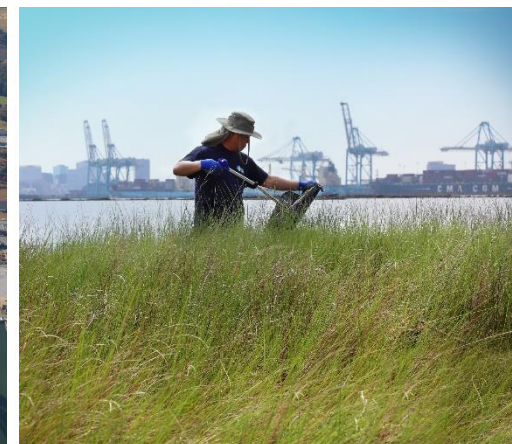
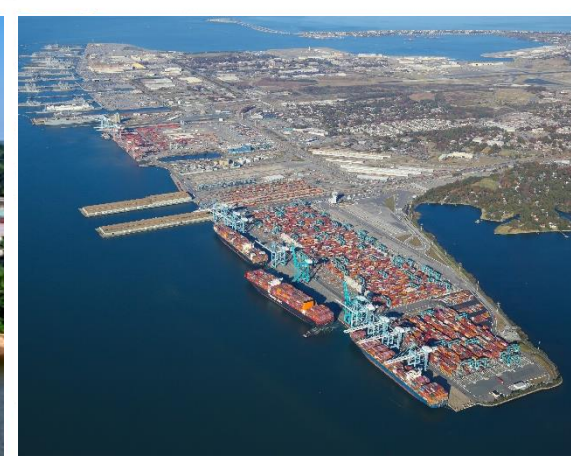
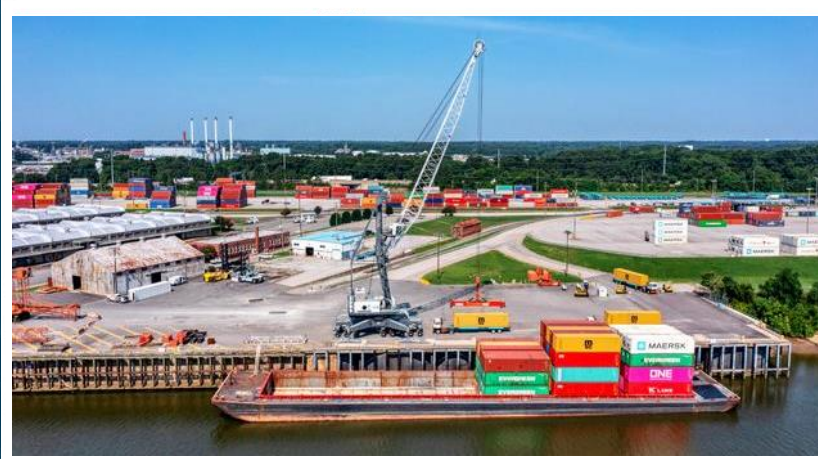




Virginia Port Authority Board of Commissioners Regular Meeting Session 410

November 15, 2022



Agenda



Approval of Minutes



Opportunity for Public Comment



Committee Reports



CEO / Executive Director Report



Other Business and Adjournment



Executive Committee Report



Investment Committee Report

Commissioner Burnett



Finance and Audit Committee Report

Chair Burnett

FY22 Audit Results

Mike Garber, PB Mares



Who we are...

- Alliance firm of RSM, the fifth largest CPA firm in the country
- 77th largest CPA firm in the nation
- 12 offices including three in the Tidewater Region for local presence
- Over 50 years combined governmental auditing experience between the assigned partners
- PBMares and predecessor firms have been in business over 70 years in Virginia

Who we are...

- Mike Garber, CPA, MBA, Partner
 - State and Local Government co-leader for PB Mares with over 30 years of experience
- Betsy Hedrick, CPA, Partner, Regional A&A Leader
 - State and Local Government co-leader for PB Mares with over 25 years of experience
- Andrea Nichols, CPA, MAcc, Manager
 - Single Audit Specialist with 17 years of experience

Results of the Audit



- Audits being performed
 - In accordance with our audit plan and completed well ahead of the APA deadline – September 22
 - No restrictions placed on the scope of our work
 - Unmodified “clean” opinion on the financial statements and no findings for internal control and compliance reports

Required Communications



- Our Responsibilities with Regard to the Audit
 - Our responsibilities fall under auditing standards generally accepted in the USA; *Government Auditing Standards* issued by the Comptroller General of the US; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts.
 - Our audit does not relieve management or those charged with governance of their responsibilities for the financial statements.

Required Communications



- Accounting Policies and Practices
 - Management is responsible for the appropriateness of accounting policies used
 - Significant estimates were: useful lives of capital assets; lease assets, lease liabilities, deferred inflows of resources and related income and expense; pension and OPEB liabilities and costs; Investments; and allowance for doubtful accounts

Required Communications



- There were no:
 - Audit Adjustments
 - Uncorrected Misstatements
 - Disagreements with Management
 - Consultation with Other Accountants
 - Significant Issues Discussed with Management
 - Significant Difficulties Encountered in Performing the Audit

Additional Communication



- Newly Adopted Statements as of July 1, 2021
 - GASB 87 related to lease accounting
 - GASB 89 related to capitalized interest
 - GASB 93 related to replacement of LIBOR

Additional Communication

- We want to thank the VPA Finance Team for their work and diligence in preparing for this year's audit. Having remote access to perform the audit under the continued COVID conditions, kept both our teams distanced and safe.

Thank you!



Questions, comments, and observations.

Financial Results for FY23 YTD Ending September 30, 2022

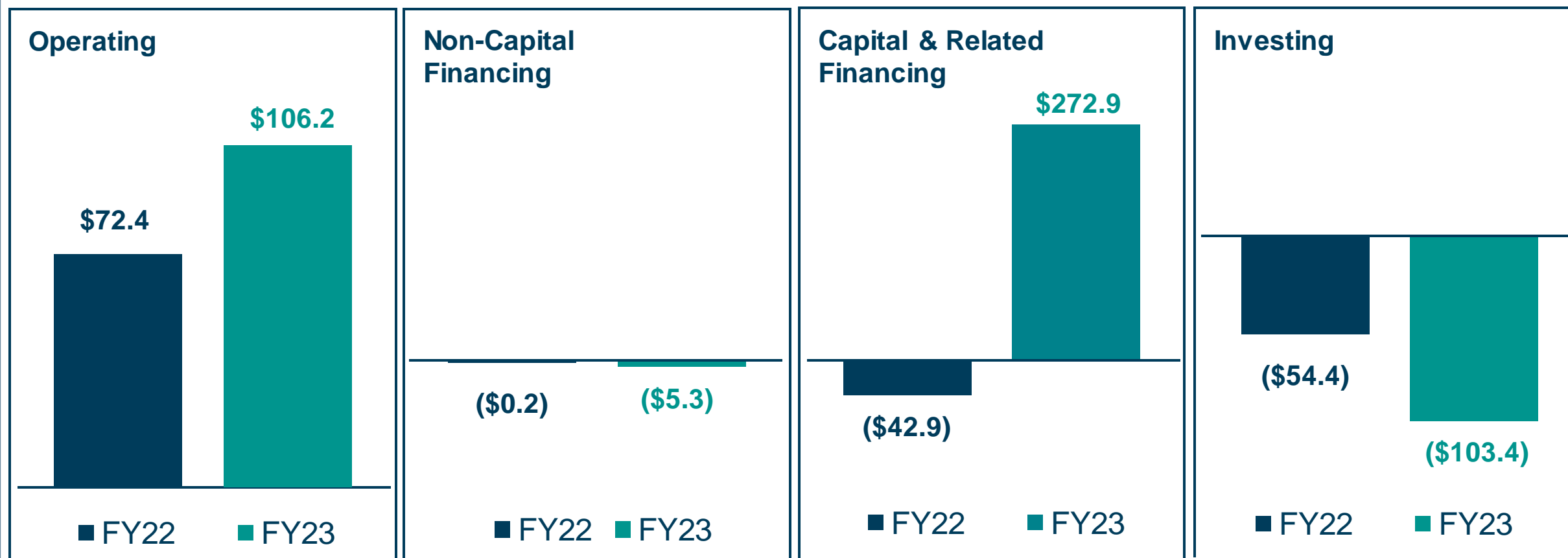
Rodney Oliver, Chief Financial Officer

Fiscal Year 2023 YTD Highlights



July - September	Budget	Actual	Fav. (Unfav.) Change	Fav. (Unfav.) % Change
Volume	519,857	539,393	19,536	3.8%
Operating Revenues	\$201.3 m	\$229.7 m	\$28.4 m	14.1%
Operating Expenses	\$165.8 m	\$163.2 m	\$2.6 m	1.6%
Operating Income	\$35.5 m	\$66.5 m	\$31.0 m	87.3%
EBITDA	\$84.4 m	\$114.7 m	\$30.3 m	35.9%

Cash Flow FY22 YTD vs. FY23 YTD – USD millions



Capital & Related Financing – USD millions



	FY22 YTD	FY23 YTD
CPF contribution	\$12.5	\$13.8
Acquisition of capital assets	\$(8.4)	\$(16.5)
Transfer from primary government	\$9.2	\$295.0
VIG lease payments	\$(23.6)	\$(26.0)
Other lease payments	\$(3.9)	\$(6.5)
Principal paid on long-term debt	\$(21.5)	\$(22.0)
Interest paid on long-term debt	\$(10.8)	\$(10.0)
Other	\$3.6	\$45.1
Total	\$(42.9)	\$272.9

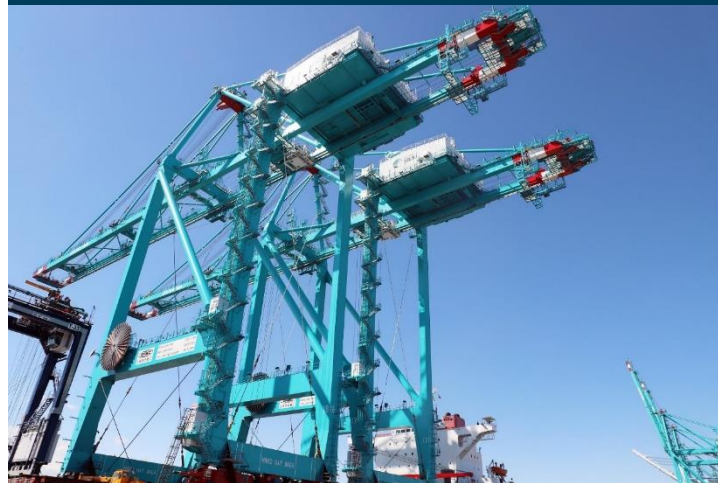
Infrastructure



Virginia Inland Port



Ship to Shore Cranes



Richmond Marine Terminal





Operations and Infrastructure Committee Report

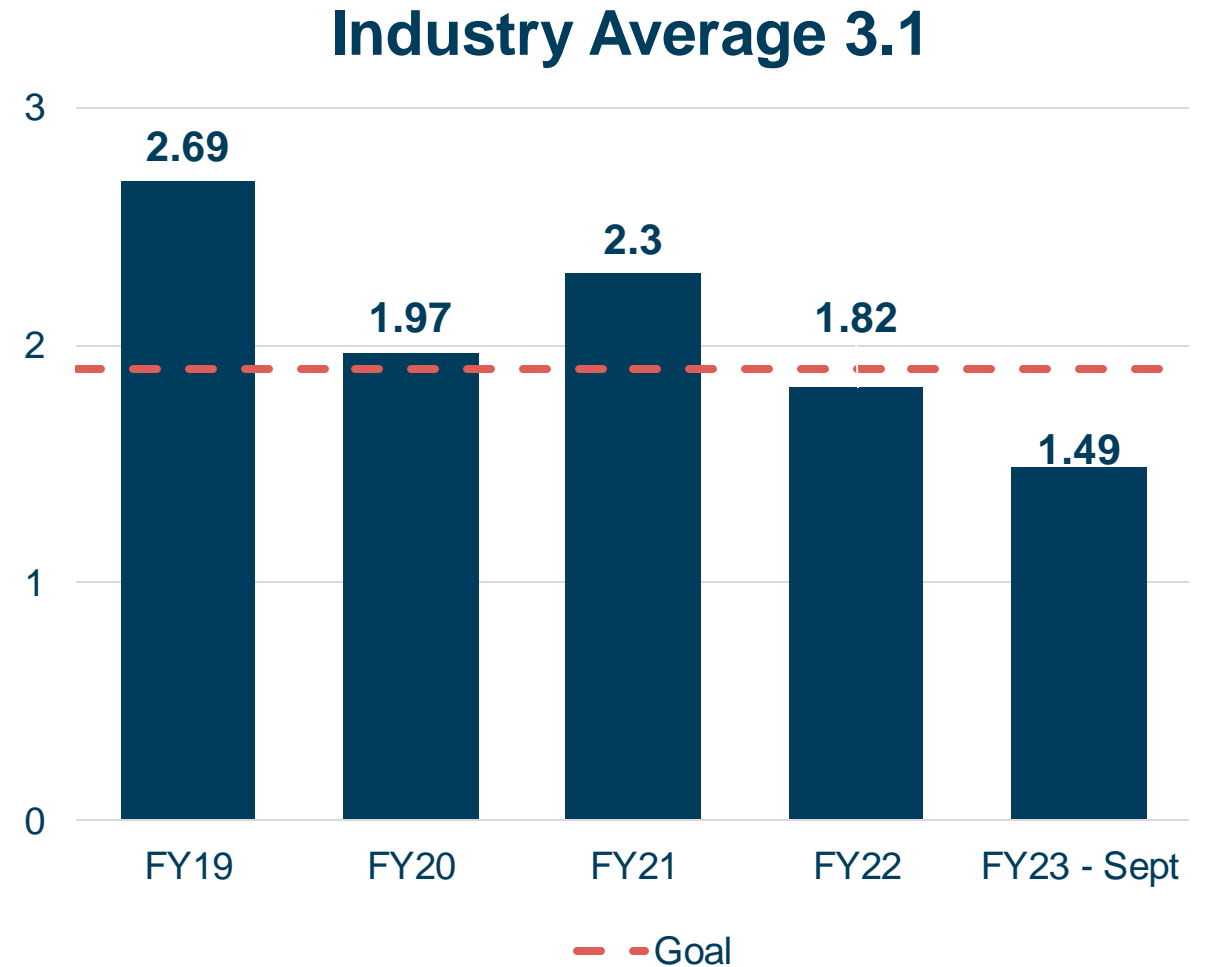
Chair Waters

Safety Dashboard

Joe Ruddy, Chief Operations Officer, VIT

As of September 30 the POV FY23
Lost Work Day (LWD) rate of **1.49** is:

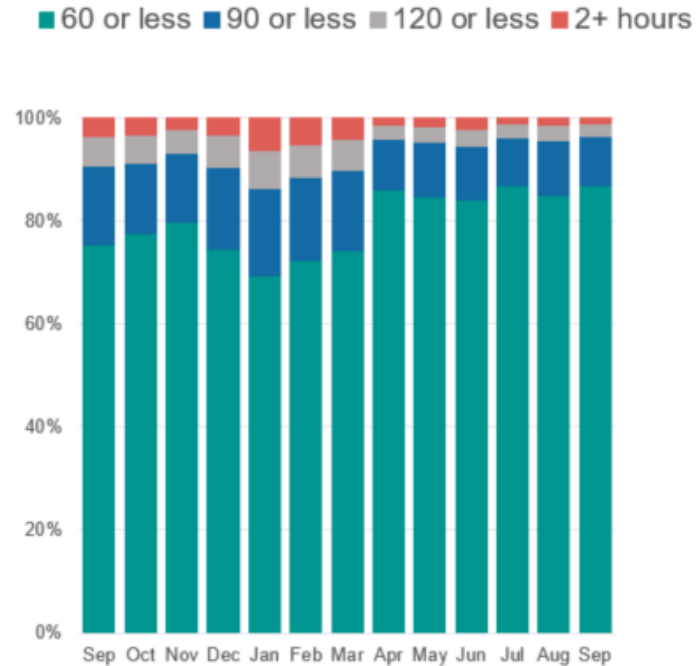
- 18.1% decrease from FY22
- 35.2% decrease from FY21
- FY23 year end goal is 1.9



Operations Dashboard

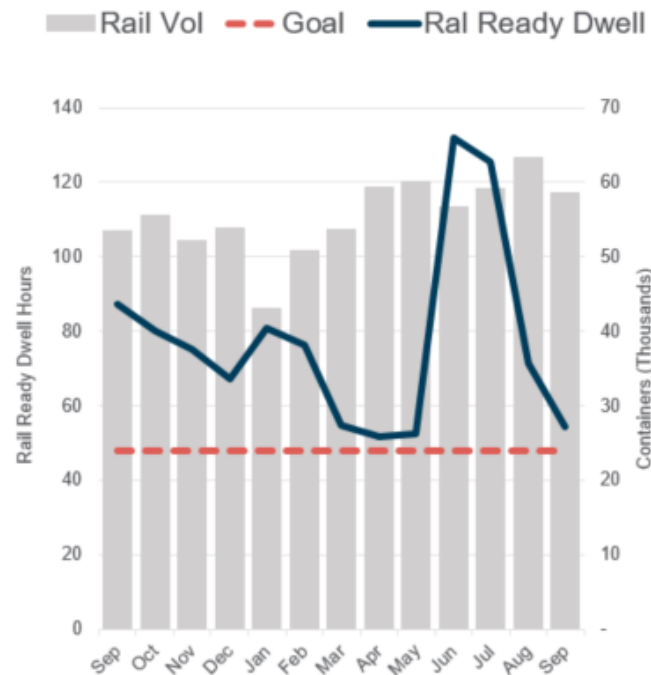
Joe Ruddy, Chief Operations Officer, VIT

Gate Performance



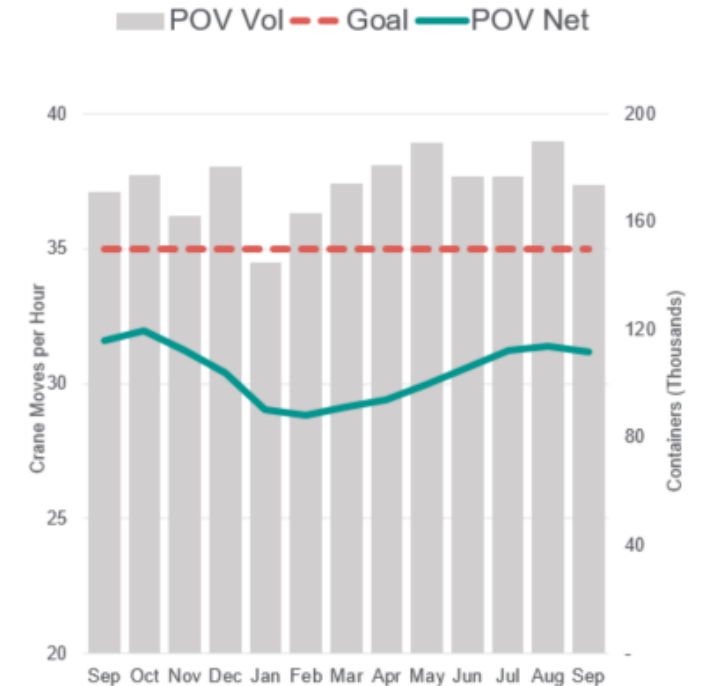
97,971 truck visits, 87% under 1 hour
1% or 1,097 truck visits over 2 hours
 Turn Time: 38 min traditional
 and 45.2 min expanded

Rail Performance



58,498 rail containers, up 9.5% YOY
Rail Ready Dwell: 54.3 hours

Net Productivity



Net Productivity: 31.2 crane moves per hour, 3.4% lower than in July 2022

Infrastructure Projects Update

Joe Ruddy, Chief Operations Officer, VIT

Cathie J. Vick, Chief Development and Public Affairs Officer

Infrastructure Projects Dashboard



NIT Central Rail Yard (CRY) Expansion

Design



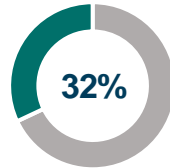
Complete

Construction



In Progress

Overall



In Progress

North NIT Optimization

Design



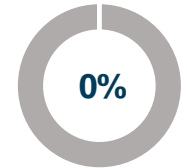
In Progress

Construction



Waiting

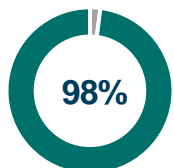
Overall



In Progress

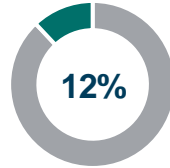
PMT Offshore Wind Hub

Design



Land design complete 03/2022
Dredging on-going

Construction



In Progress

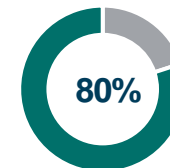
Overall



In Progress

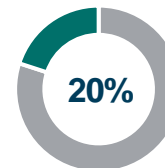
Channel Deepening and Widening

Design



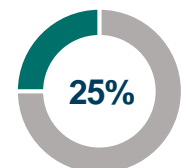
In Progress

Construction



In Progress

Overall



In Progress



Growth Committee Report

Chair Asbury

Sales and Volume Report

Tom Capozzi, Chief Sales and Marketing Officer

Volumes: Two Previous Months Comparison



	Aug - Sep 2022	Aug - Sep 2021	Change	% Change
Total TEUs	653,156	613,239	39,917	6.5%
Export Loaded TEUs	180,211	165,953	14,258	8.6%
Export Empty TEUs	161,008	146,853	14,156	9.6%
Import Loaded TEUs	304,089	296,423	7,667	2.6%
Total Rail Containers	121,855	111,244	10,611	9.5%
VIP Containers	4,867	5,091	(224)	(4.4%)
Total Barge Containers	16,741	14,938	1,803	12.1%
RMT Containers	5,214	5,438	(224)	(4.1%)
Total Truck Containers	224,356	216,910	7,446	3.4%
Non-Containerized Tonnage	30,377	17,548	12,829	73.1%
Vessel Calls	264	266	(2)	(0.8%)

USEC Ports Market Comparison



	FY23 YTD	FY22 YTD	Change	% Change
New York / New Jersey	1,054,982	997,076	57,906	5.8%
Savannah	762,148	708,835	53,313	7.5%
The Port of Virginia	449,910	429,699	20,211	4.7%
Charleston	322,348	357,643	(35,295)	(9.9%)
Baltimore	126,443	115,957	10,486	9.0%
Wilmington, NC	38,848	41,259	(2,411)	(5.8%)
Total East Coast Ports	3,249,701	3,200,363	49,338	1.5%

*Source PIERs - Loaded TEUs

*Total East Coasts Ports includes: NY/NJ, Philadelphia, Wilmington,DE, Baltimore, Port of Virginia, Wilmington,NC, Charleston, Savannah, Jacksonville, Port Everglades and Miami.

*Fiscal period included July through August



CEO/Executive Director Report

Stephen Edwards, CEO/Executive Director



Other Business



Virginia Port Authority Board of Commissioners

Thank You

