

The Port of Virginia

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC.

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

For The Budgeted and Forecasted Year Ending June 30, 2017 and Budgeted Year Ending June 30, 2018

	Budgeted	Forecasted	Budgeted	Excluding Lease	Forecasted to FY18	
	FY17	FY17	FY18	Accounting	Budget Excluding Lease	
		(As of March 30, 2017)		Budgeted	Budget Excluding Lease	
				FY18	%	\$ Change
Operating Revenues:						
Terminal operating revenues	\$ 469,039,818	\$ 481,676,854	\$ 531,052,863	\$ 531,052,863	10.3%	\$ 49,376,009
Other revenues	10,180,678	10,091,389	10,660,056	10,660,056	5.6%	568,667
Other Revenues - Grants	5,800,000	1,242,536	1,433,333	1,433,333	15.4%	190,797
Total operating revenues	485,020,496	493,010,779	543,146,252	543,146,252	10.2%	50,135,473
Operating Expenses:						
Terminal operations	209,164,426	207,727,369	229,360,852	229,360,852	10.4%	21,633,483
Terminal maintenance	103,150,603	102,286,739	110,267,679	110,267,679	7.8%	7,980,940
General and administrative	59,708,464	59,031,092	64,976,900	64,976,900	10.1%	5,945,808
Facility rental	61,153,500	62,140,795	180,000	75,648,640	21.7%	13,507,845
Depreciation and amortization	49,633,012	53,545,407	84,979,872	57,058,582	6.6%	3,513,175
Total operating expenses	482,810,005	484,731,402	489,765,303	537,312,653	10.8%	52,581,251
Operating income (loss)	2,210,491	8,279,377	53,380,949	5,833,599	-29.5%	(2,445,778)
Non-operating revenues (expenses)						
Interest income	490,850	621,000	369,098	369,098	-40.6%	(251,902)
Interest expense	(18,594,118)	(22,669,959)	(123,903,771)	(21,194,724)	-6.5%	1,475,235
Bond issue cost	(650,000)	(2,750,000)	-	-	-100.0%	2,750,000
Revenues/Expenses (VEDP)	-	-	1,500,000	1,500,000	-	1,500,000
Revenues from Federal Government	14,832,000	10,500,000	4,287,500	4,287,500	-59.2%	(6,212,500)
Revenues/Expenses (Primary Government)	-	(147,115)	-	-	-100.0%	147,115
Other income (expense)	-	6,600,000	-	-	-100.0%	(6,600,000)
Gain (loss) on disposals	-	(36,468)	-	-	-100.0%	36,468
Income (loss) before capital contributions and transfers	(1,710,777)	396,835	(64,366,224)	(9,204,527)	-2419.5%	(9,601,361)
Capital contributions and transfers						
Commonwealth Port Fund allocation	41,725,606	39,109,583	40,893,859	40,893,859	4.6%	1,784,276
Proceeds (to) from primary government	-	92,000,000	131,921,993	131,921,993	43.4%	39,921,993
Increase (decrease) in Net Position	40,014,829	131,506,418	108,449,628	163,611,325	24.4%	32,104,908
Net Position - Beginning of Year	522,996,796	522,996,796	654,503,214	654,503,214	25.1%	131,506,418
Net Position - End of Year	\$ 563,011,625	\$ 654,503,214	\$ 762,952,842	\$ 818,114,539	25.0%	\$ 163,611,325

The Port of Virginia

VIRGINIA PORT AUTHORITY & VIRGINIA INTERNATIONAL TERMINALS, LLC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Budgeted For The Twelve Months Ended June 30, 2018

	Primary			
	Government	Component Unit		
	Virginia International			
	Authority	Terminals, LLC	Eliminations	Total
Operating Revenues:				
Terminal operating revenues	\$ -	\$ 531,052,863	\$ -	\$ 531,052,863
Other revenues	10,660,056	-	-	10,660,056
Other Revenues - Grants	1,433,333	-	-	1,433,333
Operating revenues from component unit	136,268,346	-	(136,268,346)	-
Total operating revenues	148,361,735	531,052,863	(136,268,346)	543,146,252
Operating Expenses:				
Terminal operations	1,787,474	227,573,378	-	229,360,852
Terminal maintenance	10,059,475	100,208,204	-	110,267,679
General and administrative	19,963,727	45,013,173	-	64,976,900
Facility rental	180,000	-	-	180,000
Depreciation and amortization	81,633,152	3,346,720	-	84,979,872
Payments due to Authority	-	136,268,346	(136,268,346)	-
Total operating expenses	113,623,828	512,409,820	(136,268,346)	489,765,303
Operating income (loss)	34,737,907	18,643,043	-	53,380,949
Non-operating revenues (expenses)				
Interest income	369,098	-	-	369,098
Interest expense	(123,903,771)	-	-	(123,903,771)
Revenues/Expenses (VEDP)	1,500,000	-	-	1,500,000
Revenues from Federal Government	4,287,500	-	-	4,287,500
Income (loss) before capital contributions and transfers	(83,009,266)	18,643,043	-	(64,366,224)
Capital contributions				
Commonwealth Port Fund allocation	40,893,859	-	-	40,893,859
Proceeds (to) from primary government	131,921,993	-	-	131,921,993
Increase (decrease) in Net Position	89,806,586	18,643,043	-	108,449,628
Net Position - Beginning of Year	504,934,869	149,568,345	-	654,503,214
Net Position - End of Year	\$ 594,741,454	\$ 168,211,388	\$ -	\$ 762,952,842

VIRGINIA INTERNATIONAL TERMINALS, LLC. (Consolidated)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For The Budgeted and Forecasted Year Ending June 30, 2017 and Budgeted Year Ending June 30, 2018

	Budgeted	Forecasted	Budgeted	Forecasted to FY18	
	FY17	FY17 (As of March 30, 2017)	FY18	%	\$ Change
Operating Revenues:					
Terminal operating revenues	\$ 469,039,818	\$ 481,676,854	\$ 531,052,863	10.3%	\$ 49,376,009
Other revenues	-	-	-	0.0%	-
Other Revenues - Grants	-	-	-	0.0%	-
Total operating revenues	469,039,818	481,676,854	531,052,863	10.3%	49,376,009
Operating Expenses:					
Terminal operations	207,742,426	206,250,394	227,573,378	10.3%	21,322,984
Terminal maintenance	93,483,556	94,743,825	100,208,204	5.8%	5,464,379
General and administrative	39,425,161	41,505,498	45,013,173	8.5%	3,507,675
Facility rental	-	-	-	0.0%	-
Depreciation and amortization	3,364,332	3,991,424	3,346,720	-16.2%	(644,704)
Total operating expenses	344,015,475	346,491,141	376,141,475	8.6%	29,650,334
Operating income (loss)	125,024,343	135,185,713	154,911,388	14.6%	19,725,675
Transfers to the Authority	114,119,063	110,027,801	136,268,346	23.8%	26,240,545
Operating income (loss) after Transfer	\$ 10,905,279	\$ 25,157,912	\$ 18,643,043	-25.9%	(6,514,869)

Virginia International Terminals, LLC
Schedule of Capital Expenditures
For the Fiscal Year Ending June 30, 2018

TOTAL VIT CAPITAL BUDGET 2017-2018

<u>ITEM DESCRIPTION</u>	<u>TOTAL COST</u>
N4 related	\$ 6,900,000
Container Handling Equipment	2,380,000
VIG Portal Upgrades	750,000
IT, excluding N4	607,500
Miscellaneous other	305,000
Total	\$ 10,942,500

VIRGINIA PORT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For The Budgeted and Forecasted Year Ending June 30, 2017 and Budgeted Year Ending June 30, 2018

	Forecasted			Forecasted to	
	Budgeted FY17	FY17 (As of March 30, 2017)	Budgeted FY18	%	\$ Change
Operating Revenues:					
Operating revenues from component unit	\$ 114,119,063	\$ 110,027,801	\$ 136,268,346	23.8%	\$ 26,240,545
Other revenues	10,180,678	10,091,389	10,660,056	5.6%	568,667
Other Revenues - Grants	5,800,000	1,242,536	1,433,333	15.4%	190,797
Total operating revenues	130,099,742	121,361,726	148,361,735	22.2%	27,000,009
Operating Expenses:					
Terminal operations	1,422,000	1,476,975	1,787,474	21.0%	310,499
Terminal maintenance	9,667,047	7,542,914	10,059,475	33.4%	2,516,561
General and administrative	20,283,303	17,525,594	19,963,727	13.9%	2,438,133
Facility rental	61,153,500	62,140,795	180,000	-99.7%	(61,960,795)
Depreciation and amortization	46,268,680	49,553,983	81,633,152	64.7%	32,079,169
Total operating expenses	138,794,530	138,240,261	113,623,828	-17.8%	(24,616,433)
Operating income (loss)	(8,694,788)	(16,878,535)	34,737,907	305.8%	51,616,442
Non-operating revenues (expenses)					
Interest income	490,850	589,071	369,098	-37.3%	(219,973)
Interest expense	(18,594,118)	(22,669,959)	(123,903,771)	-446.6%	(101,233,812)
Bond issue cost	(650,000)	(2,750,000)	-	-100.0%	2,750,000
Revenues/Expenses (VEDP)	-	-	1,500,000	-	1,500,000
Revenues from Federal Government	14,832,000	10,500,000	4,287,500	-59.2%	(6,212,500)
Revenues/Expenses (Primary Government)	-	(147,115)	-	-100.0%	147,115
Other income (expense)	-	6,600,000	-	-100.0%	(6,600,000)
Gain (loss) on disposals	-	(36,468)	-	-100.0%	36,468
Income (loss) before capital contributions and transfers	(12,616,056)	(24,793,006)	(83,009,266)	-234.8%	(58,216,260)
Capital contributions and transfers					
Commonwealth Port Fund allocation	41,725,606	39,109,583	40,893,859	4.6%	1,784,276
Proceeds (to) from primary government	-	92,000,000	131,921,993	43.4%	39,921,993
Increase (decrease) in Net Position	29,109,550	106,316,577	89,806,586	-15.5%	(16,509,991)
Net Position - Beginning of Year	398,618,292	398,618,292	504,934,869	26.7%	106,316,577
Net Position - End of Year	\$ 427,727,842	\$ 504,934,869	\$ 594,741,454	17.8%	\$ 89,806,586

VIRGINIA PORT AUTHORITY
BUDGET SUMMARY - CASH BASIS
FOR THE YEAR ENDING JUNE 30, 2018

Description	2017 Budgeted	2017 Forecast	2018 Budgeted
Revenues (all sources)			
Terminal Revenues	\$ 141,114,897	\$ 152,069,977	\$ 146,928,402
Shared Services	16,815,155	16,908,611	16,385,742
Commonwealth Port Fund Allocation	41,725,606	39,109,583	40,893,859
Operating Revenues-Grants	5,800,000	1,242,536	1,433,333
Total Revenue	205,455,657	209,330,707	205,641,336
Operating Expenditures			
Commerce Advertising	764,252	285,381	815,748
National & International Trade Services	3,337,028	2,988,760	3,526,028
General Management & Direction	22,438,010	18,913,731	21,976,102
GM&D - Facilities Rent	61,153,500	62,140,795	75,648,640
Operational Maintenance	10,542,047	7,542,914	10,059,475
Debt Service for Port Facilities	44,034,970	42,458,775	38,147,454
Security Services	8,930,061	9,114,321	9,578,605
Payments in Lieu of Taxes	1,422,000	1,099,268	1,254,239
Aid to Localities	1,000,000	1,645,771	1,000,000
Port Facilities Planning	629,106	227,692	533,235
Reversion to the General Fund	-	-	180,000
Total Operating Expenditures	154,250,975	146,417,408	162,719,526
Available for Capital Outlay	51,204,683	62,913,299	42,921,809
Capital Financing			
VIG Financing Sources	332,880,000	80,279,335	161,019,808
Federal Grant funds	14,832,000	9,669,044	4,350,000
State Grant funds	372,073,000	92,000,000	132,101,993
	719,785,000	181,948,379	297,471,801
Capital Expenditures			
Maintenance Reserve	3,850,000	1,500,000	1,547,000
NIT Optimization	350,000,000	92,000,000	132,101,993
VIG Phase II	-	80,279,335	161,019,808
Cargo Handling Facilities	347,955,000	11,966,127	21,465,000
Federal Grant Projects	14,832,000	9,669,044	4,350,000
State Grant Projects	22,073,000	22,073,000	-
Total Capital Expenditures	738,710,000	217,487,506	320,483,801
Estimated Change in Fund Balance	\$ 32,279,683	\$ 27,374,173	\$ 19,909,809
Staff Positions	201	201	211
VPA Liquidity Reserve Balance	\$ 7,419,286	\$ 7,419,286	\$ 7,748,199
Revenue Stabilization Fund	-	\$ 29,069,540	\$ 40,000,000
Aggregate Net Revenue Coverage (1.1x test)		2.48	1.47
Aggregate Adjusted Net Revenue Coverage (1.25x test)		2.76	1.70
Net Revenue Coverage (1.0x test)		2.18	1.24

**VIRGINIA PORT AUTHORITY
BUDGETED CASH FLOW SUMMARY
FISCAL YEAR ENDING JUNE 30, 2018**

Terminal Revenues:

Revenues	\$	146,928,402
Shared Services		16,385,742

Operating Expenditures:

Commerce Advertising	815,748	
National & International Trade Services	3,526,028	
General Management & Direction	21,976,102	
GM&D - Facilities Rent	65,648,640	
Debt Service for Port Facilities	19,191,214	
Security Services	8,803,055	
Payments in Lieu of Taxes	1,254,239	
Port Facilities Planning	533,235	
Reversion to the General Fund	132,000	

Total Operating Expenditures	121,880,261
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Capital Expenditures	-
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VPA Liquidity Reserve Adjustment	328,913
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Revenue Stabilization Fund Step Up	10,900,460
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Budgeted Net Use of Cash	<u>\$ 30,204,509</u>
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Commonwealth Port Fund:

Revenues	\$	42,327,187
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Operating Expenditures:

Operational & Reserve Maintenance	10,059,475
Security Maintenance	775,550
Debt Service for Port Facilities	18,956,241
Aid to Localities	1,000,000
CPF - Facilities Rent	10,000,000
Reversion to the General Fund	48,000

Total Operating Expenditures	40,839,266
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Capital Expenditures	1,547,000
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Budgeted Net Use of Cash	<u>\$ (59,079)</u>
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Total All funds	<u>\$ 30,145,430</u>
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(Note: Budgeted CPF capital expenditures includes utilizing estimated beginning of year CPF cash and appropriation balances.)

**VIRGINIA PORT AUTHORITY
FUTURE CAPITAL OUTLAY PROJECTS
FISCAL YEAR ENDING JUNE 30, 2018**

Projects	Projected Cost
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CAPITAL PROJECTS:

Container Handling Equipment	\$ 13,000,000
NIT South Entrance Channel and Berth Widening	7,000,000
Acosta Build-Out	2,500,000
IT, excluding N4	1,100,000
PMT Dredging	1,600,000
Financial System Replacement (FY18 portion)	500,000
NNMT Racking system	260,000
Miscellaneous other	1,402,000
Total	\$ 27,362,000

Summary by source:

State Bond	\$ 2,500,000
Craney Bond	500,000
CPF Bond	5,465,000
CPF Paygo	1,547,000
MELP	13,000,000
Security Operating	62,500
Grant	4,287,500
	\$ 27,362,000