-lift operation at PMT is proving our ability to safely handle some of the biggest, heaviest pieces of cargo coming to the U.S. East Coast.

We also made improvements at Richmond Marine Terminal and Virginia Inland Port while making significant progress on the renovation and reconfiguration of NIT's North Berth, which is on schedule for completion in 2027.

In fiscal year 2025, we generated positive operating cash flow of \$325 million; maintained our liquidity levels; and our earnings before interest, taxes, depreciation and amortization (EBITDA) was \$311 million. We achieved all of this in the midst of a brief work stoppage by labor, (ongoing) disruptions in the worldwide logistics chain and a constantly evolving trade landscape.

We are collaborating with developers and partner agencies to attract more port users—private investment—to the Commonwealth to help build a critical mass of Virginia-based cargo and expand a growing logistics industry. There is 30 million square feet of speculative development that has either been announced, is under construction, or has been delivered in our port-centric markets; 6 million square feet of that total was delivered in the last year. We are expanding our overall market share, innovating ways to enhance productivity and preserving the port and Commonwealth's sustainability through well-informed investment and responsible management of the capital that has been entrusted to us.

With the addition of the new cranes and expanded rail yard, our capacity to handle rail cargo and move it even quicker to many of the Midwest's most important manufacturing and population centers is greater than ever. We are leveraging our technology investments to improve the delivery of service and efficiency while keeping an unwavering focus on safety. The result is cost advantages for our stakeholders, economic investment and job creation across Virginia and the growing reputation of America's Most Modern Gateway.

The Port of Virginia's natural assets include a deep, natural harbor that is 18 miles from the open water of the Atlantic Ocean and within a two-days' drive of 75 percent of the nation's population. It is our belief that when we combine our natural assets with our expanding infrastructure, an experienced team of professionals and our overall versatility, we are well-positioned for the future.

In line with our mission, we are driving business to, and through, the Commonwealth. To support this effort, we will continue to invest, protect our people and expand our overall capabilities. The result is more port users continuing to leverage long-term advantages provided by America's Most Modern Gateway.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Edwards', followed by a stylized flourish.

Stephen A. Edwards
CEO and Executive Director

September 12, 2025

Board of Commissioners
Virginia Port Authority
600 World Trade Center
Norfolk, VA 23510

Dear Commissioners:

The Annual Comprehensive Financial Report (ACFR) of the Virginia Port Authority ("VPA" or "the Authority") for the fiscal year ended June 30, 2025, as required by §62.1-139 of the *Code of Virginia* for submission to the Governor and General Assembly on or before November 1 of each year, is hereby submitted.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the Authority taken as a whole. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities and operations have been included.

Management is also responsible for establishing and maintaining internal controls over its operations. Internal controls are designed to provide a reasonable, though not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that financial transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Management strongly believes that the inherent financial accounting controls coupled with the independent financial audit performed by the Authority's independent financial auditors, the auditors at PBMares, LLP, as well as numerous other audit functions, adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

The auditors at PBMares, LLP have issued an unmodified opinion on the Authority's financial statements as of and for the year ended June 30, 2025. The independent auditor's report is located at the beginning of the financial section of this report.

Management's discussion and analysis (MD&A) can be found at the beginning of the financial section, after the audit opinion, and provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Virginia Port Authority

The Virginia Port Authority was established in 1952, as a political subdivision of the Commonwealth of Virginia, for the purpose of performing any act or function which may be useful in developing, improving, or increasing the commerce of the ports of the Commonwealth. The Authority, over the years, has acquired and unified certain port facilities for the benefit of the Commonwealth. The Authority owns and is responsible for the operations and security of three marine terminals: Norfolk International Terminals (NIT), Portsmouth Marine Terminal (PMT), and Newport News Marine Terminal (NNMT), and an inland intermodal facility, the Virginia Inland Port (VIP) located in Front Royal, Virginia. In addition, the Authority has long-term leases for the use and operation of the Virginia International Gateway Terminal (VIG) and Richmond Marine Terminal (RMT). These facilities primarily handle import and export containerized, break-bulk, and ro-ro cargoes.

The Authority is overseen by a 13 member Board of Commissioners - the State Treasurer, the Chief Executive Officer of the Virginia Economic Development Partnership (VEDP), and 11 citizens appointed by the Governor. The Board of Commissioners, the VPA CEO and Executive Director and his team, and the management of our component unit Virginia International Terminals, LLC (VIT) work to promote, develop, and increase commerce at the ports of Virginia, and other port related industries in the Commonwealth.

VIT operates the facilities pursuant to its Operating Agreement, as a single-member limited liability company with VPA as its sole member. VIT's financial information is presented in the Authority's financial statements as a blended component unit. As a component unit, VIT is a legally separate organization that serves or benefits those outside of the Authority, but for which the Authority, as the primary institution, is financially accountable or closely related. The financial statements of VIT were audited separately. The VIT budget is prepared annually and approved by the VPA Board of Commissioners prior to July 1 of each fiscal year. More detailed information regarding VIT is included in the footnotes to the financial statements.

The Authority is included in the Commonwealth of Virginia's budget. Authority staff prepare and submit budget requests for each upcoming biennium to the Department of Planning and Budget and the Governor, based on expected revenues and expenditures. The Governor submits the recommended budget for the Commonwealth to the General Assembly which enacts appropriations for each year of a biennium for operating and capital expenditures. The resulting Appropriation Act provides summary expenditure limitations. The appropriations are effective on July 1 of each year. The Authority's Board of Commissioners gives final approval of the detailed budget prior to July 1 based on the appropriations.

Finance and Risk Management

Enterprise funds are used to account for proprietary operations, similar to private business operations where the operating costs are funded through user charges. The Virginia Port Authority has one such enterprise fund to which all accounts are organized and accounted for as a single reporting entity. The Authority's primary source of funding for its operations is through the net revenues generated from terminal operations and subsequently transferred from VIT. Capital improvements are primarily funded through leasing arrangements, long-term debt, capital grants, the allocation of certain revenues collected by the Commonwealth, and cash flow from operations.

The Federal Reserve cut interest rates by 1% in the first half of the fiscal year, but paused any further cuts thereafter, reflecting a cautious approach amid moderating inflation and persistent economic uncertainty, including the impact of tariff announcements made in April 2025. The Authority maintained favorable positions across its investment portfolio and effectively leveraged positive cash flows to increase investment earnings compared to fiscal year 2024. The Authority continues to actively monitor market conditions in order to optimize its existing capital structure and maximize returns in support of its long-term capital funding needs. Certain statistical information included in the ACFR was not obtained from the financial records of the Authority but is presented for the user's information and understanding of the Authority and the environment in which the Authority operates.

The Virginia Port Authority, together with its component unit (VIT), maintains a comprehensive risk management program, the purpose of which is the maximum protection of the assets, customers and employees of the Authority, and the reduction of the cost of risk through innovative and professional measures. It is the intent of the Authority that it be protected against accidental loss or losses that would significantly affect Authority personnel, property or the ability of the organization to continue to fulfill its responsibilities. VIT maintains property and liability insurance on all terminal equipment and facilities. The Authority maintains property and liability insurance on non-terminal assets owned by the Authority. The Authority also maintains general liability, fiduciary liability, workers' compensation, cyber, and umbrella insurance policies.

Virginia Port Authority and the Economy

The Port of Virginia continues to be a driving force behind the Commonwealth's economic growth, generating significant spin-off benefits across the state. Each year, port-related business activity—both direct and indirect—supports more than 570,000 jobs and contributes approximately \$63 billion to Virginia's Gross State Product. In fiscal year 2025, the port helped facilitate \$2.8 billion in private investment, resulting in the creation of over 3,800 new jobs for Virginians. Our port-centric development strategy, in partnership with the VEDP, is designed to attract and support businesses that thrive in close proximity to a world-class logistics hub. Industry leaders such as LEGO, DeLong Co., Traditional Medicinals, and Amazon have chosen to establish distribution and manufacturing facilities in the Commonwealth, drawn by the port's strategic advantages. Over the past three years, the port's influence has helped spur the announcement of more than 19 million square feet of new and expanded warehouse space throughout Virginia—representing over \$6 billion in private investment. These outcomes underscore the port's essential role in attracting capital, creating jobs, and enhancing Virginia's competitiveness in the global economy.

Long-Term Financial Planning

Despite a challenging and dynamic trade environment over the past several years, the Authority has been able to significantly increase its financial position with an acute focus on building its cash reserves. This strategic focus has provided the Authority with the financial resilience to withstand future disruptions to the industry, while also positioning it to capitalize on emerging opportunities—and, when appropriate, to create opportunities of its own. On July 8, 2025, these efforts culminated in the First Amendment of the VIG Lease, whereby the Authority agreed to a \$335 million upfront lease payment as well as an increase to its notional base rent amount. In consideration for these payments, the Authority now retains greater operational control of the facility in addition to a fixed purchase price option upon expiration of the lease term. As a part of the funding package for this deal, the Authority issued Port Facilities Revenue Bonds, Series 2025 in a par amount of \$249 million to partially fund the upfront lease payment noted above. Additionally, the Authority executed a cash defeasance of all of its outstanding debt under Resolution 16-9. As a result, the Authority is now able to identify and plan for its long-term capital needs with a higher degree of certainty and flexibility.

Optimization efforts at the North Berth of NIT made significant progress during the year and, once complete, will add 800,000 containers of additional throughput capacity to the terminal—earlier than originally anticipated. This expansion will also provide the North Berth the flexibility to scale operations in response to volume fluctuations. This adaptability is especially critical as global supply chain patterns continue to shift in response to tariff changes. The timing of this project's completion will closely align with the conclusion of the Authority's *Wider, Deeper, Safer* initiative and the Commonwealth's Hampton Roads Bridge Tunnel Expansion project. Together, these efforts will enhance berth capacity and accelerate the delivery of goods to market for beneficial cargo owners. Additionally, recent improvements to rail capacity at NIT have enabled faster and more reliable transport of cargo into the Midwest, while also contributing to tighter control over operating costs.

Collectively, these investments provide the Authority with a distinct competitive advantage over other U.S. East Coast ports. As trade lanes evolve and suppliers seek to strengthen supply chain resilience through geographic diversification of distribution centers, the Authority is well positioned to attract new business. Through its ongoing investments, the Authority continues to handle cargo in a safe, efficient, reliable, and cost-effective manner—delivering value to, and through, the Commonwealth.

The Port of Virginia organization is unique in the industry and has a proven track record for success. For over 40 years, this structure resulted in phenomenal growth, benefiting not only Virginians but also the country. The Authority continues to evolve operations to enhance capacity and fluidity to attract economic expansion within the Commonwealth. In support of these efforts, the Authority established a formal Investment Management program with a goal to accumulate sufficient liquidity in order to preserve resiliency during periods of cash flow disruption while also making optimal use of the reserves being accumulated, and provide the capability to self-fund capital projects if required. We have been charged to develop The Port of Virginia into the premiere gateway for international cargo transported through the Mid-Atlantic and Mid-West regions of the United States.

Major Initiatives

During fiscal year 2025, The Port of Virginia completed several key components of its \$1.4 billion Gateway Investment Program. Among the most significant was the strengthening of PMT to support the delivery of offshore wind components relative to the Coastal Virginia Offshore Wind (CVOW) project. This enhancement has transformed PMT into the most capable heavy-lift facility on the U.S. East Coast. This capability was demonstrated when VIT successfully executed its heaviest lift to date—offloading, storing, and discharging one of three 4,000-ton substations required for the CVOW project.

At VIG, the installation of four new Suez-class ship-to-shore cranes further expanded berth capacity, reinforcing the terminal's strategic importance. Progress continued across other major components of the investment program, most notably at NIT, where optimization of its North Berth advanced significantly. This included the construction of nine container stacks, delivery and installation of sixteen rail-mounted gantry cranes, and substantial progress on the development of low-profile Suez-class ship-to-shore cranes—the first of their kind globally. Despite timeline and budgetary risks posed by tariffs announced in April 2025, the port's world-class project management has kept all initiatives on schedule and within budget.

Dredging efforts under the *Wider, Deeper, Safer* project also continued in earnest, with substantial completion at both VIG and NIT berths. Once finalized, this project will provide the Authority with a natural harbor featuring some of the deepest shipping channels on the U.S. East Coast, free of overheight restrictions—significantly enhancing vessel capacity and operational flexibility.

These improvements, along with other infrastructure projects being completed by the Commonwealth across the region, are part of an integrated infrastructure strategy aimed at completing comprehensive infrastructure improvements to create a premier logistics hub and America's Most Modern Gateway.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Virginia Port Authority for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, the nineteenth consecutive year that the Authority has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that the fiscal year 2025 report will continue to meet the Certificate of Achievement Program's requirements.

The Commonwealth of Virginia advanced its infrastructure rating from No. 3 to No. 2 in CNBC's 2025 Top State for Business ranking. This recognition underscores Virginia's status as a premier business location, driven by unprecedented investments in industrial site development, its strategic location along the East Coast, and its advanced infrastructure—most notably The Port of Virginia, America's Most Modern Gateway—offering significant logistical advantages.

Preparation of the ACFR, as always, reflects the collaborative efforts of the Authority's entire finance division and its auditors at PBMares, LLP. Finally, we express our deepest appreciation to the members of the Virginia Port Authority Board of Commissioners for their continuing governance and support towards ensuring the fiscal integrity of the Virginia Port Authority.

Respectfully Submitted,

A handwritten signature in black ink that reads "Rodney W. Oliver". The signature is written in a cursive, flowing style.

Rodney W. Oliver
Chief Financial Officer
and Treasurer to the Board



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Virginia Port Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

VIRGINIA PORT AUTHORITY

Norfolk, Virginia

BOARD OF COMMISSIONERS

Aubrey L. Layne, Jr., Chair

Faith B. Power, Vice Chair

Shaza L. Andersen
John C. Asbury
George H. Brown
James C. Burnett
Michael W. Coleman

Ellen S. Gajda
Eva Teig Hardy
Maurice A. Jones
John W. Kirk III

David L. Richardson, State Treasurer
(ex-officio member of the Board)

Jason El Koubi, President and Chief Executive Officer, Virginia Economic Development Partnership

APPOINTED OFFICIALS

Stephen A. Edwards, CEO and Executive Director

Rodney W. Oliver, Chief Financial Officer and Treasurer to the Board

Lisa S. Nelson, Secretary to the Board

Jodie L. Asbell, Senior Executive Administrative Assistant to the Executive Director
and Assistant Secretary to the Board



STEPHEN EDWARDS
CEO and Executive Director



JOE RUDDY
Chief Operations Officer

- Health, Safety, and Environmental
- Marine and Inland Terminal Operations
- Customer Service
- Hampton Roads Chassis Pool



TOM CAPOZZI
Chief Sales Officer

- Ocean Carrier Sales and Contracts
- Beneficial Cargo Owner Sales



SARAH MCCOY
General Counsel and Chief Administrative Officer

- General Counsel
- Risks and Contracts
- Human Resources
- Procurement



RODNEY OLIVER
Chief Financial Officer

- Financial Reporting
- Accounting
- Treasury
- Financial Planning and Analytics



RICH CECI
Senior VP, Technology & Project Management

- Major Capital Projects
- Infrastructure
- Information Technology
- Cyber Security



AMANDA NELSON
VP, Growth

- Market Planning and Segmentation
- Market Development Projects



BARB NELSON
VP, Transportation & Government Affairs

- Government Relations
- Transportation Planning & Policy
- Grants



ASHLEY FISHER
VP, Strategy

- Strategic Planning
- Project Management Office
- Communications and Branding



RUSS YOUNG
VP, Port Centric Logistics

- Developer Sales
- 3PL Sales
- VEDP Coordination and Liaison



In combination with other safety initiatives, the use of remote operating system (ROS) control centers at its two largest facilities contributed to a 24% improvement in the port's safety performance in fiscal year 2025.



INDEPENDENT AUDITOR'S REPORT

The Honorable Glenn Youngkin
Governor of Virginia

The Honorable Mark D. Sickles
Chair, Joint Legislative Audit
and Review Commission

The Board of Commissioners
Virginia Port Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activity of the Virginia Port Authority (Authority), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 15 to the financial statements, in fiscal year 2025, the Authority adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS; *Government Auditing Standards*; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS; *Government Auditing Standards*; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 16-26 and 81-84, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information on pages 85-86 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, and compliance section as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
September 12, 2025

VIRGINIA PORT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025

(Unaudited)

Our discussion and analysis of the Virginia Port Authority’s (“VPA” or “the Authority”) financial performance provides an overview of VPA’s financial activities as of and for the Fiscal Year ended June 30, 2025 (fiscal year 2025), with selected comparative information as of and for the Fiscal Year ended June 30, 2024 (fiscal year 2024). It should be read in conjunction with the Authority’s accompanying financial statements and notes to financial statements. Virginia International Terminals, LLC (VIT) is presented in the Authority’s financial statements as a blended component unit to emphasize that it serves or benefits those outside of the Authority, but the unit is, in substance, part of the primary government’s operations even though it is a separate legal entity. This discussion focuses on the blended presentation of VPA with VIT, and to the extent relevant, the results of VIT will include references accordingly. Unless explicitly indicated otherwise, all dollar amounts herein are expressed in thousands.

ABOUT THE AUTHORITY

The Virginia Port Authority was established in 1952 and operates as a political subdivision of the Commonwealth of Virginia for the purpose of stimulating commerce within the Commonwealth, through the promotion of the shipment of goods and cargoes through the ports, improvement of the navigable tidal waters within the Commonwealth and, in general, engaging in any activity within the scope of its mission which may be useful in developing, improving, or increasing commerce of the ports of the Commonwealth. The Authority owns, and is responsible for the operations and security of, three marine terminals: Norfolk International Terminals (NIT), Portsmouth Marine Terminal (PMT), and Newport News Marine Terminal (NNMT), and an inland intermodal facility, the Virginia Inland Port (VIP) located in Front Royal, Virginia. The Authority is also responsible for the operations and security of two leased marine terminals: Virginia International Gateway (VIG), located in Portsmouth, Virginia and Richmond Marine Terminal (RMT), located in Richmond, Virginia on the James River. These facilities primarily handle import and export containerized, break-bulk and ro-ro cargoes. VIT operates each facility.

A Board of Commissioners governs the Authority. The Board is composed of the State Treasurer, the Chief Executive Officer of the Virginia Economic Development Partnership, and 11 members appointed by the Governor. Commissioners serve staggered five-year terms, and may serve a maximum of two consecutive terms.

As a key element of Virginia’s economy and link in the national supply chain, the Authority is guided by the following mission statement:

The Port of Virginia delivers opportunity by driving business to, *and through*, the Commonwealth.

FINANCIAL HIGHLIGHTS

- VPA’s net position increased by \$197,678 in fiscal year 2025 compared to an increase of \$191,449 during fiscal year 2024. Net position at June 30, 2025 was \$1,838,775.
- Operating income for VPA on a comparable basis decreased from \$113,271 to \$107,476.
- Volume of 1.9 million containers (3.4 million twenty-foot equivalent units, or TEUs) moved through the terminal properties during fiscal year 2025, which was 61 thousand containers (3.1%) fewer than fiscal year 2024.
- Liquidity remains strong, with net working capital of \$933,481 and a current ratio (current assets divided by current liabilities) of 4.0 at June 30, 2025. Unrestricted cash and investments at June 30, 2025 were \$974,259.

OVERVIEW OF THE FINANCIAL STATEMENTS

Governmental accounting policy, practice and procedures fall under the auspices of the Governmental Accounting Standards Board (GASB). The Authority's financial transactions and subsequent statements are prepared according to the GASB Statement No. 34 reporting model, as mandated by GASB. The purpose of this reporting model is to consolidate two basic forms of governmental accounting, governmental operations (such as municipalities) and proprietary operations (those entities such as the Authority which generate their own revenues and, therefore, more closely resemble a private business), into statements that give the reader a clearer picture of the financial position of the government as a whole. The Authority considers itself a proprietary form of government and its specific financial transactions are recorded in a single enterprise fund.

As stated above, the Authority operates as a single enterprise fund with one blended component unit, VIT. The financial statements are prepared on the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. Please refer to note 1 in the accompanying notes to financial statements for a summary of the Authority's significant accounting policies. Following the MD&A are the basic financial statements, notes to financial statements and required supplementary information of the Authority, along with its blended component unit, VIT. These statements, notes and statistical information, along with the MD&A, are designed to provide readers with a more complete understanding of the Authority's finances as a governmental unit and on a consolidated basis.

The financial section of this annual report consists of four parts: MD&A, basic financial statements, notes to financial statements and required supplementary information. The report includes the following three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Two additional statements are included as required by GASB Statement No. 84, *Fiduciary Activities*: the Statement of Fiduciary Net Position, and the Statement of Changes in Fiduciary Net Position. The relevance of these two additional statements is to provide additional information about postemployment benefit arrangements that are fiduciary activities of the Authority or its component unit, VIT, as of the reporting date. As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position for fiscal year 2025 was restated; however, comparative information for fiscal year 2024 included in the MD&A has not been adjusted. See note 15 in the notes to the financial statements for additional discussion.

Statement of Net Position

The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Authority. Net position, the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, is one indicator of the current fiscal health of the organization and the Authority's financial position over time.

A condensed summary of the Authority's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at June 30, 2025 and 2024, respectively, follows:

Condensed Summary of Statements of Net Position

	2025	2024	Increase/ (Decrease)
	<i>(In Thousands)</i>		
Assets:			
Current assets	\$ 1,240,582	\$ 1,066,616	\$ 173,966
Capital assets, net	5,825,131	5,687,670	137,461
Other noncurrent assets	291,690	492,468	(200,778)
Total assets	7,357,403	7,246,754	110,649
Deferred outflows of resources	24,473	33,979	(9,506)
Total assets and deferred outflows of resources	7,381,876	7,280,733	101,143
Liabilities:			
Current liabilities	307,282	266,297	40,985
Noncurrent liabilities	5,195,996	5,329,042	(133,046)
Total liabilities	5,503,278	5,595,339	(92,061)
Deferred inflows of resources	39,823	41,387	(1,564)
Total liabilities and deferred inflows of resources	5,543,101	5,636,726	(93,625)
Net position:			
Net investment in capital assets	595,271	560,600	34,671
Restricted	148,868	136,439	12,429
Unrestricted	1,094,636	946,968	147,668
Total net position	\$ 1,838,775	\$ 1,644,007	\$ 194,768

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets increased \$173,966 (16%) from year to year. Balances in current cash and cash equivalents and investments increased \$143,879 year over year, accounting for most of the overall change in current assets. Much of the increase in cash is attributable to positive operating cash flow and use of grant funds in support of ongoing terminal improvement projects. The free cash generated by operations has been used to build additional liquidity in current investments needed to enhance resiliency and maintain funding requirements of pending and ongoing capital investment projects. Accounts receivable, including amounts due from other governments, increased \$31,579, primarily driven by increased grant-related activity. Offsetting this activity were volume-driven decreases of \$8,006 to the trade receivables of VIT. During the months of May and June, VIT handled 15% fewer containers when compared to the same time last year, as the effects of tariff announcements in April began to materialize in the supply chain. In addition to receivables, inventory also decreased by \$912 along with prepaid expenses of \$947.

Net capital assets (the cost of capital assets, less accumulated depreciation and amortization), including right-to-use lease and subscription assets increased \$137,461 over the prior year as the Authority continued to invest in terminal infrastructure modernization and improvements. During the fiscal year, these investments totaled \$337,665, consisting primarily of project costs associated with the optimization of the North Berth of NIT and, to a lesser extent, the strengthening of the berth at PMT. Additionally, the Authority continued its progress toward the installation and construction of eight new ship-to-shore cranes, including completion of the installation of four of these cranes at VIG. The remaining four cranes will provide additional berth capacity and capability upon their installation at NIT. Offsetting the increase from these improvements was \$203,551 in depreciation and amortization expense. See notes 5, 6 and 12 in the notes to the financial statements for additional discussion.

The decrease to other noncurrent assets is principally the result of decreased balances in cash and cash equivalents and investments with maturities greater than one year of approximately \$200,932. As noted previously, the Authority has sought to increase its resiliency to external forces and maintain the ability to sustain current and future funding requirements through strategic replenishment of its investment accounts, both short term and long term. See notes 2 and 3 in the notes to the financial statements for additional discussion.

The decrease of deferred outflows of resources is almost entirely associated with the valuation of the net pension liability resulting from changes to actuarial assumptions; differences in expected and actual experience; and differences between projected and actual investment earnings, the latter of which is driving the majority of the decrease, as a result of the timing of changes in the market relative to the valuation measurement dates. Deferred outflows related to bonds decreased year over year, solely due to amortization. See notes 6 and 7 in the notes to the financial statements for additional discussion of bonds and other indebtedness.

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current liabilities increased by \$40,985 when compared to fiscal year 2024. The increase is attributable to several factors, all of which are closely tied to the Authority's timing of capital expenditures and the funding sources associated with certain projects. First, accounts payable and accrued expenses increased \$26,141, of which \$3,320 is related to capital purchases on account, while the remainder is attributable to the timing of employee and vendor payments as well as higher labor rates. In addition to these increases, the current portion of unearned revenue increased by \$26,044, reflecting the Authority's expectation of higher capital expenditures in fiscal year 2026 related to the optimization of the North Berth of NIT. The Authority also decreased its retainage payable by \$9,852, primarily related to the payout of accumulated retention balances upon substantial completion of several major infrastructure and dredging projects during the year.

Noncurrent liabilities at June 30, 2025 decreased by \$133,046. \$126,252 of this decrease is attributable to the long-term portion of unearned revenues reflecting the port's progress on one of its major construction projects, the optimization of the North Berth of NIT, and consequential earning of grant funds previously received. The principal portion of scheduled lease payments further reduced noncurrent liabilities by \$24,863. Actuarial changes to the measurement of the Authority's net pension liability resulted in a \$2,965 reduction to this component.

The Authority's debt service reduced principal related to Revenue Bonds and Master Equipment Lease Program (MELP) borrowings by \$28,218 during fiscal year 2025. The VIG lease liability, including VIG installment purchases increased by \$48,169 as a result of negative principal amortization from interest expense exceeding scheduled lease payments until contractual lease payments escalate to a level where positive principal amortization will begin (currently estimated to occur in fiscal year 2038). See note 6 in the notes to the financial statements for further detail regarding the Authority's long-term indebtedness.

The \$1,564 decrease in deferred inflows of resources is mostly attributable to \$902 of lower deferred inflows of resources related to lessor leases and their normal amortization, and changes in actuarial assumptions related to the measurement of the Authority's net pension liability, which reduced pension-related deferred inflows by a net \$266.

NET POSITION

Net investment in capital assets represents the land, buildings, infrastructure, improvements, and equipment, etc., less the accumulated depreciation and amortization and outstanding liabilities related to those capital assets. This portion of net position increased by \$34,671, driven by net increases in capital assets (as discussed previously), which were partially offset by increases in related debt and lease liabilities (as discussed previously). For liquidity purposes it should be noted the resources required to repay the debt incurred to purchase and develop the capital assets must be provided annually from terminal operations (principally those of the blended component unit – VIT) and appropriation (Commonwealth Port Fund), since the capital assets themselves generally are not monetized to liquidate liabilities. Further detail of the Authority’s capital assets can be referenced in note 5 in the notes to the financial statements.

Restricted net position represents resources, principally cash and investments, which are subject to external restrictions on how they can be used pursuant to the terms of applicable bond resolutions, as well as restrictions or other terms imposed by grantors. The increase in balances at June 30, 2025 is attributable to lower cash balances held by the Commonwealth of Virginia Treasury Department resulting from the use of these funds for their intended purposes.

The remaining unrestricted net position may be used to fund the Authority’s other ongoing obligations and initiatives. The favorable fiscal year 2025 operating result, along with the investments purchased to optimize available cash, contributed to the 16% increase in the fiscal year 2025 balance.

Statement of Revenues, Expenses, and Changes in Net Position

All of the current year’s revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the results of operations and can be used to determine whether the fiscal condition has improved or worsened during the year. A condensed summary of the Authority’s revenues, expenses, and changes in net position for the fiscal years ended June 30, 2025 and 2024, follows:

Condensed Summary of Revenues, Expenses, and Changes in Net Position

	2025	2024	Increase/ (Decrease)
	<i>(In Thousands)</i>		
Operating revenues	\$ 854,534	\$ 768,435	\$ 86,099
Operating expenses	747,058	655,164	91,894
Operating income	107,476	113,271	(5,795)
Nonoperating revenues, net	30,904	21,622	9,282
Income before capital contributions	138,380	134,893	3,487
Capital contributions:			
Commonwealth Port Fund allocation	59,298	56,556	2,742
Increase in net position	197,678	191,449	6,229
Net position, beginning of year	1,644,007	1,452,558	191,449
Cumulative effect of changes in accounting principle	(2,910)	-	(2,910)
Net position, end of year	<u>\$ 1,838,775</u>	<u>\$ 1,644,007</u>	<u>\$ 194,768</u>

Approximately 98% of the Authority's operating revenues originate from terminal operating revenues earned by its blended component unit – VIT. Security surcharge fees levied by the Authority, separate from the terminal operations of VIT, account for the majority of the remainder, meaning that substantially all of the operating revenues of the Authority originate from the operation of the terminal properties. The remainder of operating revenues are principally attributable to operating grants from state and federal governments and lease income.

Operating revenues for fiscal year 2025 rose by \$86,099 compared to fiscal year 2024, driven by several key factors: shipline rate adjustments, loaded container storage, stevedoring performance and offshore wind operations. Shipline rates rose in alignment with the pay increases negotiated with the Company's ILA labor partners. These rate adjustments led to a \$25,738 boost in container unit revenues, effectively offsetting the \$14,543 revenue decline from lower volumes in the final quarter. The volume decline was attributed to customers recalibrating their supply chain strategies in response to newly announced U.S. tariffs. Revenues from loaded container storage climbed by \$23,018, fueled by ongoing supply chain disruptions and elevated daily storage rates. The Company's stevedoring operations maintained strong performance metrics, enabling it to capture additional market share and generate \$24,793 higher revenues compared to the prior year. Offshore wind activity accelerated significantly, with the Company handling approximately 375 more component pieces—a 369% increase year-over-year. This expansion contributed an additional \$24,122 in revenue.

Commensurate with the rate-driven increases in operating revenues noted above, total operating expenses also increased by \$91,894, or 14%, in fiscal year 2025.

The rise in terminal operations expenses is primarily driven by increased pay and benefits for the Company's unionized labor workforce. Following extended negotiations and a three-day labor strike, a new master contract between the Company and the International Longshoremen's Association (ILA) was ratified in February 2025, effective retroactively from October. This agreement introduced revised compensation rates, resulting in an additional \$28,653 in payroll-related costs—despite no change in total labor hours across operating segments. To mitigate these increases, the Company leveraged operational efficiencies, reducing its labor complement by 4.6% while handling 3% fewer containers. This optimization offset \$4,840 of the added expenses. As previously noted, the Company's stevedoring operations saw a 23% surge in total lifts, necessitating a 27% increase in labor hours, which contributed \$15,988 in additional costs. Furthermore, third-party stevedoring expenses rose by \$1,673. Support for offshore wind operations also contributed to the expense growth, with ILA labor costs increasing by \$3,849 and third-party expenses rising by \$4,694 compared to fiscal year 2024.

Maintenance expenses increased significantly in comparison to fiscal year 2024, predominately driven by higher labor rates resultant from the new labor contract discussed previously. For the same hours, the Company incurred an additional \$10,607 in payroll-related expenses, when compared to fiscal year 2024. Additional hours accounted for another \$2,198. In addition to higher labor rates, the Company, due in part to feedback received from compliance-driven inspections, also experienced a \$7,988 increase in its repair costs, inclusive of \$2,556 in higher chassis maintenance. Facility-related maintenance costs also increased as a result of several significant snow storms that required \$2,157 in additional efforts to clear the snow and restore the terminal to safe operating conditions. The Company also realized savings of \$2,280 related to electricity consumption, primarily driven by lower effective rates throughout fiscal year 2025.

General and administrative expense was essentially flat, decreasing \$467 (1%) in fiscal year 2025, demonstrating the Authority's strategic efforts to control its cost in this category amid inflationary pressures.

Depreciation and amortization expense increased by \$6,313 (3%), primarily driven by the capitalization of large infrastructure projects completed during the year, including strengthening of PMT and expansion of the central rail yard at NIT.

Net nonoperating revenues/expenses were \$9,282 favorable to fiscal year 2024. Nonoperating grant revenues increased \$25,278, as the Authority continued its progress during fiscal year 2025 on several capital projects that are funded, in part, by federal or state grants as well as contributions received from private entities. The most significant of these projects include the PMT offshore wind development and the optimization of the North Berth of NIT. Revenues associated with these projects are recognized as costs qualifying under the applicable grant agreement are incurred. In addition to capital-related revenues, the Authority recognized a \$3,650 increase in its investment income related to the higher short-term rate environment experienced throughout the year. These gains were partially offset by a \$2,459 increase in the loss on disposal of assets, predominately due to the sale of four ship-to-shore cranes. The Authority also experienced higher expenditures related to its economic development grants of \$7,791, as a result of legislative changes to these programs, including how they are administered as well as by whom. Lastly, the Authority incurred an additional \$9,207 in expenses related to ongoing capital projects that will not be owned or maintained by the Authority upon completion – these costs are expensed as incurred.

Capital contributions from the Commonwealth Port Fund (CPF) – allocations appropriated from the Transportation Trust Fund – are generally restricted in purpose to enhancements/major maintenance of the Authority’s terminal facilities through direct reimbursement, or service of debt supported by the CPF allocation. The increase of \$2,742 from fiscal year 2024 is the result of timing regarding the collection of the supporting tax revenues/fees and, while relatively stable in nature on a historical basis, is not controllable by the Authority.

Statement of Cash Flows

The Statement of Cash Flows provides information about changes in cash and cash equivalents during the reporting period. The statement reports this activity in the context of operating, financing, and investing activities, and provides insight as to the major sources and uses of cash applicable to the fiscal year. A condensed summary of the Statement of Cash Flows for fiscal year 2025 and fiscal year 2024, respectively, follows:

Condensed Summary of Cash Flows

	2025	2024	Increase/ (Decrease)
	<i>(In Thousands)</i>		
Net cash provided by operating activities	\$ 325,178	\$ 286,076	\$ 39,102
Net cash (used in) provided by noncapital financing activities	(20,406)	6,363	(26,769)
Net cash used in capital and related financing activities	(413,675)	(413,520)	(155)
Net cash provided by (used in) investing activities	436,831	(27,629)	464,460
Net increase (decrease) in cash and cash equivalents	327,928	(148,710)	476,638
Cash and cash equivalents:			
Beginning of year	589,914	738,624	(148,710)
End of year	<u>\$ 917,842</u>	<u>\$ 589,914</u>	<u>\$ 327,928</u>

Cash provided by operating activities increased by \$39,102 from fiscal year 2024. The majority of the Authority’s operating cash flow is generated through the operations of its blended component unit – VIT. The increase is almost entirely the result of higher shipline rates, offset by the commensurate increases in labor rates. Additionally, operating trade receivables decreased by \$7,350 related to the timing between invoicing and collection.

Cash provided by noncapital financing activities decreased \$26,769 during fiscal year 2025. The expenditures associated with this activity are reimbursable by the Commonwealth and the U.S. Army Corps of Engineers, resulting in cash flows that mostly offset against each other, with fluctuations due to timing. Reimbursement receivables related to these activities increased \$34,253 during fiscal year 2025 offset by a \$7,170 increase in payables, accounting for most of the variance in this category.

Cash used in capital and related financing activities was essentially flat compared to fiscal year 2024. The PMT offshore wind project is primarily being funded by the lessee of this portion of the terminal, Dominion Energy, through regular and recurring cash infusions sufficient to cover contractual commitments as incurred; these transfers totaled \$25,045 in fiscal year 2025, reflecting lower funding needs during the final phase of construction. As discussed earlier, the Authority continued progress on its portfolio of ongoing capital improvements, ultimately expending \$344,835 towards the advancement of these projects. In comparison to fiscal year 2024, this represents an \$76,155 decline in this category, as certain projects, including expansion of the central rail yard at NIT, PMT offshore wind project and ship-to-shore cranes at VIG, were completed, or neared completion, during the year.

In fiscal year 2025, the Authority netted \$436,831 in cash related to investing activities, a \$464,460 increase compared to fiscal year 2024. As a result of the positive operating cash flows noted above and the ability to secure alternative sources for funding of capital projects, the Authority was able to continue adding to its investment portfolio during the fiscal year after meeting debt service and capital investment requirements. These efforts were further bolstered by favorable market conditions continuing throughout much of the fiscal year, a result of easing inflation and lower interest rates. See the Statement of Cash Flows and note 2 in the notes to the financial statements for more information about the Authority's investment activity and investments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The investment in capital assets for the Authority at June 30, 2025, carried at historical cost less accumulated depreciation and amortization, primarily includes land, buildings, terminal infrastructure, wharves, roads, drainage and lighting systems, and equipment.

During the year, VPA made significant investments in the following principal areas:

- Development of PMT to serve as an offshore wind hub
- Optimization and modernization of the North Berth of NIT
- Eight new ship-to-shore cranes for use at VIG and NIT
- Lifecycle replacement and electrification of terminal equipment

Further detail of capital asset activities can be found in note 5 in the notes to the financial statements. Additional information related to right-to-use lease assets can be found in notes 5 and 6 in the notes to the financial statements.

Debt and Installment Purchase Obligations

At June 30, 2025, the Authority had \$5,211,484 in outstanding liabilities related to either bond, installment purchase, or lease and subscription liabilities, excluding deferred inflows of resources. Of this balance, \$4,420,026 is in the form of lease and subscription liabilities (the two largest being the VIG lease in the amount of \$4,235,910, and \$166,379 related to chassis lease arrangements). Revenue bonds outstanding consist of \$549,005 in Port Facilities Revenue Bonds and Commonwealth Port Fund Revenue Bonds issued by the Authority with \$35,352 of issuance premiums. Installment purchase liabilities consist of \$55,109 in Master Equipment Lease Program (MELP) financing and \$151,992 in installment purchase liabilities related to the VIG Phase II Expansion.

Pursuant to Resolution 16-9, Port Facilities Revenue Refunding Bond Series' 2016A, 2016B and 2016C were issued in November 2016 for a combined par value of \$280,530 to refund Series 2010, 2015A, 2015B and 2013 Port Facilities Revenue Refunding Bonds, as well as refund the outstanding principal related to existing Master Equipment Lease financings. The 2016A, 2016B and 2016C Series are subordinate to the VIG lease (which is deemed a senior obligation in credit priority), are supported by terminal revenues and carry underlying ratings of A1 and A from Moody's Investor Service, Inc. and Standard and Poor's Rating Services, respectively.

The Authority's bond covenants for Port Facilities Revenue Bonds require the net revenues available to pay debt service, as defined in Resolution 16-9, to cover 100% of current expenses. Also, the greater of aggregate net revenue and aggregate adjusted net revenue as defined in Resolution 16-9 are required to be not less than 110% and 125%, respectively, of the aggregate principal and interest requirements for the applicable bond year. Additionally, the sum of net revenue and capital expenditures are required to be not less than 100% of the sum of the aggregate principal and interest requirements for the applicable bond year. The debt service coverage requirements based on the foregoing criteria were exceeded for fiscal year 2025. See the Compliance Section for further detail.

As security for the VIG lease and for outstanding Port Facilities Revenue Bonds, the Authority is required to apportion its monthly net revenue in order of priority to (1) satisfy required minimum levels of operating cash, (2) set aside sufficient funds to pay the next monthly VIG lease payment, (3) set aside sufficient funds to satisfy the next monthly debt service deposit, (4) replenish any required debt service reserves which have been drawn upon – no such drawings have occurred or are outstanding – and (5) contribute to supplemental residual reserves to be used for any lawful purpose. We anticipate that cash flows for the upcoming operating cycle will be sufficient to meet these requirements. From time to time, the Authority will utilize a portion of its supplemental residual reserves to fund in part or in whole capital expenditures, and to buffer timing differences in monthly cash flow that can occur from seasonal trends or significant expenditures, and to withstand periods of adversity where operating cash flow may be diminished for an extended period.

Commonwealth Port Fund Revenue Bonds issued in 2012, 2020 and 2023 outstanding at June 30, 2025 are supported by the Authority's 2.5% allocation of the Commonwealth of Virginia's Transportation Trust Fund (TTF). The bonds are also backed by a sum sufficient appropriation from the Commonwealth and carry underlying ratings of AA+ from Fitch Ratings, Inc., an AA+ rating from Standard and Poor's, and an Aa1 rating from Moody's Investor Services.

Additionally, as part of its continuing capital investment program, the Authority may elect to finance certain future investments with either Port Facilities Revenue Bonds or Commonwealth Port Fund Revenue Bonds ("new money"), however this will depend on multiple factors such as interest rates, borrowing capacity, cash flow and investment trends, etc.

More details on long-term debt can be found in notes 6 and 7 in the notes to the financial statements.

ECONOMIC AND OTHER FACTORS AND RECENT DEVELOPMENTS

At the outset of fiscal year 2025, the Authority experienced higher-than-expected cargo volumes, partly due to residual effects from the temporary closure of the Port of Baltimore following the tragic collapse of the Francis Scott Key Bridge in late March 2024. Simultaneously, shiplines and their customers began contingency planning for a potential labor strike that could disrupt operations across all U.S. East Coast (USEC) ports. This anticipation contributed to a 7% year-over-year increase in first-quarter volumes. On October 1, 2024, the International Longshoremen's Association (ILA) initiated a strike, halting cargo movement at USEC ports. Fortunately, a tentative agreement was reached within three days, allowing operations to resume swiftly. Post-strike volumes aligned with, and in some cases slightly exceeded, the Authority's budgeted expectations—though they remained 3% below fiscal year 2024 levels. Following the resolution of these negotiations, the Authority was able to successfully pass these increases onto its shipline customers, ultimately collecting all of its back billings.

The Authority responded with agility, adjusting its operations to preserve favorable financial outcomes. Key business segments, particularly container stevedoring and offshore wind operations, outperformed in both efficiency and volume, driving higher operating margins and expanded market share. However, in April 2025, the U.S. government announced a new set of global tariffs targeting several of the Authority's major import sources. In response, shiplines and customers delayed shipments to avoid tariff exposure, resulting in a 12% volume decline in the final quarter. Despite these headwinds, the Authority leveraged its operational flexibility to reduce costs while maintaining safe and efficient service, ultimately exceeding its financial targets.

As fiscal year 2026 begins, uncertainty looms over both domestic and global trade markets. Manufacturers and retailers are actively diversifying their supply chains, shifting sourcing to countries with more favorable tariff structures. The Authority is well-positioned to adapt, having already expanded and diversified its trade routes following the 2022 supply chain crisis. Geopolitical tensions continue to influence global trade lanes as well. In the face of these challenges, the Authority remains focused on the safe and efficient movement of cargo. Building on the momentum from fiscal year 2025, offshore wind operations are expected to see continued growth, with an even greater volume and variety of component pieces expected to be handled. Entering fiscal year 2026 with over 60% local market share, the Authority's stevedoring division is poised to deliver both revenue growth and cost efficiencies. Safety performance also improved significantly in fiscal year 2025, with a 24% reduction in the Lost Work Day (LWD) rate. The Authority aims to further reduce its LWD rate in fiscal year 2026, contributing to lower workers' compensation insurance premiums. To support future growth, new cranes are scheduled for delivery in September, expanding capacity at the southern berth of NIT while optimization efforts at its northern berth also seek to provide additional capacity. These enhancements to the port's capacity will provide additional operational flexibility, enabling the Authority to meet its performance targets in a safe, cost-effective and scalable manner.

In furtherance of its objective to remain flexible and adaptive to changing macroeconomic forces, the Authority executed the First Amendment to the VIG Lease on July 8, 2025, which provides the Authority with greater operational control and flexibility with respect to the VIG Facility. Additionally, this amendment provides the Authority with greater certainty for future capital needs by converting the option to purchase the facility at the end of the lease term from a fair market valuation to a fixed amount of \$950,000. In consideration for these amendments, the Authority's rental payment obligations under the lease were modified to include an upfront rental payment of \$335,000 as well as an increase to the notional base rent amount. As a result of conditions precedent to the First Amendment, the Authority, utilizing a combination of short-term borrowings and unrestricted cash and cash equivalents, satisfied the upfront rental payment of \$335,000, defeased all of its existing debt under Resolution 16-9, including \$52,495 of its existing installment purchase obligations. On August 13, 2025, the Authority issued Port Facilities Revenue Bonds, Series 2025 (Non-AMT) (the "Series 2025 Bonds") in the par amount of \$248,745. Proceeds from the Series 2025 Bonds were used to payoff the short-term borrowings previously noted, pay issuance costs associated with the Series 2025 Bonds, and replenish a portion of the unrestricted cash and cash equivalents used to satisfy the upfront rental payment. For further discussion, see note 16 in the notes to the financial statements.

Many of the Authority's capital projects, either directly or indirectly through bond issues, are funded from the TTF. The current allocation to VPA is 2.5%, apportioned from a revenue pool consisting of a portion of state sales and use tax, motor vehicle and gas taxes, and other related revenues. From fiscal year 2024 to fiscal year 2025, the Authority's apportionment in dollars increased from \$56,556 to \$59,298.

This document, including the attached letters and commentary, may contain discussion or statements that might be considered by a reader to be forward looking – that is, related to future, not past, events. Forward-looking statements by their nature contain degrees of uncertainty. Various risks and uncertainties, such as those included in the notes to the financial statements, may cause actual future results or actions to be materially different from those that may be indicated by any of our forward-looking statements. Such statements reflect opinions and indications as of the date of this report, and we are not obligating ourselves to revise or publicly release the results of any revision to such forward-looking statements in light of new information or future events.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money we receive. If you have questions about this report or need additional financial information, contact the Authority's Finance Division at 600 World Trade Center, Norfolk, VA 23510-1679.

VIRGINIA PORT AUTHORITY
STATEMENT OF NET POSITION
June 30, 2025

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
	(In Thousands)			
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 552,856	\$ 34,698	\$ -	\$ 587,554
Investments	190,146	-	-	190,146
Restricted assets:				
Cash and cash equivalents	287,866	-	-	287,866
Investments	9,902	-	-	9,902
Accounts receivable, net	13,289	67,299	(19)	80,569
Due from other governments	49,164	-	-	49,164
Due from related parties	21,761	673	(22,434)	-
Inventories, net	-	26,370	-	26,370
Prepaid expenses and other	264	4,520	-	4,784
Leases receivable, current portion	2,779	1,448	-	4,227
Total current assets	1,128,027	135,008	(22,453)	1,240,582
Noncurrent assets:				
Investments	196,559	-	-	196,559
Restricted assets:				
Cash and cash equivalents	42,422	-	-	42,422
Investments	27	-	-	27
Leases receivable, noncurrent portion	37,920	9,937	-	47,857
Capital assets:				
Nondepreciable capital assets	770,360	10,808	-	781,168
Depreciable capital assets, net	1,156,063	28,006	-	1,184,069
Right-to-use lease and subscription assets, net	3,697,808	162,086	-	3,859,894
Other noncurrent assets	-	4,825	-	4,825
Total noncurrent assets	5,901,159	215,662	-	6,116,821
Total assets	7,029,186	350,670	(22,453)	7,357,403
DEFERRED OUTFLOWS OF RESOURCES				
Bond refundings, net	17,574	-	-	17,574
Pensions and OPEB, net	2,571	4,328	-	6,899
Total deferred outflows of resources	20,145	4,328	-	24,473
Total assets and deferred outflows of resources	\$ 7,049,331	\$ 354,998	\$ (22,453)	\$ 7,381,876

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2025

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
	(In Thousands)			
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 43,125	\$ 38,995	\$ (692)	\$ 81,428
Interest payable	12,456	-	-	12,456
Retainage payable	675	-	-	675
Long-term debt, current portion	28,985	-	-	28,985
Lease and subscription liabilities, current portion	1,937	22,951	-	24,888
Obligations under securities lending	6,208	-	-	6,208
Unearned revenue, current portion	152,324	318	-	152,642
Due to parent member	-	21,761	(21,761)	-
Total current liabilities	245,710	84,025	(22,453)	307,282
Noncurrent liabilities:				
Long-term debt, noncurrent portion	762,473	-	-	762,473
Lease and subscription liabilities, noncurrent portion	4,247,599	147,539	-	4,395,138
Pension and OPEB liabilities, net	8,547	253	-	8,800
Unearned revenue, noncurrent portion	27,894	-	-	27,894
Other noncurrent liabilities	-	1,691	-	1,691
Total noncurrent liabilities	5,046,513	149,483	-	5,195,996
Total liabilities	5,292,223	233,508	(22,453)	5,503,278
DEFERRED INFLOWS OF RESOURCES				
Bond refundings, net	39	-	-	39
Leases	29,646	9,520	-	39,166
Pensions and OPEB, net	541	77	-	618
Total deferred inflows of resources	30,226	9,597	-	39,823
Total liabilities and deferred inflows of resources	5,322,449	243,105	(22,453)	5,543,101
NET POSITION				
Net investment in capital assets	565,132	30,139	-	595,271
Restricted for:				
Debt service	145,171	-	-	145,171
Construction projects	3,697	-	-	3,697
Unrestricted	1,012,882	81,754	-	1,094,636
Total net position	1,726,882	111,893	-	1,838,775
Total liabilities, deferred inflows of resources, and net position	\$ 7,049,331	\$ 354,998	\$ (22,453)	\$ 7,381,876

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
	<i>(In Thousands)</i>			
Operating revenues:				
Terminal operating revenues	\$ -	\$ 834,229	\$ -	\$ 834,229
Other operating revenues	19,802	(627)	-	19,175
Other revenues - grants, federal and state	1,130	-	-	1,130
Operating revenues from component unit	301,394	-	(301,394)	-
Total operating revenues	322,326	833,602	(301,394)	854,534
Operating expenses:				
Terminal operations	1,120	322,600	-	323,720
Terminal maintenance	6,923	149,558	-	156,481
General and administrative	18,609	39,618	-	58,227
Facility rental	5,079	-	-	5,079
Depreciation and amortization	170,749	32,802	-	203,551
Operating payments to Authority	-	301,394	(301,394)	-
Total operating expenses	202,480	845,972	(301,394)	747,058
Operating income (loss)	119,846	(12,370)	-	107,476
Nonoperating revenues (expenses):				
Investment income, net	54,691	2,558	-	57,249
Interest expense	(180,373)	(6,905)	-	(187,278)
Revenues from federal sources	19,200	-	-	19,200
Revenues from state sources	126,818	-	-	126,818
Revenues from private sources	48,166	-	-	48,166
Expenses incurred on behalf of other governments	(54,694)	-	-	(54,694)
Proceeds from primary government	40,981	-	-	40,981
Other expenses	(15,409)	-	-	(15,409)
Loss on disposals	(3,821)	(308)	-	(4,129)
Total nonoperating revenues (expenses), net	35,559	(4,655)	-	30,904
Income (loss) before capital contributions	155,405	(17,025)	-	138,380
Capital contributions:				
Commonwealth Port Fund allocation	59,298	-	-	59,298
Increase (decrease) in net position	214,703	(17,025)	-	197,678
Net position, beginning of year, as previously reported	1,513,411	130,596	-	1,644,007
Restatement for adoption of GASB Statement No. 101	(1,232)	(1,678)	-	(2,910)
Net position, beginning of year, as restated	1,512,179	128,918	-	1,641,097
Net position, end of year	\$ 1,726,882	\$ 111,893	\$ -	\$ 1,838,775

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
	<i>(In Thousands)</i>			
Cash flows from operating activities:				
Receipts from customers and users	\$ 308,027	\$ 840,778	\$ (309,178)	\$ 839,627
Receipts from operating grants	1,557	-	-	1,557
Reimbursement from (to) component unit	25,270	(25,270)	-	-
Other receipts	19,802	-	-	19,802
Payments for operating expenses	(37,392)	(147,216)	-	(184,608)
Payments to employees	(25,957)	(325,243)	-	(351,200)
Net cash provided by operating activities	291,307	343,049	(309,178)	325,178
Cash flows from noncapital financing activities:				
Transfer from (to) primary government	15,621	(309,178)	309,178	15,621
Payments for channel dredging activity	(36,027)	-	-	(36,027)
Net cash used in noncapital financing activities	(20,406)	(309,178)	309,178	(20,406)
Cash flows from capital and related financing activities:				
CPF contribution	58,956	-	-	58,956
Acquisition of capital assets	(333,366)	(11,469)	-	(344,835)
Transfer from primary government	1,145	-	-	1,145
Payments made on VIG lease liabilities	(111,688)	-	-	(111,688)
Principal paid on other lease and subscription liabilities	(1,828)	(23,035)	-	(24,863)
Interest paid on other lease liabilities	(498)	(6,905)	-	(7,403)
Principal paid on long-term debt	(28,218)	-	-	(28,218)
Interest paid on long-term debt	(22,761)	-	-	(22,761)
Net transfers from other state, federal or other private agencies	40,887	-	-	40,887
Net transfers, CVOW	25,045	-	-	25,045
Proceeds from sale of capital assets	60	-	-	60
Net cash used in capital and related financing activities	(372,266)	(41,409)	-	(413,675)
Cash flows from investing activities:				
Proceeds from sales and maturities	2,424,293	-	-	2,424,293
Purchases of investments	(2,252,367)	-	-	(2,252,367)
Interest received and other	263,156	1,749	-	264,905
Net cash provided by investing activities	435,082	1,749	-	436,831
Net (decrease) increase in cash and cash equivalents	333,717	(5,789)	-	327,928
Cash and cash equivalents, beginning of year	549,427	40,487	-	589,914
Cash and cash equivalents, end of year	\$ 883,144	\$ 34,698	\$ -	\$ 917,842

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended June 30, 2025

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
	<i>(In Thousands)</i>			
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 119,846	\$ (12,370)	\$ -	\$ 107,476
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Payments to Authority	-	301,394	(301,394)	-
Depreciation and amortization	170,749	32,802	-	203,551
Other income	(6,668)	498	-	(6,170)
Change in assets, deferred outflows and inflows of resources and liabilities:				
Accounts receivable	493	6,857	-	7,350
Inventories	-	912	-	912
Due from related parties	7,809	-	(7,809)	-
Prepaid expenses and other	(184)	1,130	-	946
Accounts payable and other accrued expenses	(263)	9,191	-	8,928
Due to VPA	-	(25)	25	-
Change in leases and subscriptions	(1,242)	(179)	-	(1,421)
Change in pension and OPEB	767	2,839	-	3,606
Net cash provided by operating activities	\$ 291,307	\$ 343,049	\$ (309,178)	\$ 325,178
Supplemental schedule of Noncash Capital and Related Financing Activity:				
Capital asset additions purchased on account	\$ 25,967	\$ -	\$ -	\$ 25,967
Right-to-use lease assets	-	1,040	-	1,040
Right-to-use subscription assets	-	1,779	-	1,779
VIG lease liability	43,934	-	-	43,934
Installment purchases	4,235	-	-	4,235
Other lease liabilities	-	(1,040)	-	(1,040)
Subscription liabilities	-	(1,779)	-	(1,779)
Loss on disposal of assets	(3,881)	-	-	(3,881)

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	<i>(In Thousands)</i>
ASSETS	
Noncurrent Assets	
Investments held in trust at fair value:	
Short-term bond funds	\$ 1,112
Long-term bond funds	10,223
Core plus bond funds	45,893
Common and preferred stock funds	39,894
Other mutual funds	<u>39,303</u>
Total assets	<u>136,425</u>
NET POSITION	
Restricted for:	
Pension benefits	<u>136,425</u>
Total net position	<u><u>\$ 136,425</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2025

	<i>(In Thousands)</i>
Additions:	
Employer contributions	\$ 2,634
Investment income	13,497
Payment credits	103
Total additions	<u>16,234</u>
Deductions:	
Benefit payments	7,881
Other disbursements	209
Total deductions	<u>8,090</u>
Change in net position	8,144
Net position, beginning of year	<u>128,281</u>
Net position, end of year	<u><u>\$ 136,425</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Unless explicitly indicated otherwise, all dollar amounts herein are expressed in thousands

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Virginia Port Authority (“the Authority” or “VPA”) was established in 1952, as a political subdivision of the Commonwealth of Virginia (the Commonwealth), for the purpose of performing any act or function which may be useful in developing, improving, or increasing the commerce of the ports of the Commonwealth. A Board of Commissioners composed of 13 members oversees the Authority. The Board consists of the State Treasurer, the Chief Executive Officer of the Virginia Economic Development Partnership, and 11 members appointed by the Governor, subject to confirmation by the General Assembly, who shall serve at the discretion of the Governor. The Authority's major activities are developing water transportation facilities; providing security services; maintaining ports, facilities, and services; providing public relations and domestic and international advertising; and developing Virginia's ports through cargo solicitation and promotion throughout the world.

Virginia International Terminals, LLC (VIT) and its wholly-owned subsidiary, Hampton Roads Chassis Pool II, LLC (HRCP), operate the terminal facilities for VPA. VIT is a single-member limited liability company registered in Virginia with VPA as the sole member. As a result, the Authority has determined that VIT should be included in the Authority's financial statements as a blended component unit. A blended component unit is, in substance, part of the primary government's operations, even though it is a legally separate entity. As a blended component unit, VIT serves or benefits those outside the Authority, but the Authority, as the primary institution, is financially accountable for or closely related to VIT.

The Authority is a discretely presented component unit of the Commonwealth. A separate report is prepared for the Commonwealth, which includes all agencies, boards, commissions, and authorities meeting the discretely presented component unit definition. The Authority is financially accountable to the Commonwealth, or has a relationship with the Commonwealth such that exclusion would cause the Commonwealth's financial statements to be misleading. The Authority serves or benefits those outside of the Commonwealth.

The Authority also reports fiduciary activities (trust funds) in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Fiduciary activities are based on activity for the year ended June 30, 2025. Fiduciary funds are excluded from the Authority's basic financial statements and cannot be used to support the Authority's own programs. The Authority is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The Appropriations Act as enacted by the General Assembly of Virginia established the Authority's budget for the year ended June 30, 2025. No payments can be made out of the state treasury except in pursuance of appropriations made by law.

B. Basis of Accounting

The activities of the Authority are accounted for as an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Authority prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, which provides that revenues are recorded when earned and expenses are recorded when incurred. Grants are recognized as revenue as the applicable activity occurs and when all eligibility requirements imposed by the grantor have been met.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

C. Use of Estimates

The Authority prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Authority invests available cash balances in conformity with the guidelines of the Commonwealth.

E. Investments

All investments of the Authority are reported at fair value.

F. Accounts Receivable

Accounts receivable principally represent amounts billed to customers for services. Management believes these amounts are fully collectible and no allowance has been recorded as of June 30, 2025 for the Authority. VIT utilizes the allowance method for doubtful accounts. Accounts receivable are shown net of the allowance for doubtful accounts of approximately \$6,833 as of June 30, 2025 for VIT. The allowance for doubtful accounts is an amount management believes will be adequate to absorb existing accounts receivable balances that are not likely to be collected.

G. Inventories

Inventories of VIT consist of supplies and equipment parts and are reported using the moving average unit cost method. An inventory allowance has been established for obsolescence or shrinkage. The VIT allowance for inventory totaled approximately \$2,658 at June 30, 2025.

H. Defined Benefit Pension Plan Trust Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Investment Committee of the Authority determines the valuation policies of the Authority and VIT's defined benefit plans utilizing information provided by the investment advisors, custodian, and actuary.

I. Capital Assets

Capital assets are generally assets with an initial cost of \$5 thousand or more and an estimated useful life of two or more years. Capital assets are valued at historical cost or estimated historical cost if actual cost is not available, excluding right-to-use lease and subscription assets, which are stated at the present value of certain required lease and subscription payments.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

Depreciation and amortization on capital assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	3 - 41 years
Improvements	5 - 50 years
Infrastructure	4 - 41 years
Equipment	2 - 28 years

The cost for maintenance and repairs is charged to expense as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation/amortization are removed from the accounts and any resulting gain or loss on such disposition is reflected in nonoperating revenues or expenses.

Interest cost associated with the construction of the Authority's capital assets is charged to expense as incurred.

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. If determined to be permanently impaired, capital assets are reported at the lower of carrying or fair value. Any insurance recoveries associated with events leading to an asset impairment are netted against impairment losses. For the year ended June 30, 2025, the Authority, having met all of the criteria to do so, recognized a \$2,758 loss related to the pending sale of four of its ship-to-shore cranes. The carrying value of these assets held for sale as of June 30, 2025 was \$200 and is included in depreciable capital assets on the Statement of Net Position.

J. Leases

Lessee: For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a noncancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a right-to-use lease asset and lease liability which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not readily determinable, the Authority will use the applicable incremental borrowing rate in the calculation of the present value of the lease payments.

The Authority is a lessee for noncancellable leases of certain port facilities, office space, land and equipment. The Authority recognizes a lease liability and right-to-use lease asset on the Statement of Net Position. Leases with an initial, noncancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the lease term.

At the commencement of a lease, the Authority measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The right-to-use lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight-line basis over a period that is the shorter of the lease term or the useful life of similar capital assets. Chassis and terminal equipment have useful lives of no longer than 18 years, with lease terms no longer than 10 years.

Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method, if not explicitly stated in the lease.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

J. Leases (Continued)

Lessor: For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not readily determinable, the Authority may apply the guidance for imputation of interest as a means of determining the interest rate.

The Authority will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of 12 months or less, and income is recognized as earned.

The Authority is a lessor for non-cancellable leases of certain real estate and storage facilities. The Authority recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position.

At the commencement of a lease, the Authority measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method, if not explicitly stated in the lease. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

K. Subscription Based Information Technology Arrangements (SBITAs)

For new or modified contracts, the Authority determines whether the contract is a SBITA. If a contract is determined to be, or contain, a SBITA with a non-cancellable term in excess of 12 months (including any options to extend or terminate the subscription when exercise is reasonably certain), the Authority records a subscription asset and subscription liability which is calculated based on the value of the discounted future subscription payments over the term of the subscription. If the interest rate implicit in the subscription is not readily determinable, the Authority will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

The Authority recognizes a subscription asset and subscription liability on the Statement of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the subscription term.

At the commencement of a SBITA, the Authority measures the subscription liability at the present value of payments expected to be made during the subscription term and then reduces the liability by the principal portion of subscription payments made. The subscription asset is measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs, then amortized on a straight-line basis over the subscription term.

Subscription payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method, if not explicitly stated in the lease.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

L. Long-Term Obligations

Long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount with allowable refunding gains or losses recorded as deferred inflows or outflows of resources. Bond issuance costs are expensed as incurred with the exception of bond insurance costs which are reported as deferred outflows of resources and amortized over the term of the related debt.

M. Compensated Absences

The Authority adopted GASB Statement No. 101, *Compensated Absences*, on July 1, 2024. Beginning adjustments to the compensated absences liability resulted in a change to beginning net position. See Note 15 for additional detail surrounding the change in accounting principle.

Employee benefits, including accumulated paid time off (PTO) and floating holidays, are accrued as liabilities in the period the benefits are earned. The Authority maintains a PTO policy applicable to each calendar year where employees earn PTO at varying rates based on tenure. At the end of each calendar year, any unused PTO up to 40 hours may be carried forward for use within the next six months. At June 30, any remaining prior year earned balances not liquidated at that time will be forfeited. As such, the Authority considers the full amount of the liability to be current. Balances are considered to be earned on January 1 each year. Differences between PTO taken and PTO earned at termination are settled at the Authority's discretion based on the facts and circumstances at that time. VIT has an identical policy. A summary of the changes in this liability for the Authority and VIT, classified as accrued expenses, follows:

	Balance July 1, 2024*	Net Increases (Decreases)	Balance June 30, 2025
		<i>(In Thousands)</i>	
Authority	\$ 1,873	\$ (17)	\$ 1,856
Blended Component Unit - VIT	2,580	81	2,661

*The July 1, 2024 balances in the above table have been adjusted for the implementation of GASB Statement No. 101 as of that date.

N. Accrued Workers' Compensation – Blended Component Unit - VIT

VIT participates in a workers' compensation insurance pool and shares risk with other members of the pool. VIT remains obligated under its former self-insured plan for future losses as a result of accidents that occurred prior to April 12, 1999, the date on which it became a member.

Included in accrued expenses for these legacy claims are a workers' compensation claims component and an accrued U.S. Department of Labor assessment component. The workers' compensation claims component consists of VIT's estimate of its continuing liability for injuries which occurred during periods of self-insurance. The accrued U.S. Department of Labor assessment component is VIT's estimate of the present value of its future liability to the U.S. Department of Labor for participation in the U.S. Department of Labor's Second Injury Fund. The total liability has been discounted using a rate of 5% at June 30, 2025. VIT expects to pay assessments annually through 2030. The balance at June 30, 2025 is classified in accrued expenses and other noncurrent liabilities as follows (in thousands):

Workers' compensation claims and U.S. DOL assessment, current	\$ 502
Workers' compensation claims and U.S. DOL assessment, noncurrent	1,691
Total	\$ 2,193

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

O. Restricted Assets

Restricted assets are utilized in accordance with the restrictions placed upon the resources. When a cost is incurred, for which both restricted and unrestricted assets are available, management determines on an individual basis how resources are allocated.

P. Net Position

The Authority records net position that is subject to external restrictions based on individual agreements. The restrictions are established by the Authority's governing jurisdictions or other requirements. The restricted net position may include amounts held for the Authority's future construction and debt service payments. A second component of the Authority's net position reports its net investment in capital assets, which represents the original cost of capital assets, net of accumulated depreciation and amortization and net of any outstanding capital-related debt.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense) until consumption. See Notes 6, 9, and 10 for additional detail related to these elements.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that period. See Notes 6, 9, 10, and 12 for additional detail related to these elements.

R. Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's retirement plan and the additions to/deductions from the Authority's retirement plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For the stand-alone plan and the multiple-employer plan, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments included in the fiduciary net position of the Authority's retirement plan are reported at fair value.

Pensions - Blended Component Unit - VIT

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Virginia International Terminals, LLC Pension Plan (VITPP) and additions to/deductions from VITPP's fiduciary net position have been determined on the same basis as they are reported by VITPP. Benefits are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

S. Pension Liability

Both the Authority's and VIT's stand-alone net pension liability were measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2024 using updated actuarial assumptions, applied to all periods included in the measurement.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

T. Basis of Presentation

Operating revenues and expenses generally result from providing services in connection with ongoing operations. The principal revenue for the Authority is funds received from VIT and HRCP in accordance with a payment agreement. The Authority also recognizes other operating revenue in the form of rents, license agreements, and charges for services (for example, security surcharges). Operating expenses include the costs of services, costs of maintaining its asset base, administrative expenses, rent applicable to short-term leases and depreciation and amortization of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

U. Investment Income

Investment income, including interest earned, net realized and unrealized gains or losses on investment transactions, and investment expenses, is recorded as nonoperating revenue, net.

V. Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through September 12, 2025, the date the financial statements were available to be issued. See Note 16 for additional details.

W. Recently Issued Accounting Pronouncements

At June 30, 2025, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The statements, which might impact the Authority, are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*, provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Statement No. 103 will be effective for the Authority beginning with its year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, provides guidance to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, and also requires additional disclosures for capital assets held for sale. Statement No. 104 will be effective for the Authority beginning with its year ending June 30, 2026.

The Authority has not yet completed its evaluation of the effect these GASB Statements will have on its financial statements.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2. Cash, Cash Equivalents and Investments

As of June 30, 2025, the Treasurer of Virginia, pursuant to Section 2.2 1800, et seq., *Code of Virginia*, who is responsible for the collection, disbursement, custody, and investment of State funds, held \$244,740 in cash and cash equivalents for the Authority.

Certain deposits and investments are held by the Authority or are held by trustees for the Authority. These accounts are collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400, et seq., *Code of Virginia* (the Act), or covered by the Federal Deposit Insurance Corporation (FDIC). Under the Act, banks and savings institutions holding public deposits in excess of the FDIC insured amounts must pledge collateral to the Commonwealth of Virginia Treasury Board. At June 30, 2025, all Authority deposits were considered adequately collateralized and exposure to custodial credit risk was adequately mitigated.

Short-term investments generally represent deposits and securities with maturities of one year or less. Long-term investments generally represent securities with maturities of greater than one year.

The Authority is required to segregate liquid assets (cash and investments) that are restricted for various purposes. As of June 30, 2025, these assets aggregated \$340,217 with \$297,768 classified as current and \$42,449 classified as noncurrent based on the purpose for which the assets are restricted.

Current restricted assets consist of:

- \$31,247 in cash and cash equivalents related to bond debt service payments to be made July 1, 2025;
- \$9,531 in cash related to a lease payment to be made July 1, 2025;
- \$243,391 in cash designated for purposes consistent with appropriations made by the Commonwealth of Virginia;
- \$9,902 in cash and investments reserved to secure debt service payable within one year as required by the Authority's bond covenants; and
- \$3,697 in cash designated for major terminal improvement projects.

Noncurrent restricted assets consist of:

- \$40,181 in cash and investments reserved to secure debt service in future years as required by the Authority's bond covenants; and
- \$2,268 in cash and investments for future dredging projects.

Statutes authorize the investment of funds held by the Authority in obligations of the Commonwealth, federal government, other states or political subdivisions thereof, Virginia political subdivisions, the International Bank for Reconstruction and Development, the Asian Development Bank, and the African Development Bank. In addition, the Authority may invest in prime quality commercial paper rated Prime-1 by Moody's Investment Service or A-1 by Standard and Poor's Incorporated, overnight term or open repurchase agreements, and money market funds comprised of investments which are not rated but are otherwise legal investments of the Authority.

VPA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2. Cash, Cash Equivalents and Investments (Continued)

Cash and Cash Equivalents

As of June 30, 2025, the following shows the segmented time distribution of the Authority's and VIT's cash and cash equivalents and its fair value measurement:

			Maturities (in Years)
	Fair Value		Less than 1
	<i>(In Thousands)</i>		
Cash	\$ 404,909		N/A
Mutual and Money Market Funds	490,368	\$	490,368
U.S. Treasuries	22,565		22,565
Total	\$ 917,842	\$	512,933

	Fair Value		Level 1		Level 2		Level 3
	<i>(In Thousands)</i>						
Cash	\$ 404,909		N/A		\$ -	\$	-
Mutual and Money Market Funds	490,368	\$	490,368		-		-
U.S. Treasuries	22,565		22,565		-		-
Total	\$ 917,842	\$	512,933	\$	-	\$	-

Investments

As of June 30, 2025, the following shows the segmented time distribution of the Authority's investments and its fair value measurement:

				Investment Maturities (in Years)			
	Fair Value		Less than 1		1 - 5		6 - 10
	<i>(In Thousands)</i>						
Negotiable Certificates of Deposit	\$ 39,732	\$	35,105	\$	4,627	\$	-
Commercial Paper	86,019		86,019		-		-
Corporate Bonds and Notes	91,354		10,214		81,140		-
U.S. Treasuries	112,574		63,523		49,051		-
Asset Backed Securities	429		-		429		-
Mortgage Backed Securities	66,526		5,187		58,065		3,274
Total	\$ 396,634	\$	200,048	\$	193,312	\$	3,274

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2. Cash, Cash Equivalents and Investments (Continued)

Investments (Continued)

	Fair Value	Level 1	Level 2	Level 3
	<i>(In Thousands)</i>			
Negotiable Certificates of Deposit	\$ 39,732	\$ -	\$ 39,732	\$ -
Commercial Paper	86,019	-	86,019	-
Corporate Bonds and Notes	91,354	-	91,354	-
U.S. Treasuries	112,574	112,574	-	-
Asset Backed Securities	429	-	429	-
Mortgage Backed Securities	66,526	-	66,526	-
Total	\$ 396,634	\$ 112,574	\$ 284,060	\$ -

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

With respect to the Statement of Fiduciary Net Position, there have been no changes in the valuation methodology used at June 30, 2024 (measurement date June 30, 2024). The Defined Benefit Pension Plan investment balances as of June 30, 2025 have a measurement date of June 30, 2025. Following is a description of the valuation methodology used for fiduciary assets measured at fair value:

Separate investment accounts: Valued at unit value based on the observable net asset value (NAV) of the underlying investment at year-end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Authority believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, summarizes the Authority's fiduciary assets for the Defined Benefit Pension Plan Trust at fair value as of the measurement date of June 30, 2025:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2025				
	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
Short-term bond funds	\$ 5	\$ -	\$ -	\$ 5
Long-term bond funds	3,112	-	-	3,112
Core plus bond funds	11,714	-	-	11,714
Common and preferred stock funds	10,116	-	-	10,116
Other mutual funds	9,597	-	-	9,597
Total assets in the fair value hierarchy	\$ 34,544	\$ -	\$ -	\$ 34,544

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2. Cash, Cash Equivalents and Investments (Continued)

Investments (Continued)

The Authority's defined benefit plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position available for benefits.

The Authority's defined benefit plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Investments held by the Treasurer of Virginia: Investments and cash equivalents held by the Treasurer of Virginia represent the Authority's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

Blended Component Unit – VIT

The following table set forth by level, within the fair value hierarchy, summarizes VIT's fiduciary assets for the VITPP Trust Fund at fair value as of the measurement date of June 30, 2025:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2025				
	Level 1	Level 2	Level 3	Total
	<i>(In Thousands)</i>			
Short-term bond funds	\$ 1,107	\$ -	\$ -	\$ 1,107
Long-term bond funds	7,111	-	-	7,111
Core plus bond funds	34,179	-	-	34,179
Common and preferred stock funds	29,778	-	-	29,778
Other mutual funds	28,084	-	-	28,084
Total assets in the fair value hierarchy	\$ 100,259	\$ -	\$ -	\$ 100,259

VIT's defined benefit plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

VIT's defined benefit plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

VIT's fiduciary assets for the Executive Supplemental Retirement Plan as of the measurement date of June 30, 2025 amounted to \$1,622 and consisted substantially of other mutual funds measured as level 1 investments within the fair value hierarchy.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2. Cash, Cash Equivalents and Investments (Continued)

Investments (Continued)

Blended Component Unit – VIT (Continued)

Custodial credit risk (deposits): At year end, VIT had deposits of \$34,698. These deposits are collateralized in accordance with the Act, or covered by the FDIC. Under the Act, bank and savings institutions holding public deposits in excess of the FDIC insured amounts must pledge collateral to the Commonwealth of Virginia Treasury Board. At June 30, 2025, all VIT deposits were considered adequately collateralized and exposure to custodial credit risk was adequately mitigated.

Note 3. Concentration of Risk

Interest rate risk: The Authority follows the Commonwealth of Virginia's investment policy and generally holds all of its investments to maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: The Authority follows the Commonwealth of Virginia's credit quality limitations and places emphasis on securities of high credit quality and marketability. Policy details can be found in the General Account Investment Guidelines document at <http://www.trs.virginia.gov/Cash-Management-Investments>.

Concentration of credit risk: The Authority places no limit on the amount it may invest in any one issuer, as long as it is a permitted investment in accordance with diversification guidelines within the State Treasury policy.

The Authority's rated investments (not held by the Treasurer) as of June 30, 2025 were rated by Standard & Poor's and the ratings are presented below:

	Authority's Rated Debt Investments' Values					
	Agency Ratings					
	AAA	AA	A	A-1	BBB	Not Rated
	<i>(In Thousands)</i>					
Negotiable Certificates of Deposit	\$ -	\$ -	\$ 2,804	\$ 36,928	\$ -	\$ -
Commercial Paper	-	-	-	86,019	-	-
Corporate Bonds and Notes	603	20,154	66,646	-	3,353	598
U.S. Treasuries	-	69,165	-	43,409	-	-
Asset Backed Securities	-	-	-	-	-	429
Mortgage Backed Securities	27,134	16,982	-	-	-	22,410
Total	\$ 27,737	\$ 106,301	\$ 69,450	\$ 166,356	\$ 3,353	\$ 23,437

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 3. Concentration of Risk (Continued)

Blended Component Unit – VIT

Concentration of risk: Financial instruments that potentially subject VIT to credit risk consist of accounts receivable. VIT provides labor-intensive services to major shiplines that import and export products through the marine terminals that it operates in Hampton Roads, Richmond, and Front Royal, Virginia. In most instances, VIT can hold cargo shipped through the terminals as collateral for these receivables, in addition to other contractual remedies for non-payment.

For the year ended June 30, 2025, approximately 56.3% of total revenue was derived from four customers. Receivables outstanding at June 30, 2025 for this concentration totaled \$43,695.

Note 4. Due From Other Governments

Amounts due from other governments as of June 30, 2025 include (in thousands):

Virginia Public Building Authority	\$ 33,839
U.S. Government	7,542
Commonwealth of Virginia Transportation Trust Fund	6,181
City of Portsmouth, Virginia	1,383
Virginia Department of Transportation	130
Virginia Department of Rail and Public Transportation	67
Virginia Department of Emergency Management	22
	<hr/>
	\$ 49,164
	<hr/> <hr/>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 5. Capital Assets

A summary of changes in capital assets of the Authority follows:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
	<i>(In Thousands)</i>				
Capital assets not being depreciated or amortized:					
Land and improvements	\$ 103,936	\$ -	\$ -	\$ -	\$ 103,936
Construction in progress (CIP)	719,778	329,516	-	(382,870)	666,424
	<u>823,714</u>	<u>329,516</u>	<u>-</u>	<u>(382,870)</u>	<u>770,360</u>
Depreciable or amortizable capital assets:					
Infrastructure	1,006,002	-	-	331,370	1,337,372
Buildings and improvements	134,329	-	-	877	135,206
Equipment	690,353	-	(423)	50,623	740,553
Right-to-use lease and subscription assets:					
Virginia International Gateway (VIG)	4,049,305	-	-	-	4,049,305
Land and real property	19,350	-	-	-	19,350
Equipment	40	-	-	-	40
Subscription assets	749	-	-	-	749
	<u>5,900,128</u>	<u>-</u>	<u>(423)</u>	<u>382,870</u>	<u>6,282,575</u>
Less accumulated depreciation and amortization for:					
Depreciable capital assets:					
Infrastructure	(507,068)	(34,077)	-	-	(541,145)
Buildings and improvements	(113,294)	(3,268)	-	-	(116,562)
Equipment	(356,671)	(40,320)	(2,370)	-	(399,361)
Right-to-use lease and subscription assets:					
VIG	(272,986)	(90,996)	-	-	(363,982)
Land and real property	(5,423)	(1,826)	-	-	(7,249)
Equipment	(12)	(12)	-	-	(24)
Subscription assets	(131)	(250)	-	-	(381)
Total accumulated depreciation and amortization	<u>(1,255,585)</u>	<u>(170,749)</u>	<u>(2,370)</u>	<u>-</u>	<u>(1,428,704)</u>
Depreciable or amortizable capital assets, net	<u>4,644,543</u>	<u>(170,749)</u>	<u>(2,793)</u>	<u>382,870</u>	<u>4,853,871</u>
Capital assets, net	<u>\$ 5,468,257</u>	<u>\$ 158,767</u>	<u>\$ (2,793)</u>	<u>\$ -</u>	<u>\$ 5,624,231</u>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 5. Capital Assets (Continued)

Blended Component Unit – VIT

Changes in capital assets for the year ended June 30, 2025 are summarized as follows:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
	<i>(In Thousands)</i>				
CIP (nondepreciable)	\$ 4,721	\$ 11,469	\$ -	\$ (5,382)	\$ 10,808
Depreciable or amortizable capital assets:					
Buildings and improvements	2,933	-	-	-	2,933
Terminal gear and equipment	139,641	-	(3,978)	5,382	141,045
Right-to-use lease and subscription assets:*					
Chassis and terminal equipment	245,423	899	(7,223)	-	239,099
Subscription assets	5,505	1,779	(1,409)	-	5,875
	<u>393,502</u>	<u>2,678</u>	<u>(12,610)</u>	<u>5,382</u>	<u>388,952</u>
Less accumulated depreciation and amortization for:					
Depreciable capital assets:					
Buildings and improvements	(2,881)	(9)	-	-	(2,890)
Terminal gear and equipment	(109,419)	(7,641)	3,978	-	(113,082)
Right-to-use lease assets	(64,374)	(23,370)	7,365	-	(80,379)
Right-to-use subscription assets	(2,136)	(1,782)	1,409	-	(2,509)
Total accumulated depreciation and amortization	<u>(178,810)</u>	<u>(32,802)</u>	<u>12,752</u>	<u>-</u>	<u>(198,860)</u>
Depreciable or amortizable capital assets, net	<u>214,692</u>	<u>(30,124)</u>	<u>142</u>	<u>5,382</u>	<u>190,092</u>
Capital assets, net	<u>\$ 219,413</u>	<u>\$ (18,655)</u>	<u>\$ 142</u>	<u>\$ -</u>	<u>\$ 200,900</u>

*Right-to-use lease assets at June 30, 2025 primarily consist of \$237,326 for approximately 16,500 chassis leased by HRCF, along with \$1,773 for terminal operating equipment leased by VIT. See Note 12 for further details.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt

Changes in Long-Term Indebtedness

A summary of changes in long-term indebtedness for the Authority follows:

	Balance July 1, 2024	Increases	Decreases <i>(In Thousands)</i>	Balance June 30, 2025	Amounts Due Within One Year
Revenue bonds:					
Revenue bonds	\$ 567,615	\$ -	\$ (18,610)	\$ 549,005	\$ 19,275
Issuance premium	37,990	-	(2,638)	35,352	2,570
Total revenue bonds	605,605	-	(21,248)	584,357	21,845
Other liabilities:					
Installment purchases	209,836	4,235	(6,970)	207,101	7,140
Total other liabilities	209,836	4,235	(6,970)	207,101	7,140
Lease liabilities:					
VIG lease	4,191,976	43,934	-	4,235,910	-
Other lease liabilities	15,125	-	(1,664)	13,461	1,772
Subscription liabilities	329	-	(164)	165	165
Total lease liabilities	4,207,430	43,934	(1,828)	4,249,536	1,937
Total long-term indebtedness	\$ 5,022,871	\$ 48,169	\$ (30,046)	\$ 5,040,994	\$ 30,922

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness

Balance as of
June 30, 2025

(In Thousands)

Revenue Bonds

On January 25, 2012, Commonwealth Port Fund Revenue Refunding Bonds Series 2012 (Taxable), (the "Series 2012 Bonds"), dated the same, were issued in the principal amount of \$108,015. The bonds are payable in annual principal installments varying from \$8,140 to \$8,730 with semi-annual interest payments with rates ranging from 3.52% to 3.72% and the final installment due July 1, 2027. Proceeds of the Series 2012 Bonds have been used to (a) refund in full the outstanding principal amount of the Authority's Commonwealth Port Fund Revenue Bonds (2002 Resolution) (the "Series 2002") issued on July 23, 2002, and (b) pay all or a portion of the expenses incurred with respect to the issuance of the Series 2012 Bonds and the refunding of the Series 2002 Bonds. The Series 2012 Bonds are payable primarily from the Commonwealth Port Fund.

\$ 25,295

On November 17, 2016, Port Facilities Revenue Refunding Bonds, Series 2016A (Taxable) (the "Series 2016A Bonds") dated the same, were issued in the amount of \$143,965. The bonds are payable in annual principal installments varying from \$1,815 to \$10,300 with interest of 2.88% to 4.48% payable semiannually, the final installment due July 1, 2045. These bonds have a first redemption date of July 1, 2026 at 100% of the principal amount for Series 2016A bonds maturing on or after July 1, 2027. The proceeds of the Series 2016A Bonds have been used (a) to pay the costs of refunding a portion of the Authority's remaining Port Facilities Revenue Refunding Bonds, Series 2010 (the "Series 2010 Bonds") and Port Facilities Revenue Refunding Bonds, Series 2015A (AMT) (the "Series 2015A Bonds"), and (b) to pay costs of issuance of the Series 2016A Bonds. The Series 2016A Bonds are payable from the net revenues of the Authority, and are subordinate in priority to the Amended and Restated Deed of Facilities Lease Agreement dated September 21, 2016, by and between Virginia International Gateway, Inc. and Virginia Port Authority (the VIG lease).

132,470

On November 17, 2016, Port Facilities Revenue Refunding Bonds, Series 2016B (AMT) (the "Series 2016B Bonds") dated the same, were issued in the amount of \$99,230. The bonds are payable in annual principal installments varying from \$2,555 to \$6,450 with interest of 5.00% payable semiannually, the final installment due July 1, 2045. These bonds have a first redemption date of July 1, 2026 at 100% of the principal amount for Series 2016B bonds maturing on or after July 1, 2027. The proceeds of the Series 2016B Bonds have been used (a) to pay the costs of refunding a portion of the Authority's remaining Series 2010 and 2015A Bonds and Port Facilities Revenue Bonds, Series 2015B (Taxable) (the "Series 2015B Bonds"), and (b) to pay costs of issuance of the Series 2016B Bonds. The Series 2016B Bonds are payable from the net revenues of the Authority, and are subordinate to the VIG lease.

84,455

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

Balance as of
June 30, 2025

(In Thousands)

Revenue Bonds (Continued)

On November 17, 2016, Port Facilities Revenue Refunding Bonds, Series 2016C (non-taxable) (the "Series 2016C Bonds") dated the same, were issued in the amount of \$37,335. The bonds are payable in annual principal installments varying from \$2,725 to \$9,840 with interest of 3.24% payable semiannually, the final installment due July 1, 2028. The proceeds of the Series 2016C Bonds have been used to pay the costs of refunding the Authority's remaining Port Facilities Revenue Refunding Bonds, Series 2013 (the "Series 2013 Bonds"). The Series 2016C Bonds are payable from the net revenues of the Authority, and are subordinate to the VIG lease.

\$ 18,270

On August 4, 2020, Commonwealth Port Fund Revenue Refunding Bonds, Series 2020A (Taxable) (the "Series 2020A Bonds") dated the same, were issued in the amount of \$77,845. The bonds are payable in annual principal installments varying from \$295 to \$11,655 with semi-annual interest payments with rates ranging from 0.82% to 2.45%, with the final installment due July 1, 2040. Proceeds of the Series 2020A Bonds have been used (a) to pay the costs of refunding the Authority's Commonwealth Port Fund Revenue Refunding Bonds, Series 2012C (non-AMT) (the "Series 2012C Bonds") and Commonwealth Port Fund Revenue Bonds, Series 2015 (AMT) (the "Series 2015 CPF Bonds"), and (b) to pay costs of issuance of the Series 2020A Bonds. The Series 2020A Bonds are payable primarily from the Commonwealth Port Fund.

72,735

On August 4, 2020, Commonwealth Port Fund Revenue Refunding Bonds, Series 2020B (AMT) (the "Series 2020B Bonds") dated the same, were issued in the amount of \$19,770. The bonds are payable in annual principal installments varying from \$2,790 to \$3,230 beginning July 1, 2023 with semi-annual interest payments with a rate of 5.00%, with the final installment due July 1, 2029. Proceeds of the Series 2020B Bonds have been used (a) to pay the costs of refunding the Authority's Commonwealth Port Fund Revenue Refunding Bonds, Series 2012B (Taxable) (the "Series 2012B Bonds"), and (b) to pay costs of issuance of the Series 2020B Bonds. The Series 2020B Bonds are payable primarily from the Commonwealth Port Fund.

14,585

On May 11, 2023, Commonwealth Port Fund Revenue Bonds, Series 2023A (Non-AMT) (the "Series 2023A Bonds") dated the same, were issued in the amount of \$148,520. The bonds are payable in annual principal installments varying from \$1,390 to \$18,515 beginning July 1, 2032 with semi-annual interest payments with rates ranging from 5.00% to 5.25%, with the final installment due July 1, 2048. Proceeds of the Series 2023A Bonds have been used (a) to finance various improvements to NIT, and (b) to pay costs of issuance of the Series 2023A Bonds. The Series 2023A Bonds are payable primarily from the Commonwealth Port Fund.

148,520

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

	Balance as of June 30, 2025 <i>(In Thousands)</i>
<u>Revenue Bonds (Continued)</u>	
On May 11, 2023, Commonwealth Port Fund Revenue Refunding Bonds, Series 2023B (Non-AMT) (the "Series 2023B Bonds") dated the same, were issued in the amount of \$52,675. The bonds are payable in annual principal installments varying from \$2,145 to \$8,550 beginning July 1, 2028 with semi-annual interest payments with rates ranging from 4.00% to 5.00%, with the final installment due July 1, 2036. Proceeds of the Series 2023B Bonds have been used (a) to pay the costs of refunding the Authority's Commonwealth Port Fund Refunding Bonds, Series 2018 (Taxable) (the "Series 2018 Bonds"), and (b) to pay costs of issuance of the Series 2023B Bonds. The Series 2023B Bonds are payable primarily from the Commonwealth Port Fund.	
Sub-total revenue bonds	\$ 52,675
	<u>549,005</u>
Issuance premium, net	35,352
Total revenue bonds	<u>584,357</u>

Installment Purchases

The Installment Purchase contract dated October 27, 2017 for the lease purchase of terminal equipment initially totaled \$21,785 and has addendums for an additional \$45,215. Payments began on the initial group of equipment July 1, 2018 with semi-annual payments of principal and interest of \$897 each January and July until January 1, 2033 at an interest rate of 2.83% per annum. Payments began on the second group of equipment January 1, 2019 with semi-annual payments of principal and interest of \$477 each January and July until July 1, 2028 at an interest rate of 3.01% per annum. Payments began on the third group of equipment January 1, 2020 with semi-annual payments of principal and interest of \$883 each January and July until July 1, 2034 at an interest rate of 2.52% per annum. Payments began on the fourth group of equipment July 1, 2020 with semi-annual payments of principal and interest of \$842 each January and July until January 1, 2030 at an interest rate of 2.04% per annum.

38,698

The Installment Purchase contract dated August 1, 2020 for the lease purchase of terminal equipment totaled \$11,600. Payments began on August 1, 2021 with semi-annual payments of principal and interest of \$655 each August and February until February 1, 2031 at an interest rate of 2.35% per annum.

7,296

The Installment Purchase contract dated December 8, 2020 for the lease purchase of terminal equipment totaled \$12,000. Payments began on July 1, 2021 with semi-annual payments of principal and interest of \$458 each January and July until January 1, 2036 at an interest rate of 1.78% per annum.

9,115

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

	Balance as of June 30, 2025 <i>(In Thousands)</i>
<u>Installment Purchases (Continued)</u>	
Installment Purchase Contract liability recorded pursuant to the VIG lease.	\$ 151,992
Total installment purchases	<u>207,101</u>
<u>VIG Lease</u>	
Lease liability recorded pursuant to the Amended and Restated Deed of Facilities Lease Agreement by and between Virginia International Gateway, Inc. and Virginia Port Authority, dated as of September 21, 2016 and commenced effective November 1, 2016.	<u>4,235,910</u>
<u>Other Lease and Subscription Liabilities</u>	
The Authority is a lessee for non-cancellable leases of certain port facilities, office space, land and equipment. Leases have terms that range from three to 40 years. Certain lease agreements include payments that are discounted based on usage and others include rental payments adjusted periodically for inflation. See Note 12 for more information.	<u>13,461</u>
The Authority is also the user of certain subscription based information technology products. The arrangements have terms of 3 years. See Note 12 for more information.	<u>165</u>
Total long-term indebtedness	<u><u>\$ 5,040,994</u></u>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Annual Long-Term Debt Requirements

Summaries of future principal and interest maturities under long-term obligations as of June 30, 2025 are as follows:

Revenue Bonds

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2026	\$ 19,275	\$ 23,262	\$ 42,537
2027	19,980	22,536	42,516
2028	20,725	21,767	42,492
2029	22,755	21,025	43,780
2030	21,555	20,325	41,880
2031-2035	102,795	89,993	192,788
2036-2040	114,475	67,388	181,863
2041-2045	141,985	39,803	181,788
2046-2049	85,460	7,834	93,294
Total revenue bonds	\$ 549,005	\$ 313,933	\$ 862,938

Installment Purchases

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2026	\$ 2,814	\$ 10,337	\$ 13,151
2027	3,813	10,405	14,218
2028	4,479	10,410	14,889
2029	4,240	10,402	14,642
2030	3,994	10,408	14,402
2031-2035	5,134	52,614	57,748
2036-2040	(8,092)	54,885	46,793
2041-2045	(1,973)	56,593	54,620
2046-2050	9,367	55,660	65,027
2051-2055	26,866	50,553	77,419
2056-2060	53,060	39,112	92,172
2061-2065	91,436	18,299	109,735
2066	11,963	206	12,169
Total installment purchases	\$ 207,101	\$ 379,884	\$ 586,985

The above table reflects principal and interest payment requirements applicable to the respective year. To the extent that interest incurred exceeds the payment made, the principal value will be lower and, where applicable, will reflect negative amortization.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Annual Long-Term Debt Requirements (Continued)

VIG Lease

In November 2016, VPA formally commenced the VIG lease. The agreement extended the termination date of the original lease from June 30, 2030 to December 31, 2065, as well as expanded the operable terminal capacity of the facility. Additionally, the lease provided for certain assets (consisting principally of container handling equipment) to be transferred to VPA via a bill of sale upon commencement, and other similar assets to be transferred to VPA via bill of sale as acquired during Phase II development (installment sale assets). The contract and transferred assets are required to be maintained as security for the lease obligation.

All lease payments are subject to escalation based on changes in the Consumer Price Index for All Urban Consumers as published by the United States Bureau of Labor Statistics (CPI). Escalation is based on the CPI published for May of each year to be effective the following July 1. After years five and ten of the amended and restated lease, the total annual rent increases by an additional \$1,000 at each interval. An additional condition of the lease is that VIG will receive senior preference in relation to Port Facilities Revenue Bonds or other obligations entered into pursuant to Resolution 16-9.

Any increases or decreases in future lease payments that result from CPI different than that applied to the minimum lease payment calculation at the lease inception (presented below) will be accounted for as contingent rent expense and be recorded in the applicable lease year as realized.

Year(s) Ending June 30,	Principal	Interest	Total
	<i>(In Thousands)</i>		
2026	\$ (41,809)	\$ 147,144	\$ 105,335
2027	(39,478)	148,553	109,075
2028	(36,931)	149,878	112,947
2029	(34,155)	151,112	116,957
2030	(31,137)	152,245	121,108
2031-2035	(100,940)	774,108	673,168
2036-2040	19,516	781,929	801,445
2041-2045	189,253	764,914	954,167
2046-2050	422,623	713,368	1,135,991
2051-2055	737,648	614,815	1,352,463
2056-2060	1,156,896	453,290	1,610,186
2061-2065	1,708,557	208,463	1,917,020
2066-2067	285,867	3,441	289,308
Total VIG lease	\$ 4,235,910	\$ 5,063,260	\$ 9,299,170

As a result of the difference between the scheduled minimum lease payments and the calculated periodic interest expense associated with the lease liability, the annual lease payments are not projected to exceed the annual calculated interest and, therefore, provide for a positive amortization (net reduction in outstanding principal) until fiscal year 2038. At June 30, 2025, right-to-use lease assets recorded pursuant to the VIG lease were included in depreciable capital assets shown in Note 5.

On July 9, 2025, the Authority executed an amendment to the VIG Lease, resulting in additional minimum scheduled lease payments. The amendment provides the Authority with greater operational control of the underlying assets as well as provides for a fixed purchase price of \$950,000 at the end of the lease term. For additional discussion, see Note 16.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Annual Long-Term Debt Requirements (Continued)

Other Lease Liabilities

Year(s) Ending June 30,	Principal	Interest	Total
	<i>(In Thousands)</i>		
2026	\$ 1,772	\$ 438	\$ 2,210
2027	1,879	375	2,254
2028	1,358	313	1,671
2029	799	280	1,079
2030	850	251	1,101
2031-2035	4,137	778	4,915
2036-2040	507	418	925
2041-2045	574	326	900
2046-2050	683	217	900
2051-2055	811	89	900
2056-2057	91	1	92
Total other lease liabilities	\$ 13,461	\$ 3,486	\$ 16,947

Subscription Liabilities

Year Ending June 30,	Principal	Interest	Total
	<i>(In Thousands)</i>		
2026	\$ 165	\$ 1	\$ 166
Total subscription liabilities	\$ 165	\$ 1	\$ 166

A summary of indebtedness by type (including current portion) for the Authority follows:

	Principal	Premium	Total Long-Term Debt
	<i>(In Thousands)</i>		
Commonwealth port fund revenue bonds	\$ 313,810	\$ 26,230	\$ 340,040
Port facilities revenue bonds	235,195	9,122	244,317
Installment purchases	207,101	-	207,101
VIG lease	4,235,910	-	4,235,910
Other lease liabilities	13,461	-	13,461
Subscription liabilities	165	-	165
	\$ 5,005,642	\$ 35,352	\$ 5,040,994

The Series 2016A Bonds and 2016B Bonds are required to be collateralized with liquid funds sufficient to cover the highest year of debt service. As of June 30, 2025, \$1,407 and \$8,110 were maintained as restricted cash and investments, respectively, to satisfy these requirements.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6. Long-Term Debt (Continued)

Blended Component Unit – VIT

Changes in Long-Term Indebtedness

A summary of changes in subscription liabilities, chassis lease liabilities and other liabilities for VIT follows:

	Balance July 1, 2024	Increases	Decreases <i>(In Thousands)</i>	Balance June 30, 2025	Amounts Due Within One Year
Subscription liabilities	\$ 3,119	\$ 1,779	\$ (1,753)	\$ 3,145	\$ 1,686
Chassis lease liabilities	186,538	131	(20,290)	166,379	20,904
Other lease liabilities	1,051	907	(992)	966	361
Total	\$ 190,708	\$ 2,817	\$ (23,035)	\$ 170,490	\$ 22,951

Annual Long-Term Debt Requirements

Summaries of future principal and interest maturities of lease and subscription obligations as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest <i>(In Thousands)</i>	Total
2026	\$ 1,686	\$ 112	\$ 1,798
2027	1,324	48	1,372
2028	74	4	78
2029	61	2	63
Total subscription liabilities	\$ 3,145	\$ 166	\$ 3,311

Year(s) Ending June 30,	Principal	Interest <i>(In Thousands)</i>	Total
2026	\$ 20,904	\$ 5,909	\$ 26,813
2027	21,696	5,117	26,813
2028	22,165	4,298	26,463
2029	22,124	3,467	25,591
2030	21,525	2,654	24,179
2031-2035	57,965	4,146	62,111
Total chassis lease liabilities	\$ 166,379	\$ 25,591	\$ 191,970

Year Ending June 30,	Principal	Interest <i>(In Thousands)</i>	Total
2026	\$ 361	\$ 27	\$ 388
2027	303	16	319
2028	285	6	291
2029	17	-	17
Total other lease liabilities	\$ 966	\$ 49	\$ 1,015

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 7. Defeasance of Debt

On November 17, 2016, the Authority issued \$143,965 (par value) of Port Facilities Revenue Refunding Bonds, Series 2016A (Taxable) to advance refund \$57,085 in principal amount of the Authority's Port Facilities Revenue Bonds, Series 2010 issued in the original par amounts of \$68,630; to advance refund \$42,435 in principal amount of the Authority's Port Facilities Revenue Bonds, Series 2015A issued in the original par amounts of \$85,130, and to advance refund \$14,160 in principal and interest amounts of various equipment leases. The net proceeds from the issuance, along with other funds available from the Authority, were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are to be called. At June 30, 2025, \$42,435 of these defeased bonds were still outstanding.

On August 4, 2020, the Authority issued \$77,845 (par value) of Commonwealth Port Fund Revenue Refunding Bonds, Series 2020A (Taxable) to advance refund \$4,795 in principal amount of the Authority's Commonwealth Port Fund Revenue Bonds, Series 2012C (Non-AMT) issued in the original par amounts of \$4,795 and to advance refund \$58,680 in principal amount of the Authority's Commonwealth Port Fund Revenue Bonds, Series 2015 (AMT) issued in the original par amounts of \$58,680. The net proceeds from the issuance, along with other funds available from the Authority, were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are to be called. At June 30, 2025, \$58,680 of these defeased bonds were still outstanding.

On May 11, 2023, the Authority issued \$52,675 (par value) of Commonwealth Port Fund Revenue Refunding Bonds, Series 2023B (Non-AMT) to advance refund \$59,270 in principal amount of the Authority's Commonwealth Port Fund Revenue Bonds, Series 2018 (Taxable) issued in the original par amounts of \$60,345. The net proceeds from the issuance, along with other funds available from the Authority, were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are to be called. At June 30, 2025, \$58,780 of these defeased bonds were still outstanding.

The reacquisition price of the Series 2016A, 2016B, and 2016C refundings, \$298,236, netted against the book value of the refunded debt resulted in the recognition of a deferred outflow of resources of \$24,353. At June 30, 2025, \$9,503 remained as unamortized deferred outflows of resources.

The reacquisition price of the Series 2020A and 2020B refundings, \$102,178, netted against the book value of the refunded debt resulted in the recognition of a deferred outflow of \$11,012. At June 30, 2025, \$6,690 remained as unamortized deferred outflows of resources.

The reacquisition price of the Series 2023B refundings, \$61,525, netted against the book value of the refunded debt resulted in the recognition of a deferred outflow of \$1,776. At June 30, 2025, \$1,381 remained as unamortized deferred outflows of resources.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 8. Commitments and Contingencies

As of June 30, 2025, the Authority has commitments to construction contracts totaling \$783,023, of which \$498,913 has been incurred.

Federal Grants

The Authority receives federal grant funding from the United States Department of Transportation, Maritime Administration in support of major infrastructure projects being completed across the Authority's port facilities. In addition, the Authority has also been awarded grants from the United States Department of Homeland Security, FEMA and other federal agencies. The grants are subject to review and audit under the "Uniform Guidance." Entitlement to these resources is conditional upon compliance with the terms and conditions of the respective agreements, including the expenditure of resources for allowable purposes. The Authority is required to comply with various federal regulations issued by the Office of Management and Budget.

Imposed Non-Exchange Transaction

The Authority, through a Joint Memorandum of Agreement, received \$1,900 in fiscal year 2009 as a mitigation payment from Virginia Natural Gas to fund Army Corps of Engineers approved enhancements to Anchorage K for future dredging and navigation activities associated with the provision of a deeper anchorage area in the waters that are contiguous to the area known as Hampton Roads. These funds were deposited into an interest-bearing account. As of June 30, 2025, \$2,268 remains in the account.

Legal Matters and Claims

The Authority, from time to time, is a defendant in legal matters generally incidental to its business. It is management's opinion that the financial position of the Authority will not be materially affected by the ultimate resolution of litigation pending or threatened at June 30, 2025.

Renewable Energy

VPA is party to an arrangement with the Virginia Department of Energy (VDOE) whereby VPA has committed to purchase at least sixteen percent of a prior commitment by the VDOE to purchase 345 megawatts of power from Virginia Electric and Power Company (Dominion Energy) generated by renewable sources to include principally solar power, but potentially other renewable sources as may become available. VPA has an option to purchase additional energy output in excess of the sixteen percent commitment, not to exceed twenty percent. As part of the arrangement, VPA agrees to pay for the renewable electricity commitment at base rates adequate to cover the operating costs of the respective renewable energy assets. The term of the commitments are generally 20 years from the commercial operations dates of the respective facilities, and on average are expected to last until approximately 2040. With respect to its sixteen percent purchase commitment plus any options exercised to purchase additional output in excess of sixteen percent, VPA will either have to pay the excess of the base rate over the locational marginal price (LMP) as quoted by the PJM regional transmission organization, or receive the excess of the LMP over the base rate, both applied to the actual production of the applicable facilities during the contract year. The cost of the renewable energy resources, including the payment or receipt for any difference as described above, will be an operating expense of the related terminals and settled by VIT in the period in which it was incurred. The principal purpose of the arrangement is for VPA to secure sufficient electric capacity to satisfy all of The Port of Virginia's electricity needs from renewable sources.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 8. Commitments and Contingencies (Continued)

Blended Component Unit – VIT

VIT is a defendant in various legal matters generally incidental to its business. It is management's opinion that the financial position of VIT will not be materially affected by the ultimate resolution of litigation pending or threatened at June 30, 2025.

On April 7, 2014, VIT obtained a letter of credit available in the amount of \$1,001 for workers' compensation claims. It bears interest at prime and is set to expire on May 31, 2026. At June 30, 2025, there were no borrowings outstanding.

VIT's terminal operations are heavily dependent on a labor force represented by the International Longshoremen's Association (ILA), which constitutes a significant portion of its operational workforce. This represents a concentration of labor under the criteria established by GASB Statement No. 102, *Certain Risk Disclosures*.

In October 2024, the ILA initiated a three-day strike that temporarily disrupted cargo movement at U.S. East Coast ports, including VIT's facilities. Prior to that time, there hadn't been a labor disruption since 1978. A new master labor agreement was ratified in February 2025, retroactive to October 2024, and is effective through September 30, 2030. The agreement introduced revised compensation terms that significantly increased payroll-related expenses. The reliance on a single labor organization continues to pose a risk of future service interruptions or cost escalations. Management continues to actively engage in labor relations to mitigate future risks.

Note 9. Pension Plans

Pensions

The Authority provides two defined benefit plans for its employees. Employees of record on July 1, 1997 had the option of electing to be covered as a State employee, and their benefits maintained under the Virginia Retirement System (VRS), or electing to be covered under a newly created pension plan (the VPA Defined Benefit Plan). The VPA Defined Benefit Plan covers all employees hired between July 1, 1997 and January 28, 2014. Employees hired after January 28, 2014 are eligible for a defined contribution plan only. On January 1, 2015, the plan was amended to add certain employees who transferred from VIT (referred to as "Legacy VIT Participants") to VPA. Those employees carry the same eligibility rules as referenced in the VIT plan section.

Employees of the Authority who elected to be covered as employees of the Commonwealth participate in a defined benefit pension plan administered by the VRS. For information on the VRS retirement plan, please see the VRS website at <https://employers.varetire.org/financial-reporting/vrs-guidelines-and-resources/> for pension plan reporting information. The VRS also administers life insurance and health related plans for retired employees. Information relating to these plans is available at the statewide level only in the Commonwealth of Virginia's Annual Comprehensive Financial Report. The Commonwealth, not the Authority, has overall responsibility for contributions to these plans. The Authority has elected not to disclose information related to the VRS Plan on the basis of its relative immateriality to VPA taken as a whole. The VRS Net Pension Liability recorded at June 30, 2025 is \$188 along with a deferred outflow of resources of \$22 and a deferred inflow of resources of \$76.

The VPA Defined Benefit Plan is a single employer, noncontributory defined benefit pension plan administered by the Authority. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions and obligations are established and may be amended by the Board of Commissioners of the Authority. The latest actuarial report on the VPA Defined Benefit Plan may be obtained by contacting the Finance Division of the Authority. The plan does not issue separately audited financial statements.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

Pensions (Continued)

In January 2014, the Board of Commissioners voted to amend the VPA Defined Benefit Plan to freeze participation and to provide that no new participants shall be admitted or readmitted after January 28, 2014. The effect of those changes is included in the accompanying pension data.

VPA Defined Benefit Plan

A. General Eligibility Rules

Former employees and beneficiaries of VPA satisfy retirement eligibility if (1) they commence retirement benefits immediately upon termination and (2) meet any one of the following conditions:

	General	Police
Normal Retirement:		
(a) Age	65	60
Early Retirement (Unreduced):		
(a) Age	50	50
(b) Service	30	25
Early Retirement (Reduced):		
(a) Age	55	50
(b) Service	5	5
Disability:		
(a) Service	5	5

Effective date: August 1, 1998; latest amendment effective July 1, 2019.

Eligibility: Generally, each employee hired prior to January 28, 2014 is eligible to enter the plan on his or her date of employment. Employees hired prior to August 1, 1998 who elected continued coverage under the VRS are not eligible to participate in this plan.

Normal retirement age: Age 65; for sworn employees, normal retirement age is 60.

Normal retirement benefit: An employee's normal retirement benefit equals 1.7% of final average compensation multiplied by credited service.

Accrued retirement benefit: The accrued retirement benefit is determined in the same manner as the normal retirement benefit with final average compensation and credited service as of the date of computation.

Unreduced early retirement date: The date an employee attains age 50 and completes 30 years of service. A sworn employee attains his or her unreduced early retirement date upon attaining age 50 and completing 25 years of service.

Reduced early retirement date: The date an employee attains age 55 and 5 years of service, or age 50 and 10 years of service. For sworn employees, the reduced early retirement date is age 50 and 5 years of service.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

B. Summary of Principal Plan Provisions

Early retirement benefit: The benefit is the employee's accrued benefit payable at normal retirement age without reduction, or without reduction at age 50 if the employee has completed the number of years of credited service required for unreduced early retirement. Otherwise, if the employee retires at age 55 or later, the benefit is the accrued benefit reduced by .5% for each month up to 60 months and .4% for each month in excess of 60 months that his or her early retirement date precedes the earlier of normal retirement age or the date the employee would have reached his or her first unreduced early retirement date assuming employment had continued.

If the employee retires before age 55 and is not entitled to an unreduced benefit, the benefit is reduced to 55 by .5% for each month up to 60 months and .4% for each month in excess of 60 months that his or her early retirement date precedes the earlier of normal retirement age or the date the employee would have reached his or her first unreduced early retirement date assuming employment had continued, and is further reduced by .6% for each month by which the actual retirement date precedes age 55.

Disability retirement benefit: Total and permanent disability and five years of credited service are required for eligibility. Benefits are payable at the member's normal retirement date. The disability retirement benefit is calculated in the same manner as the normal retirement benefit assuming credited service and monthly compensation, as determined for the plan year immediately preceding date of disablement, and continues until the normal retirement date.

Late retirement benefit: Retirement after normal retirement date. A member's late retirement benefit is equal to the accrued retirement benefit with final average compensation and credited service as of his or her late retirement date.

Vesting: A participant's accrued benefit becomes vested after five years of credited service.

Form of benefit: Payable for life. 50% or 100% joint and last survivor options and a Social Security option are available on an actuarially equivalent basis.

Credited service: Credited service is based on years and completed months of employment.

Final average compensation: The highest average of monthly compensation determined over any consecutive 36 months preceding date of termination.

Pre-retirement death benefit: If an employee dies after becoming eligible for retirement and before retirement benefits have begun, the employee's beneficiary will receive a benefit payable for life. The amount of the benefit is the monthly benefit the deceased member would have received had the employee retired on the day before date of death and elected a 100% joint and last survivor option.

If a vested member who had not yet begun receiving retirement benefits dies prior to becoming eligible for retirement, his or her beneficiary is entitled to receive a benefit. The amount of the benefit is equal to 100% of the monthly benefit the member would have received if the member had terminated employment rather than died, survived to the earliest retirement age and died having elected a 100% joint and last survivor option.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

B. Summary of Principal Plan Provisions (Continued)

Sworn supplement: Employees in sworn positions receive an enhancement to their accrued benefit equal to 0.3% of final average compensation for each year of credited service earned in a sworn position. Up to 5 years of credited service in a hazardous position with another employer may be recognized for purposes of this enhancement.

Employees who were hired prior to December 1, 2001 may elect to receive an alternative sworn supplement in lieu of the 0.3% enhancement described in the preceding paragraph. This alternative supplement provides, for employees in sworn positions who have completed 15 years of credited service, a supplemental benefit equal to \$13 per year, which is payable from retirement until Social Security normal retirement age. For purposes of satisfying the 15 years of credited service requirement, up to 5 years of credited service in a hazardous position with another governmental employer may be credited.

Integration with VRS benefits for sworn employees: Sworn employees who receive their basic retirement benefit from VRS and for whom VRS does not provide the normal retirement age, unreduced early retirement benefits and reduced early retirement benefits described for sworn employees under the VPA Defined Benefit Plan, will receive an additional benefit from the VPA Defined Benefit Plan. The amount of the additional benefit is equal to the (1) benefit determined using VPA credited service and the VPA Defined Benefit Plan normal retirement age, unreduced early retirement benefit and/or reduced early retirement, minus (2) the benefit to which the participant is entitled under VRS based on VPA credited service.

Contributions: As the plan sponsor for the VPA Defined Benefit Plan, the Authority sets a contribution amount annually based on recommendations provided by the plan's Actuary. The Authority elected to contribute \$1,504 in fiscal year 2025 and \$1,535 in fiscal year 2024 for employees receiving the basic retirement benefit from the plan. The plan does not specify a minimum funding requirement.

The annual pension cost for the current year was actuarially determined as of June 30, 2024 using the Entry Age Normal cost method. The actuarial value of plan assets was determined using fair value. The discount rate used in determining the actuarial liability was 6.5% and 3.5% was used for future annual compensation increases.

C. Participant Data

Members covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefits	116
Inactive members entitled to but not yet receiving benefits	60
Active eligible members	<u>64</u>
Total	<u><u>240</u></u>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

D. Net Pension Liability

VPA's net pension liability at June 30, 2025 was actuarially measured as of June 30, 2024, and total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Net Pension Liability Under GASB Statement No. 68	June 30, 2025 <i>(In Thousands)</i>
Total pension liability	\$ 38,381
Plan fiduciary net position	31,135
Net pension liability	<u>\$ 7,246</u>
Plan fiduciary net position as a percentage of the total pension liability	81.12%

E. Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	<i>(In Thousands)</i>		
Balances at June 30, 2024	\$ 35,626	\$ 27,396	\$ 8,230
Changes for the year:			
Service cost	510	-	510
Interest	2,272	-	2,272
Differences between expected and actual experience	1,242	-	1,242
Net investment income	-	3,473	(3,473)
Contributions from employer	-	1,535	(1,535)
Benefit payments	(1,269)	(1,269)	-
Balances at June 30, 2025	<u>\$ 38,381</u>	<u>\$ 31,135</u>	<u>\$ 7,246</u>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

F. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the VPA Defined Benefit Plan, calculated using the discount rate of 6.5 percent, as well as what the VPA Defined Benefit Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
	<i>(In Thousands)</i>		
Total pension liability	\$ 43,545	\$ 38,381	\$ 34,065
Plan fiduciary net position	31,135	31,135	31,135
Net pension liability	\$ 12,410	\$ 7,246	\$ 2,930

G. Deferred Outflows of Resources Related to Pensions

At June 30, 2025, reported deferred outflows of resources related to pensions originated from the following sources:

	Deferred Outflows of Resources <i>(In Thousands)</i>
Employer contributions made subsequent to measurement date	\$ 1,504
Difference between actual and expected experience	714
Net difference between expected and actual earnings on pension plan investments	31
Total	\$ 2,249

The \$1,504 reported as deferred outflows of resources resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount <i>(In Thousands)</i>
2026	\$ 701
2027	773
2028	(390)
2029	(339)
	\$ 745

For the year ended June 30, 2025, VPA recognized a pension expense of \$2,275.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

H. Long-Term Expected Rate of Return

The long-term expected rate of return on pension investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by netting against expected inflation. The target allocation for each major asset class is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	20.2%	3.0%
U.S. Mid Cap Equity	6.0%	3.9%
U.S. Small Cap Equity	3.0%	3.7%
International Equity	12.0%	4.7%
Emerging Markets Equity	3.8%	5.3%
Commodities	5.0%	2.5%
REITS	5.0%	3.4%
Aggregate Bonds	45.0%	1.8%
	<u>100.0%</u>	

Deferred Compensation Plans

In addition to the defined benefit pension plans, the Authority maintains two deferred compensation plans and a matching savings plan under Internal Revenue Code Sections 457 and 401(a), respectively. Employees who maintain status under VRS are covered under a deferred compensation plan administered by VRS. Information relating to this plan is available at the statewide level only in the Commonwealth of Virginia's Annual Comprehensive Financial Report.

The VPA Deferred Compensation Plan covers all employees hired after July 1, 1997, and those employees electing coverage under the Authority's deferred compensation plan. The Matching Savings Plan covers substantially all employees. Both plans are administered by VPA; authority for establishing or amending benefit terms belongs to the Board of Commissioners. The Matching Savings Plan requires VPA to match contributions in an amount equal to 50% of the first 6% of the participant's base pay contributed to the plan for employees hired on or before January 28, 2014. VPA's total contribution to the Matching Savings Plan was \$94 for the year ended June 30, 2025. There were no contributions payable at June 30, 2025.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

Deferred Compensation Plans (Continued)

On January 28, 2014, the Authority's Board adopted Resolution 14-2, Freezing Pension Plan to New Participants and Establishing Enhanced Defined Contribution Plan for New Employees, in order to move toward normalizing the retirement benefits offered to employees of the Authority and VIT. Beginning April 1, 2014, employees hired after January 28, 2014 (Enhanced Participants), will be provided an employer contribution of 4% of compensation and are also eligible for a matching contribution of 50% of the first 4% of compensation contributed to the Deferred Compensation Plan. VPA's total contribution to the VPA Defined Contribution Plan for Enhanced Participants for the year ended June 30, 2025 was \$583 for the Defined Contribution and \$260 for the Enhanced Participant Employer Matching Contribution. There were no contributions payable at June 30, 2025.

Employees transferring to the Authority from VIT, as part of The Port of Virginia restructure or shared services agreement, that had been hired by VIT prior to July 1, 2012 and were active participants of VIT's pension plan at the time of the transfer, and are not eligible for the Enhanced Defined Contribution plan, are eligible for a matching contribution of 50% of the first 3% of compensation contributed to the Deferred Compensation Plan. VPA's total matching contribution to the VPA Defined Contribution Plan for VIT Plan Participants for the year ended June 30, 2025 was \$56.

The right to modify, alter, amend, or terminate the Authority's Deferred Compensation Plan and the Matching Savings Plan vests with the Board of Commissioners of the Authority.

Blended Component Unit – VIT

VIT Defined Benefit Plan

A. Plan Description

The Virginia International Terminals, LLC Pension Plan (VITPP) is a single employer, noncontributory defined benefit pension plan administered by VIT. The VITPP provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions and obligations are established and may be amended by resolutions of the Board of Commissioners of the Authority. The VITPP issues a stand-alone financial report. The most recent report is as of June 30, 2024 and is available upon request from management.

B. Benefits Provided

Normal retirement benefits are in the form of life annuities based on the normal retirement benefit, as defined by the plan document. Entry into the VITPP was frozen as of June 30, 2012. Vesting is over seven years of service, ranging from 20% at two years of service, to 60% at five years of service and full vesting at seven years of service. Disability benefits are available to those with five years of credited service and eligibility for social security disability benefits is required. Benefits commence on an employee's normal retirement date and are computed using credited service as of the normal retirement date and final average earnings as of the disability retirement date. Pre-retirement death benefits are payable to the spouse of a vested employee who dies before retirement benefits have begun. The pre-retirement death benefit will be equal to the monthly amount the spouse would have received if the employee had terminated employment just before their death, survived to the earliest date on which they could have retired, and died having elected a 50% joint and survivor benefit.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

B. Benefits Provided (Continued)

Employees covered by the benefit terms as of the measurement date June 30, 2024:

Inactive employees or beneficiaries currently receiving benefits	173
Inactive employees entitled to but not yet receiving benefits	82
Active eligible employees	98
	<hr/>
Total	353
	<hr/> <hr/>

C. Contributions

The plan sponsor's funding policy is to contribute the amount to meet the minimum funding requirements of Internal Revenue Code Sections 412 and 430. From time to time, the plan sponsor, at its sole discretion, may contribute an amount above the minimum required contribution.

Members do not contribute to the plan. VIT makes an actuarially determined contribution to the plan for all covered employees. VIT's contributions to the pension plan were \$1,130 and \$0, for the years ended with the measurement dates of June 30, 2025 and June 30, 2024, respectively.

If the plan sponsor fails to pay the minimum required contribution by 8½ months after the end of the plan year, the plan sponsor will be required to pay a 10% excise tax under Internal Revenue Code Section 4971 on the amount of any unpaid minimum required contributions. This tax can increase to 100% if the unpaid minimum required contribution is not corrected in subsequent plan years.

D. PBGC Premiums

ERISA established the Pension Benefit Guaranty Corporation (PBGC), under the jurisdiction of the U.S. Department of Labor, to guarantee most vested retirement benefits and certain disability and survivor pensions.

Plans covered by the PBGC insurance program must submit an annual premium filing each year within 9½ months after the beginning of the plan year. All plans must pay a basic premium based on the number of participants as of the end of the previous plan year, and plans with unfunded vested benefits must also pay an additional risk-related premium to the PBGC. The premium amount payable for fiscal year 2025 was \$223.

E. Net Pension Liability

VIT's net pension liability at June 30, 2025 was measured as of June 30, 2024.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

F. Actuarial Assumptions

The actuarial present value of accumulated plan benefits, as determined by an independent actuary using benefit information as of June 30, 2024, is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation measured at June 30, 2024 were (a) life expectancy of participants (the Pub-2010 Mortality Table (Safety) projected forward with Scale MP-2021) (b) assumed retirement ages (weighted between 55 to 68 years), (c) investment return (average rate of return of 6.5%) and (d) salary scale increase rate (3.5%). The foregoing actuarial assumptions are based on the presumption that the plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

G. Asset Valuation Method

IRC Section 430(g) provides that plan assets be valued at either their fair value on the valuation date or at the “average” value of assets on the valuation date. Contributions for a prior plan year that are made after the beginning of this plan year are adjusted for interest at the effective interest rate under IRC Section 430(h)(2). The VITPP values plan assets at the fair value of assets at the measurement date.

H. Long-Term Expected Rate of Return

The long-term expected rate of return on pension investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by netting against expected inflation. The target allocation for each major asset class is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	20.2%	3.0%
U.S. Mid Cap Equity	6.0%	3.9%
U.S. Small Cap Equity	3.0%	3.7%
International Equity	12.0%	4.7%
Emerging Markets Equity	3.8%	5.3%
Commodities	5.0%	2.5%
REITS	5.0%	3.4%
Aggregate Bonds	45.0%	1.8%
	<u>100.0%</u>	

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

I. Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	<i>(In Thousands)</i>		
Balances at June 30, 2024	\$ 102,152	\$ 100,663	\$ 1,489
Changes for the year:			
Service cost	569	-	569
Interest	6,436	-	6,436
Differences between expected and actual experience	513	-	513
Changes in benefit terms	1,130	-	1,130
Net investment income	-	10,886	(10,886)
Benefit payments, net	(15,761)	(15,761)	-
Administrative expense	-	(329)	329
Net changes	(7,113)	(5,204)	(1,909)
Balances at June 30, 2025	\$ 95,039	\$ 95,459	\$ (420)

Plan fiduciary net position as a percentage of the total pension liability 100.44%

J. Sensitivity of the Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability (asset) of the VITPP, calculated using the discount rate of 6.5 percent, as well as what VITPP's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate.

Discount Rate Sensitivity – Net Pension Liability (Asset) at End of Period

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
	<i>(In Thousands)</i>		
Total pension liability	\$ 104,637	\$ 95,039	\$ 86,823
Plan fiduciary net position	95,459	95,459	95,459
Net pension liability (asset)	\$ 9,178	\$ (420)	\$ (8,636)

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

K. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2025, VIT recognized a pension expense of \$4,121.

VIT reported deferred outflows of resources related to pensions from the following sources at June 30, 2025:

	Deferred Outflows of Resources <i>(In Thousands)</i>
Employer contributions made subsequent to measurement date	\$ 1,130
Difference between expected and actual experience	419
Net difference between projected and actual plan investment earnings	<u>2,763</u>
Total	<u><u>\$ 4,312</u></u>

The \$1,130 reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date of June 30, 2024 will be recognized as an addition to the plan fiduciary net position in the fiscal year ending June 30, 2026 (actuarial valuation measurement date of June 30, 2025).

Year Ending June 30,	Amount <i>(In Thousands)</i>
2026	\$ 1,034
2027	4,158
2028	(1,100)
2029	<u>(910)</u>
	<u><u>\$ 3,182</u></u>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 10. Other Postemployment Benefits

Effective January 1, 2015, VPA ceased providing formal postemployment benefits to all employees except for two subsets of employees whose benefits were grandfathered: (1) 38 VPA employees who were transferred from VIT will, if they retire at age 62 or older with at least 30 years of service, receive a premium subsidy of \$500 per month until they reach age 65; and (2) 1 retired VPA employee is being allowed to remain in the VPA health and dental plans until age 65, but must pay the full actuarially determined premium to retain coverage. Based on an evaluation of these limited benefits by VPA's actuary, management has elected not to disclose information related to the OPEB liability on the basis of its relative immateriality to VPA taken as a whole. The OPEB liability recorded at June 30, 2025 is \$804 along with a deferred outflow of resources of \$294 and a deferred inflow of resources of \$372.

VIT provides non-pension postemployment medical insurance benefits to individuals who are at least 62 years of age who retire with 30 years of service through a single employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. 45 of these employees have been transferred to VPA, along with their benefits. Upon an evaluation of these limited benefits by VPA's actuary, management has elected not to disclose information related to the OPEB liability on the basis of its relative immateriality to VPA taken as a whole. The OPEB liability recorded at June 30, 2025 is \$309 along with a deferred outflow of resources of \$5 and a deferred inflow of resources of \$92.

Blended Component Unit – VIT

VIT provides non-pension postemployment medical insurance benefits to individuals who are at least 62 years of age who retire with 30 years of service through a single employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. VIT provides medical and dental benefits for retirees. The benefit terms provide for the same coverage options as active employees for employee-only medical and dental plans with a maximum subsidy of \$500 per month until age 65. Coverage for a spouse may be continued at the employee's expense for 10 years, until the spouse's 65th birthday or until the spouse remarries, whichever is earlier. Upon an evaluation of these limited benefits by VIT's actuary, management has elected not to disclose information related to the OPEB liability on the basis of its relative immateriality to VIT taken as a whole. The OPEB liability recorded at June 30, 2025 is \$393 along with a deferred outflow of resources of \$16 and a deferred inflow of resources of \$77.

Note 11. Supplemental Retirement and Compensation Plans

A. Executive Supplemental Retirement Plan

VIT sponsors an executive supplemental retirement plan (ESRP), a noncontributory single-employer defined benefit supplemental plan covering certain key employees. Benefit provisions and obligations are established and may be amended by resolutions of the Board of Commissioners of the Authority. The ESRP does not issue a stand-alone financial report. The ESRP is accounted for on the economic resources measurement focus and the accrual basis of accounting. The ESRP is reported as a fiduciary fund in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11. Supplemental Retirement and Compensation Plans (Continued)

A. Executive Supplemental Retirement Plan (Continued)

ESRP Financial Statements

As of June 30, 2025 (measured as of June 30, 2024), the ESRP's statement of fiduciary net position is as follows (in thousands):

Assets	
Noncurrent Assets:	
Investments held in trust at fair value:	
Other mutual funds	\$ 1,622
Total assets	<u>1,622</u>
Net Position	
Restricted for:	
Pension benefits	1,622
Total net position	<u>\$ 1,622</u>

For the fiscal year ended June 30, 2025 (measured as of June 30, 2024), the ESRP's statement of changes in fiduciary net position is as follows (in thousands):

Additions:	
Investment income	\$ 166
Total additions	<u>166</u>
Deductions:	
Benefit payments	231
Total deductions	<u>231</u>
Change in net position	(65)
Net position, beginning of year	1,687
Net position, end of year	<u>\$ 1,622</u>

Participant Data

Employees covered by the benefit terms as of the measurement date of June 30, 2024:

Inactive employees receiving benefits	8
Total	<u>8</u>

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11. Supplemental Retirement and Compensation Plans (Continued)

A. Executive Supplemental Retirement Plan (Continued)

Net Pension Liability

VIT's net pension liability at June 30, 2025 was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total benefit obligation of the supplemental plan as of June 30, 2025, measured as of June 30, 2024, exceeded the fair value of investments by \$280. There were no contributions to the plan for the year ended June 30, 2025. The actuarial cost method used to determine the normal cost and actuarial accrued liabilities of the plan was the entry age normal cost method.

Actuarial Assumptions

Discount Rate	6.5%
Preretirement Mortality	None
Postretirement Mortality	PRI-2012 White Collar Retiree Tables for annuitants projected forward with Scale MP-2021.
Retirement Age	Participants not in-pay are assumed to retire at age 65 and elect a single life annuity.

Deferred Compensation and Matching Savings Plans

In addition, VIT sponsors a deferred compensation plan and a matching savings plan under IRC Sections 457 and 401(a), respectively, which cover substantially all nonunion employees with 90 days or more of service. Both plans are administered by the Authority; authority for establishing or amending benefit terms is granted to the Chief Administrative Officer by the Board of Commissioners of the Authority. For employees hired prior to July 1, 2012, the matching savings plan requires VIT to match employee contributions in an amount equal to 50% of the first 3% of the participant's base pay contributed to the deferred compensation plan. For employees hired on or after July 1, 2012, the matching savings plan requires VIT to contribute 4% of base pay, and to match employee contributions in an amount equal to 50% of the first 4% of the participant's base pay contributed to the deferred compensation plan. VIT's total contribution to the matching savings plan was \$1,235 for the year ended June 30, 2025. There were no contributions payable at June 30, 2025.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 11. Supplemental Retirement and Compensation Plans (Continued)

B. Defined Benefit Pension Plan Trust Fund

As of June 30, 2025, the Defined Benefit Pension Plan Trust Fund's statement of fiduciary net position is as follows (in thousands):

Assets

Investments held in trust at fair value:

Short-term bond funds	\$ 5
Long-term bond funds	3,112
Core plus bond funds	11,714
Common and preferred stock funds	10,116
Other mutual funds	9,597
Total assets	34,544

Net Position

Restricted for:

Pension benefits	34,544
Total net position	\$ 34,544

For the fiscal year ended June 30, 2025, the Defined Benefit Pension Plan Trust Fund's statement of changes in fiduciary net position is as follows (in thousands):

Additions:

Employer contributions	\$ 1,504
Investment income	3,382
Payment credits	10
Total additions	4,896

Deductions:

Benefit payments	1,449
Other disbursements	38
Total deductions	1,487

Change in net position	3,409
-------------------------------	--------------

Net position, beginning of year	31,135
---------------------------------	--------

Net position, end of year	\$ 34,544
---------------------------	------------------

See note 9 to the financial statements for disclosures related to this plan.

Note 12. Leases

Lessee: The Authority is a lessee for noncancellable leases of certain port facilities, office space, land and equipment. Most leases include one or more options to renew, and have terms that range from 3 to 40 years. The exercise of lease renewal options is at the discretion of the Authority. Certain lease agreements include payments that are discounted based on usage and others include rental payments adjusted periodically for inflation. The Authority monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease asset and liability if changes occur that are expected to significantly affect the amount of the lease liability. Unless discussed below, the Authority's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 12. Leases (Continued)

Lessee (continued): Key estimates and judgements related to leases include how the Authority determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments.

Discount Rate	When readily available or determinable, the Authority uses the interest rate charged by the lessor. If not readily available or determinable, the Authority uses its estimated incremental borrowing rate.
Lease Term	The lease term includes the non-cancellable period of the lease, plus any option periods for which the Authority determines exercise is probable.
Lease Payments	Lease payments included in the measurement of the lease liability are comprised of fixed payments and, if applicable, the purchase option price the Authority is reasonably certain to exercise.

The Authority is also the user of certain subscription based information technology products. The discount rate, subscription term, and subscription payments are treated similarly to leases, as explained above.

See notes 5 and 6 to the financial statements for the changes in right-to-use lease and subscription assets and liabilities.

Lessor: The Authority is a lessor for noncancellable leases of certain real estate and storage facilities. The Authority's lease and sublease portfolio consists of leases with various companies for terms ranging from 1 to 50 years. Certain lease agreements include rental payments adjusted periodically for inflation and others contain various build-to-suit and termination options. The Authority monitors changes in circumstances that would require a remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

Key estimates and judgements related to leases include how the Authority determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

Discount Rate	The Authority uses a commercial methodology to determine the discount rate for leases. Interest income on lease receivables is recognized based on an amortization schedule using the effective interest method.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Receipts	Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The Authority has a deferred inflow of resources associated with its leases that will be recognized as revenue over the term of the leases. As of June 30, 2025, the balance of the deferred inflow was \$29,646. Lease revenue and lease interest income for the year ended June 30, 2025 was \$3,649 and \$2,973, respectively. Lease revenues receivable as of June 30, 2025 were \$40,699.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 12. Leases (Continued)

Blended Component Unit – VIT

Lessee: VIT leases certain autos, chassis and equipment. Most leases include one or more options to renew, and have terms that range from 3 to 10 years. The exercise of lease renewal options is at VIT's discretion. VIT monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease asset and liability if changes occur that are expected to significantly affect the amount of the lease liability.

Key estimates and judgements related to leases include the determination of the applicable discount rate, lease term, lease payments, and residual value guarantees or other provisions as follows:

Discount Rate	When readily available or determinable, VIT uses the interest rate charged by the lessor. If not readily available or determinable, VIT uses its estimated incremental borrowing rate.
Lease Term	The lease term includes the noncancellable period of the lease, plus any option periods for which the VIT determines exercise is probable.
Lease Payments	Lease payments included in the measurement of the lease liability are comprised of fixed payments and, if applicable, the purchase option price VIT is reasonably certain to exercise.

VIT is also the user of certain subscription based information technology products. The discount rate, subscription term, and subscription payments are treated similarly to leases, as explained above.

See notes 5 and 6 to the financial statements for the changes in right-to-use lease and subscription assets and liabilities.

Lessor: VIT is a lessor for certain real estate and storage facilities. VIT's lease and sublease portfolio consists of leases with various companies for terms ranging from monthly to 20 years. Certain lease agreements include rental payments adjusted periodically for inflation. VIT monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

Key estimates and judgements related to leases include the determination of a discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

Discount Rate	VIT uses a commercial methodology to determine the discount rate for leases. Interest income on lease receivables is recognized based on an amortization schedule using the effective interest method.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Receipts	Lease receipts used for the measurement of the lease receivable include fixed payments from the lessee.

VIT has a deferred inflow of resources associated with its leases that will be recognized as revenue over the term of the leases. As of June 30, 2025, the balance of the deferred inflow was \$9,520. Lease revenue for the year ended June 30, 2025 was \$1,566 and lease interest income for the same year was \$808. At June 30, 2025, VIT has a total leases receivable balance of \$11,385.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 13. Risk Management and Employee Health Care Plans

The Authority is exposed to various risks including, but not limited to, torts; theft; cybercrime; property damage (3rd and 1st party) or total loss to its assets; errors and omissions; non-performance of duty; work-related injuries to its employees; contractual disputes and labor strikes; and natural disasters, among others. To assist the Authority in identifying, prioritizing and mitigating high risk exposures, the Authority has implemented an Enterprise Risk Management Program that is constantly monitoring high-level risks and mitigation strategies on a quarterly basis. In addition, the Authority maintains a robust insurance program which protects the Authority's assets, its commissioners, officers and employees against third-party liability. To that end, the Authority maintains insurance policies commensurate with the identified risks. In addition to its primary layer of insurance, the Authority maintains excess liability insurance coverage and, for the benefit of the Authority's employees, workers' compensation insurance and employers liability insurance, both state and federal. Health insurance is provided to the Authority's employees on a cost-sharing basis.

Through its operating agreement, the Authority requires VIT to maintain property insurance coverage on all plant and equipment located on the terminals.

The Authority provides insurance coverage for health (for employees hired on or after July 1, 1997), property, auto, workers' compensation, and international liabilities, as well as an umbrella policy providing excess liability coverage over and above losses not covered in primary policies. Pursuant to a joint arrangement with VIT, the Authority carries stop loss insurance to mitigate exposure to significant medical claims. The stop loss policy is on a calendar year basis, with renewals effective each January 1. During the calendar years of 2025 and 2024, the individual claim cost limit (deductible) under the policy for the Authority was \$150. The aggregate deductible for VIT and VPA combined claims in excess of the individual limit was \$7,420 and \$7,138 for calendar years 2025 and 2024, respectively.

Note 14. Related Parties

VIT makes lease payments on behalf of the VPA for various equipment and office space for which VPA reimburses VIT. Payments on behalf of VPA for these lease agreements totaled \$1,028 for the year ended June 30, 2025.

An agreement for shared services was executed between VPA, VIT and HRCP, in an effort to centralize administrative functions and avoid redundancy of costs. Services shared include accounting and finance, purchasing, risk management, human resources, and other applicable functions. Costs are billed by VPA to each entity based on a budgeted allocation with true up to actual expenditures on a quarterly but no less than annual frequency. For the year ended June 30, 2025, the cost of VIT and HRCP's allocated services from VPA amounted to \$24,230 and \$1,040, respectively.

For the year ended June 30, 2025, VIT and HRCP recorded \$301,394 as operating transfers payable to VPA pursuant to the Payment Agreement. The calculations are performed as of the end of the applicable month, and payment is made by the 20th of the subsequent month. VIT also collected \$15,826 in security surcharges from VIT customers on behalf of VPA for the year ended June 30, 2025.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 15. Change in Accounting Principle

In fiscal year 2025, the Authority implemented GASB Statement No. 101, *Compensated Absences*, as a change in accounting principle. Statement No. 101 requires recognizing a liability for compensated absences, including certain amounts not previously accrued, and related salary-based payments. The standard has been applied retroactively, resulting in a restatement of beginning net position as of July 1, 2024 as shown below.

	Authority	VIT	Total
Net position, as previously reported	\$ 1,513,411	\$ 130,596	\$ 1,644,007
Implementation of GASB Statement No. 101, <i>Compensated Absences</i>	(1,232)	(1,678)	(2,910)
Net position, as restated	\$ 1,512,179	\$ 128,918	\$ 1,641,097

Note 16. Subsequent Events

On April 29, 2025, the Authority's Board of Commissioners approved and adopted Resolution 25-06, which provided authorization to the Authority's CEO and Executive Director to execute an agreement with the principals of Virginia International Gateway, Inc. (VIG) to amend the VIG Lease. As a result of this First Amendment, the Authority was provided greater operational control and flexibility with respect to the VIG Facility and converted the option to purchase the facility at the end of the lease term to a fixed amount of \$950,000 upon expiration of the lease in December 2065 (whereby previously the purchase price was to be determined based on fair value at the end of the lease term). In consideration for these amendments, the Authority's rental payment obligations under the lease were modified to include an upfront rental payment of \$335,000 as well as an increase to the notional base rent amount, each of which was payable upon the effective date of the First Amendment.

As conditions precedent to the First Amendment becoming effective, the Authority was required to retire all of its existing indebtedness secured under its 2016 Bond Resolution, cause the release of the existing lien under the 2016 Bond Resolution and retire the 2016 Bond Resolution. In order to effect these changes, the Authority's Board of Commissioners approved and adopted Resolution 25-07. In addition, to meet the conditions precedent to the First Amendment, the Authority's Board of Commissioners approved and adopted Resolutions 25-08, 25-09, and 25-10 establishing a new Port Facilities Bond Resolution, authorizing a short-term credit note, and authorizing the issuance of up to \$350,000 in new Port Facilities Revenue Bonds, respectively.

The Authority entered into a Credit Agreement on July 1, 2025, subsequent to the date of these financial statements, in the amount of \$495,000, bearing interest at Daily SOFR plus 0.7%. On July 8, 2025, the Authority drew \$470,587 under the Credit Agreement and applied such funds to (a) legally defease the outstanding 2016 Series Bonds, (b) payoff \$52,495 of its Installment Purchase obligations and (c) satisfy \$200,000 of the upfront rental payment. The remainder of the upfront rental payment was paid to VIG on July 8, 2025 with unrestricted cash and investments held by the Authority in the amount of \$135,000, thereby making the First Amendment effective. On July 9, 2025, the Authority used \$270,587 of its unrestricted cash and cash equivalents to repay a portion of the draw made on the Credit Agreement.

Pursuant to GASB Statement No. 87, *Leases*, the Authority re-measured the VIG Lease asset and VIG Lease liability as of the effective date of the First Amendment. As a result of this re-measurement, the value of the VIG Lease asset and liability was adjusted to \$4,025,810. The net impact of these adjustments resulted in an increase to the Authority's Net investment in Capital Assets component of Net Position of \$550,587 to be reflected in the June 30, 2026 financial statements.

VIRGINIA PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 16. Subsequent Events (Continued)

On August 13, 2025, Port Facilities Revenue Bonds, Series 2025 (Non-AMT) (the "Series 2025 Bonds") dated the same, were issued in the principal amount of \$248,745. The bonds are payable in annual principal installments varying from \$3,185 to \$15,685 beginning July 1, 2026 with annual interest payments with rates ranging from 5.00% to 5.25% with the final installment due July 1, 2055. A portion of the proceeds of the Series 2025 Bonds was used to repay the remainder of the draw made against the Credit Agreement, after which the Credit Agreement was terminated. The Series 2025 Bonds are payable from the net revenues of the Authority, and are subordinate to the VIG Lease.

REQUIRED SUPPLEMENTARY INFORMATION
(RSI)
(UNAUDITED)

VIRGINIA PORT AUTHORITY

VPA DEFINED BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>									
Actuarially determined contribution	\$ 1,772	\$ 1,378	\$ 1,323	\$ 1,515	\$ 1,443	\$ 1,623	\$ 1,518	\$ 1,440	\$ 1,510	\$ 1,504
Contributions made in relation to the actuarially determined contribution	3,851	2,378	1,323	1,515	2,120	1,591	1,704	1,465	1,535	1,504
Contribution deficiency (excess)	\$ (2,079)	\$ (1,000)	\$ -	\$ -	\$ (677)	\$ 32	\$ (186)	\$ (25)	\$ (25)	\$ -
Covered payroll	\$ 9,763	\$ 9,729	\$ 9,631	\$ 9,529	\$ 10,675	\$ 10,028	\$ 8,402	\$ 8,620	\$ 8,142	\$ 7,285
Contributions as a % of payroll	39.44%	24.44%	13.74%	15.90%	19.86%	15.87%	20.28%	17.00%	18.85%	20.65%

Notes to Schedule:

- (1) Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.
- (2) Methods and assumptions used to determine contribution rates for the measurement date June 30, 2024 (fiscal year ended June 30, 2025):

Actuarial cost method	Entry Age Normal cost method
Asset valuation method	Fair value
Inflation IRS limit increases	2.5%
Projected salary increases	3.5%
Investment rate of return	6.5%, net of pension plan investment expense, including inflation
Retirement age	Varies by age and service
Mortality rates	Pub-2010 Mortality Table (Safety) With Scale MP-2021
- (3) For each of the fiscal years presented above, the measurement date for the reported data was June 30 of the preceding fiscal year. For example, for the fiscal year ended June 30, 2025 the measurement date was June 30, 2024.

VIRGINIA PORT AUTHORITY

VPA DEFINED BENEFIT PLAN

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>									
Total Pension Liability										
Service cost	\$ 487	\$ 594	\$ 618	\$ 612	\$ 593	\$ 492	\$ 537	\$ 546	\$ 529	\$ 510
Interest	1,019	1,414	1,414	1,564	1,748	1,894	2,055	2,190	2,178	2,272
Changes of benefit terms	4,878	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(205)	(1,059)	476	1,410	149	1,040	312	(1,014)	156	1,242
Changes of assumptions	1,124	(215)	414	(68)	683	867	-	1,102	-	-
Benefit payments	(781)	(802)	(718)	(809)	(941)	(1,024)	(907)	(1,031)	(1,378)	(1,269)
Net change in total pension liability	6,522	(68)	2,204	2,709	2,232	3,269	1,997	1,793	1,485	2,755
Total Pension Liability, beginning	13,483	20,005	19,937	22,141	24,850	27,082	30,351	32,348	34,141	35,626
Total Pension Liability, ending (a)	<u>\$ 20,005</u>	<u>\$ 19,937</u>	<u>\$ 22,141</u>	<u>\$ 24,850</u>	<u>\$ 27,082</u>	<u>\$ 30,351</u>	<u>\$ 32,348</u>	<u>\$ 34,141</u>	<u>\$ 35,626</u>	<u>\$ 38,381</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 901	\$ 3,847	\$ 2,378	\$ 1,324	\$ 1,515	\$ 2,120	\$ 1,591	\$ 1,704	\$ 1,465	\$ 1,535
Net investment income (loss)	467	(54)	1,729	1,492	1,299	857	5,292	(3,774)	1,915	3,473
Benefit payments	(781)	(802)	(718)	(809)	(942)	(1,024)	(907)	(1,031)	(1,378)	(1,269)
Administrative expense	(117)	(95)	(57)	(30)	(33)	(37)	(42)	(54)	-	-
Net change in plan fiduciary net position	470	2,896	3,332	1,977	1,839	1,916	5,934	(3,155)	2,002	3,739
Plan Fiduciary Net Position, beginning	10,185	10,655	13,551	16,883	18,860	20,699	22,615	28,549	25,394	27,396
Plan Fiduciary Net Position, ending (b)	<u>\$ 10,655</u>	<u>\$ 13,551</u>	<u>\$ 16,883</u>	<u>\$ 18,860</u>	<u>\$ 20,699</u>	<u>\$ 22,615</u>	<u>\$ 28,549</u>	<u>\$ 25,394</u>	<u>\$ 27,396</u>	<u>\$ 31,135</u>
Net Pension Liability, ending (a) - (b)	<u>\$ 9,350</u>	<u>\$ 6,386</u>	<u>\$ 5,258</u>	<u>\$ 5,990</u>	<u>\$ 6,383</u>	<u>\$ 7,736</u>	<u>\$ 3,799</u>	<u>\$ 8,747</u>	<u>\$ 8,230</u>	<u>\$ 7,246</u>
Plan Fiduciary Net Position as a % of Covered Payroll	53.26%	67.97%	76.25%	75.90%	76.43%	74.51%	88.26%	74.38%	76.90%	81.12%
Covered Payroll	\$ 10,235	\$ 9,763	\$ 9,728	\$ 9,631	\$ 9,529	\$ 10,675	\$ 10,028	\$ 8,402	\$ 8,620	\$ 8,142
Net Pension Liability as a % of Covered Payroll	91.35%	65.41%	54.05%	62.19%	66.98%	72.47%	37.88%	104.11%	95.48%	89.00%

Notes to Schedule:

- (1) **Changes of benefit terms:** There have been no significant changes to the pension benefit provisions since the effective date of GASB Statement No. 68.
- (2) **Changes in assumptions:** There have been no changes to the mortality rates and the investment rate of return.
Mortality rates Pub-2010 Mortality Table (Safety) With Scale MP-2021
Investment rate of return 6.50%
- (3) For each of the fiscal years presented above, the measurement date for the reported data was June 30 of the preceding fiscal year. For example, for the fiscal year June 30, 2025 the measurement date was June 30, 2024.

VIRGINIA PORT AUTHORITY

BLENDED COMPONENT UNIT – VIRGINIA INTERNATIONAL TERMINALS, LLC
 DEFINED BENEFIT PLAN
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>									
Actuarially determined contribution	\$ 2,745	\$ 2,277	\$ 2,412	\$ 4,205	\$ 5,868	\$ 5,126	\$ 2,235	\$ 563	\$ 2,372	\$ 2,489
Contributions made in relation to the actuarially determined contribution	1,750	2,428	4,667	7,032	6,478	6,010	5,699	570	-	1,130
Contribution deficiency (excess)	\$ 995	\$ (151)	\$ (2,255)	\$ (2,827)	\$ (610)	\$ (884)	\$ (3,464)	\$ (7)	\$ 2,372	\$ 1,359
Covered payroll	\$ 17,886	\$ 17,178	\$ 17,111	\$ 16,657	\$ 11,914	\$ 9,935	\$ 8,259	\$ 8,167	\$ 8,165	\$ 7,309
Contributions as a % of payroll	9.78%	14.13%	27.27%	42.22%	54.37%	60.49%	69.00%	6.98%	0.00%	15.46%

Notes to Schedule:

- (1) Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.
- (2) Methods and assumptions used to determine contribution rates for the measurement date June 30, 2025 (fiscal year ended June 30, 2024):

Actuarial cost method

Entry Age Normal cost method level percent of pay

Amortization method

Level percentage of payroll, closed

Remaining amortization

30 years

Asset valuation method

Fair value

Inflation

2.5%

Projected salary increases

3.5%

Investment rate of return

6.5%

Retirement age

Weighted between 55 and 65

Mortality rates

Pub-2010 Mortality Table (Safety) With Scale MP-2021
- (3) Contributions made by VIT were not in all cases in accordance with the actuarially determined Annual Required Contribution (ARC), but they did meet statutory requirements. In fiscal year 2025, VIT elected to use the VITPP's credits from excess contributions in prior years to satisfy a portion of its fiscal year 2025 Required Minimum Contribution limits, as provided for under Internal Revenue Code Section 430(j).

VIRGINIA PORT AUTHORITY

BLENDING COMPONENT UNIT – VIRGINIA INTERNATIONAL TERMINALS, LLC

DEFINED BENEFIT PLAN

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>									
Total Pension Liability										
Service cost	\$ 1,193	\$ 1,104	\$ 1,082	\$ 1,135	\$ 901	\$ 659	\$ 592	\$ 579	\$ 634	\$ 569
Interest	7,024	6,539	6,673	6,933	7,198	7,307	7,273	7,490	7,382	6,436
Changes of benefit terms	(4,941)	-	-	-	-	-	-	-	-	1,130
Changes of assumptions	3,430	(1,148)	70	(297)	1,349	2,131	-	3,043	-	-
Differences between expected and actual experience	(3,625)	(760)	363	935	(2,518)	(1,050)	1,142	(737)	(174)	513
Benefit payments	(3,270)	(4,417)	(4,479)	(4,567)	(4,815)	(5,436)	(5,791)	(6,494)	(22,842)	(15,761)
Net change in total pension liability	(189)	1,318	3,709	4,139	2,115	3,611	3,216	3,881	(15,000)	(7,113)
Total Pension Liability, beginning	95,352	95,163	96,481	100,190	104,329	106,444	110,055	113,271	117,152	102,152
Total Pension Liability, ending (a)	<u>\$ 95,163</u>	<u>\$ 96,481</u>	<u>\$ 100,190</u>	<u>\$ 104,329</u>	<u>\$ 106,444</u>	<u>\$ 110,055</u>	<u>\$ 113,271</u>	<u>\$ 117,152</u>	<u>\$ 102,152</u>	<u>\$ 95,039</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 2,880	\$ 1,464	\$ 2,428	\$ 4,667	\$ 7,032	\$ 6,478	\$ 6,010	\$ 5,699	\$ 570	\$ -
Net investment income (loss)	1,972	(322)	8,462	5,653	7,074	3,930	25,012	(17,420)	8,237	10,886
Benefit payments	(3,270)	(4,417)	(4,479)	(4,567)	(4,815)	(5,436)	(5,791)	(6,494)	(22,842)	(15,761)
Administrative expense	-	-	(37)	(150)	(550)	(575)	(202)	(247)	-	(329)
Net change in plan fiduciary net position	1,582	(3,275)	6,374	5,603	8,741	4,397	25,029	(18,462)	(14,035)	(5,204)
Plan Fiduciary Net Position, beginning	84,709	86,291	83,016	89,390	94,993	103,734	108,131	133,160	114,698	100,663
Plan Fiduciary Net Position, ending (b)	<u>\$ 86,291</u>	<u>\$ 83,016</u>	<u>\$ 89,390</u>	<u>\$ 94,993</u>	<u>\$ 103,734</u>	<u>\$ 108,131</u>	<u>\$ 133,160</u>	<u>\$ 114,698</u>	<u>\$ 100,663</u>	<u>\$ 95,459</u>
Net Pension Liability (Asset), ending (a) - (b)	<u>\$ 8,872</u>	<u>\$ 13,465</u>	<u>\$ 10,800</u>	<u>\$ 9,336</u>	<u>\$ 2,710</u>	<u>\$ 1,924</u>	<u>\$ (19,889)</u>	<u>\$ 2,454</u>	<u>\$ 1,489</u>	<u>\$ (420)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.68%	86.04%	89.22%	91.05%	97.45%	98.25%	117.56%	97.91%	98.54%	100.44%
Covered Payroll	\$ 23,661	\$ 17,886	\$ 17,178	\$ 17,111	\$ 16,657	\$ 11,914	\$ 9,935	\$ 8,259	\$ 8,167	\$ 8,165
Net Pension Liability (Asset) as a % of Covered Payroll	37.50%	75.28%	62.87%	54.56%	16.27%	16.15%	-200.19%	29.71%	18.23%	-5.14%

SUPPLEMENTARY INFORMATION

VIRGINIA PORT AUTHORITY

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

	Authority	Virginia International Terminals, LLC		
	Defined Benefit	Defined Benefit	Executive	
	Pension Plan	Pension Plan Trust	Supplemental	
	Trust Fund	Fund	Retirement Plan	Total
<i>(In Thousands)</i>				
ASSETS				
Noncurrent Assets				
Investments held in trust at fair value:				
Short-term bond funds	\$ 5	\$ 1,107	\$ -	\$ 1,112
Long-term bond funds	3,112	7,111	-	10,223
Core plus bond funds	11,714	34,179	-	45,893
Common and preferred stock funds	10,116	29,778	-	39,894
Other mutual funds	9,597	28,084	1,622	39,303
Total assets	34,544	100,259	1,622	136,425
NET POSITION				
Restricted for:				
Pension benefits	34,544	100,259	1,622	136,425
Total net position	\$ 34,544	\$ 100,259	\$ 1,622	\$ 136,425

VIRGINIA PORT AUTHORITY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2025

	Authority	Virginia International Terminals, LLC		
	Defined Benefit Pension Plan Trust Fund	Defined Benefit Pension Plan Trust Fund	Executive Supplemental Retirement Plan	Total
	<i>(In Thousands)</i>			
Additions:				
Employer contributions	\$ 1,504	\$ 1,130	\$ -	\$ 2,634
Investment income	3,382	9,949	166	13,497
Payment credits	10	93	-	103
Total additions	4,896	11,172	166	16,234
Deductions:				
Benefit payments	1,449	6,201	231	7,881
Other disbursements	38	171	-	209
Total deductions	1,487	6,372	231	8,090
Change in net position	3,409	4,800	(65)	8,144
Net position, beginning of year	31,135	95,459	1,687	128,281
Net position, end of year	<u>\$ 34,544</u>	<u>\$ 100,259</u>	<u>\$ 1,622</u>	<u>\$ 136,425</u>



New cranes in the rail yard at the Virginia Inland Port (VIP) in Front Royal have been installed and are now operational, increasing the terminal's rail capacity and efficiency.

VIRGINIA PORT AUTHORITY

STATISTICAL SECTION

(Unaudited)

The objective of the statistical section is to provide information about the economic conditions within which the Authority operates to enable the user to more fully understand what the information in the financial statements, notes and supplementary information says about the Authority's overall financial condition. Unlike most governmental agencies, the Authority has no taxing authority and relies predominately on funds generated through business services at the terminal facilities. The Authority's economic conditions are unlike a taxing locality, where population demographics directly affect revenue. The Authority is influenced by worldwide economic conditions as opposed to more localized conditions.

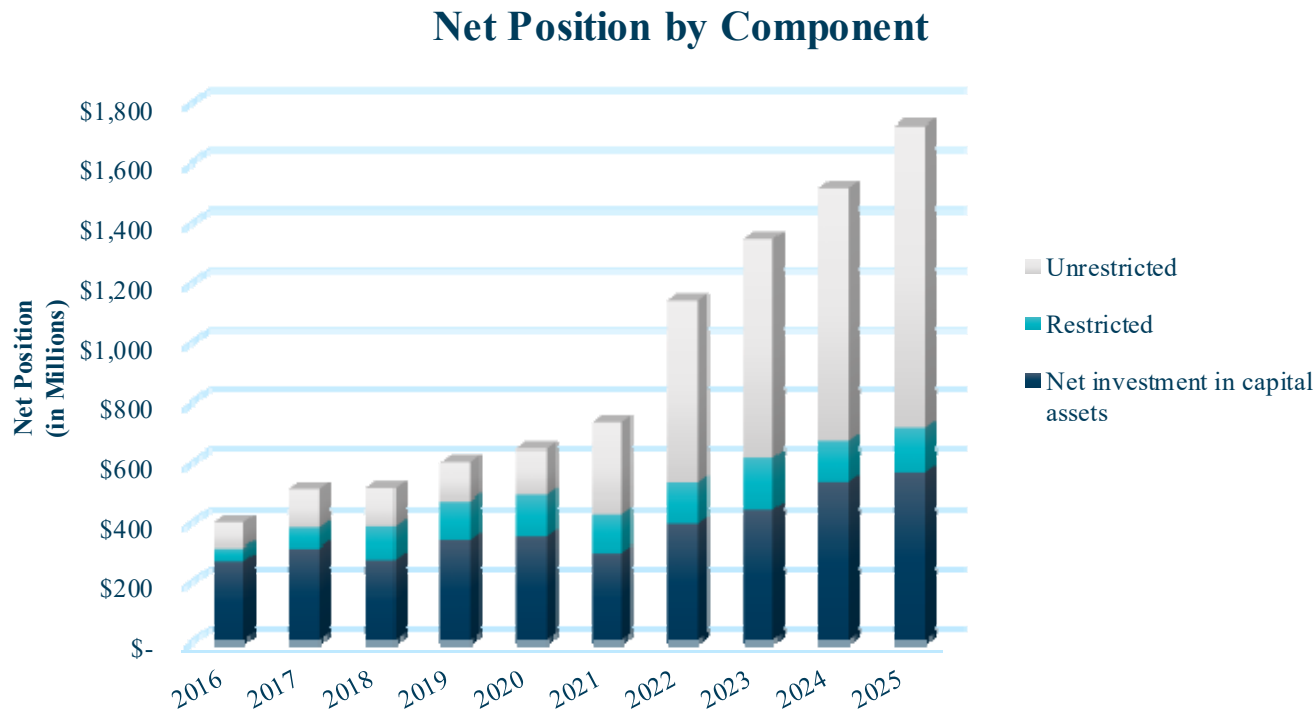
Financial Trends

These schedules and graphs contain trend data about how the financial performance and condition of the Authority has changed over time.

VIRGINIA PORT AUTHORITY

NET POSITION BY COMPONENT
Last Ten Fiscal Years

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(In Thousands)									
Net Position										
Net investment in capital assets	\$ 268,348	\$ 311,480	\$ 273,121	\$ 336,719	\$ 349,644	\$ 296,253	\$ 393,528	\$ 442,106	\$ 531,895	\$ 565,132
Restricted	44,018	69,532	111,172	132,383	138,302	129,531	136,866	174,253	136,439	148,868
Unrestricted	86,252	126,099	126,087	131,909	153,754	307,136	605,463	727,108	845,077	1,012,882
Total net position	\$ 398,618	\$ 507,111	\$ 510,380	\$ 601,011	\$ 641,700	\$ 732,920	\$ 1,135,857	\$ 1,343,467	\$ 1,513,411	\$ 1,726,882



VIRGINIA PORT AUTHORITY

HISTORICAL STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Fiscal Year Ended June 30,										
	2016	2017	2018	2019	2020	2021	2022 ⁽¹⁾	2023	2024	2025 ⁽¹⁾
	(In Thousands)									
Operating revenues:										
Operating revenues from component unit	\$ 108,847	\$ 120,512	\$ 123,982	\$ 156,859	\$ 133,890	\$ 275,472	\$ 439,092	\$ 325,836	\$ 252,967	\$ 301,394
Other revenues	9,340	10,102	10,445	11,186	10,946	13,120	19,339	17,314	22,029	19,802
Operating revenues - grants, federal and state	6,391	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509	1,130
Total operating revenues	124,578	132,728	139,961	173,243	150,540	294,507	462,536	344,651	276,505	322,326
Operating expenses:										
Terminal operations	5,438	4,079	3,912	4,170	4,554	4,828	4,359	756	163	1,120
Terminal maintenance	3,743	2,053	3,879	2,441	3,700	5,005	4,857	5,258	6,002	6,923
General and administrative	20,042	18,025	20,339	22,039	25,614	23,108	17,532	16,298	16,775	18,609
Facility rental	55,619	17,429	396	1,451	1,673	293	(13)	4,573	5,163	5,079
Depreciation and amortization	44,018	70,124	79,098	79,673	96,412	113,978	165,406	164,941	162,794	170,749
Total operating expenses	128,860	111,710	107,624	109,774	131,953	147,212	192,141	191,826	190,897	202,480
Operating income (loss)	(4,282)	21,018	32,337	63,469	18,587	147,295	270,395	152,825	85,608	119,846
Nonoperating revenues (expenses):										
Investment income (loss), net	653	896	1,368	3,983	5,829	993	(2,305)	23,207	50,924	54,691
Interest expense	(18,384)	(88,211)	(125,345)	(123,707)	(125,264)	(124,144)	(171,000)	(171,059)	(179,165)	(180,373)
Revenues from federal sources	9,653	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210	19,200
Revenues from state sources	6,143	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091	126,818
Revenues from private sources	-	-	-	-	-	-	5,567	66,026	108,605	48,166
Expenses incurred on behalf of other governments	(5,347)	(845)	(984)	(3,224)	(17,402)	(54,144)	(23,335)	(66,366)	(70,680)	(54,694)
Proceeds from primary government	-	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444	40,981
Other expenses	(3,292)	(4,977)	(2,486)	(3,665)	(3,418)	(4,354)	(5,090)	(2,802)	(7,206)	(15,409)
Gain (loss) on disposals	(1,107)	(21)	(1,769)	744	225	94	481	(534)	(1,677)	(3,821)
Income (loss) before capital contributions	(15,963)	31,300	(38,567)	46,091	(1,517)	42,294	110,392	146,921	112,154	155,405
Capital contributions:										
Commonwealth Port Fund allocation	42,367	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298
Capital contributions (to) from component unit	(288)	22,447	710	1,489	284	148	1,638	638	1,234	-
Cumulative effect of changes in accounting principle	-	-	-	-	-	-	233,086	-	-	(1,232)
Increase in net position	26,116	95,216	3,269	90,631	40,689	91,220	402,937	207,610	169,944	213,471
Special item - lease conversion	-	13,277	-	-	-	-	-	-	-	-
Increase in net position after special item	26,116	108,493	3,269	90,631	40,689	91,220	402,937	207,610	169,944	213,471
Net position - beginning of year	372,502	398,618	507,111	510,380	601,011	641,700	732,920	1,135,857	1,343,467	1,513,411
Net position - end of year	\$ 398,618	\$ 507,111	\$ 510,380	\$ 601,011	\$ 641,700	\$ 732,920	\$ 1,135,857	\$ 1,343,467	\$ 1,513,411	\$ 1,726,882

Certain prior year amounts have been reclassified to conform to the presentation depicted in the financial statements presented herein.

⁽¹⁾ The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022 and Statement No. 101, *Compensated Absences*, in fiscal year 2025.

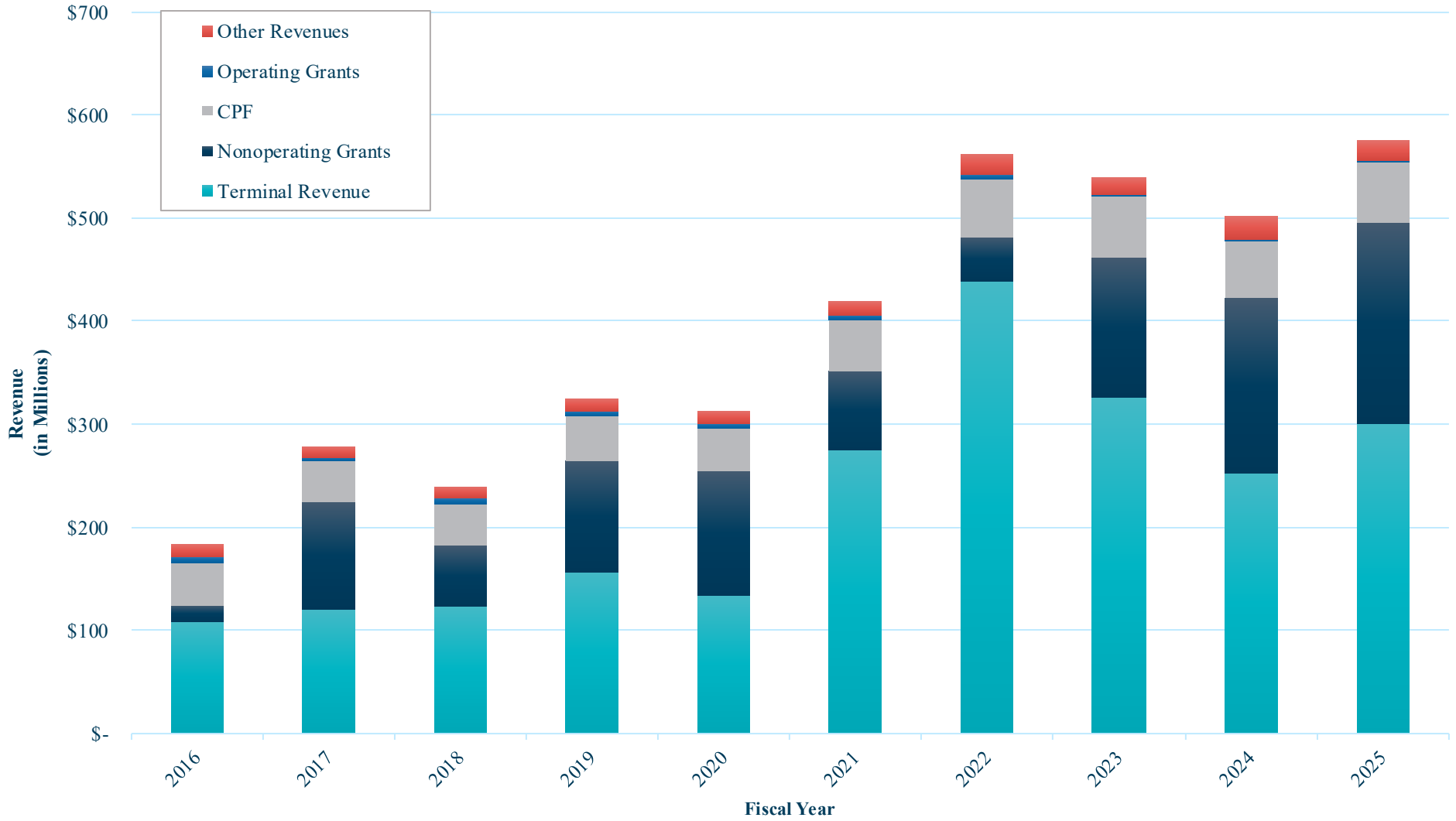
HISTORICAL REVENUE COMPARISONS

This graph contains trend data about how the revenue sources of the Authority have changed over time.

VIRGINIA PORT AUTHORITY

HISTORICAL REVENUE COMPARISONS

68

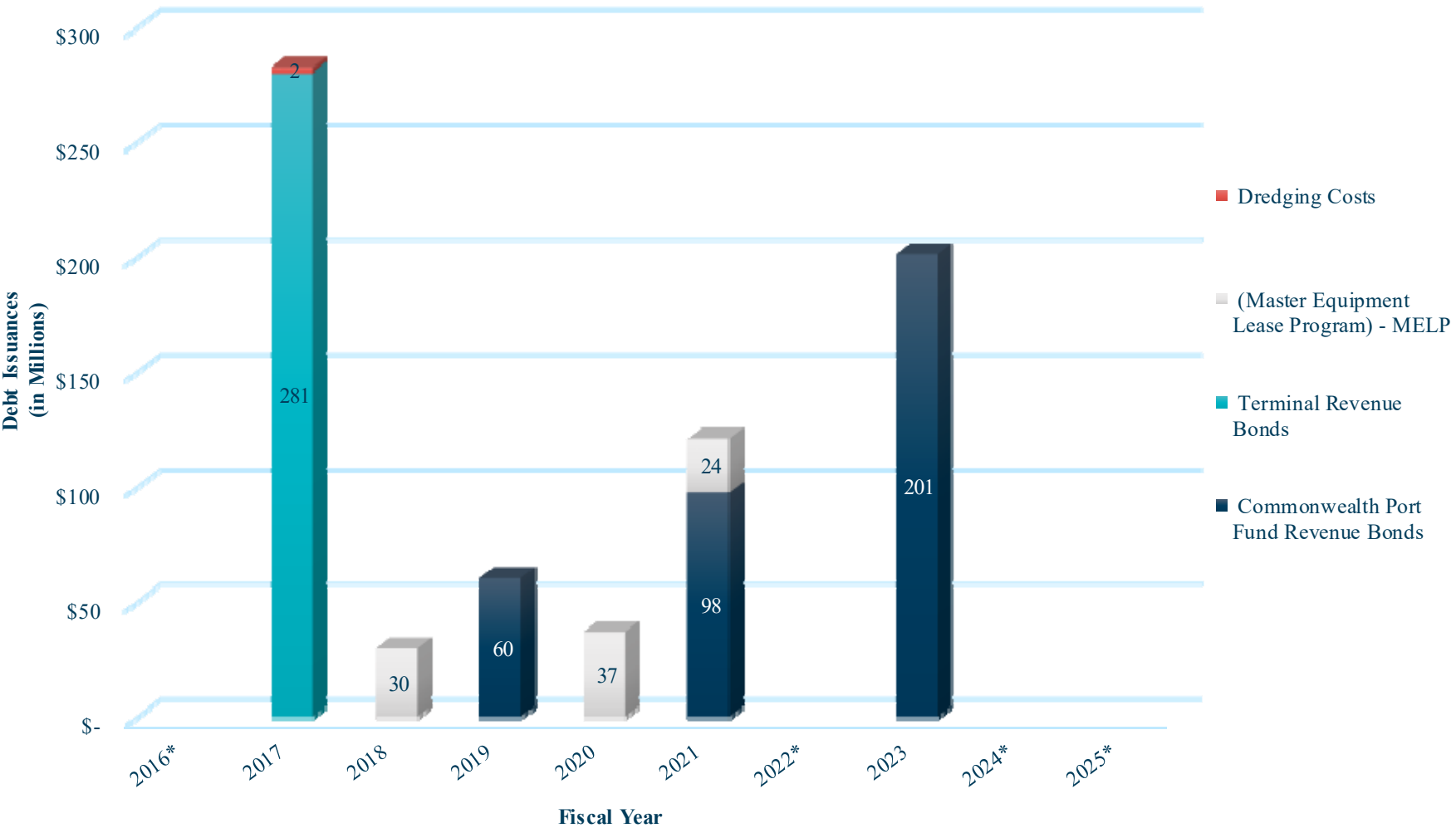


DEBT CAPACITY

These schedules and graphs present information about the Authority's debt requirements and ability to pay debt service.

VIRGINIA PORT AUTHORITY

HISTORICAL DEBT ISSUANCES
(Par Value – USD Millions)

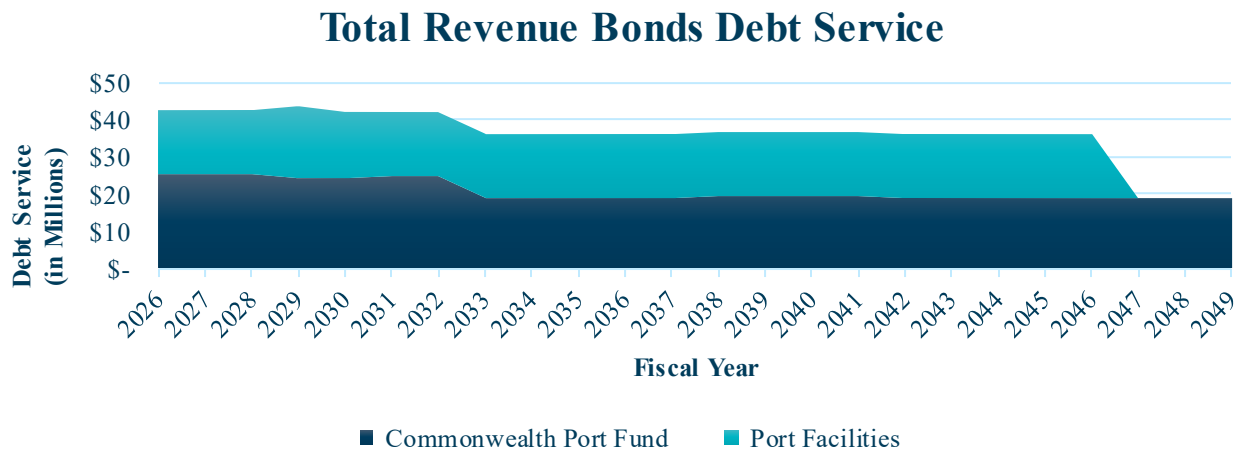


*No new debt was issued in fiscal years 2016, 2022, 2024, and 2025.

VIRGINIA PORT AUTHORITY

DEBT SERVICE PAYMENT REQUIREMENTS

Fiscal Year Ending June 30,	Commonwealth Port Fund Revenue Bonds Debt Service		Port Facilities Revenue Bonds Debt Service	Total Revenue Bonds Debt Service
			(In Thousands)	
2026	\$	25,137	\$ 17,400	\$ 42,537
2027		25,121	17,395	42,516
2028		25,105	17,387	42,492
2029		24,506	19,274	43,780
2030		24,512	17,368	41,880
2031		24,893	17,361	42,254
2032		24,812	17,348	42,160
2033		18,818	17,326	36,144
2034		18,811	17,316	36,127
2035		18,797	17,306	36,103
2036		18,827	17,296	36,123
2037		18,817	17,285	36,102
2038		19,302	17,262	36,564
2039		19,295	17,251	36,546
2040		19,289	17,239	36,528
2041		19,283	17,225	36,508
2042		19,163	17,207	36,370
2043		19,150	17,194	36,344
2044		19,129	17,180	36,309
2045		19,094	17,163	36,257
2046		19,075	17,142	36,217
2047		19,048	-	19,048
2048		19,028	-	19,028
2049		19,001	-	19,001
	\$	498,013	\$ 364,925	\$ 862,938



VIRGINIA PORT AUTHORITY

RATIO OF OUTSTANDING REVENUE BONDS, MASTER EQUIPMENT LEASE FINANCINGS, AND NOTES PAYABLE¹ BY TYPE TO OPERATING REVENUES

Fiscal Year Ended June 30,	Port Facilities Revenue Bonds*	Commonwealth Port Fund Revenue Bonds*	Master Equipment Lease Financing	Other Long-Term Debt*	Total	Ratio - Total Debt to Operating Revenues	Total Business-Type Activities Operating Revenues
<i>(In Thousands)</i>							
2016	\$ 251,995	\$ 254,350	\$ 17,292	\$ -	\$ 523,637	1.15	\$ 454,819
2017	280,530	243,770	-	2,158	526,458	1.07	490,835
2018	278,395	234,420	29,937	2,158	544,910	1.01	537,045
2019	272,830	227,890	28,440	2,112	531,272	0.94	567,620
2020	267,085	217,805	62,933	2,064	549,887	1.07	512,909
2021	261,145	218,740	81,971	2,015	563,871	0.88	638,615
2022	254,995	206,950	75,524	1,965	539,434	0.60	897,151
2023	248,630	336,970	68,883	-	654,483	0.80	814,766
2024	242,035	325,580	62,079	-	629,694	0.82	768,435
2025	235,195	313,810	55,109	-	604,114	0.71	854,534

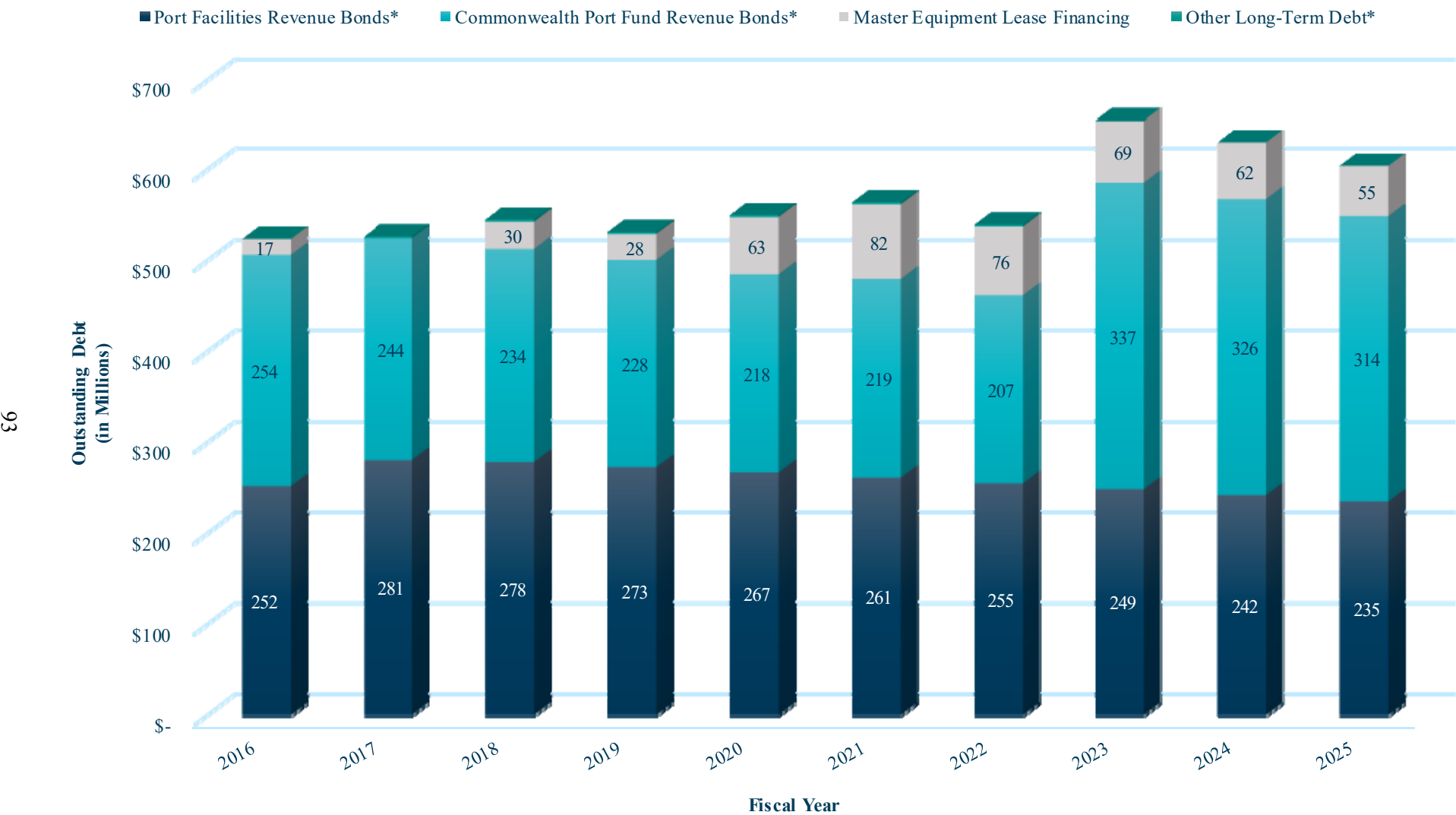
* At par value - does not include premiums or deferred amounts

¹ The above table considers debt in the context of principal repayment obligations for borrowed funds to finance capital needs. Commensurate with issuance, there may be premiums/discounts associated with the debt. The table also excludes liabilities originating from the amended and restated lease with Virginia International Gateway, Inc., other leases under GASB 87, and subscriptions under GASB 96. Please see Note 6 and Note 12 to the financial statements for more information.

The Authority has no taxing authority and does not derive its revenues directly from the population of the Commonwealth. There is no direct relationship between the population of the Commonwealth, or its per capita income, to the types of debt incurred by the Authority. The above ratios reflect debt as a percentage of combined operating revenues which fluctuate based on local, state, and global economics.

VIRGINIA PORT AUTHORITY

OUTSTANDING DEBT BY TYPE

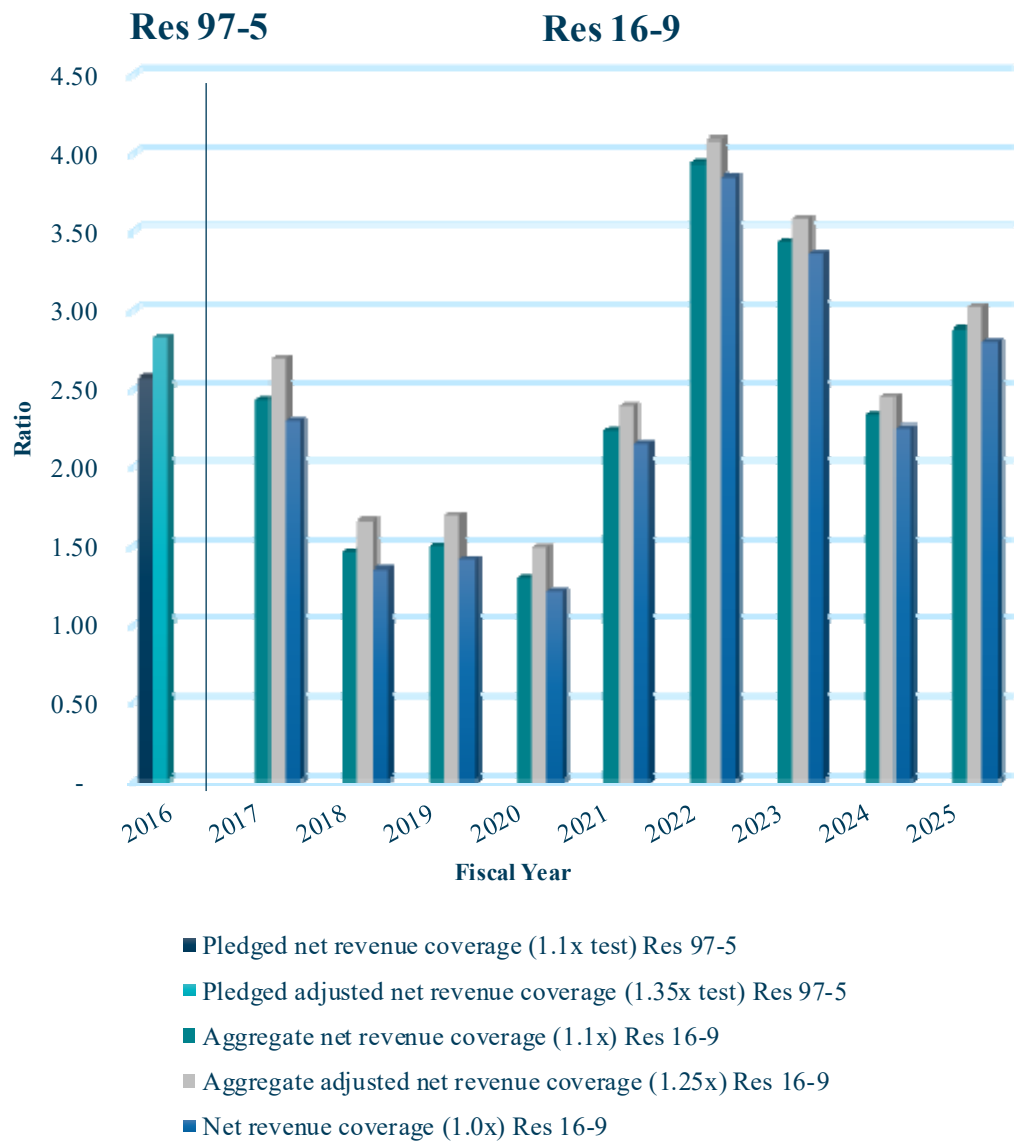


* At par value – does not include premiums or deferred amounts

Note: Does not include the VIG lease liabilities or other liabilities recorded pursuant to GASB 87 and GASB 96. Please refer to Note 6 for further detail of these liabilities.

VIRGINIA PORT AUTHORITY

HISTORICAL DEBT SERVICE COVERAGE RATIOS



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

**OPERATING RESULTS AND DEBT SERVICE COVERAGE RESOLUTION NO. 97-5
CASH BASIS**

	Fiscal Year Ended June 30, 2016 <i>(In Thousands)</i>
Virginia International Terminals	
Gross receipts	\$ 420,226
Current expenses	(304,120)
CE reserve withdrawal (deposit)	(4,653)
Deposits to CEMA	(8,690)
Capital expenditures	(336)
VIT net revenue	<u><u>\$ 102,427</u></u>
Virginia Port Authority	
Gross revenues:	
VIT net revenue	\$ 102,427
Other income	25,310
Interest income	6
Total VPA gross revenues	<u>127,743</u>
Current expenses	<u>(93,003)</u>
Net revenues	<u><u>\$ 34,740</u></u>
CPF for O&M	\$ 4,409
Debt Service Coverage	
Port facilities revenue bonds:	
Net debt service	\$ 16,985
Pledged net revenues	43,431
Pledged adjusted net revenues	47,839
Pledged net revenue coverage	2.56
Pledged adjusted net revenue coverage	2.82

Note: This data will continue to be published until we have ten years of data under Resolution 16-9.

VIRGINIA PORT AUTHORITY

OPERATING RESULTS AND DEBT SERVICE COVERAGE RESOLUTION NO. 16-9

	Fiscal Year Ended June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(In Thousands)								
VIRGINIA INTERNATIONAL TERMINALS									
VIT/HRCF II gross receipts	\$ 484,494	\$ 550,211	\$ 589,670	\$ 556,625	\$ 631,182	\$ 905,761	\$ 874,054	\$ 735,352	\$ 881,342
VIT/HRCF II current expenses	(350,771)	(421,533)	(419,549)	(416,717)	(403,298)	(471,421)	(474,095)	(489,926)	(558,778)
VIT liquidity reserve withdrawal (deposit)	(2,543)	6,061	(10,031)	(677)	4,745	(721)	(6,649)	(3,023)	(3,321)
One-time cash transfers HRCF II	5,827	-	-	-	-	-	-	-	-
VIT CEMA liquidation	16,061	-	-	-	-	-	-	-	-
VIT/HRCF II port operator capital expenditures (A)	(7,579)	(11,046)	(6,456)	(11,091)	(8,193)	(9,067)	(6,095)	(8,792)	(11,218)
VIT/HRCF II payment (per Payment Agreement to VPA)	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611	308,025
VIRGINIA PORT AUTHORITY									
Gross revenues:									
VIT/HRCF II payment per Payment Agreement	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611	308,025
Other VPA income and interest income	10,037	11,186	15,052	17,247	20,271	21,433	33,789	57,935	64,035
Total gross revenues	155,526	134,879	168,686	145,387	244,707	445,985	421,004	291,546	372,060
Current expenses:									
Terminal expenditures	(26,488)	(24,606)	(27,837)	(27,756)	(22,669)	(21,440)	(20,175)	(18,563)	(22,900)
Operating lease payments	(17,429)	(185)	(185)	(185)	(132)	(793)	(902)	(900)	(908)
Total current expenses	(43,917)	(24,791)	(28,022)	(27,941)	(22,801)	(22,233)	(21,077)	(19,463)	(23,808)
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252
VPA Commonwealth Port Fund used for O & M (P)	7,657	8,162	9,975	10,192	6,097	7,373	6,551	4,744	8,483
VPA Commonwealth Port Fund used for VIG rent (Q)	5,831	9,996	9,996	9,996	9,996	9,996	9,966	9,996	9,996
Revenue stabilization fund balance	29,082	39,661	39,973	40,116	39,933	39,338	39,899	40,000	40,000
25% of revenue stabilization fund balance (D)	7,271	9,915	9,993	10,029	9,983	9,835	9,975	10,000	10,000
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252
Aggregate net revenue (E) (E = B + D - A)	126,459	131,049	157,113	138,566	240,082	442,654	415,997	290,875	369,470
Adjusted net revenue (F) (F = B + P + Q)	125,097	128,246	160,635	137,634	237,999	441,121	416,444	286,823	366,731
Aggregate adjusted net revenue (G) (G = F + D - A)	139,947	149,207	177,084	158,754	256,175	460,023	432,514	305,615	387,949
DEBT SERVICE COVERAGE									
Senior debt service:									
Senior obligations	42,578	72,795	87,818	90,299	90,092	95,352	103,962	108,121	111,688
Series 2016 Bonds principal and interest requirements	9,614	17,537	17,504	17,068	17,414	17,387	17,211	17,119	17,024
Aggregate principal and interest requirements (C)	\$ 52,192	\$ 90,332	\$ 105,322	\$ 107,367	\$ 107,506	\$ 112,739	\$ 121,173	\$ 125,240	\$ 128,712

Debt Service Coverage	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025
Aggregate net revenue coverage (E/C > 1.1x)	2.42	1.45	1.49	1.29	2.23	3.93	3.43	2.32	2.87
Aggregate adjusted net revenue coverage (G/C > 1.25x)	2.68	1.65	1.68	1.48	2.38	4.08	3.57	2.44	3.01
Net revenue coverage ((B-A)/C > 1.0x)	2.28	1.34	1.40	1.20	2.14	3.84	3.35	2.24	2.79

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These illustrations, schedules and graphs present information about demographic and economic information relevant to the Authority.

THE PORT BY THE NUMBERS

ECONOMIC DEVELOPMENT



More than \$1.4 billion
in current port infrastructure
projects and ongoing
investments



30 million square feet
of speculative development
announced, under
construction, or delivered



Named a top state
for business
by CNBC and Business
Facilities Magazine

MID-ATLANTIC LOCATION



Home to Foreign Trade
Zone (FTZ) #20



75% of U.S. population
lives within a two days' drive
from the port



East Coast's largest
intermodal rail port
serving more inland markets
than any other East Coast port

OCEAN SERVICES



Nearly 40 international
shipping line services
offer direct access to
more than 90 foreign ports



7 total last-out services
offer expansive global reach
for exporters



Deepest, widest, safest
channel on the East Coast
with 55' water depth by the
end of 2025

THE PORT BY THE NUMBERS

SUSTAINABILITY



Net-Zero by 2040,
the earliest commitment of any
east coast port

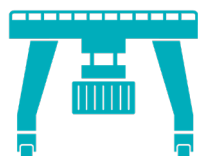


**Powered by 100%
clean energy**, now receiving
all of our electricity needs from
clean sources



**Largest fleet of electric
and hybrid equipment**
on the East Coast

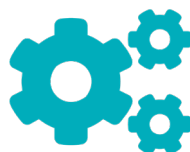
CAPACITY



5.8M TEU capacity
following completion of
ongoing
infrastructure projects



**29 Suez-class ship-to-
shore cranes**, growing to 33 in
the future



**Advanced use of
technology** that drives
efficiency and
improves safety

IMPACT



Responsible for more than
**565,000 full- and part-
time jobs**

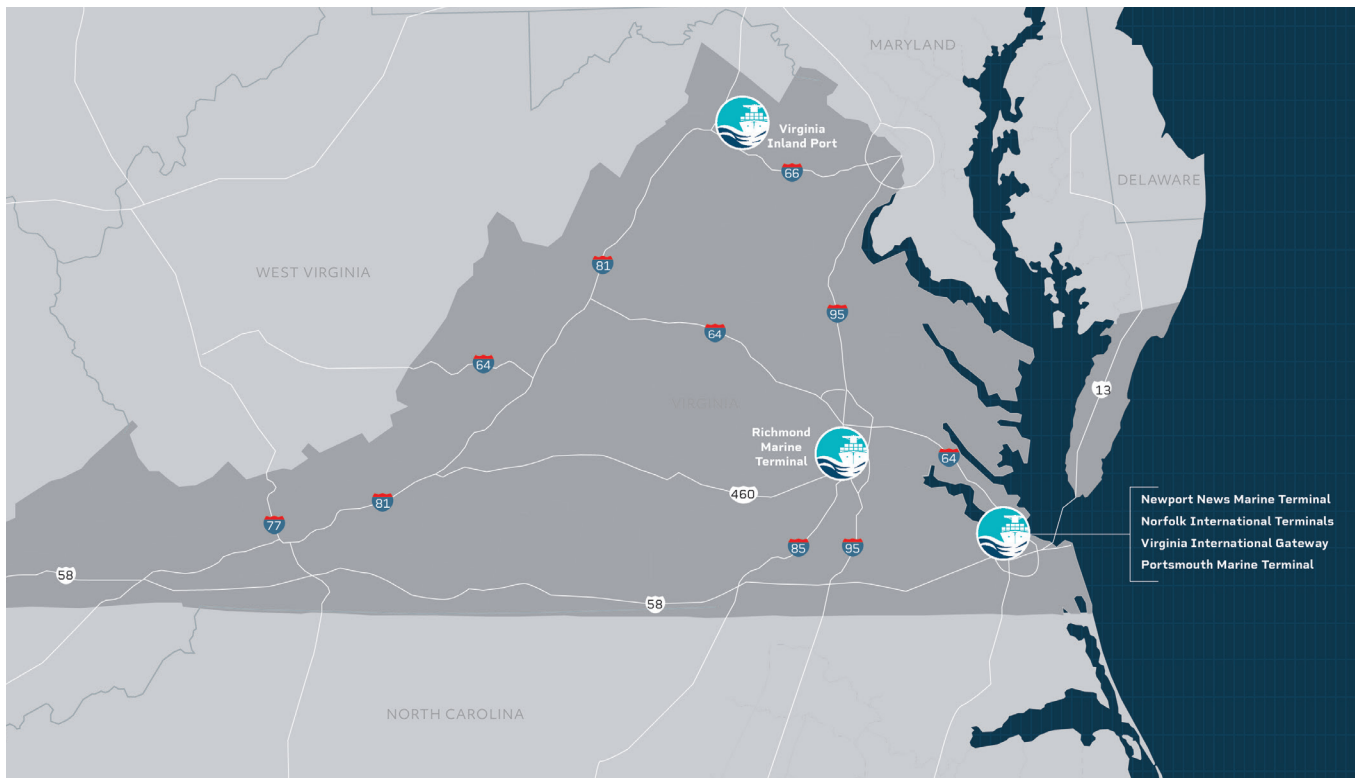


Helps drive more than **\$124
billion in total spending**
in Virginia



Creates **\$5.8 billion**
in state and local taxes

THE PORT OF VIRGINIA TERMINALS

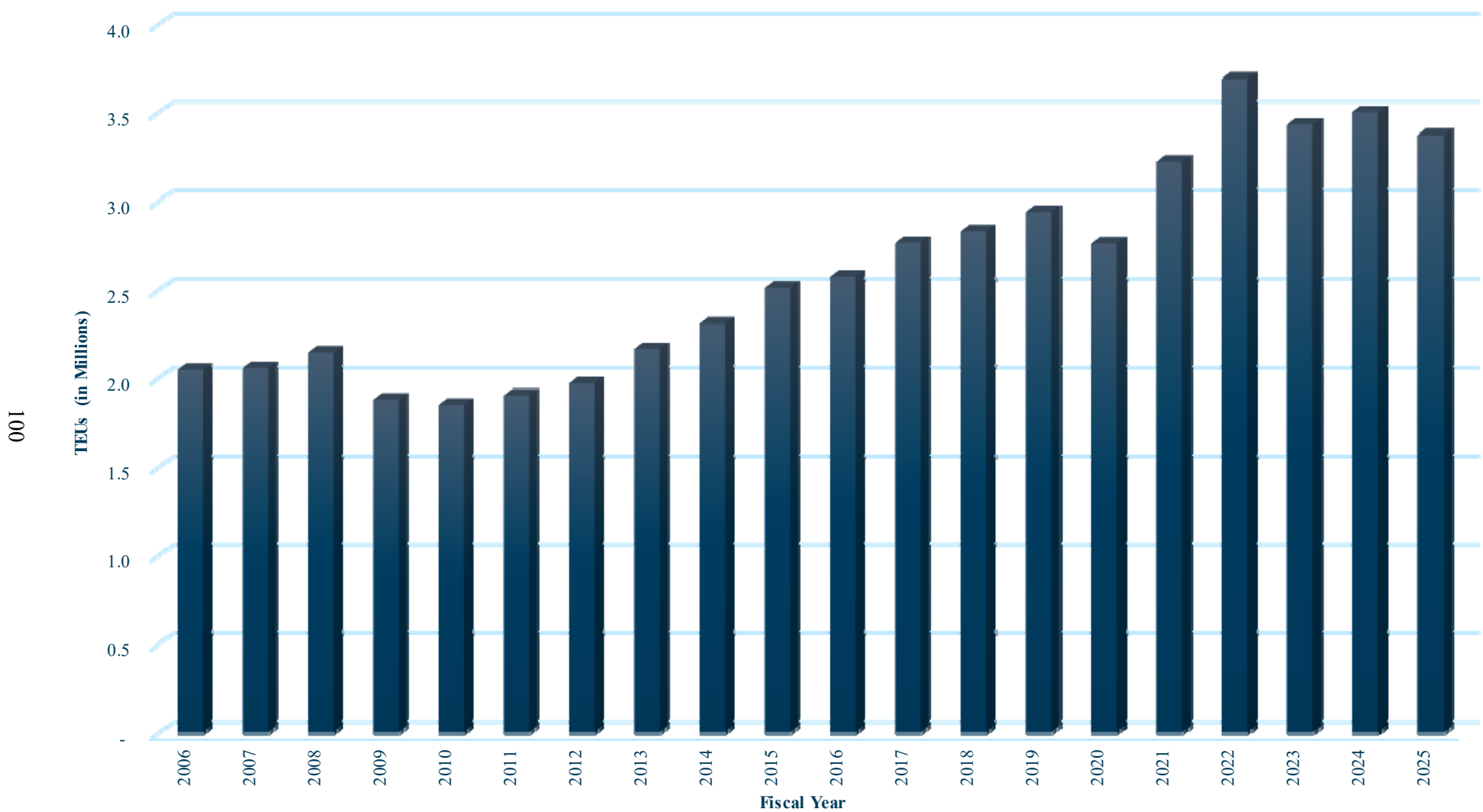


THE PORT OF VIRGINIA RAIL CONNECTIVITY



VIRGINIA PORT AUTHORITY

TWENTY-FOOT EQUIVALENT UNIT (TEU) CONTAINER THROUGHPUT





Hampton Roads Harbor

Calendar 2024 Trade Overview

TOTAL		EXPORT		IMPORT	
	Short Tons (Thousands)		Short Tons (Thousands)		Short Tons (Thousands)
Total Cargo	73,550	Total Cargo	58,305	Total Cargo	15,245
General Cargo	26,669	General Cargo	12,839	General Cargo	13,830
Container Cargo	26,225	Container Cargo	12,821	Container Cargo	13,404
Breakbulk Cargo*	444	Breakbulk Cargo	18	Breakbulk Cargo	425
Container Units	1,948,003	Container Units	1,011,671	Container Units	936,332
TEUs	3,523,512	TEUs	1,840,561	TEUs	1,682,951
Total Cargo Dollar Value (Millions)	\$109,653	Total Cargo Dollar Value (Millions)	\$39,648	Total Cargo Dollar Value (Millions)	\$70,005

Vessel Calls 2,564

Coal Loadings* Short Tons (Thousands) 46,028

*Coal loadings and breakbulk cargo include international and domestic shipments

US East Coast Port	TEUs	East Coast Market Share
New York/New Jersey	8,697,767	33.9%
Savannah	5,545,557	21.6%
Port of Virginia	3,523,512	13.7%
Charleston (SC)	2,497,143	9.7%
Jacksonville	1,378,594	5.4%
Port Everglades	1,117,202	4%
Miami	1,089,946	4%
Philadelphia	840,751	3%
Baltimore	741,315	3%
Boston	251,470	1%



Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, AAPA, The Port of Virginia, PMSA

Note: The list of Port Facilities included in this report is summarized on the last page of this report

Compiled by The Port of Virginia, Strategic Planning & Analytics

Calendar 2024 Total Cargo in Thousands of Short Tons

Top 10 Trading Partners

Exports		Imports	
1 India	11,869	1 China	2,321
2 Netherlands	5,511	2 India	1,735
3 Brazil	5,453	3 Germany	1,086
4 China	5,113	4 Vietnam	938
5 Japan	3,070	5 Brazil	693
6 Morocco	2,661	6 Greece	662
7 Turkey	2,393	7 Italy	633
8 United Kingdom	1,885	8 Thailand	458
9 Germany	1,726	9 France	433
10 Indonesia	1,542	10 Spain	381

Top 10 Commodities

Exports		Imports	
1 Mineral Fuels, Mineral Oils	42,400	1 Nuclear Reactors, Boilers, Machinery	1,418
2 Oil Seeds And Oleaginous Fruits	2,905	2 Salt, Sulfur, Earths And Stone	1,321
3 Wood And Articles Of Wood	2,667	3 Plastics And Articles Thereof	985
4 Residues And Waste From Food Ind.	1,973	4 Furniture, Bedding, Mattresses, Etc.	939
5 Pulp Of Wood Or Other Fibrous Mat.	1,393	5 Articles Of Iron Or Steel	827
6 Plastics And Articles Thereof	1,159	6 Electrical Machinery And Equipment	708
7 Cereals	726	7 Vehicles	582
8 Iron And Steel	571	8 Wood And Articles Of Wood	558
9 Paper And Paperboard	376	9 Articles Of Stone, Plaster, Cement	512
10 Aluminum And Articles Thereof	369	10 Rubber And Articles Thereof	486

Trade Lanes

	Export	Import
Africa	4,010	272
Asia, Northeast	9,515	3,062
Asia, Southeast	3,826	2,229
Caribbean	326	56
Central AM	163	40
Europe, North	14,507	3,669
India & Others	12,423	1,954
Mediterranean	6,165	2,114
Middle East	688	263
North America	87	253
Oceania	55	46
South America	6,541	1,288

Top U.S. Ports

1 Houston, TX	242,660
2 Corpus Christi, TX	173,273
3 New Orleans, LA	114,398
4 Los Angeles, CA	81,593
5 Norfolk-Newport News, VA	73,550
6 Newark, NJ	71,601
7 Gramercy, LA	65,204
8 Long Beach, CA	58,334
9 Savannah, GA	47,820
10 Beaumont, TX	47,580

Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, The Port of Virginia

Note: The list of Port Facilities included in this report is summarized on the last page of this report

Compiled by The Port of Virginia, Strategic Planning & Analytics

Calendar 2024 Total Cargo in Millions of U.S. Dollars

Top 10 Trading Partners

Exports		Imports	
1 Germany	\$3,708	1 China	\$9,237
2 China	\$2,914	2 Germany	\$8,472
3 Netherlands	\$2,727	3 India	\$7,080
4 Belgium	\$2,170	4 Italy	\$4,325
5 United Kingdom	\$2,087	5 Vietnam	\$3,879
6 India	\$1,705	6 Japan	\$2,679
7 Austria	\$1,571	7 Ireland	\$2,342
8 Spain	\$1,554	8 France	\$2,210
9 Brazil	\$1,503	9 Malaysia	\$1,961
10 France	\$1,408	10 Spain	\$1,818

Top 10 Commodities

Exports		Imports	
1 Pharmaceutical Products	\$6,022	1 Nuclear Reactors, Boilers, Machinery	\$16,029
2 Nuclear Reactors, Boilers, Machinery	\$3,846	2 Electrical Machinery And Equipment	\$7,099
3 Plastics And Articles Thereof	\$3,412	3 Pharmaceutical Products	\$3,691
4 Vehicles	\$1,956	4 Vehicles	\$3,408
5 Organic Chemicals	\$1,838	5 Furniture, Bedding, Mattresses, Etc.	\$3,053
6 Miscellaneous Chemical Products	\$1,587	6 Plastics And Articles Thereof	\$2,913
7 Oil Seeds And Oleaginous Fruits	\$1,373	7 Articles Of Iron Or Steel	\$2,230
8 Wood And Articles Of Wood	\$1,242	8 Organic Chemicals	\$1,926
9 Electrical Machinery And Equipment	\$1,208	9 Optical, Photographic Instruments, Etc.	\$1,845
10 Inorganic Chemicals, Etc.	\$1,202	10 Rubber And Articles Thereof	\$1,548

Trade Lanes

	Export	Import
Africa	\$1,940	\$789
Asia, Northeast	\$5,460	\$14,653
Asia, Southeast	\$3,479	\$10,073
Caribbean	\$264	\$28
Central AM	\$315	\$223
Europe, North	\$18,051	\$24,156
India & Others	\$2,195	\$8,405
Mediterranean	\$3,092	\$8,461
Middle East	\$1,769	\$792
North America	\$38	\$106
Oceania	\$490	\$197
South America	\$2,557	\$2,123

Top U.S. Ports

1 Los Angeles, CA	\$332,607
2 Houston, TX	\$222,525
3 Newark, NJ	\$203,663
4 Savannah, GA	\$125,587
5 Long Beach, CA	\$115,268
6 Norfolk-Newport News, VA	\$109,653
7 Charleston, SC	\$92,990
8 Corpus Christi, TX	\$89,381
9 Baltimore, MD	\$62,187
10 New Orleans, LA	\$57,532

Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, The Port of Virginia

Note: The list of Port Facilities included in this report is summarized on the last page of this report

Compiled by The Port of Virginia, Strategic Planning & Analytics



Port Facilities

General Cargo Terminals
The Port of Virginia

Coal Terminals
Dominion Terminal Associates
Kinder Morgan Bulk Terminals - Pier IX
Norfolk Southern Corporation

Refrigerated Facilities
Lineage (formerly IRPS)

Dry Bulk and Grain Handling Facilities
Kinder Morgan Money Point Terminal
Kinder Morgan Terminals - Elizabeth River Terminals, LLC
Perdue Agribusiness, LLC
SeaGate Terminals, LLC

Liquid Bulk Terminals
BKEP Materials, LLC
IMTT - Virginia
Kinder Morgan Norfolk Terminals
Kinder Morgan South Hill Terminal
Marine Oil Service, Inc.
Norfolk Oil Transit, Inc.
PAPCO - World Fuel Services

OPERATING INFORMATION

These schedules and graphs present additional operating information about the Authority.

VIRGINIA PORT AUTHORITY

OTHER OPERATIONAL INFORMATION

This schedule presents information about the Authority's personnel.

Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sworn Officers/Security Personnel/Safety	51	50	49	54	53	52	52	50	55	55
Marketing/Economic Development Personnel	17	18	19	19	18	24	18	18	7	10
Strategic Planning, Engineering & Acquisition Personnel	24	27	23	40	35	30	26	30	24	31
Information Technology Personnel	41	41	39	34	31	31	31	27	28	25
Administrative Personnel	63	67	70	73	84	78	80	79	82	82
Authority Totals	196	203	200	220	221	215	207	204	196	203

VIRGINIA PORT AUTHORITY SOURCE AND USE DATA Fiscal Year Ended June 30, 2025 (In Thousands)

Operating revenues	\$ 322,326	48%	Operating expenses	\$ 202,480	44%
Nonoperating revenues	<u>349,154</u>	52%	Nonoperating expenses	<u>254,297</u>	56%
Total revenues	<u><u>\$ 671,480</u></u>		Total expenses	<u><u>\$ 456,777</u></u>	

The Virginia Port Authority has several revenue sources including operating revenues from component unit, other operating revenues (primarily security surcharges), and operating grants as operational sources. Nonoperating revenues include Commonwealth Port Fund allocations, Capital Grants, Primary Government and Other State Agency transfers, and federal and private source funding.

Of the operating revenues, \$301,394 or 94% are operating transfers based on the net cash flows of Virginia International Terminals. Their tariff rates are published at <https://www.portofvirginia.com>. Currently, 57% of all terminal operating revenues are based on proprietary unit rate contracts. The remaining revenues are billed at tariff rates or via specific quotes.

VIRGINIA PORT AUTHORITY

CAPITAL ASSETS¹

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Terminals Operated (total)	6	6	6	6	6	6	6	6	6	6
Owned	4	4	4	4	4	4	4	4	4	4
Leased	2	2	2	2	2	2	2	2	2	2
Land (acres)	1,592	1,592	1,592	1,592	1,592	2,101	2,180	2,073	2,073	2,073
Berth/Wharf (linear feet)	17,955	17,935	17,935	18,736	18,736	19,885	19,885	19,885	19,885	19,885
Rail Track (linear feet)	184,795	204,607	204,607	208,495	208,495	246,188	333,704	239,759	239,759	239,759
On-Terminal Warehouse (sq. ft.)	2,698,000	2,638,105	2,638,105	2,017,305	2,017,305	2,017,305	2,017,305	2,017,305	2,017,305	2,017,305
<i>(In Thousands)</i>										
Construction in Progress	\$ 122,437	\$ 195,488	\$ 291,099	\$ 311,684	\$ 205,797	\$ 160,677	\$ 173,820	\$ 368,955	\$ 719,778	\$ 666,424
Land	102,749	103,936	103,936	103,936	103,936	104,471	104,471	104,471	103,936	103,936
Buildings and Infrastructure	780,966	851,513	857,601	935,250	1,072,451	1,121,101	1,137,172	1,138,576	1,140,331	1,472,578
Equipment	304,165	370,714	370,798	448,464	596,454	660,698	643,410	687,652	690,353	740,553
Accumulated Depreciation	(557,264)	(609,276)	(656,345)	(709,556)	(768,762)	(828,889)	(854,439)	(925,699)	(977,033)	(1,057,068)
Net Book Value of Capital Assets	\$ 753,053	\$ 912,375	\$ 967,089	\$ 1,089,778	\$ 1,209,876	\$ 1,218,058	\$ 1,204,434	\$ 1,373,955	\$ 1,677,365	\$ 1,926,423



¹ Excludes the net book value of the amended and restated lease with Virginia International Gateway, Inc. and other right-to-use lease and subscription assets recorded pursuant to GASB Statement No. 87 and GASB Statement No. 96.

VIRGINIA PORT AUTHORITY

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

	Fiscal Year Ended June 30,									
	2016	2017 Restated ⁽¹⁾	2018	2019	2020	2021	2022 ⁽²⁾	2023	2024	2025 ⁽²⁾
Operating revenues:										
Terminal operating revenues	\$ 444,444	\$ 478,261	\$ 522,069	\$ 551,236	\$ 496,258	\$ 619,580	\$ 873,982	\$ 796,269	\$ 745,476	\$ 834,229
Other revenues	9,340	10,102	10,445	11,186	10,946	13,120	19,064	16,996	21,450	19,175
Operating revenues - grants, federal and state	6,391	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509	1,130
Total operating revenues	460,175	490,477	538,048	567,620	512,908	638,615	897,151	814,766	768,435	854,534
Operating expenses:										
Terminal operations	209,681	218,813	247,513	251,470	217,208	231,239	261,743	253,075	263,594	323,720
Terminal maintenance	90,397	95,372	105,779	109,629	112,559	107,388	120,784	134,022	131,656	156,481
General and administrative	49,196	48,818	50,937	54,632	58,046	58,742	54,595	55,592	57,513	58,227
Facility rental	55,619	17,429	396	1,451	1,682	293	(13)	4,573	5,163	5,079
Depreciation and amortization	47,723	74,406	84,271	86,940	103,839	121,836	191,988	198,897	197,238	203,551
Total operating expenses	452,616	454,838	488,896	504,122	493,334	519,498	629,097	646,159	655,164	747,058
Operating income	7,559	35,639	49,152	63,498	19,574	119,117	268,054	168,607	113,271	107,476
Nonoperating revenues (expenses):										
Investment income (loss), net	704	920	1,368	4,053	6,177	1,075	(1,880)	24,678	53,600	57,249
Interest expense	(18,365)	(88,233)	(125,369)	(123,516)	(125,264)	(124,144)	(174,152)	(176,706)	(186,772)	(187,278)
Revenue from federal sources	9,653	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210	19,200
Revenue from state sources	6,143	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091	126,818
Revenue from private sources	-	-	-	-	-	-	5,567	66,026	108,605	48,166
Expenses incurred on behalf of other governments	(5,347)	(845)	(984)	(3,224)	(17,402)	(54,144)	(23,335)	(66,366)	(70,680)	(54,694)
Proceeds from primary government	-	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444	40,981
Other expenses	(3,292)	(4,977)	(2,486)	(3,665)	(3,418)	(4,355)	(5,090)	(2,802)	(7,206)	(15,409)
Gain (loss) on disposals	(1,107)	(21)	(1,769)	744	271	372	480	(277)	(1,670)	(4,129)
Income (loss) before capital contributions	(4,052)	45,923	(21,776)	46,381	(136)	14,475	105,323	158,784	134,893	138,380
Capital contributions:										
Commonwealth Port Fund allocation	42,367	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298
Cumulative effect of changes in accounting principle	-	7	-	-	-	-	233,086	-	-	(2,910)
Increase in net position	38,315	87,399	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768
Special item - lease conversion	-	13,277	-	-	-	-	-	-	-	-
Increase in net position after special item	38,315	100,676	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768
Net position - beginning of year	484,681	522,996	623,672	643,022	732,454	774,240	837,493	1,233,723	1,452,558	1,644,007
Net position - end of year	\$ 522,996	\$ 623,672	\$ 643,022	\$ 732,454	\$ 774,240	\$ 837,493	\$ 1,233,723	\$ 1,452,558	\$ 1,644,007	\$ 1,838,775

⁽¹⁾ Restatement includes the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018.

⁽²⁾ The Authority adopted GASB Statement No. 87, *Leases*, and Statement No. 101, *Compensated Absences*, in fiscal year 2022 and 2025, respectively.

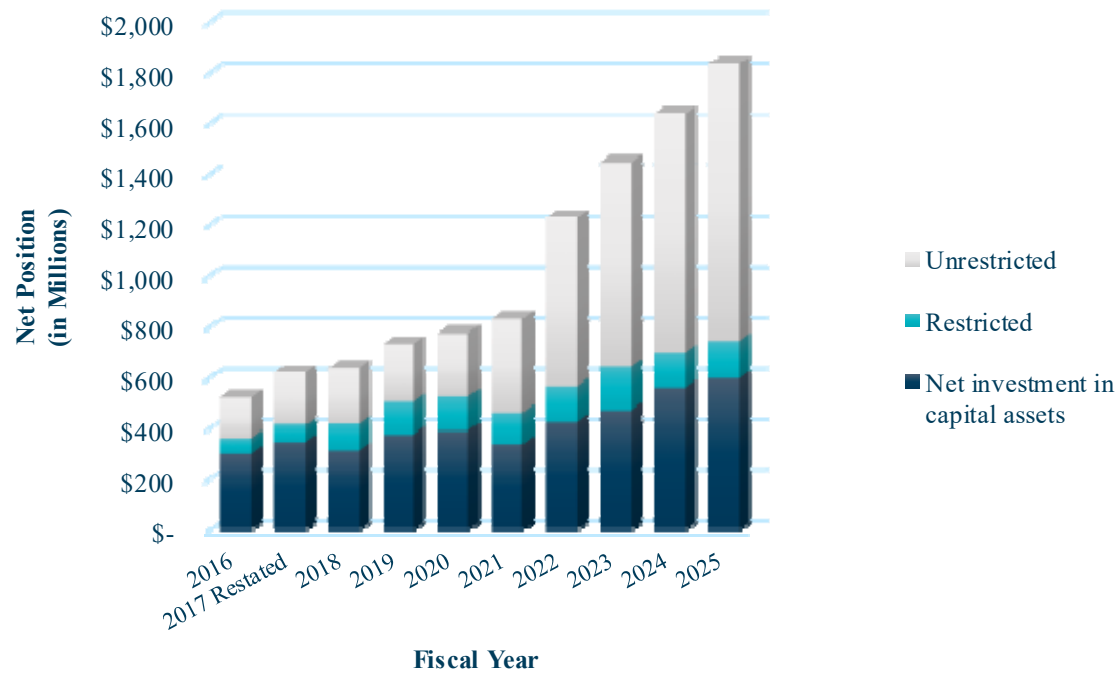
VIRGINIA PORT AUTHORITY

CONSOLIDATED NET POSITION BY COMPONENT

	Fiscal Year June 30,									
	2016	2017 Restated	2018	2019	2020	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>									
Net Position										
Net investment in capital assets	\$ 299,198	\$ 344,496	\$ 311,356	\$ 374,200	\$ 388,984	\$ 336,100	\$ 429,234	\$ 474,318	\$ 560,600	\$ 595,271
Restricted	61,275	69,531	111,171	132,382	138,300	129,530	136,866	174,253	136,439	148,868
Unrestricted	162,523	209,645	220,495	225,872	246,956	371,863	667,623	803,987	946,968	1,094,636
Total net position	\$ 522,996	\$ 623,672	\$ 643,022	\$ 732,454	\$ 774,240	\$ 837,493	\$ 1,233,723	\$ 1,452,558	\$ 1,644,007	\$ 1,838,775

Net position amounts have been restated to reflect the implementation of GASB Statement No. 75 and to conform to current year presentation.

Consolidated Net Position by Component





The Port of Virginia partnered with the Chesapeake Bay Foundation, the City of Hampton, and Amazon to complete a 158-foot living shoreline project at Bluebird Gap Farm in October of 2024.

VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT

ANNUAL REPORT
(Unaudited)

FOR THE
FISCAL YEAR ENDED JUNE 30, 2025

COMMONWEALTH PORT FUND REVENUE REFUNDING BONDS,
SERIES 2012 (Taxable)

COMMONWEALTH PORT FUND REVENUE REFUNDING BONDS,
SERIES 2020A (Taxable)

COMMONWEALTH PORT FUND REVENUE REFUNDING BONDS,
SERIES 2020B (AMT)

COMMONWEALTH PORT FUND REVENUE BONDS,
SERIES 2023A (Non-AMT)

COMMONWEALTH PORT FUND REVENUE REFUNDING BONDS,
SERIES 2023B (Non-AMT)

BASE CUSIP NUMBER: 928075

VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT TABLE OF CONTENTS

CONTINUING DISCLOSURE AGREEMENT ANNUAL REPORT Fiscal Year Ended June 30, 2025

Commonwealth Port Fund Revenue Refunding Bonds, Series 2012 (Taxable)
Commonwealth Port Fund Revenue Refunding Bonds, Series 2020A (Taxable)
Commonwealth Port Fund Revenue Refunding Bonds, Series 2020B (AMT)
Commonwealth Port Fund Revenue Bonds, Series 2023A (Non-AMT)
Commonwealth Port Fund Revenue Refunding Bonds, Series 2023B (Non-AMT)

Table 1	Taxes Appropriated to Commonwealth Port Fund
Table 2	Net Transfers to the Commonwealth Port Fund
Table 3	Debt Service Deposit Requirements and Coverage
Table 4	Authority Revenues and Expenses
Table 5	Cargo Data

TAXES APPROPRIATED TO COMMONWEALTH PORT FUND

The General Assembly of the Commonwealth of Virginia (the “Commonwealth”) has appropriated the net additional revenues, from the tax and fee increases enacted pursuant to Chapters 11, 12 and 15 of the Acts of Assembly, 1986 Special Session, in each biennia, to the Commonwealth’s Transportation Trust Fund (the “Transportation Fund”) and directed the Commonwealth’s Transportation Board to allocate 4.2% thereof to the Commonwealth Port Fund (the “Port Fund”).

The General Assembly of the Commonwealth, in Chapter 1289 of the Acts of Assembly, approved various structural changes to the Commonwealth’s method for funding transportation projects in an effort to simplify and make the Commonwealth’s transportation funding arrangements more transparent and sustainable. These changes generally became effective July 1, 2020 and changed the composition of the Transportation Fund and the allocation to the Port Fund to 2.5%.

The following table sets forth the annual collections of the taxes that have been allocated to the Transportation Trust Fund for the last ten fiscal years, beginning with the fiscal year ended June 30, 2016.

**TRANSPORTATION TRUST FUND
STATEMENT OF REVENUE COLLECTIONS
Last Ten Fiscal Years
(in millions)**

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail Sales and Use Tax	\$ 599.1	\$ 615.6	\$ 618.4	\$ 649.5	\$ 644.5	\$ 1,265.1	\$ 1,344.2	\$ 1,440.7	\$ 1,377.1	\$ 1,412.4
Motor Vehicle Sales and Use Tax ⁽¹⁾	237.2	245.8	242.7	254.0	240.8	1,136.3	1,236.7	1,248.9	1,241.4	1,317.1
Motor Fuel Taxes ⁽²⁾	138.8	106.9	105.3	105.4	102.1	1,027.9	1,288.0	1,472.4	1,497.9	1,575.4
Motor Vehicle Registration Fees ⁽³⁾	21.8	22.3	21.8	22.4	20.2	363.1	349.8	311.7	326.6	342.7
Highway Use Fee	-	-	-	-	-	42.7	53.8	58.4	71.0	83.9
Gross Premium Insurance Co	-	-	-	-	-	181.4	180.7	202.5	217.8	228.7
Recording Deeds and Contracts	-	-	-	-	-	83.7	81.6	52.6	50.9	59.9
Total Transportation Trust Fund Revenues⁽⁴⁾	\$ 996.9	\$ 990.6	\$ 988.2	\$ 1,031.3	\$ 1,007.6	\$ 4,100.2	\$ 4,534.8	\$ 4,787.2	\$ 4,782.7	\$ 5,020.1

(1) Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax.

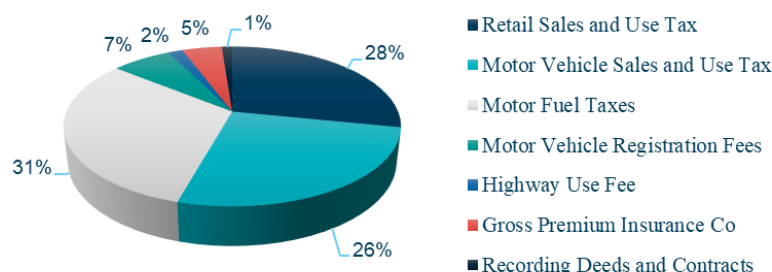
(2) Motor Fuel Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax.

(3) Includes Fines, Penalties and Truck Permits when collected and int’l registration plan MV fee.

(4) Does not reflect investment income credited to such Fund or any Accelerated Revenue or Management Expenses.

Source: Commonwealth of Virginia/Department of Accounts and Department of Transportation.

**Transportation Trust Fund Collections
Fiscal Year 2025**



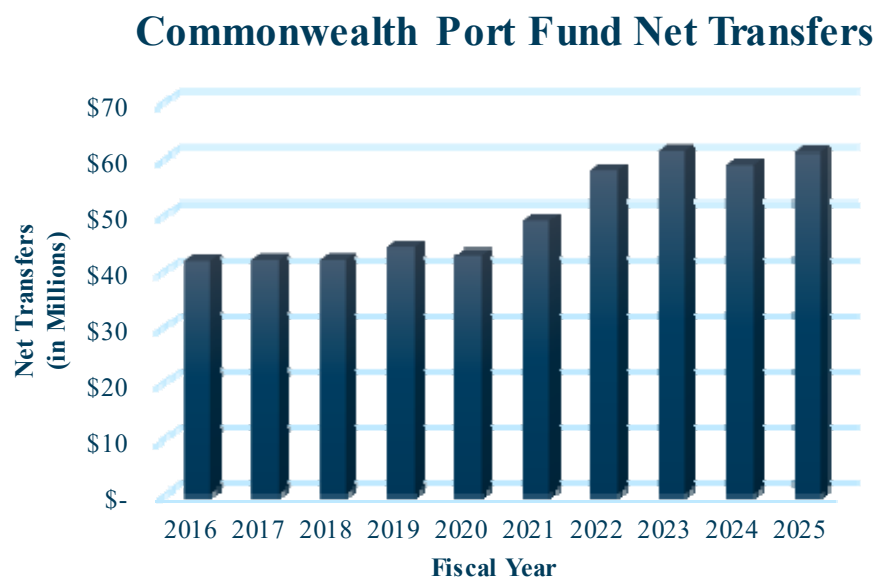
NET TRANSFERS TO THE COMMONWEALTH PORT FUND

The following table shows the allocation of Transportation Trust Fund revenue to the Port Fund, the interest credited to the Port Fund prior to its transfer to the Income Account under the Authority's Commonwealth Port Fund Revenue Bond Resolution (the "Bond Resolution") net of the expenses charged thereto for the fiscal years 2016 through 2025. The net transfers to the Income Account ("Primary Income") are pledged to the payment of bonds issued under the Bond Resolution.

Fiscal Year	Allocation ⁽¹⁾	(+)	Interest Earned ⁽²⁾	(=)	Net Transfers
			<i>(In Thousands)</i>		
2016	\$ 41,481		\$ 277	\$	41,758
2017	41,451		464		41,915
2018	41,355		596		41,951
2019	43,156		864		44,020
2020	41,851		882		42,733
2021	48,686		230		48,916
2022	57,821		65		57,886
2023	60,051		1,075		61,126
2024	56,556		2,283		58,839
2025	59,298		1,666		60,964

- (1) For fiscal years 2016 through 2020, the allocation amount was equal to 4.2% of total Transportation Trust Fund revenues less certain estimated expenses. Beginning in fiscal year 2021, the allocation amount was equal to 2.5% of total Transportation Trust Fund revenues less certain estimated expenses.
- (2) The allocation to the Port Fund is proportionally (i) assessed the indirect cost recovery charges imposed on the Transportation Trust Fund by the General Assembly, (ii) credited with the allocable investment income of the Transportation Trust Fund and (iii) charged up to 20 basis points for the services of the Department of the Treasury in managing such investments.

Source: Commonwealth of Virginia/Department of Accounts and Department of Transportation.



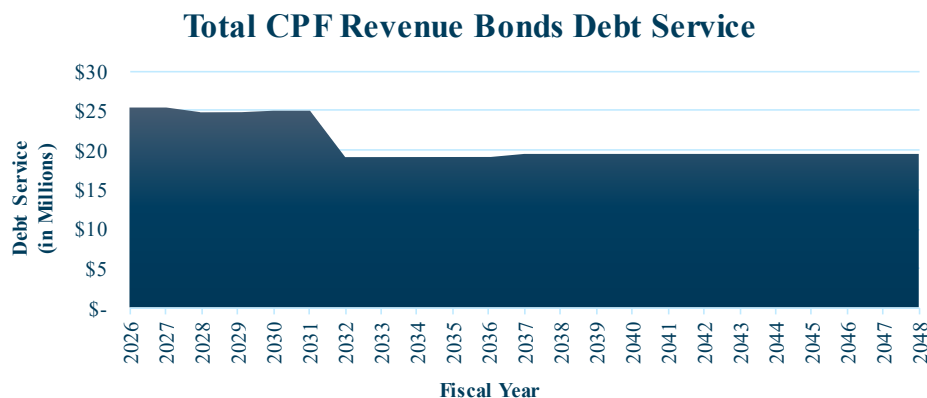
DEBT SERVICE DEPOSIT REQUIREMENTS AND COVERAGE**Debt Service Requirements**

The following table sets forth for the fiscal years ending each June 30, the aggregate amounts required to be deposited into debt service accounts in each annual period for payment on January 1 of the interest on, and on the following July 1 of the principal (whether at maturity or pursuant to mandatory redemption) of and interest on the Authority's outstanding Commonwealth Port Fund Revenue Refunding Bonds, Series 2012; the outstanding Commonwealth Port Fund Revenue Refunding Bonds, Series 2020A and 2020B; the outstanding Commonwealth Port Fund Revenue Bonds, Series 2023A; and the outstanding Commonwealth Port Fund Revenue Refunding Bonds, Series 2023B.

Fiscal Year Ending June 30,	Series 2012 Bonds Debt Service	Series 2020A Bonds Debt Service	Series 2020B Bonds Debt Service	Series 2023A Bonds Debt Service	Series 2023B Bonds Debt Service	Total Bonds Debt Service*
<i>(In Thousands)</i>						
2026	\$ 9,055	\$ 2,677	\$ 3,520	\$ 7,636	\$ 2,465	\$ 25,353
2027	9,054	2,678	3,518	7,636	2,466	25,352
2028	-	8,927	3,520	7,636	4,611	24,694
2029	-	9,766	2,688	7,636	4,609	24,699
2030	-	12,804	-	7,636	4,606	25,046
2031	-	8,522	-	7,636	8,893	25,051
2032	-	1,116	-	9,026	8,890	19,032
2033	-	1,121	-	9,026	8,890	19,037
2034	-	1,119	-	9,023	8,892	19,034
2035	-	1,118	-	9,027	8,891	19,036
2036	-	1,121	-	9,021	8,892	19,034
2037	-	8,538	-	10,952	-	19,490
2038	-	8,538	-	10,952	-	19,490
2039	-	8,538	-	10,953	-	19,491
2040	-	8,539	-	10,954	-	19,493
2041	-	-	-	19,489	-	19,489
2042	-	-	-	19,493	-	19,493
2043	-	-	-	19,488	-	19,488
2044	-	-	-	19,490	-	19,490
2045	-	-	-	19,492	-	19,492
2046	-	-	-	19,488	-	19,488
2047	-	-	-	19,487	-	19,487
2048	-	-	-	19,487	-	19,487

*Does not include bonds defeased through refundings.

Debt Service Requirements are shown in the graph below:

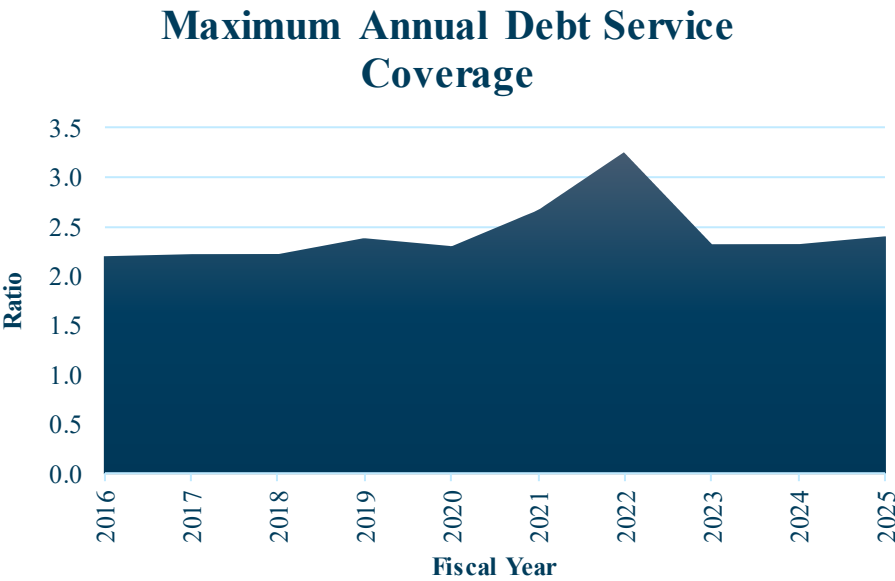


DEBT SERVICE DEPOSIT REQUIREMENTS AND COVERAGE (Continued)

Debt Service Coverage

Coverage of maximum annual debt service on the 2012, 2020, and 2023 Bonds by Commonwealth Port Fund Primary Income for the fiscal year ended June 30, 2025 is shown below:

Commonwealth Port Fund Primary Income for fiscal year ended June 30, 2025 (in thousands)	\$	60,964
Maximum Annual Debt Service (fiscal year 2026) (in thousands)	\$	25,353
Pro Forma Maximum Annual Debt Service Coverage		2.40



AUTHORITY REVENUES AND EXPENSES
Five Year Schedule
(Cash Basis)

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>				
Revenues:					
Special Fund	\$ 264,777	\$ 461,247	\$ 425,031	\$ 283,873	\$ 342,099
Commonwealth Port Fund	45,579	58,388	60,781	57,621	58,956
General Fund and Other	5,256	2,617	273,802	2,613	1,557
Total revenues	315,612	522,252	759,614	344,107	402,612
Operating Expenditures:					
Economic Development Services:					
National and international trade services	3,884	3,833	2,288	3,763	2,392
Commerce advertising	426	20	1	6	660
Port Facilities Planning, Maintenance, Acquisition and Construction:					
Maintenance and operation of Port facilities	27,364	19,186	12,603	49,105	14,938
Port facilities planning	13	12	16	21	70
Debt service for Port facilities	42,695	44,465	49,797	51,655	50,634
Financial Assistance for Port Activities:					
Aid to local ports	2,302	3,563	1,009	4,080	11,377
Payment in lieu of taxes	1,376	1,544	1,327	869	1,134
Administration and Support Services:					
General management and direction	25,412	25,098	9,243	26,742	27,060
Facility rental	90,225	95,352	103,962	108,230	111,688
Security services	9,410	10,769	11,159	11,305	11,569
Total operating expenditures	203,107	203,842	191,405	255,776	231,522
Funds available for capital projects	\$ 112,505	\$ 318,410	\$ 568,209	\$ 88,331	\$ 171,090

CARGO DATA

The Authority's ports handle a variety of general cargo. Bulk cargo, such as petroleum products, grain and coal, is not handled at the Port Facilities but is handled at facilities owned by railroads and other private operators. Set forth below are the major categories of general cargo handled by the Port Facilities based on the top five leading export and import commodities for the most recent calendar year.

Leading Exported and Imported General Cargo Commodities*
(Calendar Year)
(Short Tons)

	2020	2021	2022	2023	2024
Exports:					
Soybeans and products	1,407,782	1,493,241	1,447,254	1,775,648	1,812,407
Pet and animal feeds	847,080	851,644	759,153	875,512	915,264
Paper and paperboard	667,851	731,917	704,665	808,249	836,412
Wood pulp	933,449	958,155	893,891	755,903	821,415
Logs and lumber	696,838	861,555	811,900	734,468	658,018
Imports:					
Furniture	848,511	1,079,478	1,162,746	1,013,594	1,159,292
Plastic products	488,565	658,909	703,905	557,847	547,841
Auto parts	193,911	321,965	368,741	430,491	451,607
Paper and paperboard	205,321	292,379	335,316	238,807	318,414
Non alcoholic beverages	265,986	306,615	279,304	218,402	276,375

* This table includes both export and import data for all facilities that comprise The Port of Virginia, some of which are not owned or operated by the Authority.

Source: Port Import Export Reporting Service

CARGO DATA (Continued)

Presented below is information concerning the volume of general cargo handled at all facilities that comprise The Port of Virginia.

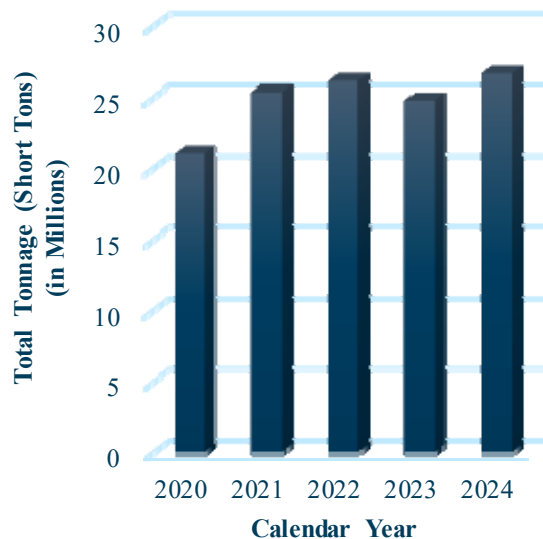
General Cargo Statistics for The Port of Virginia*
(Calendar Year)
(Short Tons)

	2020	2021	2022	2023	2024
Breakbulk	80,097	147,686	157,385	124,843	443,779
Container	21,001,830	25,206,462	25,995,056	24,651,632	26,225,349
Total tons	21,081,927	25,354,148	26,152,441	24,776,475	26,669,128

* This table includes both import and export data for all facilities that comprise The Port of Virginia, some of which are not owned or operated by the Authority. The Authority estimates that the VPA Facilities handle in excess of 95% of the general cargo transported through The Port of Virginia.

Source: Terminal Operators' Statistics

**Total Tonnage by
Calendar Year**



VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT

ANNUAL REPORT
(Unaudited)

FOR THE
FISCAL YEAR ENDED JUNE 30, 2025

PORT FACILITIES REVENUE REFUNDING BONDS,
SERIES 2016A

PORT FACILITIES REVENUE REFUNDING BONDS,
SERIES 2016B

PORT FACILITIES REVENUE REFUNDING BONDS,
SERIES 2016C

BASE CUSIP NUMBER: 928077

VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT TABLE OF CONTENTS

CONTINUING DISCLOSURE AGREEMENT ANNUAL REPORT Fiscal Year Ended June 30, 2025

Port Facilities Revenue Refunding Bonds, Series 2016A
Port Facilities Revenue Refunding Bonds, Series 2016B
Port Facilities Revenue Refunding Bonds, Series 2016C

Table 1	Authority Revenues and Expenses
Table 2	VIT Revenues and Expenses
Table 3	Operating Results and Debt Service Coverage-Resolution No. 16-9
Table 4	Debt Service Deposit Requirements
Table 5	Cargo Data
Table 6	VPA 10-Year Consolidated Statement of Revenues, Expenses and Changes in Net Position

AUTHORITY REVENUES AND EXPENSES
Five Year Schedule
(Cash Basis)

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>				
Revenues:					
Special Fund	\$ 264,777	\$ 461,247	\$ 425,031	\$ 283,873	\$ 342,099
Commonwealth Port Fund	45,579	58,388	60,781	57,621	58,956
General Fund and Other	5,256	2,617	273,802	2,613	1,557
Total revenues	315,612	522,252	759,614	344,107	402,612
Operating Expenditures:					
Economic Development Services:					
National and international trade services	3,884	3,833	2,288	3,763	2,392
Commerce advertising	426	20	1	6	660
Port Facilities Planning, Maintenance, Acquisition and Construction:					
Maintenance and operation of Port facilities	27,364	19,186	12,603	49,105	14,938
Port facilities planning	13	12	16	21	70
Debt service for Port facilities	42,695	44,465	49,797	51,655	50,634
Financial Assistance for Port Activities:					
Aid to local ports	2,302	3,563	1,009	4,080	11,377
Payment in lieu of taxes	1,376	1,544	1,327	869	1,134
Administration and Support Services:					
General management and direction	25,412	25,098	9,243	26,742	27,060
Facility rental	90,225	95,352	103,962	108,230	111,688
Security services	9,410	10,769	11,159	11,305	11,569
Total operating expenditures	203,107	203,842	191,405	255,776	231,522
Funds available for capital projects	\$ 112,505	\$ 318,410	\$ 568,209	\$ 88,331	\$ 171,090

VIRGINIA INTERNATIONAL TERMINALS, LLC REVENUES AND EXPENSES
Five Year Schedule

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
	<i>(In Thousands)</i>				
Revenues:					
Operating	\$ 619,581	\$ 873,707	\$ 795,951	\$ 744,897	\$ 833,602
Nonoperating	360	424	1,728	2,683	2,250
Gross revenues	619,941	874,131	797,679	747,580	835,852
Expenses:					
Operating and maintenance expenses	328,761	373,152	380,988	388,977	472,158
Administrative expenses	43,525	63,804	73,345	75,290	72,420
Nonoperating	-	3,152	5,647	7,607	6,905
Total expenses	372,286	440,108	459,980	471,874	551,483
Income before transfers⁽¹⁾	\$ 247,655	\$ 434,023	\$ 337,699	\$ 275,706	\$ 284,369

⁽¹⁾ The financial information relative to VIT set forth in this table is computed on an accrual basis. As a result, the amounts set forth in the line item "Income Before Transfers" does not represent net cash transferred by VIT to the Authority. However, such information is a reasonable indication of the financial performance of VIT.

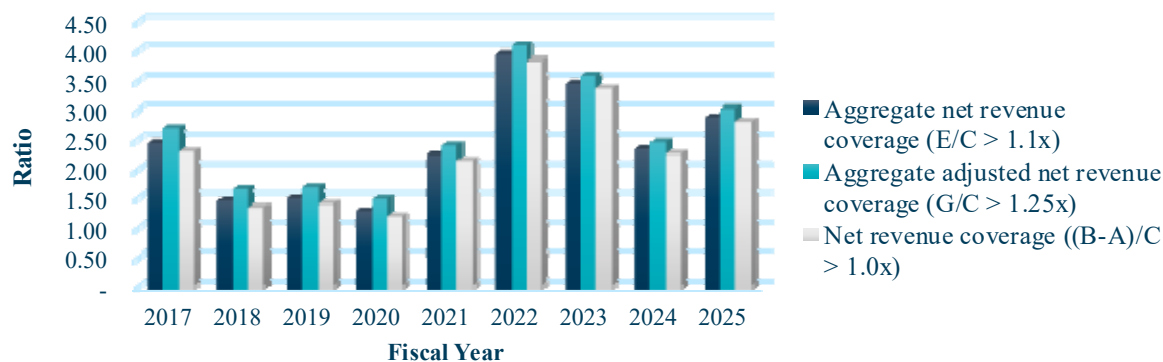
OPERATING RESULTS AND DEBT SERVICE COVERAGE – Resolution No. 16-9

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	(In Thousands)									
VIRGINIA INTERNATIONAL TERMINALS										
VIT/HRCF II gross receipts	\$ 484,494	\$ 550,211	\$ 589,670	\$ 556,625	\$ 631,182	\$ 905,761	\$ 874,054	\$ 735,352	\$ 881,342	
VIT/HRCF II current expenses	(350,771)	(421,533)	(419,549)	(416,717)	(403,298)	(471,421)	(474,095)	(489,926)	(558,778)	
VIT liquidity reserve withdrawal (deposit)	(2,543)	6,061	(10,031)	(677)	4,745	(721)	(6,649)	(3,023)	(3,321)	
One-time cash transfers HRCF II	5,827	-	-	-	-	-	-	-	-	
VIT CEMA liquidation	16,061	-	-	-	-	-	-	-	-	
VIT/HRCF II port operator capital expenditures (A)	(7,579)	(11,046)	(6,456)	(11,091)	(8,193)	(9,067)	(6,095)	(8,792)	(11,218)	
VIT/HRCF II payment (per Payment Agreement to VPA)	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611	308,025	
VIRGINIA PORT AUTHORITY										
Gross revenues:										
VIT/HRCF II payment per Payment Agreement	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611	308,025	
Other VPA income and interest income	10,037	11,186	15,052	17,247	20,271	21,433	33,789	57,935	64,035	
Total gross revenues	155,526	134,879	168,686	145,387	244,707	445,985	421,004	291,546	372,060	
Current expenses:										
Terminal expenditures	(26,488)	(24,606)	(27,837)	(27,756)	(22,669)	(21,440)	(20,175)	(18,563)	(22,900)	
Operating lease payments	(17,429)	(185)	(185)	(185)	(132)	(793)	(902)	(900)	(908)	
Total current expenses	(43,917)	(24,791)	(28,022)	(27,941)	(22,801)	(22,233)	(21,077)	(19,463)	(23,808)	
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252	
VPA Commonwealth Port Fund used for O & M (P)	7,657	8,162	9,975	10,192	6,097	7,373	6,551	4,744	8,483	
VPA Commonwealth Port Fund used for VIG rent (Q)	5,831	9,996	9,996	9,996	9,996	9,996	9,966	9,996	9,996	
Revenue stabilization fund balance	29,082	39,661	39,973	40,116	39,933	39,338	39,899	40,000	40,000	
25% of revenue stabilization fund balance (D)	7,271	9,915	9,993	10,029	9,983	9,835	9,975	10,000	10,000	
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252	
Aggregate net revenue (E) (E = B + D - A)	126,459	131,049	157,113	138,566	240,082	442,654	415,997	290,875	369,470	
Adjusted net revenue (F) (F = B + P + Q)	125,097	128,246	160,635	137,634	237,999	441,121	416,444	286,823	366,731	
Aggregate adjusted net revenue (G) (G = F + D - A)	139,947	149,207	177,084	158,754	256,175	460,023	432,514	305,615	387,949	
DEBT SERVICE COVERAGE										
Senior debt service:										
Senior obligations	42,578	72,795	87,818	90,299	90,092	95,352	103,962	108,121	111,688	
Series 2016 Bonds principal and interest requirements	9,614	17,537	17,504	17,068	17,414	17,387	17,211	17,119	17,024	
Aggregate principal and interest requirements (C)	\$ 52,192	\$ 90,332	\$ 105,322	\$ 107,367	\$ 107,506	\$ 112,739	\$ 121,173	\$ 125,240	\$ 128,712	

Debt Service Coverage	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025
Aggregate net revenue coverage (E/C > 1.1x)	2.42	1.45	1.49	1.29	2.23	3.93	3.43	2.32	2.87
Aggregate adjusted net revenue coverage (G/C > 1.25x)	2.68	1.65	1.68	1.48	2.38	4.08	3.57	2.44	3.01
Net revenue coverage ((B-A)/C > 1.0x)	2.28	1.34	1.40	1.20	2.14	3.84	3.35	2.24	2.79

Source: VIT accrual basis financial statements for the indicated fiscal years.

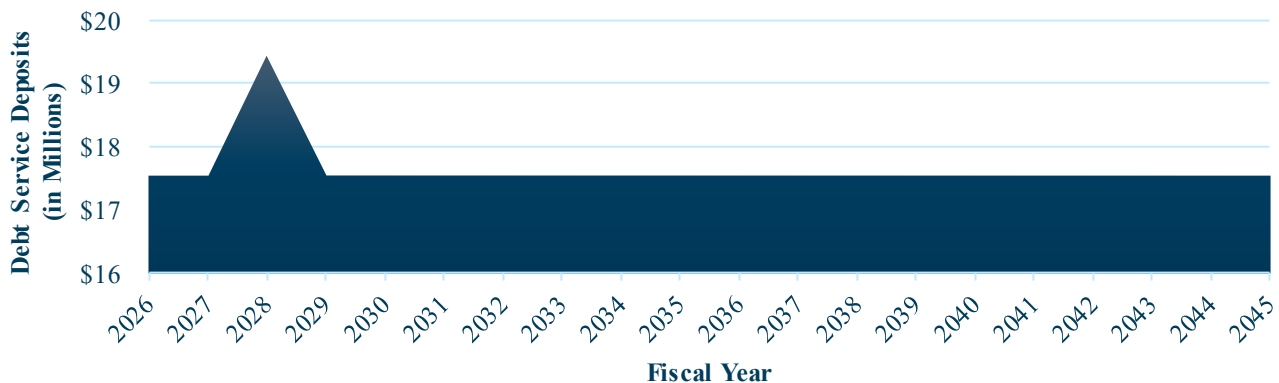
Debt Service Coverage under Res. 16-9



DEBT SERVICE DEPOSIT REQUIREMENTS

The following table sets forth for the periods ending each June 30 (the end of the Authority's Fiscal Year) the aggregate amounts required to be deposited into debt service accounts in each annual period for payment on January 1 of the interest on, and on the following July 1 of the principal (whether at maturity or pursuant to mandatory redemption) of and interest on the Authority's outstanding Port Facilities Revenue Refunding Bonds, Series 2016A, Series 2016B and Series 2016C.

Period Ending June 30,	Series 2016A Debt Service	Series 2016B Debt Service	Series 2016C Debt Service	Total Debt Service
<i>(In Thousands)</i>				
2026	\$ 7,452	\$ 6,775	\$ 3,309	\$ 17,536
2027	7,446	6,776	3,313	17,535
2028	5,455	3,820	10,159	19,434
2029	10,760	6,775	-	17,535
2030	10,759	6,778	-	17,537
2031	10,757	6,777	-	17,534
2032	10,757	6,779	-	17,536
2033	10,758	6,778	-	17,536
2034	10,758	6,778	-	17,536
2035	10,757	6,780	-	17,537
2036	10,760	6,776	-	17,536
2037	10,761	6,773	-	17,534
2038	10,761	6,775	-	17,536
2039	10,761	6,776	-	17,537
2040	10,757	6,780	-	17,537
2041	10,756	6,777	-	17,533
2042	10,759	6,777	-	17,536
2043	10,760	6,778	-	17,538
2044	10,758	6,780	-	17,538
2045	10,758	6,773	-	17,531

Total TR Bonds Debt Service

CARGO DATA

The Authority's ports handle a variety of general cargo. Bulk cargo, such as petroleum products, grain and coal, is not handled at the Port Facilities but is handled at facilities owned by railroads and other private operators. Set forth below are the major categories of general cargo handled by the Port Facilities based on the top five leading export and import commodities for the most recent calendar year.

Leading Exported and Imported General Cargo Commodities*
(Calendar Year)
(Short Tons)

	2020	2021	2022	2023	2024
Exports:					
Soybeans and products	1,407,782	1,493,241	1,447,254	1,775,648	1,812,407
Pet and animal feeds	847,080	851,644	759,153	875,512	915,264
Paper and paperboard	667,851	731,917	704,665	808,249	836,412
Wood pulp	933,449	958,155	893,891	755,903	821,415
Logs and lumber	696,838	861,555	811,900	734,468	658,018
Imports:					
Furniture	848,511	1,079,478	1,162,746	1,013,594	1,159,292
Plastic products	488,565	658,909	703,905	557,847	547,841
Auto parts	193,911	321,965	368,741	430,491	451,607
Paper and paperboard	205,321	292,379	335,316	238,807	318,414
Non alcoholic beverages	265,986	306,615	279,304	218,402	276,375

* This table includes both export and import data for all facilities that comprise The Port of Virginia, some of which are not owned or operated by the Authority.

Source: Port Import Export Reporting Service

CARGO DATA (Continued)

Presented below is information concerning the volume of general cargo handled at all facilities that comprise The Port of Virginia.

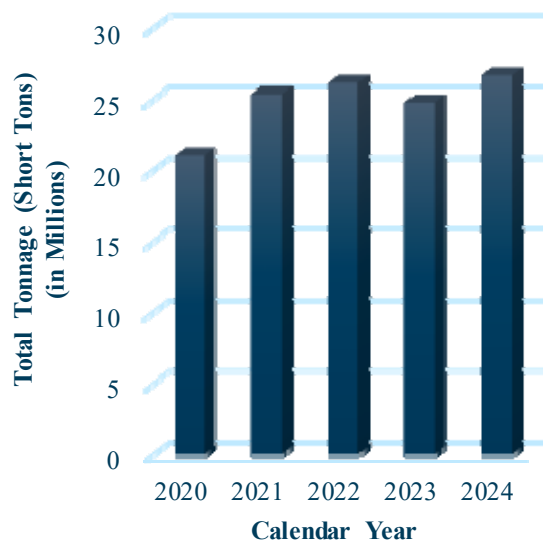
General Cargo Statistics for The Port of Virginia*
(Calendar Year)
(Short Tons)

	2020	2021	2022	2023	2024
Breakbulk	80,097	147,686	157,385	124,843	443,779
Container	21,001,830	25,206,462	25,995,056	24,651,632	26,225,349
Total tons	21,081,927	25,354,148	26,152,441	24,776,475	26,669,128

* This table includes both import and export data for all facilities that comprise The Port of Virginia, some of which are not owned or operated by the Authority. The Authority estimates that the VPA Facilities handle in excess of 95% of the general cargo transported through The Port of Virginia.

Source: Terminal Operators' Statistics

**Total Tonnage by
Calendar Year**



CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended June 30,									
	2016	2017 Restated ⁽¹⁾	2018	2019	2020	2021	2022 ⁽²⁾	2023	2024	2025 ⁽²⁾
Operating revenues:										
Terminal operating revenues	\$ 444,444	\$ 478,261	\$ 522,069	\$ 551,236	\$ 496,258	\$ 619,580	\$ 873,982	\$ 796,269	\$ 745,476	\$ 834,229
Other revenues	9,340	10,102	10,445	11,186	10,946	13,120	19,064	16,996	21,450	19,175
Operating revenues - grants, federal and state	6,391	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509	1,130
Total operating revenues	460,175	490,477	538,048	567,620	512,908	638,615	897,151	814,766	768,435	854,534
Operating expenses:										
Terminal operations	209,681	218,813	247,513	251,470	217,208	231,239	261,743	253,075	263,594	323,720
Terminal maintenance	90,397	95,372	105,779	109,629	112,559	107,388	120,784	134,022	131,656	156,481
General and administrative	49,196	48,818	50,937	54,632	58,046	58,742	54,595	55,592	57,513	58,227
Facility rental	55,619	17,429	396	1,451	1,682	293	(13)	4,573	5,163	5,079
Depreciation and amortization	47,723	74,406	84,271	86,940	103,839	121,836	191,988	198,897	197,238	203,551
Total operating expenses	452,616	454,838	488,896	504,122	493,334	519,498	629,097	646,159	655,164	747,058
Operating income	7,559	35,639	49,152	63,498	19,574	119,117	268,054	168,607	113,271	107,476
Nonoperating revenues (expenses):										
Investment income (loss), net	704	920	1,368	4,053	6,177	1,075	(1,880)	24,678	53,600	57,249
Interest expense	(18,365)	(88,233)	(125,369)	(123,516)	(125,264)	(124,144)	(174,152)	(176,706)	(186,772)	(187,278)
Revenue from federal sources	9,653	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210	19,200
Revenue from state sources	6,143	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091	126,818
Revenue from private sources	-	-	-	-	-	-	5,567	66,026	108,605	48,166
Expenses incurred on behalf of other governments	(5,347)	(845)	(984)	(3,224)	(17,402)	(54,144)	(23,335)	(66,366)	(70,680)	(54,694)
Proceeds from primary government	-	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444	40,981
Other expenses	(3,292)	(4,977)	(2,486)	(3,665)	(3,418)	(4,355)	(5,090)	(2,802)	(7,206)	(15,409)
Gain (loss) on disposals	(1,107)	(21)	(1,769)	744	271	372	480	(277)	(1,670)	(4,129)
Income (loss) before capital contributions	(4,052)	45,923	(21,776)	46,381	(136)	14,475	105,323	158,784	134,893	138,380
Capital contributions:										
Commonwealth Port Fund allocation	42,367	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298
Cumulative effect of changes in accounting principle	-	7	-	-	-	-	233,086	-	-	(2,910)
Increase in net position	38,315	87,399	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768
Special item - lease conversion	-	13,277	-	-	-	-	-	-	-	-
Increase in net position after special item	38,315	100,676	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768
Net position - beginning of year	484,681	522,996	623,672	643,022	732,454	774,240	837,493	1,233,723	1,452,558	1,644,007
Net position - end of year	\$ 522,996	\$ 623,672	\$ 643,022	\$ 732,454	\$ 774,240	\$ 837,493	\$ 1,233,723	\$ 1,452,558	\$ 1,644,007	\$ 1,838,775

(1) Restatement includes the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018.

(2) The Authority adopted GASB Statement No. 87, *Leases*, and GASB Statement No. 101, *Compensated Absences*, in fiscal year 2022 and 2025, respectively.

VIRGINIA PORT AUTHORITY

600 World Trade Center
Norfolk, VA 23510



Three of four new ship-to-shore cranes arrived in January of 2025 for installation at Virginia International Gateway (VIG).