THE PORT OF VIRGINIA
AMERICA'S MOST MODERN GATEWAY

VIRGINIA PORT AUTHORITY

Annual Comprehensive Financial Report
For the Fiscal Year ended June 30, 2024

The Port of Virginia's wider shipping channel is now open for two-way passage of ultra-large container vessels.

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, 2024

Prepared by

The Finance Division of the
Virginia Port Authority

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Coastal Virginia Offshore Wind monopiles ready to be discharged at Portsmouth Marine Terminal.

THE PORT OF VIRGINIA
AMERICA'S MOST MODERN GATEWAY

VIRGINIA PORT AUTHORITY
601 World Trade Center, Norfolk, VA 23510
757-440-7160

August 30, 2024

Dear Customers, Stakeholders and Port Partners:

The Port of Virginia's continuous focus on providing world-class service in the safest environment has continued to produce positive operating and financial results. For much of fiscal year 2024, container volumes remained normalized following supply chain disruptions experienced in previous years. The Port of Virginia leveraged its modern assets and highly skilled workforce to maintain service levels while scaling operating costs and decreasing lost work days by 31% compared to the prior fiscal year.

Our service excellence was rewarded with strong financial results, an operating income of $113M, earnings before interest, taxes, depreciation, and amortization (EBITDA) of $311M, and positive operating cash flow of $286M. These results are enabling us to continue investment in capability, capacity, and service levels.

As America's Most Modern Gateway, The Port of Virginia has significantly advanced its $1.4B Gateway Investment Program, including the commencement of two-way traffic for ultra-large container vessels (ULCVs), powering operations with 100% clean energy, and completion of the central rail yard expansion project at Norfolk International Terminals (NIT). In close collaboration with the Commonwealth of Virginia, these achievements are happening concurrently with other infrastructure improvements across the region as part of an integrated infrastructure strategy. This integrated freight strategy will attract greater port-centric investment resulting in more cargo being moved through the gateway and Commonwealth. In order to further attract and retain this business, the port must continue to demonstrate its ability to move cargo in an efficient, safe, and fluid manner. Ongoing investments in the modernization and optimization of terminal assets include the optimization of the North Berth of NIT, additional post-Panamax Ship-to-Shore (STS) Cranes, and complementary berths that are capable of accommodating the largest ships calling the U.S. East Coast – all of which will help to further improve the port's throughput of greater cargo volumes and reinforce its role as the Commonwealth's primary economic engine.

The modernization and optimization of port assets represents a significant piece of the port's successes, but none of those would be possible without also having the support of the host communities, state and federal officials, U.S. Coast Guard, Customs and Border Protection, International Longshoremen's Association, Pilots, railroad and trucking partners, and the U.S. Army Corps of Engineers – all of whom play critical roles in driving progress towards our objectives. Collectively, these groups, along with The Port of Virginia team, are creating and implementing a blueprint for success through America's Most Modern Gateway. This level of collaboration has never been more apparent than in the days and weeks following the tragic collapse of the Francis Scott Key Bridge in Baltimore, effectively closing the Port of Baltimore to all large cargo vessels. In the wake of this tragedy, The Port of Virginia, along with other U.S. East Coast ports, came together to formulate a coordinated plan for the diversion of cargo to keep the greater supply chains moving. The team at The Port of Virginia rose to the challenges of managing immediate volume increases and handling unfamiliar cargoes while continuing to deliver these services in the safe, efficient, and reliable manner our customers have come to expect.

The years since 2020 have emphasized the requirement for flexibility and agility in the global supply chain. From prolonged surges in volume, geopolitical tensions, the tragedy in Baltimore, and shifting source locations, The Port of Virginia has demonstrated its ability to quickly adjust and adapt. The port remains dedicated to being the nationwide leader in sustainability, efficiency, and innovation — pushing the boundaries of our industry and seizing opportunities to meet the ever-evolving demands of the supply chain.

Some of the more notable highlights for the fiscal year ended June 30, 2024 include:

October 2023

- The Port of Virginia welcomes its first shipment of components for Dominion Energy's Coastal Virginia Offshore Wind (CVOW) project at Portsmouth Marine Terminal. Crews used specialized handling equipment over two-and-a-half days to safely and securely offload the first eight monopile foundation pieces, each one averaging 1,500 tons and 250-plus feet long.

January 2024

- The Port of Virginia becomes the first major U.S. East Coast port to power its entire operation using 100 percent clean electricity, demonstrating its commitment to supporting sustainability in Virginia. The accomplishment comes eight years ahead of its original goal of using clean energy by 2032 and represents an integral step in reaching our Net-Zero by 2040 commitment.

February 2024

- The port receives its 22nd consecutive *River Star Business Award for Sustained Distinguished Performance* from the Elizabeth River Project in recognition of the port's ongoing efforts as a steward of the local environment and its contribution to a greener supply chain.
- The Port of Virginia releases the 2023 Sustainability Report, citing a 70% reduction in total carbon emissions from its 2017 baseline, driven by a 47% reduction in overall fuel consumption and the utilization of clean energy to power operations.

March 2024

- The Port of Virginia's dredging project for the U.S. East Coast's deepest, widest channel reaches a significant milestone, allowing for the safe passage of ULCVs in Thimble Shoal Channel West Reach. This change will reduce the amount of time ULCVs spend on berth by up to 15%.

May 2024

- The first six monopile foundations for the CVOW project departed our harbor aboard DEME Group's installation vessel, *Orion*. The CVOW project is the largest offshore wind project in the nation to date and, once completed, will power the equivalent of 660,000 homes with clean, reliable energy. The Port of Virginia has invested $220 million to transform Portsmouth Marine Terminal into America's most capable offshore wind hub to support this growing industry.

June 2024

- The container ship Dali arrived at Virginia International Gateway (VIG) on June 25. While at VIG, the vessel discharged approximately 1,700 containers and then moved across the Norfolk Harbor to Pier 3 at Norfolk International Terminals (NIT) to undergo repairs. The Port of Virginia was able to help a neighbor in a time of need and did so without a second thought or an impact on our service levels. Now, Mid-Atlantic trade is returning to its normal pattern and this is a positive development. The reopening of the Port of Baltimore is great news for the industry, businesses and people who rely on that key port.

In July 2024, CNBC once again named Virginia “America’s Top State for Business.” This year, CNBC placed a greater emphasis on infrastructure—everything from sites to sustainability—making this the heaviest-weighted category for competitiveness. The port is critical to Virginia scoring highly in this category. The fact that Virginia is perennially at the top of this list underscores the potential we have yet to realize, as The Port of Virginia remains a principal driver of the economy of the Commonwealth and nation.

The port will continue to lead the industry in innovative solutions that reduce carbon emissions, increase efficiency, and anticipate the advancement of the supply chain. The future of commerce is underway at America’s Most Modern Gateway with investments and initiatives that are setting a new nationwide standard for sustainability and performance.

Sincerely,

Stephen A. Edwards
CEO and Executive Director

THE PORT OF VIRGINIA
AMERICA'S MOST MODERN GATEWAY

VIRGINIA PORT AUTHORITY
601 World Trade Center, Norfolk, VA 23510
757-440-7160

August 30, 2024

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

Dear Commissioners and Readers of this Report:

The Annual Comprehensive Financial Report (ACFR) of the Virginia Port Authority ("VPA" or "the Authority") for the fiscal year ended June 30, 2024, 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, 2024. 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 the Authority’s 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 Appropriations 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 subject to 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.

Inflation rates moderated during fiscal year 2024 compared to previous years, but still remain above pre-pandemic levels, leading the Federal Reserve to maintain a cautious stance on interest rates while fiscal policy has remained focused on supporting infrastructure projects. In support of its $1.4 billion Gateway Investment Program, the Authority raised significant capital during fiscal year 2023 through a combination of federal and state grants and new money bond issuances. As a result, the Authority has been able to position itself in a way to leverage these higher interest rates during fiscal year 2024, more than doubling its earnings on investments in comparison to fiscal year 2023. The Authority is continuously monitoring market conditions in order to optimize its existing capital structure and maximize earnings on investments to further its 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 insurance, cyber, and umbrella policies.

Virginia Port Authority and the Economy

The port's success has generated significant economic spin-off benefits to the Commonwealth. Annually, port-related business and activity directly and indirectly contribute to Virginia’s economy, accounting for more than 565,000 jobs, or $41.4 billion in Virginia labor income, generating more than $124.1 billion in total spending and creating $5.8 billion in state and local tax revenues. The positive effects of our evolution reverberate throughout Virginia. In fiscal year 2024, the port helped drive businesses to invest $2.2 billion resulting in the development of over 1.6 million square feet of space that is expected to generate more than 1,400 new jobs for Virginians. Our port-centric development approach and partnership with the VEDP is designed to attract businesses that will thrive in proximity to the port’s footprint. Household names like AutoZone, Liebherr, Article Furniture, and Amazon have all established distribution/manufacturing facilities in the Commonwealth in large measure due to the presence of a world-class port facility and structure.

Long-Term Financial Planning

Following the dramatic surges in volume and extraordinary dwell times experienced since fiscal year 2021, the Authority has been able to significantly increase its financial position with an acute focus on building its cash reserves, thereby allowing it to self-fund capital improvements when advantageous and also build up resiliency to the next major disruption, whatever it may be. This has already benefited the Authority by allowing construction on the optimization of the North Berth of NIT to begin ahead of schedule, bringing additional throughput capacity of 800,000 containers to that terminal earlier than anticipated. Furthermore, it will provide this terminal with the same operating leverage currently in place at its South Berth, allowing for greater control over operating costs and the ability to scale operations according to swings in volume. The completion of this project will also closely align with the completion of the Authority’s *Wider, Deeper, Safer* project and the Commonwealth’s Hampton Roads Bridge-Tunnel Expansion, providing the port with increased berth capacity and faster delivery of goods to market for beneficial cargo owners. Together, these investments represent significant advantages over other U.S. East Coast ports, increasing the Authority’s competitiveness in attracting new business during a time when trade lanes are shifting from West Coast ports to East Coast ports and suppliers are looking to add resiliency to their own supply chains through geographical diversification of their distribution centers. The Authority is well poised to leverage its ongoing investments in order to continue to attract new cargo and handle that cargo in a safe, efficient, reliable and cost-effective manner, driving business 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 30 years, this structure has 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. The Authority has been charged to develop The Port of Virginia into the premier gateway for international cargo transported through the Mid-Atlantic and Mid-West regions of the United States.

Major Initiatives

Fiscal year 2024 proved to be a very productive year in terms of capital improvements in and around the Authority's terminals, achieving several significant milestones from its Capital Gateway Investment program. During the year, the Authority completed construction on its central rail yard expansion at NIT, with operations set to begin in early fiscal year 2025. Furthermore, significant progress was made in strengthening the wharf at PMT, allowing for the unloading, storage and loading of the massive component pieces to be installed as part of Dominion Energy's CVOW Project, effectively transforming this terminal into a support hub for the development of offshore wind farms, a new and rapidly growing industry. Dredging efforts associated with the Authority's *Wider, Deeper, Safer* project progressed enough to allow for two-way traffic in and out of the harbor for the largest vessels calling the U.S. East Coast, allowing for consistent vessel flow, increasing berth and container yard efficiencies and further improving harbor safety. At its inland intermodal facility, VIP, the Authority reached substantial completion of its inside-the-gate improvements to optimize this terminal's operations; major improvements also took place outside the terminal's gate, in close collaboration with the Virginia Department of Transportation. Lastly, the Authority's construction efforts surrounding the densification and modernization of the North Berth of NIT formally commenced during fiscal year 2024 with all significant construction contracts having been signed during the year, limiting the Authority's exposure to financial risks associated with what will be the largest single construction project undertaken by the Authority to date. The project will provide the port with an additional throughput capacity of 800 thousand containers and, once complete, allow for the same operating leverage now being realized at the South Berth of NIT.

These improvements, along with other infrastructure projects being completed by the Commonwealth across the region, are part of an integrated infrastructure strategy aimed at creating 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, 2023, the eighteenth 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 2024 report will continue to meet the requirements of the Certificate of Achievement Program.

The Commonwealth of Virginia was named “America’s Top State for Business” in 2024 according to CNBC. With a strong emphasis placed on infrastructure in the annual rankings, this recognition demonstrates the significant role the Authority plays in the greater Commonwealth and its success in achieving its mission of driving business to, *and through,* the Commonwealth.

Preparation of the ACFR, as always, represents the combined effort of the entire finance division of the Virginia Port Authority and 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,

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, 2023

Christopher P. Morrill

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

THE PORT OF VIRGINIA

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

Diverted cargo traffic from Baltimore handled at Virginia International Gateway.

PBMares
CPAs and Consultants

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 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, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activity of the Authority, as of June 30, 2024, 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.

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 17-27 and 80-83, 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 supplementary information on pages 84-85 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 August 30, 2024 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 Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
August 30, 2024

VIRGINIA PORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2024

(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, 2024 (fiscal year 2024), with selected comparative information as of and for the Fiscal Year ended June 30, 2023 (fiscal year 2023). 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 $191,449 in fiscal year 2024 compared to an increase of $218,835 during fiscal year 2023. Net position at June 30, 2024 was $1,644,007.
- Operating income for VPA on a comparable basis decreased from $168,607 to $113,271.
- Volume of 1.9 million containers (3.5 million twenty-foot equivalent units, or TEUs) moved through the terminal properties during fiscal year 2024, which was 27 thousand containers (1.4%) more than fiscal year 2023.
- Liquidity remains strong, with net working capital of $800,319 and a current ratio (current assets divided by current liabilities) of 4.0 at June 30, 2024. Unrestricted cash and investments at June 30, 2024 were $841,385.

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.

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, 2024 and 2023, respectively, follows:

Condensed Summary of Statements of Net Position

	2024	2023	Increase/ (Decrease)
		(In Thousands)	
Assets:			
Current assets	$ 1,066,616	$ 1,181,548	$ (114,932)
Capital assets, net	5,687,670	5,503,711	183,959
Other noncurrent assets	492,468	447,039	45,429
Total assets	7,246,754	7,132,298	114,456
Deferred outflows of resources	43,559	58,020	(14,461)
Total assets and deferred outflows of resources	7,290,313	7,190,318	99,995
Liabilities:			
Current liabilities	266,297	253,778	12,519
Noncurrent liabilities	5,329,042	5,423,347	(94,305)
Total liabilities	5,595,339	5,677,125	(81,786)
Deferred inflows of resources	50,967	60,635	(9,668)
Total liabilities and deferred inflows of resources	5,646,306	5,737,760	(91,454)
Net position:			
Net investment in capital assets	560,600	474,318	86,282
Restricted	136,439	174,253	(37,814)
Unrestricted	946,968	803,987	142,981
Total net position	$ 1,644,007	$ 1,452,558	$ 191,449

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets decreased $114,932 (9.7%) from year to year. Balances in current cash and cash equivalents and investments decreased $122,696 year over year, accounting for most of the overall change in current assets. Much of the decrease in cash is attributable to the disbursement of funds received in prior years from external parties 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. Offsetting some of the decrease in cash and investments is an increase to net trade accounts receivable of $27,175, primarily due to higher container volumes at year-end. VIT experienced a 19% year-over-year increase in volumes during the months of May and June. The end result of this activity was a significantly higher level of receivables at June 30, 2024. Conversely, VPA experienced a $23,712 decrease in its grant receivables, primarily the result of the completion of the expansion of the central rail yard at NIT, which was partially grant funded.

Net capital assets (the cost of capital assets, less accumulated depreciation and amortization), including right-to-use lease and subscription assets increased $183,959 over the prior year as the Authority continues to invest in terminal infrastructure modernization and improvements. During the fiscal year, these investments totaled $383,185 and primarily consisted of continued improvements to transform PMT into an offshore wind hub; optimization of the North Berth of NIT; and completion of the expansion of NIT's central rail yard. Additionally, the Authority made several significant milestone payments toward the construction of eight new ship-to-shore cranes that will provide additional berth capacity and capability upon installation at VIG and NIT. Offsetting the increase from these improvements was $197,238 in depreciation and amortization expense. See notes 5, 6 and 12 in the notes to the financial statements for additional discussion.

The increase to other noncurrent assets is principally the result of increased balances in cash and cash equivalents and investments with maturities greater than one year of approximately $53,057. 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 to the consolidated financial statements for additional discussion. Higher investment balances were partially offset by decreases in lease receivables, reflecting $6,705 in lease payments collected during the year. See note 12 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 $12,519 when compared to fiscal year 2023. 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 decreased $46,963, of which $40,875 related to capital purchases on account, while the remainder is attributable to timing of vendor payments. These decreases were entirely offset by a $50,951 increase in the Authority's current portion of unearned revenue, reflecting the Authority's expectation of higher capital expenditures related to the optimization of the North Berth of NIT in fiscal year 2025. The Authority also recorded an additional $4,672 in retainage payable, recognizing its unpaid obligations on certain construction expenses incurred but not yet billed by the contractor. Lastly, the Authority recorded $12,870 in interest payable at June 30, 2024, a $4,316 increase attributable to higher interest cost incurred on its 2023 Series Commonwealth Port Fund Revenue Bonds, which were issued in the second half of fiscal year 2023.

Noncurrent liabilities at June 30, 2024 decreased by $94,305. $90,717 of this decrease is attributable to the long-term portion of unearned revenues reflecting the port's progress on two of its major construction projects, PMT offshore wind and optimization of the North Berth of NIT, and consequential earning of grant funds previously received. As part of its continued efforts to right-size its chassis fleet, VIT also secured favorable lease rates where possible, executing extensions on certain leases, collectively valued at $2,992. Throughout the year, VIT continued making its principal payments towards the outstanding lease liabilities amounting to $23,706, resulting in an overall decrease to its chassis lease obligations of $23,588.

The Authority's debt service reduced principal related to Revenue Bonds and Master Equipment Lease Program (MELP) borrowings by $29,122 during fiscal year 2024. The VIG lease liability, including VIG installment purchases increased by $50,009 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 $9,668 decrease in deferred inflows of resources is attributable to $5,098 of lower deferred inflows of resources related to renewed 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 $4,629.

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 $86,282, 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 decrease in balances at June 30, 2024 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 2024 operating result, along with the investments purchased to optimize available cash, contributed to the 17.8% increase in the fiscal year 2024 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, 2024 and 2023, follows:

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

	2024	2023	Increase/ (Decrease)
		(In Thousands)	
Operating revenues	$ 768,435	$ 814,766	$ (46,331)
Operating expenses	655,164	646,159	9,005
Operating income	113,271	168,607	(55,336)
Nonoperating revenues (expenses), net	26,858	(19,543)	46,401
Income before capital contributions	140,129	149,064	(8,935)
Capital contributions:			
Commonwealth Port Fund allocation	56,556	60,051	(3,495)
Capital transactions with other government agencies, net	(5,236)	9,720	(14,956)
Increase in net position	191,449	218,835	(27,386)
Net position, beginning of year	1,452,558	1,233,723	218,835
Net position, end of year	$ 1,644,007	$ 1,452,558	$ 191,449

Approximately 97% 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.

Fiscal year 2024 operating revenues decreased $46,331 from fiscal year 2023, primarily driven by a 67% ($83,600) decrease in loaded container storage revenues and 20% ($19,222) decrease in chassis revenues. While the decline in loaded container storage revenues was significant, it was not unexpected, as VIT observed dwell times returning to pre-pandemic levels beginning in the second half of fiscal year 2023, driven downward by a normalizing supply chain, and remaining at those levels for all of fiscal year 2024. Chassis revenues followed a similar trend, with VIT's chassis fleet utilization decreasing from an average of 74% in fiscal year 2023 to 51% through the first three quarters of fiscal year 2024. During the 4th quarter, average chassis utilization increased roughly 15% as a result of additional gate volumes stemming from cargo diverted from the Port of Baltimore as a result of the collapse of the Francis Scott Key Bridge and subsequent closure of that harbor. Despite these significant declines, VIT was able to leverage other segments of its business to partially offset the lost revenues. The first of these increases was related to container unit rate revenues, which experienced a $26,089 (6%) increase in revenues on only a 1.4% increase in volumes with the remainder of the increase attributable principally to annual rate increases and the blending of certain stevedore services into the container unit rate. VIT executed 41% of the stevedore lifts in fiscal year 2024 against 36% in fiscal year 2023, resulting in an additional $7,011 in separately billable stevedore lift revenues. Additionally, in October 2023, VIT began stevedoring offshore wind component pieces to be used in the Coastal Virginia Offshore Wind (CVOW) project. This operation earned VIT an additional $19,000 in new revenues. Rental related revenues earned by the Authority increased $3,587.

In contrast to the net decrease in operating revenues noted above, total operating expenses increased by $9,005, or 1.4%, in fiscal year 2024.

The increase in terminal operations expenses is solely attributable to the commencement of operations in support of the CVOW project, which incurred $15,751 in fiscal year 2024 compared to no activity in fiscal year 2023. Offsetting this increase was continued focus on operational excellence at VIT's two largest terminals, NIT and VIG, which collectively realized $2,991 in lower terminal operating expense year over year. This lower expense, despite a 1.4% increase in volume, was the result of deemphasizing vessel calls at the North Berth of NIT ahead of its pending optimization; mindful management of both terminal and berth productivity and inter-terminal container transfers; and the realization of lower costs for workers' compensation and third-party stevedoring expense, reducing overall operating cost per lift by 3%.

Maintenance expenses were essentially flat, decreasing only $2,386, or 1.8%. Roughly half of this decrease can be attributed to the decreased utilization of the chassis fleet, resulting in $1,277 of lower tire and repair expenses. Terminal maintenance labor expenses increased approximately 3.6%, or $1,543, commensurate with a 2.1% increase in hours, along with annual rate increases. However, the majority of this increase was offset by lower workers' compensation insurance rates, as noted above, which amounted to $1,465 in savings. VIT also realized savings of $1,245 related to fuel, primarily influenced by lower rates and consumption throughout fiscal year 2024 and the execution of a fuel hedge strategy.

General and administrative expense was $1,941 (3.5%) higher in fiscal year 2024. In addition to merit increases for personnel and normal inflationary increases, the primary drivers include higher IT-related expenses, increased branding efforts and higher security services due to annual rate increases.

Depreciation and amortization expense was essentially flat year over year, decreasing by less than one-percent.

Net nonoperating revenues/expenses were $46,401 favorable to fiscal year 2023. Nonoperating grant revenues comprise $33,342 of this variance, as the Authority continued its progress during fiscal year 2024 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 NIT central rail yard expansion, 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 also recognized a $28,922 increase in its investment income related to the higher short-term rate environment throughout the year. These gains were partially offset by higher interest expense, primarily related to the VIG Lease, of $8,026 and increased expenditures of $3,583 in support of economic development programs.

Capital contributions from the Commonwealth Port Fund (CPF) – allocations appropriated from the Transportation Trust Fund – are generally restricted in purpose to enhancement/major maintenance of the Authority's terminal facilities through direct reimbursement, or service of debt supported by the CPF allocation. The decrease of $3,495 from fiscal year 2023 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. The decrease in net capital transactions with other government agencies is primarily related to the PMT offshore wind project, which received $22,900 from the Commonwealth of Virginia in fiscal year 2023 in the form of state bond proceeds. While additional funding support was received in fiscal year 2024, these monies originated from private organizations and federal grants, which are reported under net nonoperating revenues. Similarly, lower channel dredging expenses, net of reimbursements accounted for a $10,232 increase in this category due solely to a change in funding sources for this project.

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 2024 and fiscal year 2023, respectively, follows:

Condensed Summary of Cash Flows

	2024	2023	Increase/ (Decrease)
		(In Thousands)	
Net cash provided by operating activities	$ 286,076	$ 398,030	$ (111,954)
Net cash provided by (used in) noncapital financing activities	6,363	(1,748)	8,111
Net cash (used in) provided by capital and related financing activities	(413,520)	307,399	(720,919)
Net cash used in investing activities	(27,629)	(288,733)	261,104
Net (decrease) increase in cash and cash equivalents	(148,710)	414,948	(563,658)
Cash and cash equivalents:			
Beginning of year	738,624	323,676	414,948
End of year	$ 589,914	$ 738,624	$ (148,710)

Cash provided by operating activities decreased by $111,954 from fiscal year 2023. The majority of the Authority's operating cash flow is generated through the operations of its blended component unit – VIT. The decrease is principally the result of the lower ancillary and chassis revenues earned during the year, accounting for $102,801 of the total decrease. Additionally, trade receivables increased by $12,573 related to the timing between invoicing and collection.

Cash provided by noncapital financing activities were negligible during fiscal year 2024. 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.

Cash related to capital and related financing activities was $720,919 lower, resulting in a use of cash from these activities in fiscal year 2024 compared to positive cash flow in fiscal year 2023. The large swing is primarily related to one-time, upfront funding received in fiscal year 2023 in support of the optimization of the North Berth of NIT, which amounted to $266,000 in direct funding from the Commonwealth of Virginia and $170,877 in proceeds from the issuance of its 2023 Series Commonwealth Port Fund Revenue Bonds. With all of the necessary funding in place at the start of fiscal year 2024, construction efforts for this project were underway for the entire year, resulting in $162,026 in capital investment throughout the year. 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 $100,726 in fiscal year 2024, offsetting construction costs incurred during the year of $120,293. As a result of these, and other ongoing capital projects discussed earlier, overall investment in capital assets increased significantly to $420,990 in fiscal year 2024. In addition to the funding sources noted above, the Authority also received $37,643 in support from federal and state agencies, a direct result of the Authority's continued efforts to identify and secure relevant grant monies.

In fiscal year 2024, the Authority used $27,629 in cash related to investing activities, a $261,104 decrease compared to fiscal year 2023. 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 though to a lesser extent than fiscal year 2023, related to the election to fund certain capital projects from cash and investments. 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, 2024, 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
- NIT central rail yard expansion – infrastructure and container handling equipment
- Eight new ship-to-shore cranes for use at VIG and NIT
- Optimization of VIP

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, 2024, the Authority had $5,213,579 in outstanding liabilities related to either bond, installment purchase, or lease and subscription liabilities, excluding deferred inflows of resources. Of this balance, $4,398,139 is in the form of lease liabilities (the two largest being the VIG lease in the amount of $4,191,976, and $186,538 related to chassis lease arrangements). Revenue bonds outstanding consist of $567,615 in Port Facilities Revenue Bonds and Commonwealth Port Fund Revenue Bonds issued by the Authority with $37,990 of issuance premiums. Installment purchase liabilities consist of $62,079 in Master Equipment Lease Program (MELP) financing and $147,757 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 2024. 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, 2024 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

By the end of fiscal year 2023, volumes had significantly dropped off from their record highs and storage revenues were trending downward to normalized levels. In spite of these expectations, the Authority remained focused on providing best in class service to its customers in the most efficient and cost-effective manner possible. These efforts paid dividends during the year, as VIT replaced a 4% decline in truck volume with a 15% increase in rail volume, sustaining volume growth versus volume decline. After significant preparation, in October, the Authority also began stevedoring offshore wind component pieces in support of the CVOW project, netting $6,081 in operating income on $19,000 of revenues throughout the remainder of the year. Following the collapse of the Francis Scott Key Bridge in Baltimore and the resulting closure of the Port of Baltimore, the Authority immediately made contact to understand how the Port of Virginia could be of assistance and help to avoid another major disruption to the supply chain. The Authority leveraged its operating model to quickly and fluidly accommodate changes in vessel schedules and rerouting of both containerized and non-containerized cargo, absorbing incremental container and general cargo volume during the two months where Baltimore's Harbor was closed to large vessels, and doing so without sacrificing productivity or service levels across all operations. Despite declines in various revenues due to macroeconomic trends, the Authority was able to exercise control over its own operating costs in order to remain profitable and meet its targets.

In our planning, we anticipate a modest increase in fiscal year 2025 volume as retailers replenish inventories, our service levels for rail cargo continue to attract business, and port-centric efforts continue to build momentum. The realization of this near-term expectation will depend in large part on economic conditions throughout the year. Recent trends toward slowing employment, contrasted with the expectations of interest rate reductions, are contributing to uncertainty which could influence the actual volume realized. The Authority's CVOW stevedoring operation, on the other hand, is expected to increase its number of component pieces handled by more than 600% across almost 90 vessel calls. Changes in the industry, such as shifts in trade lanes and formation of new ocean carrier alliances, provide the Authority opportunities to attract and retain new volume. Conversely, there are significant challenges to be faced in fiscal year 2025, not the least of which is the negotiation of a new master contract with its ILA partners, which will have a major impact to the Authority's cost structure. Additionally, the Authority is planning for several disruptions to its operations during the year in order to allow for the movement and demolition of older ship-to-shore cranes, replacing these with four new, and larger, cranes in their stead with four more to follow in fiscal year 2026. At a macro level, geopolitical tensions continue to impact the supply chain in various ways, requiring companies to diversify their portfolios and seek new, innovative solutions to attract these emerging markets. The Authority is well poised to handle these changes, having demonstrated its ability to remain agile and productive during surges in volume as well as, and as importantly, during declines in volume.

The Authority's terminals are currently performing at world-class levels, which is sustaining the leverage to control operating cost as well as attract new volume to fill the additional capacity. NIT's central rail yard expansion will begin operations in fiscal year 2025 and intends to further increase those service levels and reduce operating costs all while adding capacity to a strategic area of growth. The Authority is also leveraging this normalization period to accelerate progress on the optimization of the North Berth of NIT, which will provide significant capacity and efficiency enhancements in order to be able to handle anticipated growth.

In fiscal year 2023, the Authority extended its commitment to purchase its electricity needs from renewable sources through an agreement with Rappahannock Electric Cooperative. As of January 1, 2024, the Authority is now able to source 100% of its operational power demand from clean energy, achieving this significant milestone well ahead of its original schedule.

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 2023 to fiscal year 2024, the Authority's apportionment in dollars decreased from $60,051 to $56,556.

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, 2024

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
ASSETS				
Current assets:				
Cash and cash equivalents	$ 66,947	$ 40,487	$ -	$ 107,434
Investments	311,525	-	-	311,525
Restricted assets:				
Cash and cash equivalents	478,648	-	-	478,648
Investments	33,982	-	-	33,982
Accounts receivable, net	2,487	74,156	(97)	76,546
Due from other governments	21,608	-	-	21,608
Due from related parties	29,570	-	(29,570)	-
Inventories, net	-	27,282	-	27,282
Prepaid expenses and other	80	5,650	-	5,730
Leases receivable, current portion	2,475	1,386	-	3,861
Total current assets	947,322	148,961	(29,667)	1,066,616
Noncurrent assets:				
Investments	422,426	-	-	422,426
Restricted assets:				
Cash and cash equivalents	3,832	-	-	3,832
Investments	13,682	-	-	13,682
Leases receivable, noncurrent portion	36,317	11,386	-	47,703
Nondepreciable capital assets	823,714	4,721	-	828,435
Depreciable capital assets, net	853,651	30,274	-	883,925
Right-to-use lease and subscription assets, net	3,790,892	184,418	-	3,975,310
Other noncurrent assets	-	4,825	-	4,825
Total noncurrent assets	5,944,514	235,624	-	6,180,138
Total assets	6,891,836	384,585	(29,667)	7,246,754
DEFERRED OUTFLOWS OF RESOURCES				
Bond refundings, net	19,867	-	-	19,867
Pensions and OPEB, net	6,332	17,360	-	23,692
Total deferred outflows of resources	26,199	17,360	-	43,559
Total assets and deferred outflows of resources	$ 6,918,035	$ 401,945	$ (29,667)	$ 7,290,313

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

VIRGINIA PORT AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2024

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$ 28,985	$ 26,396	$ (97)	$ 55,284
Interest payable	12,870	-	-	12,870
Retainage payable	10,527	-	-	10,527
Long-term debt, current portion	28,218	-	-	28,218
Lease and subscription liabilities, current portion	1,828	22,109	-	23,937
Obligations under securities lending	7,822	-	-	7,822
Unearned revenue, current portion	126,280	1,359	-	127,639
Due to parent member	-	29,570	(29,570)	-
Total current liabilities	216,530	79,434	(29,667)	266,297
Noncurrent liabilities:				
Long-term debt, noncurrent portion	787,223	-	-	787,223
Lease and subscription liabilities, noncurrent portion	4,205,602	168,599	-	4,374,201
Pension and OPEB liabilities, net	9,534	2,231	-	11,765
Unearned revenue, noncurrent portion	154,146	-	-	154,146
Other noncurrent liabilities	-	1,707	-	1,707
Total noncurrent liabilities	5,156,505	172,537	-	5,329,042
Total liabilities	5,373,035	251,971	(29,667)	5,595,339
DEFERRED INFLOWS OF RESOURCES				
Bond refundings, net	59	-	-	59
Leases	28,982	11,086	-	40,068
Pensions and OPEB, net	2,548	8,292	-	10,840
Total deferred inflows of resources	31,589	19,378	-	50,967
Total liabilities and deferred inflows of resources	5,404,624	271,349	(29,667)	5,646,306
NET POSITION				
Net investment in capital assets	531,895	28,705	-	560,600
Restricted for:				
Debt service	136,439	-	-	136,439
Unrestricted	845,077	101,891	-	946,968
Total net position	1,513,411	130,596	-	1,644,007
Total liabilities, deferred inflows of resources, and net position	$ 6,918,035	$ 401,945	$ (29,667)	$ 7,290,313

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, 2024

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
Operating revenues:				
Terminal operating revenues	$ -	$ 745,476	$ -	$ 745,476
Other operating revenues	22,029	(579)	-	21,450
Other revenues - grants, federal and state	1,509	-	-	1,509
Operating revenues from component unit	252,967	-	(252,967)	-
Total operating revenues	276,505	744,897	(252,967)	768,435
Operating expenses:				
Terminal operations	163	263,431	-	263,594
Terminal maintenance	5,863	125,546	-	131,409
General and administrative	16,914	40,846	-	57,760
Facility rental	5,163	-	-	5,163
Depreciation and amortization	162,794	34,444	-	197,238
Operating payments to Authority	-	252,967	(252,967)	-
Total operating expenses	190,897	717,234	(252,967)	655,164
Operating income	85,608	27,663	-	113,271
Nonoperating revenues (expenses):				
Investment income, net	50,924	2,676	-	53,600
Interest expense	(179,165)	(7,607)	-	(186,772)
Revenues from federal sources	18,210	-	-	18,210
Revenues from state sources	42,091	-	-	42,091
Revenues from private sources	108,605	-	-	108,605
Other expenses	(7,206)	-	-	(7,206)
Gain (loss) on disposals	(1,677)	7	-	(1,670)
Total nonoperating revenues (expenses), net	31,782	(4,924)	-	26,858
Income before capital contributions	117,390	22,739	-	140,129
Capital contributions:				
Commonwealth Port Fund allocation	56,556	-	-	56,556
Payments to federal government - channel dredging	(68,391)	-	-	(68,391)
Capital contributions from (to) component unit	1,234	(1,234)	-	-
Capital contributions to other state agencies	(2,289)	-	-	(2,289)
Proceeds from primary government	65,444	-	-	65,444
Increase in net position	169,944	21,505	-	191,449
Net position, beginning of year	1,343,467	109,091	-	1,452,558
Net position, end of year	$ 1,513,411	$ 130,596	$ -	$ 1,644,007

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, 2024

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
Cash flows from operating activities:				
Receipts from customers and users	$ 235,692	$ 718,687	$ (234,738)	$ 719,641
Receipts from operating grants	2,613	-	-	2,613
Reimbursement from (to) component unit	26,152	(26,152)	-	-
Other receipts	22,029	-	-	22,029
Payments for operating expenses	(18,654)	(149,708)	-	(168,362)
Payments to employees	(30,230)	(259,615)	-	(289,845)
Net cash provided by operating activities	237,602	283,212	(234,738)	286,076
Cash flows from noncapital financing activities:				
Transfer from (to) primary government	77,298	(234,738)	234,738	77,298
Payments for channel dredging activity	(70,935)	-	-	(70,935)
Net cash provided by (used in) noncapital financing activities	6,363	(234,738)	234,738	6,363
Cash flows from capital and related financing activities:				
CPF contribution	57,621	-	-	57,621
Acquisition of capital assets	(412,198)	(8,792)	-	(420,990)
Transfer to primary government	(382)	-	-	(382)
Payments made on VIG lease liabilities	(108,121)	-	-	(108,121)
Principal paid on other lease and subscription liabilities	(1,982)	(23,706)	-	(25,688)
Interest paid on other lease liabilities	(554)	(7,603)	-	(8,157)
Principal paid on long-term debt	(29,122)	-	-	(29,122)
Interest paid on long-term debt	(17,408)	-	-	(17,408)
Net transfers from other state, federal or other private agencies	37,643	-	-	37,643
Net transfers, CVOW	100,726	-	-	100,726
Proceeds from sale of capital assets	24	334	-	358
Net cash used in capital and related financing activities	(373,753)	(39,767)	-	(413,520)
Cash flows from investing activities:				
Proceeds from sales and maturities	953,003	-	-	953,003
Purchases of investments	(995,415)	-	-	(995,415)
Interest received and other	13,003	1,780	-	14,783
Net cash (used in) provided by investing activities	(29,409)	1,780	-	(27,629)
Net (decrease) increase in cash and cash equivalents	(159,197)	10,487	-	(148,710)
Cash and cash equivalents, beginning of year	708,624	30,000	-	738,624
Cash and cash equivalents, end of year	$ 549,427	$ 40,487	$ -	$ 589,914

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, 2024

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 85,608	$ 27,663	$ -	$ 113,271
Adjustments to reconcile operating income to net cash provided by operating activities:				
Payments to Authority	-	252,967	(252,967)	-
Depreciation and amortization	162,794	34,444	-	197,238
Other income	(56)	896	-	840
Change in assets, deferred outflows and inflows of resources and liabilities:				
Accounts receivable	1,159	(26,789)	-	(25,630)
Inventories	-	(2,330)	-	(2,330)
Due from related parties	(18,399)	-	18,399	-
Prepaid expenses and other	189	(1,309)	-	(1,120)
Accounts payable and other accrued expenses	4,392	(5,601)	-	(1,209)
Due to VPA	-	170	(170)	-
Change in leases and subscriptions	1,073	(317)	-	756
Change in pension and OPEB	842	3,418	-	4,260
Net cash provided by operating activities	$ 237,602	$ 283,212	$ (234,738)	$ 286,076
Supplemental schedule of Noncash Capital and Related Financing Activity:				
Capital contribution to VPA	$ 1,234	$ (1,234)	$ -	$ -
Capital contribution to Primary Government	(156)	-	-	(156)
Capital asset additions purchased on account	29,817	-	-	29,817
Right-to-use lease assets	(40)	1,860	-	1,820
Right-to-use subscription assets	(749)	(1,798)	-	(2,547)
VIG lease liability	45,865	-	-	45,865
Installment purchases	4,144	-	-	4,144
Other lease liabilities	41	(1,860)	-	(1,819)
Subscription liabilities	749	1,798	-	2,547

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

VIRGINIA PORT AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

		(In Thousands)
ASSETS		
Current Assets		
Cash and cash equivalents	$	2
Total current assets		2
Noncurrent Assets		
Investments held in trust at fair value:		
Short-term bond funds		3,184
Long-term bond funds		9,599
Core plus bond funds		43,760
Common and preferred stock funds		37,475
Other mutual funds		34,261
Total assets		128,281
NET POSITION		
Restricted for:		
Pension benefits		128,281
Total net position	$	128,281

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, 2024

	(In Thousands)
Additions:	
Employer contributions	$ 2,268
Investment income	14,445
Payment credits	61
Total additions	16,774
Deductions:	
Benefit payments and transfers	17,981
Other disbursements	328
Total deductions	18,309
Change in net position	(1,535)
Net position, beginning of year	129,816
Net position, end of year	$ 128,281

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

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, 2024. 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, 2024. 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.

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 of Virginia.

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, 2024 for the Authority. VIT utilizes the allowance method for doubtful accounts. Accounts receivable are shown net of the allowance for doubtful accounts of approximately $5,649 as of June 30, 2024 for VIT. The allowance for doubtful accounts is an amount management believes will be adequate to absorb existing accounts receivable balances that are likely to not 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 $2,149 at June 30, 2024.

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 in excess of two 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.

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	3 - 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. As of June 30, 2024, the Authority did not have any impaired assets.

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 obligation 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 12 years.

Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

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 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 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 noncancellable term of 12 months or less, and income is recognized as earned.

The Authority is a lessor for noncancellable 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. 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 noncancellable 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 obligation 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 liability and subscription asset on the Consolidated Statement of Net Position. Subscriptions with an initial, noncancellable term of 12 months or less are not recorded on the Consolidated 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.

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

Employee benefits, including accumulated paid time off (PTO), are accrued as liabilities in the period the benefits are earned. Amounts earned and estimated to be paid during the next fiscal year are reported as current liabilities. 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 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, 2023	Increases	Decreases	Balance June 30, 2024
	(In Thousands)			
Authority	$ 449	$ 945	$ (752)	$ 642
Blended Component Unit - VIT	686	1,354	(1,138)	902

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

Since 1999, 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, 2024. VIT expects to pay assessments annually through 2029. The balance at June 30, 2024 is classified in accrued expenses as follows (in thousands):

Workers' compensation claims and U.S. DOL assessment, current	$ 507
Workers' compensation claims and U.S. DOL assessment, noncurrent	1,707
Total	$ 2,214

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 or unearned but received funding from third parties.

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 so 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 so 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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 using updated actuarial assumptions, applied to all periods included in the measurement.

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 August 30, 2024, the date the financial statements were available to be issued.

W. Recently Issued Accounting Pronouncements

At June 30, 2024, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The statements which might, or will, impact the Authority are as follows:

GASB Statement No. 101, *Compensated Absences*, provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement 101 will be effective for the Authority beginning with its year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, requires the Authority to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires the Authority to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If the Authority determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in the notes to the financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the Authority beginning with its year ending June 30, 2025.

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 103 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.

Note 2. Cash, Cash Equivalents and Investments

As of June 30, 2024, 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 $302,895 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, 2024, 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, 2024, these assets aggregated $530,144 with $512,630 classified as current and $17,514 classified as noncurrent based on the purpose for which the assets are restricted.

Current restricted assets consist of:

- $30,948 in cash and investments related to bond debt service payments to be made July 1, 2024;
- $9,307 in cash related to a capital lease payment to be made July 1, 2024;
- $319,672 in cash designated for purposes consistent with appropriations made by the Commonwealth of Virginia;
- $33,982 in cash and investments reserved to secure debt service in future years as required by the Authority's bond covenants; and
- $118,721 in cash designated for major terminal improvement projects.

Noncurrent restricted assets consist of:

- $15,306 in cash and investments reserved to secure debt service in future years as required by the Authority's bond covenants; and
- $2,208 in cash and investments for miscellaneous purposes.

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.

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

Cash and Cash Equivalents

As of June 30, 2024, the following shows the segmented time distribution of the Authority's and VIT's cash and cash equivalents and its fair value measurement:

	Fair Value	Maturities (in Years) Less than 1
	(In Thousands)	
Cash	$ 463,110	N/A
Mutual and Money Market Funds	14,226	$ 14,226
U.S. Treasuries	112,578	112,578
Total	$ 589,914	$ 126,804

	Fair Value	Level 1	Level 2	Level 3
		(In Thousands)		
Cash	$ 463,110	N/A	$ -	$ -
Mutual and Money Market Funds	14,226	$ 14,226	-	-
U.S. Treasuries	112,578	112,578	-	-
Total	$ 589,914	$ 126,804	$ -	$ -

Investments

As of June 30, 2024, the following shows the segmented time distribution of the Authority's investments and its fair value measurement:

	Fair Value	Investment Maturities (in Years) Less than 1	1 - 5
		(In Thousands)	
Negotiable Certificates of Deposit	$ 89,290	$ 81,785	$ 7,505
Commercial Paper	77,551	77,551	-
Corporate Bonds and Notes	174,731	25,804	148,927
U.S. Treasuries	276,485	128,125	148,360
Asset Backed Securities	13,860	95	13,765
Mortgage Backed Securities	128,213	24,154	104,059
Agency Mortgage Backed Securities	17,987	4,495	13,492
Municipal Bonds	3,498	3,498	-
Total	$ 781,615	$ 345,507	$ 436,108

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

Investments (Continued)

	Fair Value	Level 1	Level 2	Level 3
	(In Thousands)			
Negotiable Certificates of Deposit	$ 89,290	$ -	$ 89,290	$ -
Commercial Paper	77,551	-	77,551	-
Corporate Bonds and Notes	174,731	-	174,731	-
U.S. Treasuries	276,485	276,485	-	-
Asset Backed Securities	13,860	-	13,860	-
Mortgage Backed Securities	128,213	-	128,213	-
Agency Mortgage Backed Securities	17,987	-	17,987	-
Municipal Bonds	3,498	-	3,498	-
Total	$ 781,615	$ 276,485	$ 505,130	$ -

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, 2023 (measurement date June 30, 2023). The Defined Benefit Pension Plan investment balances as of June 30, 2024 have a measurement date of June 30, 2024. 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, 2024:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2024

	Level 1	Level 2	Level 3	Total
	(In Thousands)			
Short-term bond funds	$ 6	$ -	$ -	$ 6
Long-term bond funds	2,824	-	-	2,824
Core plus bond funds	11,188	-	-	11,188
Common and preferred stock funds	9,182	-	-	9,182
Other mutual funds	7,935	-	-	7,935
Total assets in the fair value hierarchy	$ 31,135	$ -	$ -	$ 31,135

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, 2024:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2024

	Level 1	Level 2	Level 3	Total
		(In Thousands)		
Short-term bond funds	$ 3,178	$ -	$ -	$ 3,178
Long-term bond funds	6,775	-	-	6,775
Core plus bond funds	32,572	-	-	32,572
Common and preferred stock funds	28,293	-	-	28,293
Other mutual funds	24,641	-	-	24,641
Total assets in the fair value hierarchy	$ 95,459	$ -	$ -	$ 95,459

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, 2024 amounted to $1,687 and consisted substantially of other mutual funds measured as level 1 investments within the fair value hierarchy.

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 $40,487. These deposits are collateralized in accordance with the Act, or covered by the Federal Deposit Insurance Corporation (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, 2024, 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, 2024 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
			(In Thousands)			
Negotiable Certificates of Deposit	$ -	$ -	$ 2,769	$ 86,521	$ -	$ -
Commercial Paper	-	-	-	77,551	-	-
Corporate Bonds and Notes	5,608	29,086	129,761	4,326	4,039	1,911
U.S. Treasuries	-	276,485	-	-	-	-
Asset Backed Securities	7,464	-	-	-	-	6,396
Mortgage Backed Securities	46,132	35,406	-	3,398	-	43,277
Agency Mortgage Backed Securities	-	-	-	17,987	-	-
Municipal Bonds	-	3,498	-	-	-	-
Total	$ 59,204	$ 344,475	$ 132,530	$ 189,783	$ 4,039	$ 51,584

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. 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, 2024, approximately 53.9% of total revenue was derived from four customers. Receivables outstanding at June 30, 2024 for this concentration totaled $39,112.

Note 4. Due From Other Governments

Amounts due from other governments as of June 30, 2024 include (in thousands):

U.S. Department of Transportation	$	7,931
Transportation Trust Fund		5,840
Virginia Department of Transportation		3,154
Virginia Department of Rail and Public Transportation		2,278
Virginia Public Building Authority		1,145
City of Portsmouth		969
U.S. Department of Homeland Security		146
Virginia Department of Emergency Management		145
	$	21,608

Note 5. Capital Assets

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

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
			(In Thousands)		
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land and improvements	$ 104,471	$ -	$ (535)	$ -	$ 103,936
Construction in progress (CIP)	368,955	374,393	-	(23,570)	719,778
	473,426	374,393	(535)	(23,570)	823,714
Depreciable or amortizable capital assets:					
Infrastructure	1,004,941	-	-	1,061	1,006,002
Buildings and improvements	133,635	-	-	694	134,329
Equipment	687,652	-	(19,114)	21,815	690,353
Right-to-use lease and subscription assets:					
VIG	4,049,305	-	-	-	4,049,305
Land and real property	19,350	-	-	-	19,350
Equipment	-	40	-	-	40
Subscription assets	-	749	-	-	749
	5,894,883	789	(19,114)	23,570	5,900,128
Less accumulated depreciation and amortization for:					
Depreciable capital assets:					
Infrastructure	(477,707)	(29,361)	-	-	(507,068)
Buildings and improvements	(110,025)	(3,269)	-	-	(113,294)
Equipment	(337,967)	(37,199)	18,495	-	(356,671)
Right-to-use lease and subscription assets:					
VIG	(181,990)	(90,996)	-	-	(272,986)
Land and real property	(3,597)	(1,826)	-	-	(5,423)
Equipment	-	(12)	-	-	(12)
Subscription assets	-	(131)	-	-	(131)
Total accumulated depreciation and amortization	(1,111,286)	(162,794)	18,495	-	(1,255,585)
Depreciable or amortizable capital assets, net	4,783,597	(162,005)	(619)	23,570	4,644,543
Governmental activities capital assets, net	$ 5,257,023	$ 212,388	$ (1,154)	$ -	$ 5,468,257

Note 5. Capital Assets (Continued)

Blended Component Unit – VIT

Changes in capital assets for the year ended June 30, 2024 are summarized as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
			(In Thousands)		
CIP (nondepreciable)	$ 8,067	$ 8,792	$ -	$ (12,138)	$ 4,721
Depreciable or amortizable capital assets:					
Buildings and improvements	2,933	-	-	-	2,933
Terminal gear and equipment	35,644	-	(2,245)	7,194	40,593
Automobiles and trucks	11,033	-	(926)	2,390	12,497
Data processing equipment	81,901	-	-	2,554	84,455
Furniture and fixtures	2,096	-	-	-	2,096
Right-to-use lease and subscription assets:*					
Chassis and terminal equipment	248,295	1,374	(4,246)	-	245,423
Subscription assets	3,510	2,840	(845)	-	5,505
	385,412	4,214	(8,262)	12,138	393,502
Less accumulated depreciation and amortization for:					
Depreciable capital assets	(105,593)	(8,317)	1,610	-	(112,300)
Right-to-use lease assets	(40,168)	(25,218)	1,012	-	(64,374)
Right-to-use subscription assets	(1,030)	(909)	(197)	-	(2,136)
Total accumulated depreciation and amortization	(146,791)	(34,444)	2,425	-	(178,810)
Depreciable or amortizable capital assets, net	238,621	(30,230)	(5,837)	12,138	214,692
Capital assets, net	$ 246,688	$ (21,438)	$ (5,837)	$ -	$ 219,413

*Right-to-use lease assets at June 30, 2024 primarily consist of $242,280 for approximately 17,500 chassis leased by HRCP, along with $3,143 for terminal operating equipment leased by VIT. See Note 12 for further details.

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, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
			(In Thousands)		
Revenue bonds:					
Revenue bonds	$ 585,600	$ -	$ (17,985)	$ 567,615	$ 18,610
Issuance premium	42,323	-	(4,333)	37,990	2,638
Total revenue bonds	627,923	-	(22,318)	605,605	21,248
Other liabilities:					
Installment purchases	212,496	4,144	(6,804)	209,836	6,970
Total other liabilities	212,496	4,144	(6,804)	209,836	6,970
Lease liabilities:					
VIG lease	4,146,111	45,865	-	4,191,976	-
Other lease liabilities	16,646	41	(1,562)	15,125	1,664
Subscription liabilities	-	749	(420)	329	164
Total lease liabilities	4,162,757	46,655	(1,982)	4,207,430	1,828
Total long-term indebtedness	$ 5,003,176	$ 50,799	$ (31,104)	$ 5,022,871	$ 30,046

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness

Revenue Bonds	Balance as of June 30, 2024 *(In Thousands)*
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 $7,875 to $8,730 with semi-annual interest payments with rates ranging from 3.37% 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.	$ 33,170
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 $1,765 to $10,300 with interest of 2.78% 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).	134,235
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 $2,430 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.	86,885

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

Revenue Bonds (Continued)	Balance as of June 30, 2024 *(In Thousands)*
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 $2,645 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.	$ 20,915
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 0.72% 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.	73,975
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 $2,655 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.	17,240
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

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

		Balance as of June 30, 2024
Revenue Bonds (Continued)		*(In Thousands)*
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.	$	52,675
Sub-total revenue bonds		567,615
Issuance premium, net		37,990
Total revenue bonds		605,605
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.		43,804
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.		8,416
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.		9,859

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

Installment Purchases (Continued)	Balance as of June 30, 2024 *(In Thousands)*
Installment Purchase Contract liability recorded pursuant to the VIG lease.	$ 147,757
Total installment purchases	209,836
VIG Lease	
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.	4,191,976
Other Lease and Subscription Liabilities	
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.	15,125
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.	329
Total long-term indebtedness	$ 5,022,871

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, 2024 are as follows:

Revenue Bonds

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 18,610	$ 23,947	$ 42,557
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
2030-2034	104,500	94,065	198,565
2035-2039	109,375	72,063	181,438
2040-2044	135,840	46,219	182,059
2045-2049	116,555	12,996	129,551
Total revenue bonds	$ 567,615	$ 337,880	$ 905,495

Installment Purchases

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 2,735	$ 10,255	$ 12,990
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
2030-2034	9,728	52,370	62,098
2035-2039	(7,343)	54,362	47,019
2040-2044	(3,675)	56,421	52,746
2045-2049	6,674	56,124	62,798
2050-2054	22,764	52,001	74,765
2055-2059	46,975	42,037	89,012
2060-2064	82,579	23,395	105,974
2065-2066	34,053	1,621	35,674
Total installment purchases	$ 209,836	$ 390,140	$ 599,976

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.

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
		(In Thousands)	
2025	$ (43,934)	$ 145,658	$ 101,724
2026	(41,809)	147,144	105,335
2027	(39,478)	148,553	109,075
2028	(36,931)	149,878	112,947
2029	(34,155)	151,111	116,956
2030-2034	(120,165)	770,255	650,090
2035-2039	(8,114)	782,084	773,970
2040-2044	150,722	770,773	921,495
2045-2049	370,053	726,993	1,097,046
2050-2054	667,101	639,140	1,306,241
2055-2059	1,063,447	491,538	1,554,985
2060-2064	1,586,058	265,241	1,851,299
2065-2066	679,181	20,733	699,914
Total VIG lease	$ 4,191,976	$ 5,209,101	$ 9,401,077

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, 2024, right-to-use lease assets recorded pursuant to the VIG lease were included in depreciable capital assets shown in Note 5.

Note 6. Long-Term Debt (Continued)

Annual Long-Term Debt Requirements (Continued)

Other Lease Liabilities

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 1,664	$ 497	$ 2,161
2026	1,772	438	2,210
2027	1,879	375	2,254
2028	1,358	313	1,671
2029	838	289	1,127
2030-2034	4,802	928	5,730
2035-2039	550	433	983
2040-2044	555	345	900
2045-2049	659	241	900
2050-2054	784	116	900
2055-2056	264	7	271
Total other lease liabilities	$ 15,125	$ 3,982	$ 19,107

Subscription Liabilities

Year Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 164	$ 9	$ 173
2026	165	5	170
Total subscription liabilities	$ 329	$ 14	$ 343

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

	Principal	Premium	Total Long-Term Debt
		(In Thousands)	
Commonwealth port fund revenue bonds	$ 325,580	$ 28,236	$ 353,816
Port facilities revenue bonds	242,035	9,754	251,789
Installment purchases	209,836	-	209,836
VIG lease	4,191,976	-	4,191,976
Other lease liabilities	15,125	-	15,125
Subscription liabilities	329	-	329
	$ 4,984,881	$ 37,990	$ 5,022,871

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, 2024, $1,612 and $7,329 were maintained as restricted cash and investments, respectively, to satisfy these requirements.

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, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
			(In Thousands)		
Subscription liabilities	$ 2,520	$ 2,851	$ (2,252)	$ 3,119	$ 1,180
Chassis lease liabilities	210,126	2,992	(26,580)	186,538	20,294
Other lease liabilities	1,830	1,087	(1,866)	1,051	635
Total	$ 214,476	$ 6,930	$ (30,698)	$ 190,708	$ 22,109

Annual Long-Term Debt Requirements

Summaries of future principal and interest maturities of lease and subscription obligations as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 1,180	$ 118	$ 1,298
2026	1,093	71	1,164
2027	711	27	738
2028	74	4	78
2029	61	2	63
Total subscription liabilities	$ 3,119	$ 222	$ 3,341

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 20,294	$ 6,667	$ 26,961
2026	20,909	5,904	26,813
2027	21,701	5,112	26,813
2028	22,170	4,293	26,463
2029	22,128	3,461	25,589
2030-2034	76,204	6,700	82,904
2035-2038	3,132	52	3,184
Total chassis lease liabilities	$ 186,538	$ 32,189	$ 218,727

Year Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2025	$ 635	$ 24	$ 659
2026	181	11	192
2027	116	6	122
2028	101	2	103
2029	18	1	19
Total other lease liabilities	$ 1,051	$ 44	$ 1,095

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, 2024, $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, 2024, $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, 2024, $59,030 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, 2024, $10,751 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, 2024, $7,550 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, 2024, $1,566 remained as unamortized deferred outflows of resources.

Note 8. Commitments and Contingencies

As of June 30, 2024, the Authority has commitments to construction contracts totaling $1,044,897, of which $525,766 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, 2024, $2,208 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, 2024.

Renewable Energy

VPA is party to an arrangement with the Virginia Department of Energy (VDOE) whereby VPA has committed to purchase at least ten 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 ten percent commitment, not to exceed twenty percent; during fiscal year 2024, VPA exercised this option, increasing its commitment to sixteen 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 ten percent purchase commitment plus any options exercised to purchase additional output in excess of ten 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 will 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 accrued by VIT in the period 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.

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, 2024.

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, 2025. At June 30, 2024, there were no borrowings outstanding.

A significant portion of VIT’s labor is provided by contract with the International Longshoremen’s Association. The current contract expires September 30, 2024.

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-guidlines-and-resources.php 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, 2024 is $172 along with a deferred outflow of resources of $10 and a deferred inflow of resources of $133.

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.

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.

Note 9. Pension Plans (Continued)

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.

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.

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 $1,535 in fiscal year 2024 and $1,465 in fiscal year 2023 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, 2023 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	107
Inactive members entitled to but not yet receiving benefits	56
Active eligible members	77
Total	240

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

D. Net Pension Liability

VPA's net pension liability at June 30, 2024 was actuarially measured as of June 30, 2023, 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, 2024
	(In Thousands)
Total pension liability	$ 35,626
Plan fiduciary net position	27,396
Net pension liability	$ 8,230
Plan fiduciary net position as a percentage of the total pension liability	76.90%

E. Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
		(In Thousands)	
Balances at June 30, 2023	$ 34,141	$ 25,394	$ 8,747
Changes for the year:			
Service cost	529	-	529
Interest	2,178	-	2,178
Differences between expected and actual experience	156	-	156
Net investment income	-	1,915	(1,915)
Contributions from employer	-	1,465	(1,465)
Benefit payments	(1,378)	(1,378)	-
Balances at June 30, 2024	$ 35,626	$ 27,396	$ 8,230

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%)
		(In Thousands)	
Total pension liability	$ 40,416	$ 35,626	$ 31,617
Plan fiduciary net position	27,396	27,396	27,396
Net pension liability	$ 13,020	$ 8,230	$ 4,221

G. Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024, reported deferred outflows of resources and deferred inflows of resources related to pensions originated from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In Thousands)	
Employer contributions made subsequent to measurement date	$ 1,535	$ -
Difference between actual and expected experience	421	(216)
Assumption changes	408	-
Net difference between expected and actual earnings on pension plan investments	3,559	(1,702)
Total	$ 5,923	$ (1,918)

The $1,535 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, 2025. 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
	(In Thousands)
2025	$ 1,000
2026	428
2027	1,093
2028	(51)
	$ 2,470

For the year ended June 30, 2024, VPA recognized a pension expense of $2,239.

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%	4.2%
U.S. Mid Cap Equity	6.0%	4.3%
U.S. Small Cap Equity	3.0%	4.8%
International Equity	12.0%	5.8%
Emerging Markets Equity	3.8%	6.8%
Commodities	5.0%	3.0%
REITS	5.0%	3.7%
Aggregate Bonds	45.0%	2.8%
	100.0%	

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 $859 for the year ended June 30, 2024. There were no contributions payable at June 30, 2024.

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, 2024 was $475 for the Defined Contribution and $215 for the Enhanced Participant Employer Matching Contribution. There were no contributions payable at June 30, 2024.

Employees transferring to the Authority from VIT, as part of The Port of Virginia (POV) 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, 2024 was $62.

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, 2023 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.

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, 2023:

Inactive employees or beneficiaries currently receiving benefits	149
Inactive employees entitled to but not yet receiving benefits	175
Active eligible employees	115
Total	439

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 $0 and $570, for the years ended with the measurement dates of June 30, 2024 and June 30, 2023, 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 2024 was funded from VITPP plan assets, and is included in the VIT Pension Plan's financial statements.

E. Net Pension Liability

VIT's net pension liability at June 30, 2024 was measured as of June 30, 2023.

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, 2023, 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, 2023 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 market 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%	4.2%
U.S. Mid Cap Equity	6.0%	5.3%
U.S. Small Cap Equity	3.0%	4.8%
International Equity	12.0%	5.8%
Emerging Markets Equity	3.8%	6.8%
Commodities	5.0%	3.0%
REITS	5.0%	3.7%
Aggregate Bonds	45.0%	2.8%
	100.0%	

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

I. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
		(In Thousands)	
Balances at June 30, 2023	$ 117,152	$ 114,698	$ 2,454
Changes for the year:			
Service cost	634	-	634
Interest	7,382	-	7,382
Differences between expected and actual experience	(174)	-	(174)
Contributions - employer	-	570	(570)
Net investment income	-	8,237	(8,237)
Benefit payments, net	(22,842)	(22,842)	-
Net changes	(15,000)	(14,035)	(965)
Balances at June 30, 2024	$ 102,152	$ 100,663	$ 1,489

Plan fiduciary net position as a percentage of the total pension liability 98.54%

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

The following presents the net pension liability 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%)
		(In Thousands)	
Total pension liability	$ 113,014	$ 102,152	$ 92,900
Plan fiduciary net position	100,663	100,663	100,663
Net pension liability (asset)	$ 12,351	$ 1,489	$ (7,763)

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

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

For the year ended June 30, 2024, VIT recognized a pension expense of $3,492.

VIT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In Thousands)	
Difference between expected and actual experience	$ 457	$ (266)
Changes of assumptions	426	-
Net difference between projected and actual plan investment earnings	16,443	(7,848)
Total	$ 17,326	$ (8,114)

There were no deferred outflows of resources resulting from employer contributions subsequent to the measurement date of June 30, 2023.

Year Ending June 30,	Amount
	(In Thousands)
2025	$ 2,583
2026	1,753
2027	5,067
2028	(191)
	$ 9,212

L. Lump Sum Payout

During June 2024, the Company offered a Lump Sum Payout for participants who were inactive employees entitled to but not yet receiving benefits. $10,400 was paid to 84 participants. The effect of the Lump Sum Payout is reported in the VITPP's fiscal year 2024 financial statements.

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, 2024 is $826 along with a deferred outflow of resources of $378 and a deferred inflow of resources of $360.

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, 2024 is $306 along with a deferred outflow of resources of $21 and a deferred inflow of resources of $137.

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, 2024 is $454 along with a deferred outflow of resources of $34 and a deferred inflow of resources of $178.

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.

Note 11. Supplemental Retirement and Compensation Plans (Continued)

A. Executive Supplemental Retirement Plan (Continued)

ESRP Financial Statements

As of June 30, 2024 (measured as of June 30, 2023), the ESRP's statement of fiduciary net position is as follows (in thousands):

Assets	
Current assets:	
Cash and cash equivalents	$ 2
Total current assets	2
Noncurrent Assets:	
Investments held in trust at fair value:	
Other mutual funds	1,685
Total assets	1,687
Net Position	
Restricted for:	
Pension benefits	1,687
Total net position	$ 1,687

For the fiscal year ended June 30, 2024 (measured as of June 30, 2023), the ESRP's statement of changes in fiduciary net position is as follows (in thousands):

Additions:	
Investment income	$ 124
Total additions	124
Deductions:	
Benefit payments and transfers	194
Total deductions	194
Change in net position	(70)
Net position, beginning of year	1,757
Net position, end of year	$ 1,687

Participant Data

Employees covered by the benefit terms as of the measurement date of June 30, 2023:

Inactive employee entitled to but not yet receiving benefits	1
Inactive employees receiving benefits	6
Total	7

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, 2024 was measured as of June 30, 2023, 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, 2024, measured as of June 30, 2023, exceeded the fair value of investments by $288. There were no contributions to the plan for the year ended June 30, 2024. 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 $1,141 for the year ended June 30, 2024. There were no contributions payable at June 30, 2024.

Note 11. Supplemental Retirement and Compensation Plans (Continued)

B. Defined Benefit Pension Plan Trust Fund

As of June 30, 2024, 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	$ 6
Long-term bond funds	2,824
Core plus bond funds	11,188
Common and preferred stock funds	9,182
Other mutual funds	7,935
Total assets	31,135
Net Position	
Restricted for:	
Pension benefits	31,135
Total net position	$ 31,135

For the fiscal year ended June 30, 2024, the Defined Benefit Pension Plan Trust Fund's statement of changes in fiduciary net position is as follows (in thousands):

Additions:	
Employer contributions	$ 1,535
Investment income	3,466
Payment credits	8
Total additions	5,009
Deductions:	
Benefit payments and transfers	1,270
Total deductions	1,270
Change in net position	3,739
Net position, beginning of year	27,396
Net position, end of year	$ 31,135

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.

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, 2024, the balance of the deferred inflow was \$28,982. Lease revenue and lease interest income for the year ended June 30, 2024 was \$3,555 and \$2,910, respectively. At June 30, 2024, the Authority has a total leases receivable balance of \$38,792.

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, 2024, the balance of the deferred inflow was $11,086. Lease revenue for the year ended June 30, 2024 was $1,566 and lease interest income for the same year was $896. At June 30, 2024, VIT has a total leases receivable balance of $12,772.

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 2024 and 2023, 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 $7,138 and $7,153 for calendar years 2024 and 2023, 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. Total payments on behalf of VPA for these lease agreements totaled $1,017 for the year ended June 30, 2024.

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, 2024, the cost of VIT and HRCP's allocated services from VPA amounted to $24,663 and $1,489, respectively.

For the year ended June 30, 2024, VIT and HRCP recorded $252,967 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 $15,439 in security surcharges from VIT customers on behalf of VPA for the year ended June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION
(RSI)
(UNAUDITED)

VIRGINIA PORT AUTHORITY

VPA DEFINED BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	(In Thousands)									
Actuarially determined contribution	$ 875	$ 1,772	$ 1,378	$ 1,323	$ 1,515	$ 1,443	$ 1,623	$ 1,518	$ 1,440	$ 1,510
Contributions made in relation to the actuarially determined contribution	901	3,851	2,378	1,323	1,515	2,120	1,591	1,704	1,465	1,535
Contribution deficiency (excess)	$ (26)	$ (2,079)	$ (1,000)	$ -	$ -	$ (677)	$ 32	$ (186)	$ (25)	$ (25)
Covered payroll	$ 10,235	$ 9,763	$ 9,729	$ 9,631	$ 9,529	$ 10,675	$ 10,028	$ 8,402	$ 8,620	$ 8,142
Contributions as a % of payroll	8.80%	39.44%	24.44%	13.74%	15.90%	19.86%	15.87%	20.28%	17.00%	18.85%

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, 2023 (fiscal year ended June 30, 2024):

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, 2024 the measurement date was June 30, 2023.

VIRGINIA PORT AUTHORITY

VPA DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	(In Thousands)									
Total Pension Liability										
Service cost	$ 387	$ 487	$ 594	$ 618	$ 612	$ 593	$ 492	$ 537	$ 546	$ 529
Interest	971	1,019	1,414	1,414	1,564	1,748	1,894	2,055	2,190	2,178
Changes of benefit terms	-	4,878	-	-	-	-	-	-	-	-
Differences between expected and actual experience	263	(205)	(1,059)	476	1,410	149	1,040	312	(1,014)	156
Changes of assumptions	-	1,124	(215)	414	(68)	683	867	-	1,102	-
Benefit payments	(1,103)	(781)	(802)	(718)	(809)	(941)	(1,024)	(907)	(1,031)	(1,378)
Net change in total pension liability	518	6,522	(68)	2,204	2,709	2,232	3,269	1,997	1,793	1,485
Total Pension Liability, beginning	12,965	13,483	20,005	19,937	22,141	24,850	27,082	30,351	32,348	34,141
Total Pension Liability, ending (a)	$ 13,483	$ 20,005	$ 19,937	$ 22,141	$ 24,850	$ 27,082	$ 30,351	$ 32,348	$ 34,141	$ 35,626
Plan Fiduciary Net Position										
Contributions - employer	$ 525	$ 901	$ 3,847	$ 2,378	$ 1,324	$ 1,515	$ 2,120	$ 1,591	$ 1,704	$ 1,465
Net investment income (loss)	1,618	467	(54)	1,729	1,492	1,299	857	5,292	(3,774)	1,915
Benefit payments	(1,102)	(781)	(802)	(718)	(809)	(942)	(1,024)	(907)	(1,031)	(1,378)
Administrative expense	(111)	(117)	(95)	(57)	(30)	(33)	(37)	(42)	(54)	-
Net change in plan fiduciary net position	930	470	2,896	3,332	1,977	1,839	1,916	5,934	(3,155)	2,002
Plan Fiduciary Net Position, beginning	9,255	10,185	10,655	13,551	16,883	18,860	20,699	22,615	28,549	25,394
Plan Fiduciary Net Position, ending (b)	$ 10,185	$ 10,655	$ 13,551	$ 16,883	$ 18,860	$ 20,699	$ 22,615	$ 28,549	$ 25,394	$ 27,396
Net Pension Liability, ending (a) - (b)	$ 3,298	$ 9,350	$ 6,386	$ 5,258	$ 5,990	$ 6,383	$ 7,736	$ 3,799	$ 8,747	$ 8,230
Plan Fiduciary Net Position as a % of Pension Liability	75.54%	53.26%	67.97%	76.25%	75.90%	76.43%	74.51%	88.26%	74.38%	76.90%
Covered Payroll	$ 5,707	$ 10,235	$ 9,763	$ 9,728	$ 9,631	$ 9,529	$ 10,675	$ 10,028	$ 8,402	$ 8,620
Net Pension Liability as a % of Covered Payroll	57.79%	91.35%	65.41%	54.05%	62.19%	66.98%	72.47%	37.88%	104.11%	95.48%

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 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, 2024 the measurement date was June 30, 2023.

VIRGINIA PORT AUTHORITY

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	(In Thousands)									
Actuarially determined contribution	$ 3,072	$ 2,745	$ 2,277	$ 2,412	$ 4,205	$ 5,868	$ 5,126	$ 2,235	$ 563	$ 2,372
Contributions made in relation to the actuarially determined contribution	722	1,750	2,428	4,667	7,032	6,478	6,010	5,699	570	-
Contribution deficiency (excess)	$ 2,350	$ 995	$ (151)	$ (2,255)	$ (2,827)	$ (610)	$ (884)	$ (3,464)	$ (7)	$ 2,372
Covered payroll	$ 23,661	$ 17,886	$ 17,178	$ 17,111	$ 16,657	$ 11,914	$ 9,935	$ 8,259	$ 8,167	$ 8,165
Contributions as a % of payroll	3.05%	9.78%	14.13%	27.27%	42.22%	54.37%	60.49%	69.00%	6.98%	0.00%

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, 2023 (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) The valuation at June 30, 2015 represents a short year valuation to conform the reporting of this plan to others within the organization.

(4) 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 2024, VIT elected to use the VITPP's credits from excess contributions in prior years to satisfy its fiscal year 2024 Required Minimum Contribution limits, as provided for under Internal Revenue Code Section 430(j).

VIRGINIA PORT AUTHORITY

BLENDED 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	(In Thousands)									
Total Pension Liability										
Service cost	$ 1,352	$ 1,193	$ 1,104	$ 1,082	$ 1,135	$ 901	$ 659	$ 592	$ 579	$ 634
Interest	6,876	7,024	6,539	6,673	6,933	7,198	7,307	7,273	7,490	7,382
Changes of benefit terms	-	(4,941)	-	-	-	-	-	-	-	-
Changes of assumptions	-	3,430	(1,148)	70	(297)	1,349	2,131	-	3,043	-
Differences between expected and actual experience	(1,830)	(3,625)	(760)	363	935	(2,518)	(1,050)	1,142	(737)	(174)
Benefit payments	(4,000)	(3,270)	(4,417)	(4,479)	(4,567)	(4,815)	(5,436)	(5,791)	(6,494)	(22,842)
Net change in total pension liability	2,398	(189)	1,318	3,709	4,139	2,115	3,611	3,216	3,881	(15,000)
Total Pension Liability, beginning	92,954	95,352	95,163	96,481	100,190	104,329	106,444	110,055	113,271	117,152
Total Pension Liability, ending (a)	$ 95,352	$ 95,163	$ 96,481	$ 100,190	$ 104,329	$ 106,444	$ 110,055	$ 113,271	$ 117,152	$ 102,152
Plan Fiduciary Net Position										
Contributions - employer	$ 1,860	$ 2,880	$ 1,464	$ 2,428	$ 4,667	$ 7,032	$ 6,478	$ 6,010	$ 5,699	$ 570
Net investment income (loss)	6,208	1,972	(322)	8,462	5,653	7,074	3,930	25,012	(17,420)	8,237
Benefit payments	(4,000)	(3,270)	(4,417)	(4,479)	(4,567)	(4,815)	(5,436)	(5,791)	(6,494)	(22,842)
Administrative expense	-	-	-	(37)	(150)	(550)	(575)	(202)	(247)	-
Net change in plan fiduciary net position	4,068	1,582	(3,275)	6,374	5,603	8,741	4,397	25,029	(18,462)	(14,035)
Plan Fiduciary Net Position, beginning	80,641	84,709	86,291	83,016	89,390	94,993	103,734	108,131	133,160	114,698
Plan Fiduciary Net Position, ending (b)	$ 84,709	$ 86,291	$ 83,016	$ 89,390	$ 94,993	$ 103,734	$ 108,131	$ 133,160	$ 114,698	$ 100,663
Net Pension Liability (Asset), ending (a) - (b)	$ 10,643	$ 8,872	$ 13,465	$ 10,800	$ 9,336	$ 2,710	$ 1,924	$ (19,889)	$ 2,454	$ 1,489
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.84%	90.68%	86.04%	89.22%	91.05%	97.45%	98.25%	117.56%	97.91%	98.54%
Covered Payroll	$ 25,709	$ 23,661	$ 17,886	$ 17,178	$ 17,111	$ 16,657	$ 11,914	$ 9,935	$ 8,259	$ 8,167
Net Pension Liability (Asset) as a % of Covered Payroll	41.40%	37.50%	75.28%	62.87%	54.56%	16.27%	16.15%	-200.19%	29.71%	18.23%

SUPPLEMENTARY INFORMATION

VIRGINIA PORT AUTHORITY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Authority	Virginia International Terminals, LLC		
	Defined Benefit Pension Plan Trust Fund	Defined Benefit Pension Plan Trust Fund	Executive Supplemental Retirement Plan	Total
		(In Thousands)		
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ -	$ 2	$ 2
Total current assets	-	-	2	2
Noncurrent Assets				
Investments held in trust at fair value:				
Short-term bond funds	6	3,178	-	3,184
Long-term bond funds	2,824	6,775	-	9,599
Core plus bond funds	11,188	32,572	-	43,760
Common and preferred stock funds	9,182	28,293	-	37,475
Other mutual funds	7,935	24,641	1,685	34,261
Total assets	31,135	95,459	1,687	128,281
NET POSITION				
Restricted for:				
Pension benefits	31,135	95,459	1,687	128,281
Total net position	$ 31,135	$ 95,459	$ 1,687	$ 128,281

VIRGINIA PORT AUTHORITY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	Authority	Virginia International Terminals, LLC		
	Defined Benefit Pension Plan Trust Fund	Defined Benefit Pension Plan Trust Fund	Executive Supplemental Retirement Plan	Total
		(In Thousands)		
Additions:				
Employer contributions	$ 1,535	$ 733	$ -	$ 2,268
Investment income	3,466	10,855	124	14,445
Payment credits	8	53	-	61
Total additions	5,009	11,641	124	16,774
Deductions:				
Benefit payments and transfers	1,270	16,517	194	17,981
Other disbursements	-	328	-	328
Total deductions	1,270	16,845	194	18,309
Change in net position	3,739	(5,204)	(70)	(1,535)
Net position, beginning of year	27,396	100,663	1,757	129,816
Net position, end of year	$ 31,135	$ 95,459	$ 1,687	$ 128,281

Out of gauge cargo handled at Norfolk International Terminal.

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.

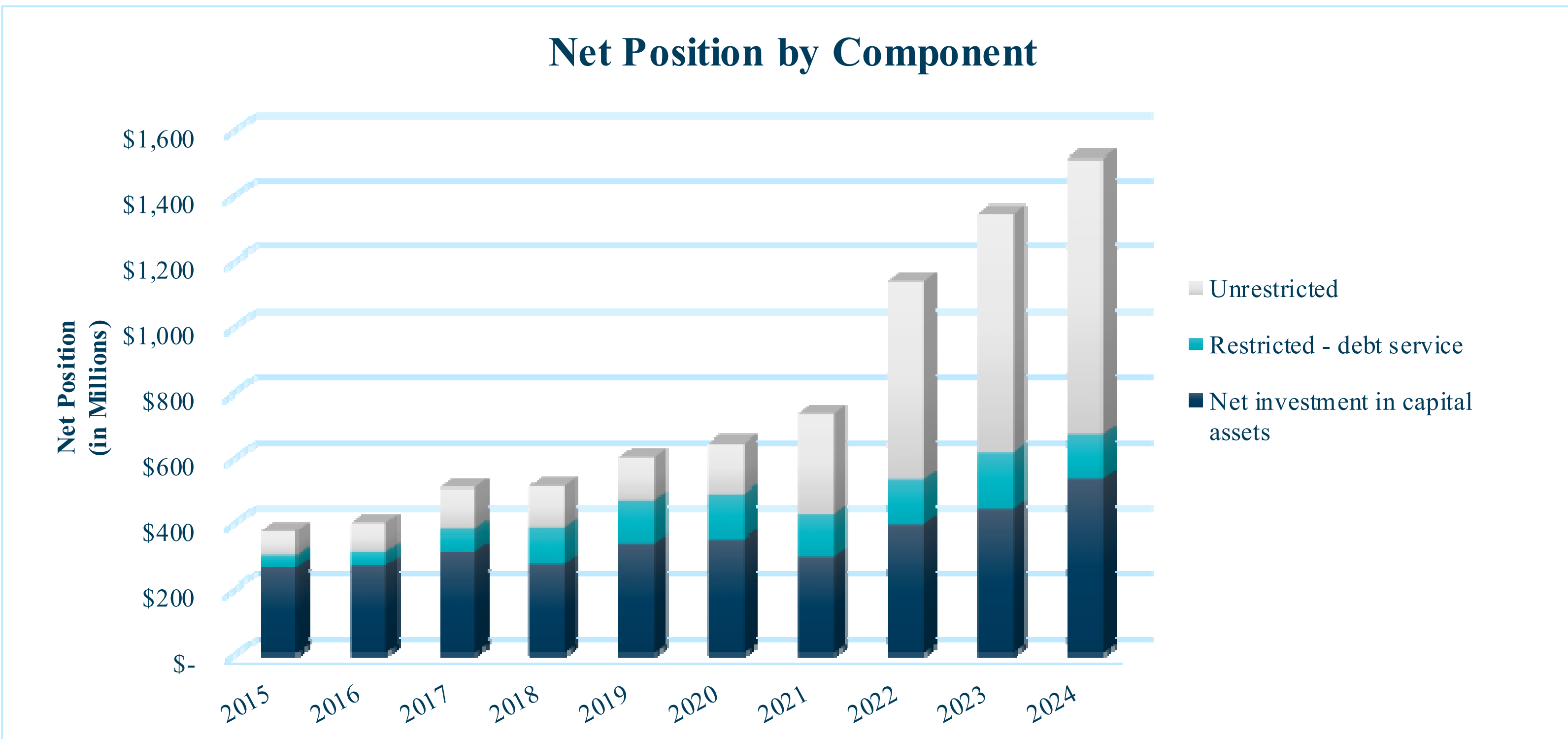
Financial Trends

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
					(In Thousands)					
Net Position										
Net investment in capital assets	$ 263,651	$ 268,348	$ 311,480	$ 273,121	$ 336,719	$ 349,644	$ 296,253	$ 393,528	$ 442,106	$ 531,895
Restricted - debt service	38,582	44,018	69,532	111,172	132,383	138,302	129,531	136,866	174,253	136,439
Unrestricted	70,269	86,252	126,099	126,087	131,909	153,754	307,136	605,463	727,108	845,077
Total net position	$ 372,502	$ 398,618	$ 507,111	$ 510,380	$ 601,011	$ 641,700	$ 732,920	$ 1,135,857	$ 1,343,467	$ 1,513,411



VIRGINIA PORT AUTHORITY

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022(1)	2023	2024
					(In Thousands)					
Operating revenues:										
Operating revenues from component unit	$ 94,845	$ 108,847	$ 120,512	$ 123,982	$ 156,859	$ 133,890	$ 275,472	$ 439,092	$ 325,836	$ 252,967
Other revenues	9,148	9,340	10,102	10,445	11,186	10,946	13,120	19,339	17,314	22,029
Operating revenues - grants, federal and state	5,295	6,391	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509
Total operating revenues	109,288	124,578	132,728	139,961	173,243	150,540	294,507	462,536	344,651	276,505
Operating expenses:										
Terminal operations	5,696	5,438	4,079	3,912	4,170	4,554	4,828	4,359	756	163
Terminal maintenance	2,410	3,743	2,053	3,879	2,441	3,495	4,881	4,608	5,126	5,863
General and administrative	19,339	20,042	18,025	20,339	22,039	25,819	23,232	17,781	16,430	16,914
Facility rental	55,679	55,619	17,429	396	1,451	1,682	293	(13)	4,573	5,163
Depreciation and amortization	42,609	44,018	70,124	79,098	79,673	96,403	113,978	165,406	164,941	162,794
Total operating expenses	125,733	128,860	111,710	107,624	109,774	131,953	147,212	192,141	191,826	190,897
Operating income (loss)	(16,445)	(4,282)	21,018	32,337	63,469	18,587	147,295	270,395	152,825	85,608
Nonoperating revenues (expenses):										
Investment income (loss), net	441	653	896	1,368	3,983	5,829	993	(2,305)	23,207	50,924
Interest expense	(14,198)	(18,384)	(88,211)	(125,345)	(123,707)	(125,264)	(124,144)	(171,000)	(171,059)	(179,165)
Revenues from federal sources	707	9,653	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210
Revenues from state sources	-	6,143	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091
Revenues from private sources	-	-	-	-	-	-	-	5,567	66,026	108,605
Other expenses	(627)	(3,292)	(4,977)	(2,486)	(3,665)	(3,418)	(4,354)	(5,090)	(2,802)	(7,206)
Gain (loss) on disposals	-	(1,107)	(21)	(1,769)	744	225	94	481	(534)	(1,677)
Income (loss) before capital contributions	(30,122)	(10,616)	(52,516)	(91,844)	(48,341)	(98,164)	30,495	112,445	137,201	117,390
Capital contributions:										
Commonwealth Port Fund allocation	38,418	42,367	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556
Capital contributions (to) from component unit	(190)	(288)	22,447	710	1,489	284	148	1,638	638	1,234
Payments to federal government - channel dredging	-	(5,500)	(845)	(984)	(3,224)	(17,402)	(54,679)	(23,335)	(66,366)	(68,391)
Capital contributions (to) from other state agencies	-	153	-	-	-	-	535	-	-	(2,289)
Proceeds from primary government	-	-	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444
Cumulative effect of changes in accounting principle	-	-	-	-	-	-	-	233,086	-	-
Increase in net position	8,106	26,116	95,216	3,269	90,631	40,689	91,220	402,937	207,610	169,944
Special item - lease conversion	-	-	13,277	-	-	-	-	-	-	-
Increase in net position after special item	8,106	26,116	108,493	3,269	90,631	40,689	91,220	402,937	207,610	169,944
Net position - beginning of year	364,396	372,502	398,618	507,111	510,380	601,011	641,700	732,920	1,135,857	1,343,467
Net position - end 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

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

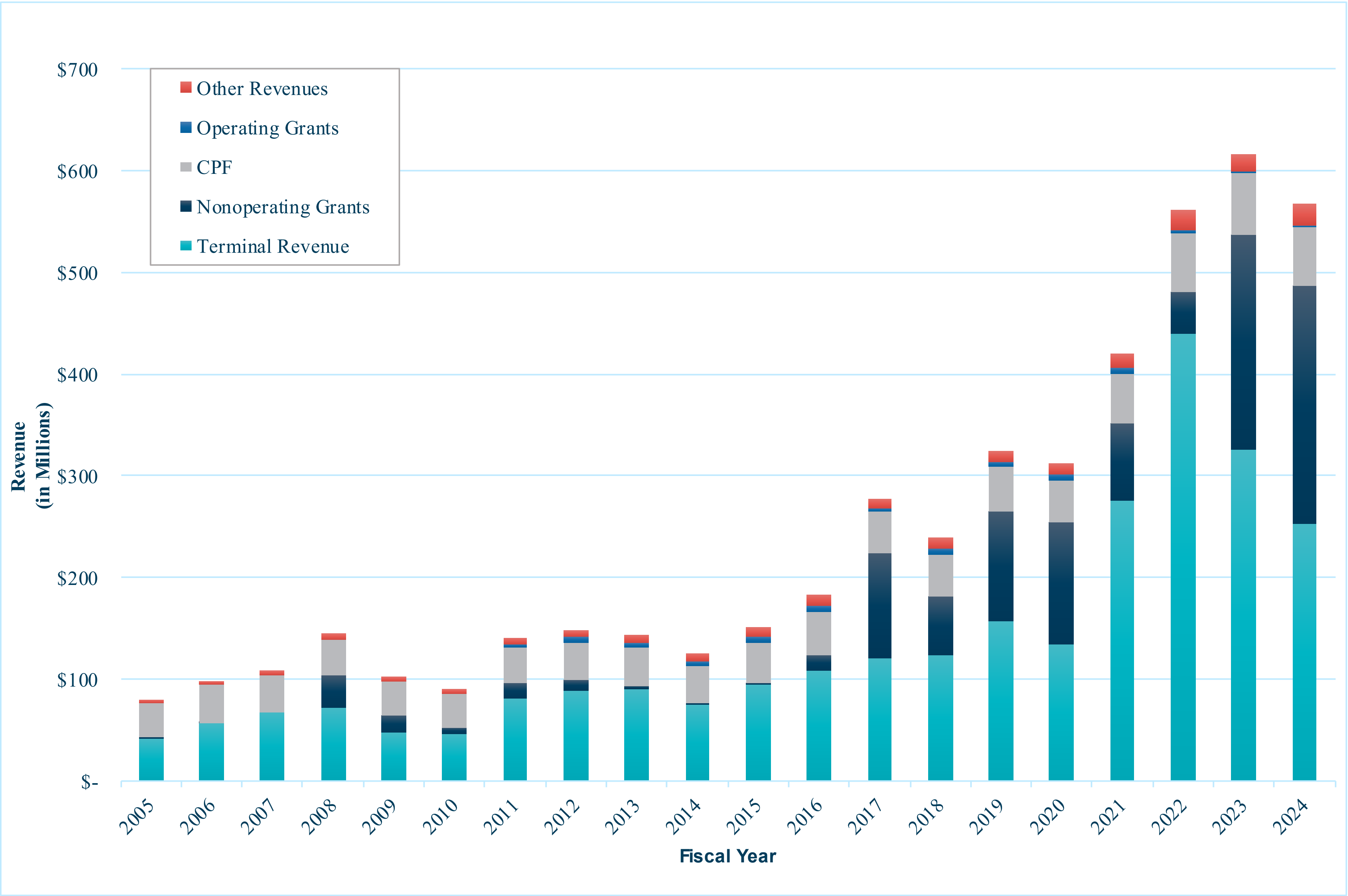
(1) The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022.

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

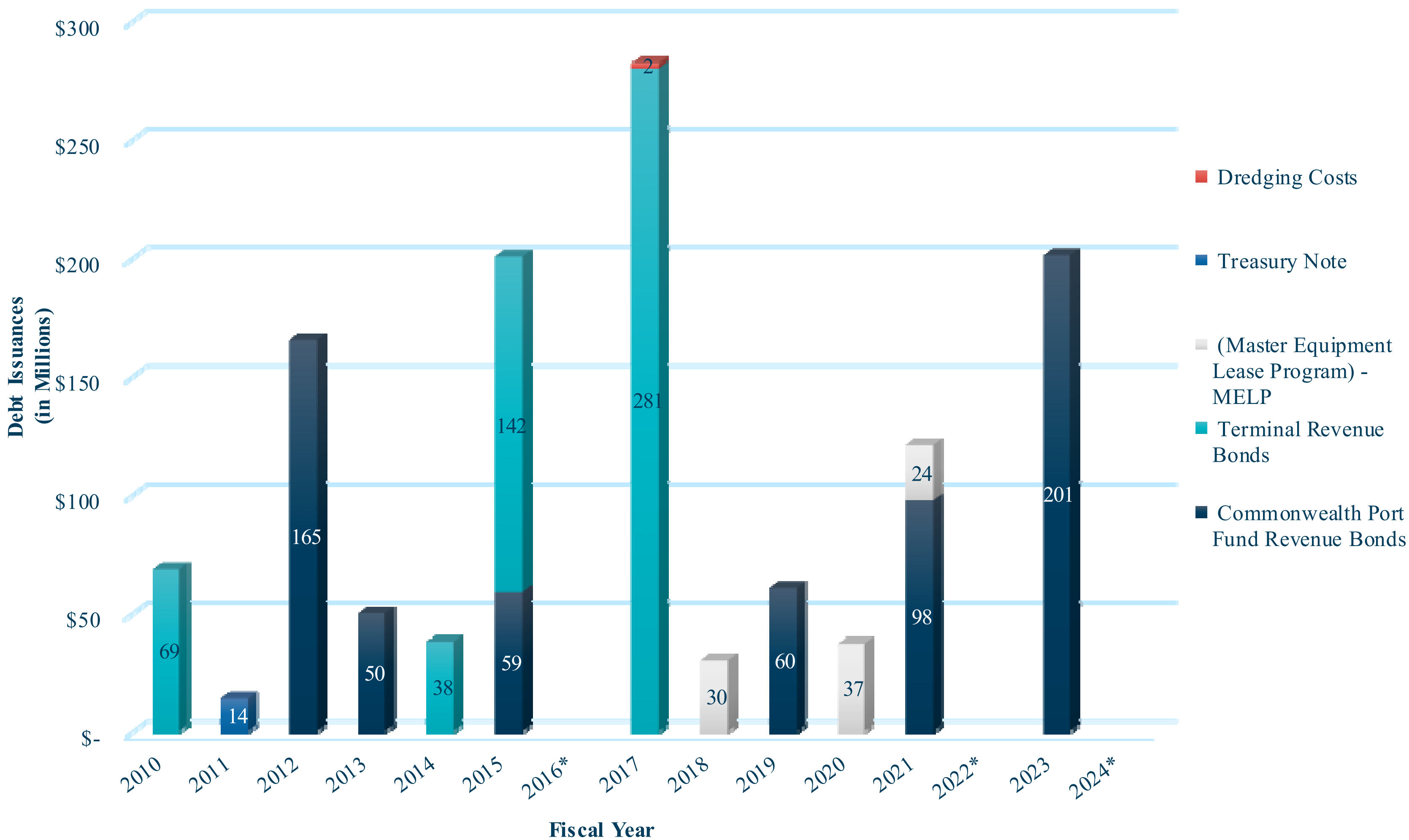


DEBT CAPACITY

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)

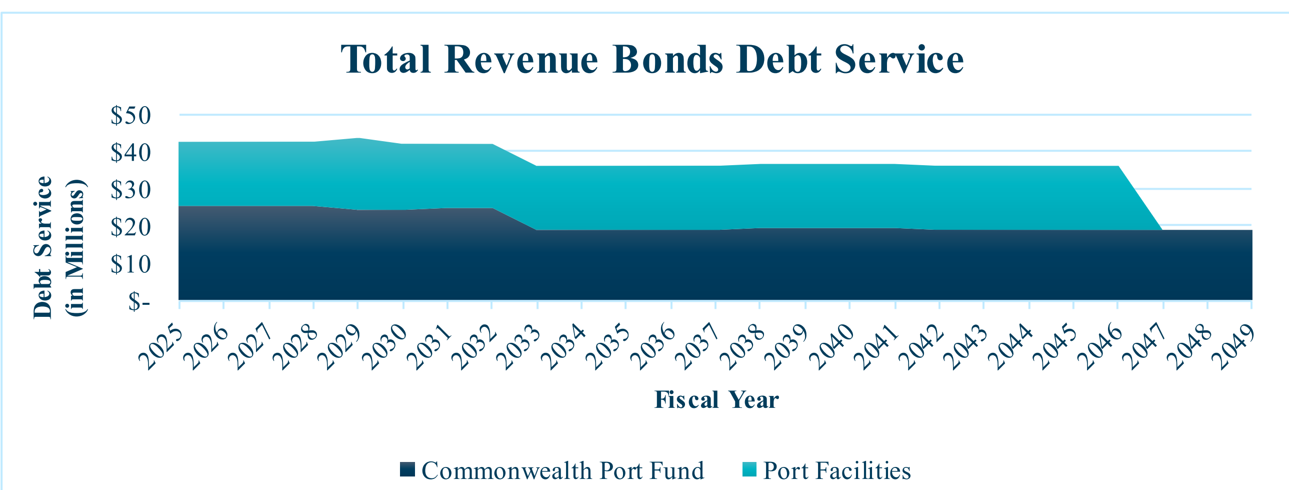


*No new debt was issued in fiscal years 2016, 2022, and 2024.

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)	
2025	$ 25,149	$ 17,408	$ 42,557
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
	$ 523,162	$ 382,333	$ 905,495



VIRGINIA PORT AUTHORITY

RATIO OF OUTSTANDING REVENUE BONDS, MASTER EQUIPMENT LEASE FINANCINGS, AND NOTES PAYABLE[1] 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
				(In Thousands)			
2015	$ 255,360	$ 266,280	$ 23,791	$ -	$ 545,431	1.20	$ 456,169
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

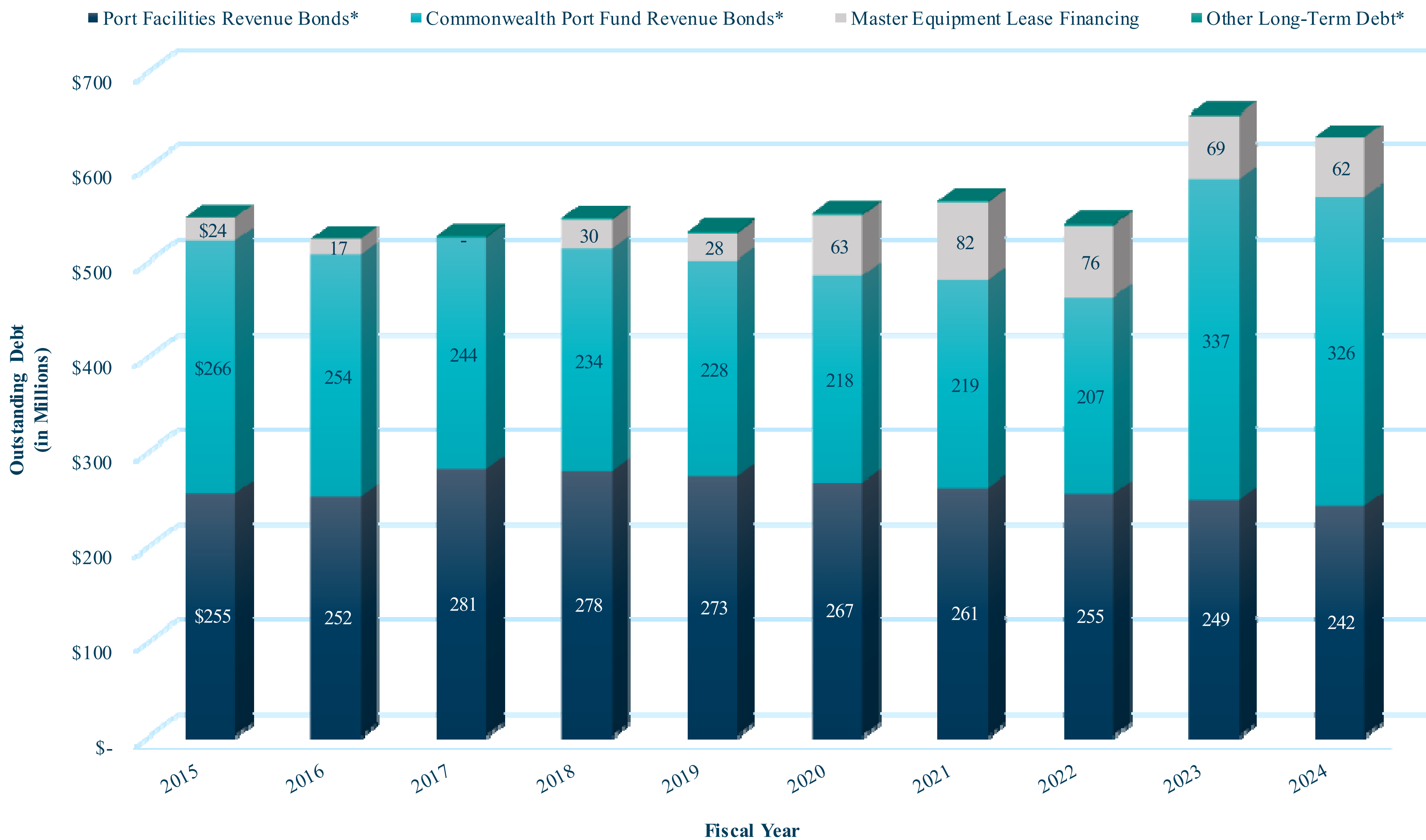
* at par value - does not include premiums or deferred amounts

[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

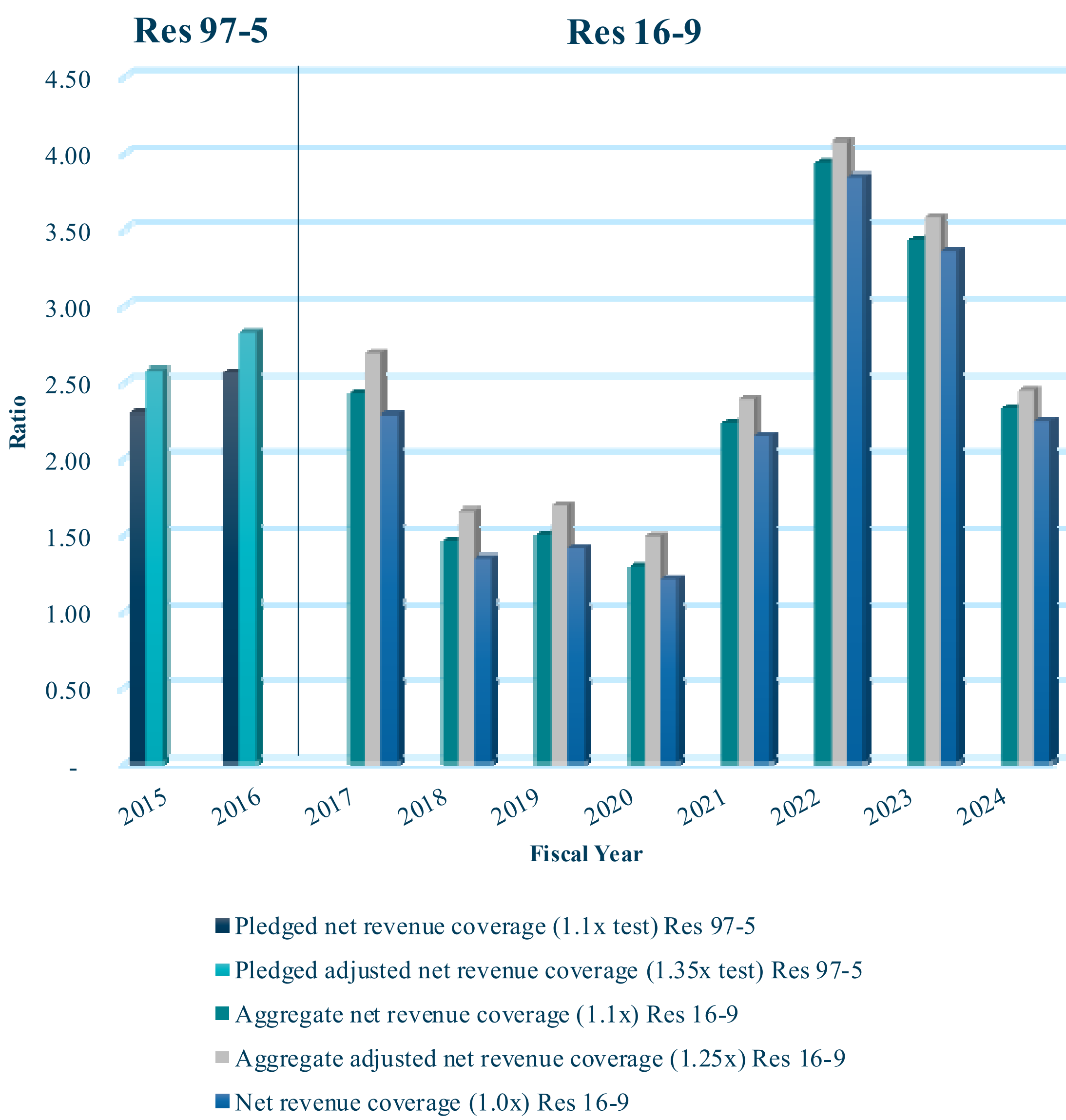


* at par value – does not include premiums or deferred amounts

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,	
	2015	2016
	(In Thousands)	
Virginia International Terminals		
Gross receipts	$ 356,487	$ 420,226
Current expenses	(258,034)	(304,120)
CE reserve withdrawal (deposit)	3,451	(4,653)
Deposits to CEMA	(7,215)	(8,690)
Capital expenditures	(673)	(336)
VIT net revenue	$ 94,016	$ 102,427
Virginia Port Authority		
Gross revenues:		
VIT net revenue	$ 94,016	$ 102,427
Other income	7,991	25,310
Interest income	140	6
Total VPA gross revenues	102,147	127,743
Current expenses	(78,802)	(93,003)
Net revenues	$ 23,345	$ 34,740
CPF for O&M	$ 3,765	$ 4,409
Debt Service Coverage		
Port facilities revenue bonds:		
Net debt service	$ 13,333	$ 16,985
Pledged net revenues	30,559	43,431
Pledged adjusted net revenues	34,324	47,839
Pledged net revenue coverage	2.29	2.56
Pledged adjusted net revenue coverage	2.57	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
	(In Thousands)							
VIRGINIA INTERNATIONAL TERMINALS								
VIT/HRCP II gross receipts	$ 484,494	$ 550,211	$ 589,670	$ 556,625	$ 631,182	$ 905,761	$ 874,054	$ 735,352
VIT/HRCP II current expenses	(350,771)	(421,533)	(419,549)	(416,717)	(403,298)	(471,421)	(474,095)	(489,926)
VIT liquidity reserve withdrawal (deposit)	(2,543)	6,061	(10,031)	(677)	4,745	(721)	(6,649)	(3,023)
One-time cash transfers HRCP II	5,827	-	-	-	-	-	-	-
VIT CEMA liquidation	16,061	-	-	-	-	-	-	-
VIT/HRCP II port operator capital expenditures **(A)**	(7,579)	(11,046)	(6,456)	(11,091)	(8,193)	(9,067)	(6,095)	(8,792)
VIT/HRCP II payment (per Payment Agreement to VPA)	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611
VIRGINIA PORT AUTHORITY								
Gross revenues:								
VIT/HRCP II payment per Payment Agreement	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611
Other VPA income and interest income	10,037	11,186	15,052	17,247	20,271	21,433	33,789	57,935
Total gross revenues	155,526	134,879	168,686	145,387	244,707	445,985	421,004	291,546
Current expenses:								
Terminal expenditures	(26,488)	(24,606)	(27,837)	(27,756)	(22,669)	(21,440)	(20,175)	(18,563)
Operating lease payments	(17,429)	(185)	(185)	(185)	(132)	(793)	(902)	(900)
Total current expenses	(43,917)	(24,791)	(28,022)	(27,941)	(22,801)	(22,233)	(21,077)	(19,463)
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083
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
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
Revenue stabilization fund balance	29,082	39,661	39,973	40,116	39,933	39,338	39,899	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
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083
Aggregate net revenue **(E)** (E = B + D - A)	126,459	131,049	157,113	138,566	240,082	442,654	415,997	290,875
Adjusted net revenue **(F)** (F = B + P + Q)	125,097	128,246	160,635	137,634	237,999	441,121	416,444	286,823
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
DEBT SERVICE COVERAGE								
Senior debt service:								
Senior obligations	42,578	72,795	87,818	90,299	90,092	95,352	103,962	108,121
Series 2016 Bonds principal and interest requirements	9,614	17,537	17,504	17,068	17,414	17,387	17,211	17,119
Aggregate principal and interest requirements (C)	$ 52,192	$ 90,332	$ 105,322	$ 107,367	$ 107,506	$ 112,739	$ 121,173	$ 125,240

Debt Service Coverage	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024
Aggregate net revenue coverage (E/C > 1.1x)	2.42	1.45	1.49	1.29	2.23	3.93	3.43	2.32
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
Net revenue coverage ((B-A)/C > 1.0x)	2.28	1.34	1.40	1.20	2.14	3.84	3.35	2.24

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 infrastructure projects and ongoing investments

125+ port-related economic development announcements over the past 5 years

Named the top state for business in 2024 by CNBC

MID-ATLANTIC LOCATION

Home to **Foreign Trade Zone (FTZ) #20**

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

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**

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

Widest functional shipping channel on East Coast alleviates vessel congestion

THE PORT
BY THE NUMBERS

SUSTAINABILITY

Committed to 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 total TEU capacity following completion of ongoing infrastructure projects

27 Suez-class ship-to-shore cranes, growing to 31 in future

Semi-automated technology that drives efficiency and improves safety

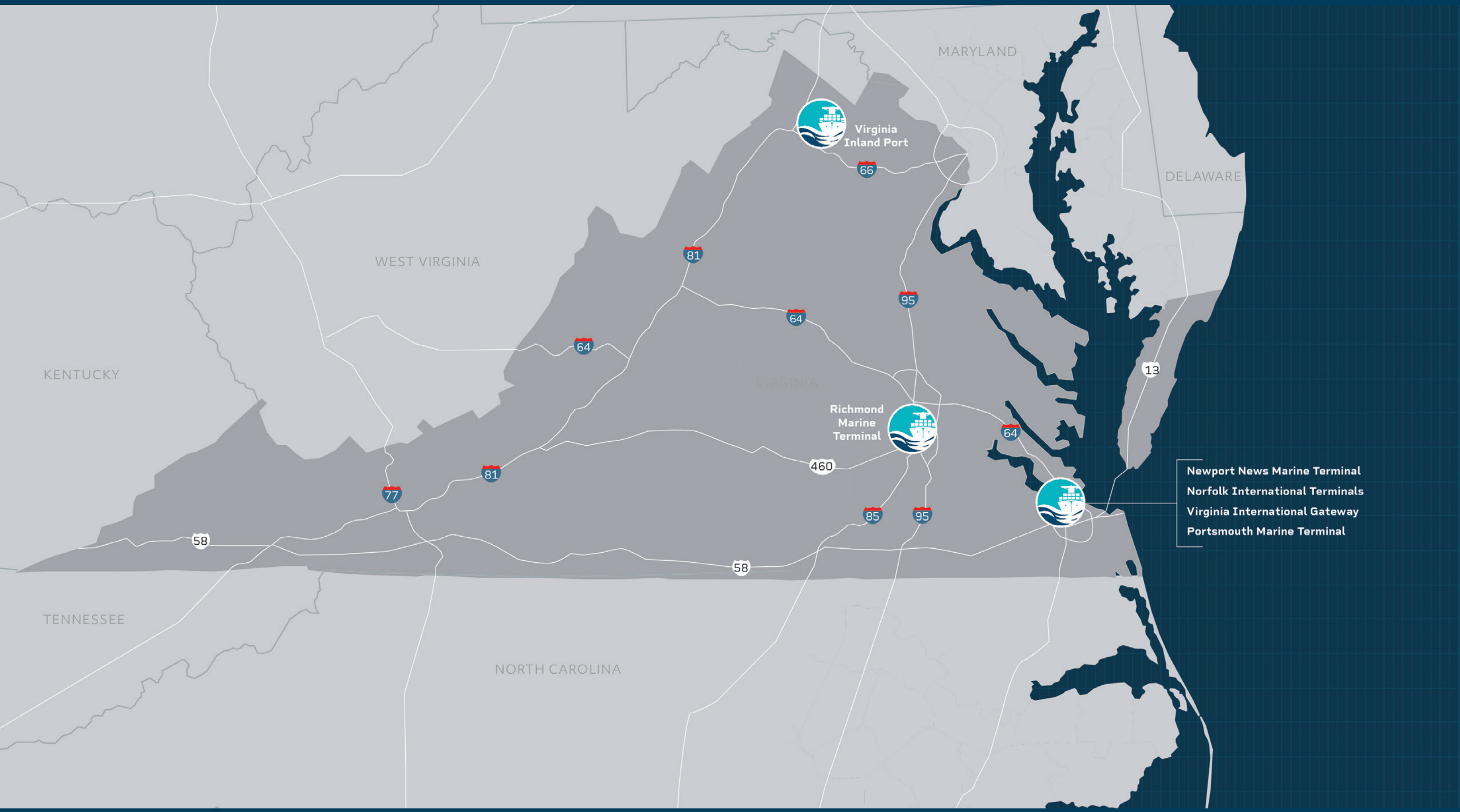
IMPACT

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

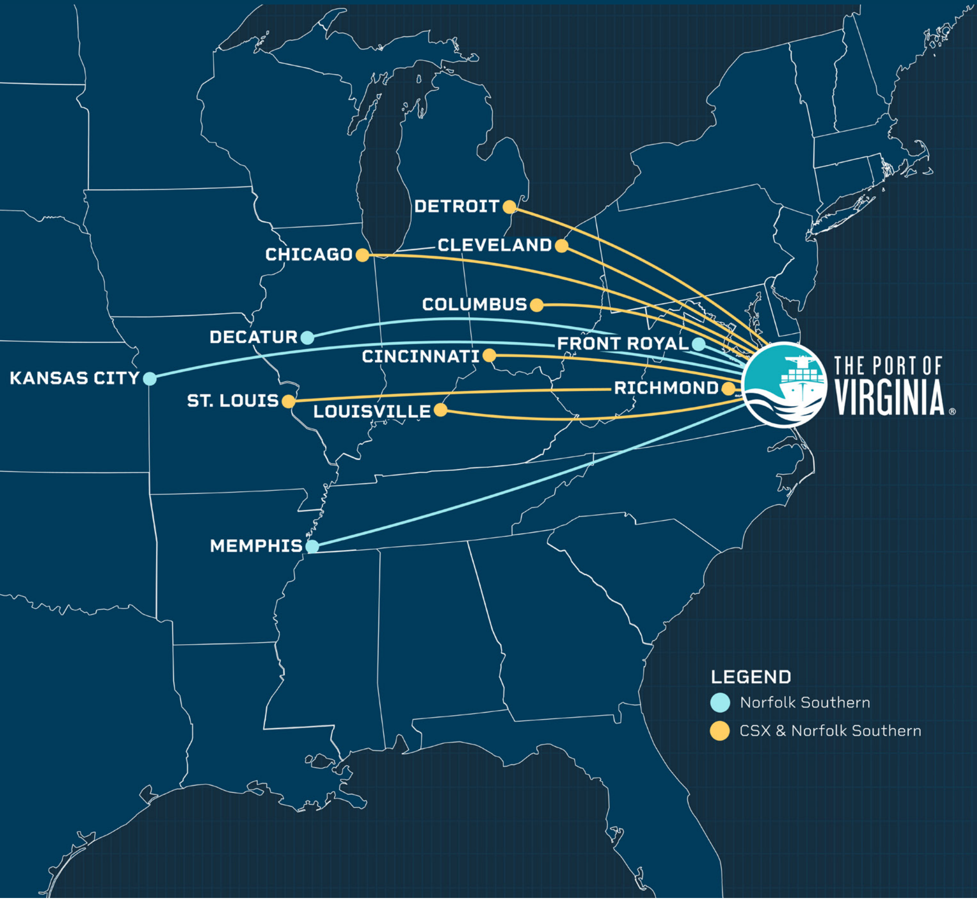
Helps drive more than **$124 billion in total spending in Virginia**

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

THE PORT OF VIRGINIA TERMINALS



THE PORT OF VIRGINIA RAIL CONNECTIVITY

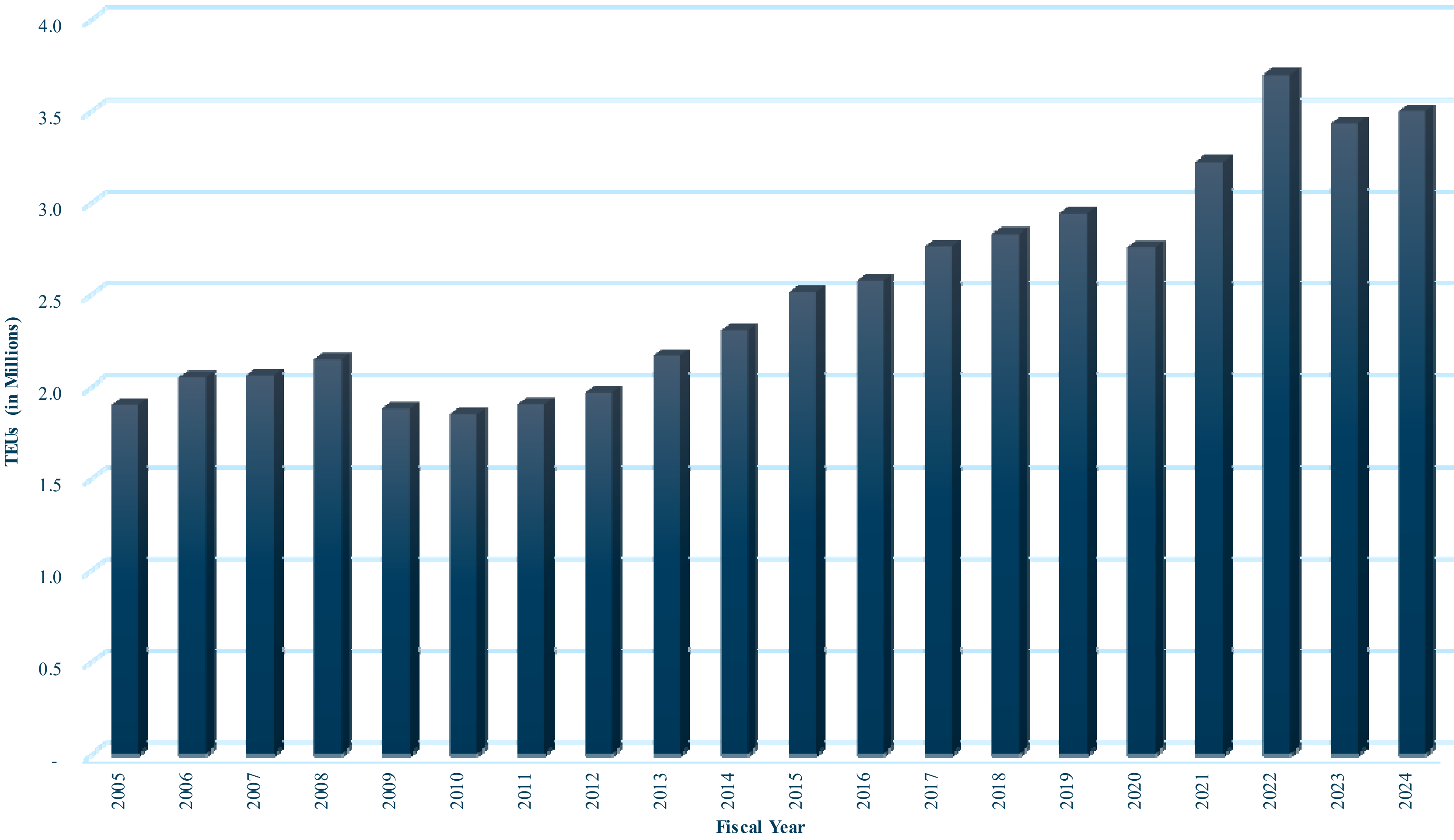


MOST EXPANSIVE RAIL REACH.

Servicing more inland markets via rail than any other port on the U.S. East Coast.

VIRGINIA PORT AUTHORITY

TWENTY-FOOT EQUIVALENT UNIT (TEU) CONTAINER THROUGHPUT



THE PORT OF VIRGINIA

Hampton Roads Harbor

Calendar 2023 Trade Overview

TOTAL	Short Tons (Thousands)	EXPORT	Short Tons (Thousands)	IMPORT	Short Tons (Thousands)
Total Cargo	65,135	Total Cargo	51,077	Total Cargo	14,058
General Cargo	24,776	General Cargo	12,319	General Cargo	12,457
Container Cargo	24,652	Container Cargo	12,308	Container Cargo	12,344
Breakbulk Cargo*	124	Breakbulk Cargo	11	Breakbulk Cargo	113
Container Units	1,814,463	Container Units	945,330	Container Units	869,133
TEUs	3,287,546	TEUs	1,720,461	TEUs	1,567,085
Total Cargo Dollar Value (Millions)	$108,197	Total Cargo Dollar Value (Millions)	$39,097	Total Cargo Dollar Value (Millions)	$69,100

Vessel Calls	2,547
Coal Loadings* Short Tons (Thousands)	39,096

*Coal loadings and breakbulk cargo include international and domestic shipments.

US East Coast Port	TEUs	East Coast Market Share
New York/New Jersey	7,810,005	37.8%
Savannah	4,927,654	23.9%
Port of Virginia	3,287,546	15.9%
Charleston (SC)	2,482,080	12.0%
Baltimore	1,126,511	5.5%
Port Everglades	1,006,980	4.9%

Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, AAPA, 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, Business Intelligence & Analytics

THE PORT OF VIRGINIA

Calendar 2023 Total Cargo in Thousands of Short Tons

Top 10 Trading Partners

Exports			Imports	
1	India	9,479	1 China	2,241
2	China	4,761	2 India	1,631
3	Brazil	4,690	3 Germany	921
4	Netherlands	4,609	4 Vietnam	830
5	Japan	3,319	5 Brazil	782
6	United Kingdom	2,116	6 Italy	742
7	Morocco	2,113	7 Greece	533
8	Germany	1,942	8 France	481
9	Italy	1,641	9 Thailand	377
10	Poland	1,617	10 Turkey	355

Top 10 Commodities

Exports			Imports		
1	Mineral Fuels, Mineral Oils	35,314	1	Nuclear Reactors, Boilers	1,366
2	Oil Seeds And Oleaginous Fruits	3,412	2	Salt; Sulfur; Earths And Stone	1,023
3	Wood And Articles Of Wood	2,592	3	Furniture; Bedding, Mattresses	896
4	Residues And Waste From The Food Industries	1,975	4	Plastics And Articles Thereof	860
5	Pulp Of Wood	1,310	5	Electrical Machinery And Equipment	762
6	Plastics And Articles Thereof	974	6	Articles Of Iron Or Steel	616
7	Iron And Steel	606	7	Vehicles	611
8	Cereals	391	8	Rubber And Articles Thereof	516
9	Paper And Paperboard	389	9	Wood And Articles Of Wood	480
10	Aluminum And Articles Thereof	320	10	Articles Of Stone, Plaster, Cement	459

Trade Lanes

	Export	Import
Africa	2,889	222
Asia, Northeast	9,211	2,903
Asia, Southeast	3,391	1,946
Caribbean	262	37
Central AM	139	42
Europe, North	13,587	3,242
India & Others	9,845	1,845
Mediterranean	5,481	2,077
Middle East	715	187
North America	21	69
Oceania	50	20
South America	5,485	1,468

Top U.S. Ports

1	Houston, TX	228,242
2	Corpus Christi, TX	162,413
3	New Orleans, LA	112,946
4	Los Angeles, CA	71,022
5	Newark, NJ	68,361
6	Norfolk-Newport News, VA	65,135
7	Gramercy, LA	59,353
8	Long Beach, CA	55,845
9	Baltimore, MD	52,297
10	Beaumont, TX	52,060

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, Business Intelligence & Analytics

THE PORT OF VIRGINIA

Calendar 2023 Total Cargo in Millions of U.S. Dollars

Top 10 Trading Partners

Exports		Imports	
1 China	$3,498	1 China	$9,869
2 Germany	$3,230	2 Germany	$7,668
3 Netherlands	$2,216	3 India	$7,022
4 Austria	$2,115	4 Italy	$4,398
5 India	$2,114	5 Vietnam	$4,309
6 United Kingdom	$2,080	6 Japan	$2,937
7 Belgium	$1,912	7 Malaysia	$2,349
8 Spain	$1,474	8 France	$1,987
9 France	$1,458	9 Ireland	$1,921
10 Brazil	$1,172	10 United Kingdom	$1,826

Top 10 Commodities

Exports		Imports	
1 Pharmaceutical Products	$6,222	1 Nuclear Reactors, Boilers	$14,991
2 Nuclear Reactors, Boilers	$4,361	2 Electrical Machinery	$8,424
3 Plastics And Articles Thereof	$3,046	3 Pharmaceutical Products	$3,916
4 Organic Chemicals	$1,989	4 Vehicles	$3,822
5 Oil Seeds And Oleaginous Fruits	$1,964	5 Furniture; Bedding, Mattresses	$2,894
6 Vehicles	$1,730	6 Plastics And Articles Thereof	$2,813
7 Miscellaneous Chemical Products	$1,551	7 Organic Chemicals	$1,894
8 Residues And Waste From The Food Industries	$1,198	8 Optical, Photographic, Cinematographic	$1,828
9 Electrical Machinery	$1,122	9 Articles Of Iron Or Steel	$1,747
10 Wood And Articles Of Wood	$1,118	10 Toys, Games And Sports Equipment	$1,500

Trade Lanes

	Export	Import
Africa	$1,684	$700
Asia, Northeast	$6,048	$15,519
Asia, Southeast	$3,725	$11,474
Caribbean	$280	$26
Central AM	$383	$261
Europe, North	$16,318	$21,833
India & Others	$2,585	$8,360
Mediterranean	$3,198	$8,032
Middle East	$2,290	$672
North America	$51	$117
Oceania	$399	$83
South America	$2,134	$2,024

Top U.S. Ports

1 Los Angeles, CA	$292,062
2 Houston, TX	$225,946
3 Newark, NJ	$198,750
4 Savannah, GA	$127,582
5 Norfolk-Newport News, VA	$108,196
6 Long Beach, CA	$107,934
7 Charleston, SC	$94,989
8 Corpus Christi, TX	$85,603
9 Baltimore, MD	$80,715
10 New Orleans, LA	$61,416

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, Business Intelligence & Analytics

THE PORT OF VIRGINIA

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

<u>OPERATING INFORMATION</u>

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sworn Officers/Security Personnel/Safety	47	51	50	49	54	53	52	52	50	55
Marketing/ Economic Development Personnel	25	17	18	19	19	18	24	18	18	7
Strategic Planning, Engineering & Acquisition Personnel	8	24	27	23	40	35	30	26	30	24
Information Technology Personnel	-	41	41	39	34	31	31	31	27	28
Administrative Personnel	56	63	67	70	73	84	78	80	79	82
Authority Totals	136	196	203	200	220	221	215	207	204	196

VIRGINIA PORT AUTHORITY
SOURCE AND USE DATA
Fiscal Year Ended June 30, 2024
(In Thousands)

Operating revenues	$ 276,505	45%	Operating expenses	$ 190,897	42%
Nonoperating revenues	343,064	55%	Nonoperating expenses	258,728	58%
Total revenues	$ 619,569		**Total expenses**	$ 449,625	

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, $252,967 or 91% are operating transfers based on the net cash flows of Virginia International Terminals. Their tariff rates are published at https://www.portofvirginia.com. Currently, 65% 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 ASSETS[1]

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	1,592	2,101	2,180	2,073	2,073
Berth/Wharf (linear feet)	18,439	17,955	17,935	17,935	18,736	18,736	19,885	19,885	19,885	19,885
Rail Track (linear feet)	177,020	184,795	204,607	204,607	208,495	208,495	246,188	333,704	239,759	239,759
On-Terminal Warehouse (sq. ft.)	2,614,105	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
				(In Thousands)						
Net Book Value of Capital Assets	$ 756,659	$ 753,053	$ 912,375	$ 967,089	$ 1,089,778	$ 1,209,876	$ 1,218,058	$ 1,204,434	$ 1,373,955	$ 1,677,365
Construction in progress	108,313	122,437	195,488	291,099	311,684	205,797	160,677	173,820	368,955	719,778
Land	105,540	102,749	103,936	103,936	103,936	103,936	104,471	104,471	104,471	103,936
Buildings and infrastructure	765,087	780,966	851,513	857,601	935,250	1,072,451	1,121,101	1,137,172	1,138,576	1,140,331
Equipment	298,792	304,165	370,714	370,798	448,464	596,454	660,698	643,410	687,652	690,353
Depreciation (accumulated)	(521,073)	(557,264)	(609,276)	(656,345)	(709,556)	(768,762)	(828,889)	(854,439)	(925,699)	(977,033)

[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,									
	2015[1]	2016	2017 Restated[2]	2018	2019	2020	2021	2022[3]	2023	2024
Operating revenues:										
Terminal operating revenues	$ 451,242	$ 444,444	$ 478,261	$ 522,069	$ 551,236	$ 496,258	$ 619,580	$ 873,982	$ 796,269	$ 745,476
Other revenues	9,148	9,340	10,102	10,445	11,186	10,946	13,120	19,064	16,996	21,450
Operating revenues - grants, federal and state	5,295	6,391	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509
Total operating revenues	465,685	460,175	490,477	538,048	567,620	512,908	638,615	897,151	814,766	768,435
Operating expenses:										
Terminal operations	222,665	209,681	218,813	247,513	251,470	217,208	231,239	261,743	253,075	263,594
Terminal maintenance	86,936	89,884	94,534	104,687	108,679	112,129	107,231	120,376	133,795	131,409
General and administrative	36,480	49,709	49,656	52,029	55,582	58,476	58,899	55,003	55,819	57,760
Facility rental	55,679	55,619	17,429	396	1,451	1,682	293	(13)	4,573	5,163
Depreciation and amortization	46,649	47,723	74,406	84,271	86,940	103,839	121,836	191,988	198,897	197,238
Total operating expenses	448,409	452,616	454,838	488,896	504,122	493,334	519,498	629,097	646,159	655,164
Operating income	17,276	7,559	35,639	49,152	63,498	19,574	119,117	268,054	168,607	113,271
Nonoperating revenues (expenses):										
Investment income (loss), net	502	704	920	1,368	4,053	6,177	1,075	(1,880)	24,678	53,600
Interest expense	(14,241)	(18,365)	(88,233)	(125,369)	(123,516)	(125,264)	(124,144)	(174,152)	(176,706)	(186,772)
Revenue from federal sources	707	9,653	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210
Revenue from state sources	-	6,143	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091
Revenue from private sources	-	-	-	-	-	-	-	5,567	66,026	108,605
Other expenses	(627)	(3,292)	(4,977)	(2,486)	(3,665)	(3,418)	(4,355)	(5,090)	(2,802)	(7,206)
Gain (loss) on disposals	-	(1,107)	(21)	(1,769)	744	271	372	480	(277)	(1,670)
Income (loss) before capital contributions	3,617	1,295	(37,893)	(75,053)	(48,051)	(96,783)	2,676	107,376	149,064	140,129
Capital contributions:										
Commonwealth Port Fund allocation	38,418	42,367	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556
Payments to federal government - channel dredging	-	(5,500)	(845)	(984)	(3,224)	(17,402)	(54,679)	(23,335)	(66,366)	(68,391)
Proceeds from primary government	-	-	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444
Capital contributions (to) from other state agencies	-	153	-	-	-	-	535	-	-	(2,289)
Cumulative effect of changes in accounting principle	(29,916)	-	7	-	-	-	-	233,086	-	-
Increase in net position	12,119	38,315	87,399	19,350	89,432	41,786	63,253	396,230	218,835	191,449
Special item - lease conversion	-	-	13,277	-	-	-	-	-	-	-
Increase in net position after special item	12,119	38,315	100,676	19,350	89,432	41,786	63,253	396,230	218,835	191,449
Net position - beginning of year	472,562	484,681	522,996	623,672	643,022	732,454	774,240	837,493	1,233,723	1,452,558
Net position - end 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

(1) VIT adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, in fiscal year 2015.

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

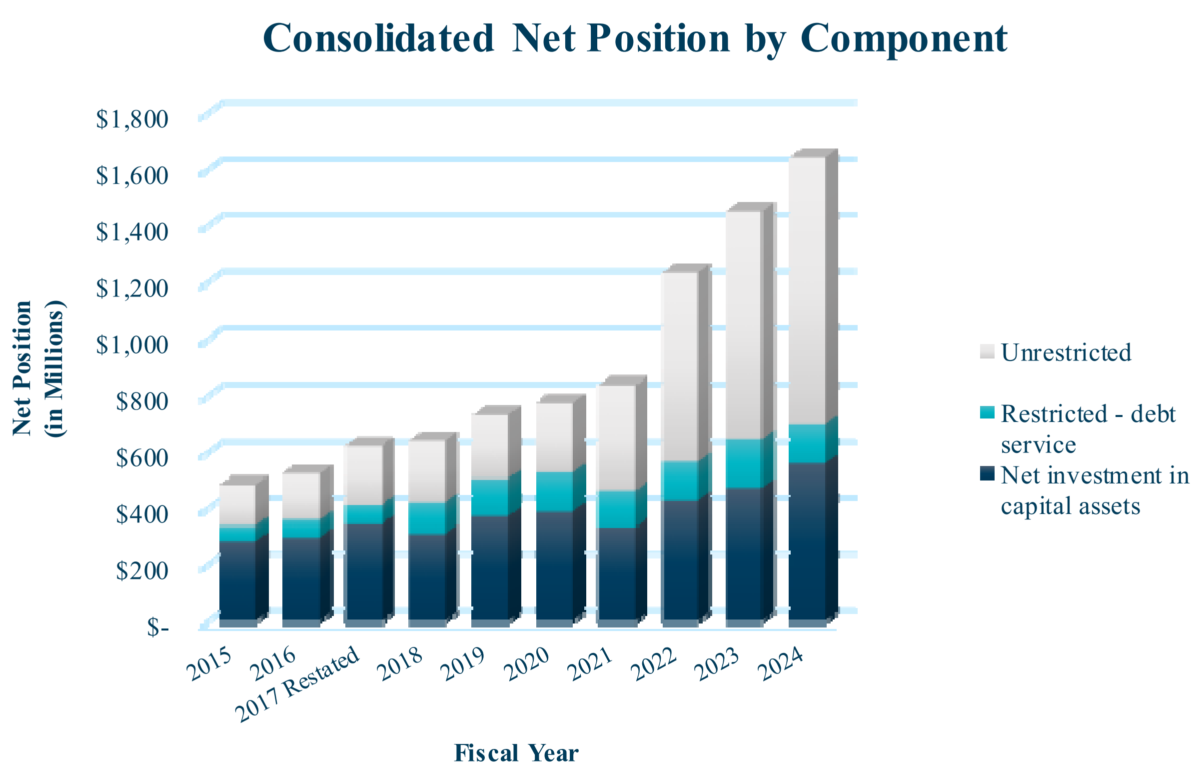
(3) The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022.

VIRGINIA PORT AUTHORITY

CONSOLIDATED NET POSITION BY COMPONENT

	Fiscal Year June 30,									
	2015	2016	2017 Restated	2018	2019	2020	2021	2022	2023	2024
	(In Thousands)									
Net Position										
Net investment in capital assets	$ 284,879	$ 299,198	$ 344,496	$ 311,356	$ 374,200	$ 388,984	$ 336,100	$ 429,234	$ 474,318	$ 560,600
Restricted - debt service	54,465	61,275	69,531	111,171	132,382	138,300	129,530	136,866	174,253	136,439
Unrestricted	145,337	162,523	209,645	220,495	225,872	246,956	371,863	667,623	803,987	946,968
Total net position	$ 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 amounts have been restated to reflect the implementation of GASB Statement No. 75 and to conform to current year presentation.



CRMGs now operational at Norfolk International Terminals' Central Rail Yard.

VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT

ANNUAL REPORT

(Unaudited)

FOR THE

FISCAL YEAR ENDED JUNE 30, 2024

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

CONTINUING DISCLOSURE AGREEMENT
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CONTINUING DISCLOSURE AGREEMENT
ANNUAL REPORT
Fiscal Year Ended June 30, 2024

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%.

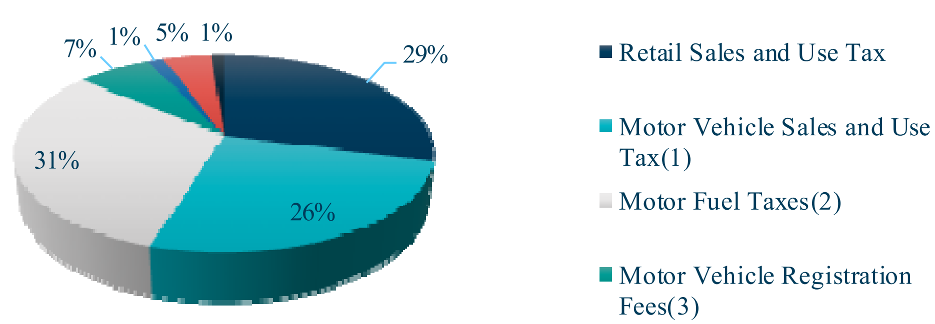
The following table sets forth the annual collections of the taxes that have been allocated to the Transportation Trust Fund for the last ten fiscal years, beginning with the fiscal year ended June 30, 2015.

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Retail Sales and Use Tax	$ 590.7	$ 599.1	$ 615.6	$ 618.4	$ 649.5	$ 644.5	$1,265.1	$1,344.2	$1,440.7	$1,377.1
Motor Vehicle Sales and Use Tax(1)	224.9	237.2	245.8	242.7	254.0	240.8	1,136.3	1,236.7	1,248.9	1,241.4
Motor Fuel Taxes(2)	118.8	138.8	106.9	105.3	105.4	102.1	1,027.9	1,288.0	1,472.4	1,497.9
Motor Vehicle Registration Fees(3)	22.0	21.8	22.3	21.8	22.4	20.2	363.1	349.8	311.7	326.6
Highway Use Fee	-	-	-	-	-	-	42.7	53.8	58.4	71.0
Gross Premium Insurance Co	-	-	-	-	-	-	181.4	180.7	202.5	217.8
Recording Deeds and Contracts	-	-	-	-	-	-	83.7	81.6	52.6	50.9
Total Transportation Trust Fund Revenues(4)	$ 956.4	$ 996.9	$ 990.6	$ 988.2	$1,031.3	$1,007.6	$4,100.2	$4,534.8	$4,787.2	$4,782.7

(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 2024



VIRGINIA PORT AUTHORITY **TABLE 2**

NET TRANSFERS TO THE COMMONWEALTH PORT FUND

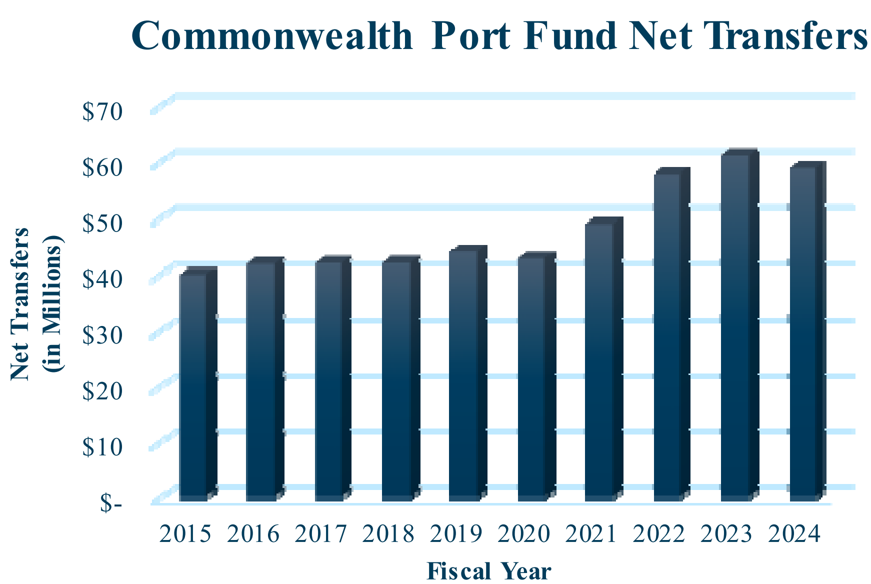
The following table shows the allocation of Transportation Trust Fund revenue to the Port Fund, the interest credited to the Port Fund prior to its transfer to the Income Account under the Authority's Commonwealth Port Fund Revenue Bond Resolution (the "Bond Resolution") net of the expenses charged thereto for the fiscal years 2015 through 2024. 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
			(In Thousands)		
2015	$ 39,641		$ 292		$ 39,933
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

(1) For fiscal years 2015 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

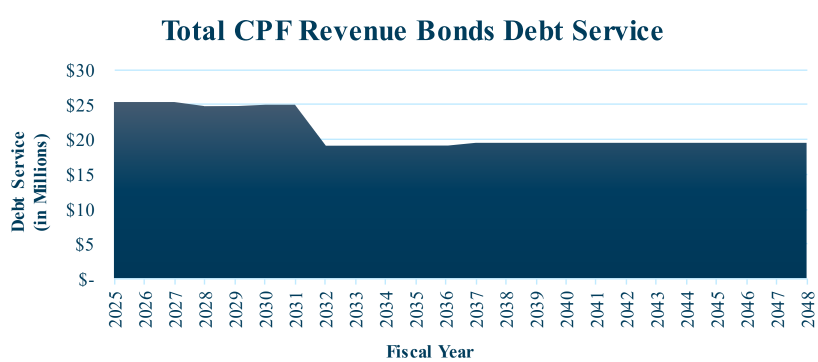
Debt Service Requirements

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*
			(In Thousands)			
2025	$ 9,056	$ 2,677	$ 3,519	$ 7,636	$ 2,466	$ 25,354
2026	9,055	2,677	3,520	7,636	2,466	25,354
2027	9,055	2,678	3,518	7,636	2,466	25,353
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	-	-	-	19,491	-	19,491
2048	-	-	-	19,487	-	19,487

*Does not include bonds defeased through refundings.

Debt Service Requirements are shown in the graph below:

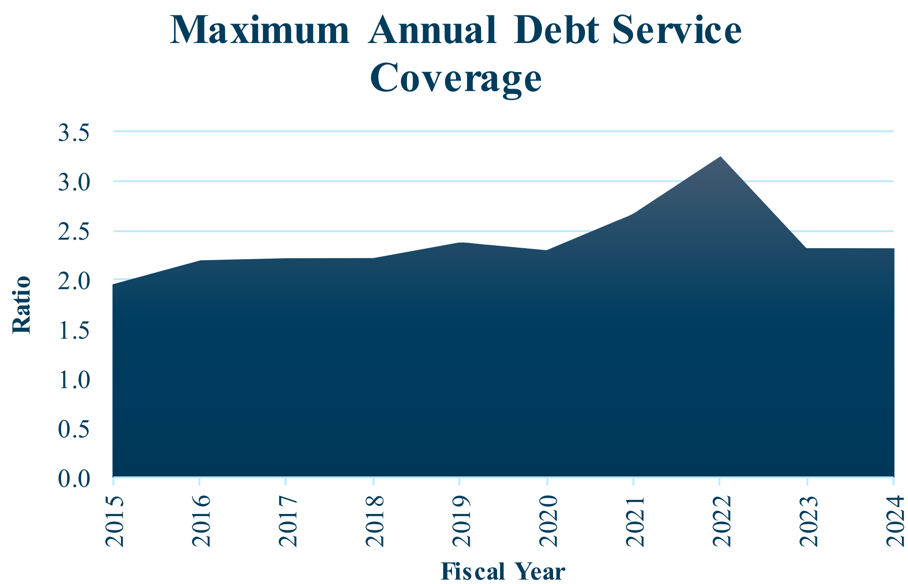


DEBT SERVICE DEPOSIT REQUIREMENTS AND COVERAGE (Continued)

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, 2024 is shown below:

Commonwealth Port Fund Primary Income for fiscal year ended June 30, 2024 (in thousands)	$	58,839
Maximum Annual Debt Service (fiscal year 2025) (in thousands)	$	25,354
Pro Forma Maximum Annual Debt Service Coverage		2.32



AUTHORITY REVENUES AND EXPENSES
Five Year Schedule
(Cash Basis)

	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
			(In Thousands)		
Revenues:					
Special Fund	$ 160,492	$ 264,777	$ 461,247	$ 425,031	$ 283,873
Commonwealth Port Fund	43,971	45,579	58,388	60,781	57,621
General Fund and Other	12,816	5,256	2,617	273,802	2,613
Total revenues	217,279	315,612	522,252	759,614	344,107
Operating Expenditures:					
Economic Development Services:					
National and international trade services	3,928	3,884	3,833	2,288	3,763
Commerce advertising	740	426	20	1	6
Port Facilities Planning, Maintenance, Acquisition and Construction:					
Maintenance and operation of Port facilities	19,309	27,364	19,186	12,603	49,105
Port facilities planning	5	13	12	16	21
Debt service for Port facilities	38,044	42,695	44,465	49,797	51,655
Financial Assistance for Port Activities:					
Aid to local ports	2,185	2,302	3,563	1,009	4,080
Payment in lieu of taxes	1,241	1,376	1,544	1,327	869
Administration and Support Services:					
General management and direction	25,180	25,412	25,098	9,243	26,742
Facility rental	90,484	90,225	95,352	103,962	108,230
Security services	11,201	9,410	10,769	11,159	11,305
Total operating expenditures	192,317	203,107	203,842	191,405	255,776
Funds available for capital projects	$ 24,962	$ 112,505	$ 318,410	$ 568,209	$ 88,331

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)

	2019	2020	2021	2022	2023
Exports:					
Soybeans and products	1,125,101	1,407,782	1,493,241	1,447,254	1,775,648
Pet and animal feeds	656,282	847,080	851,644	759,153	875,512
Paper and paperboard	689,676	667,851	731,917	704,665	808,249
Wood pulp	817,174	933,449	958,155	893,891	755,903
Logs and lumber	784,436	696,838	861,555	811,900	734,468
Imports:					
Furniture	867,517	848,511	1,079,478	1,162,746	1,013,594
Plastic products	412,707	488,565	658,909	703,905	557,847
Auto parts	406,515	193,911	321,965	368,741	430,491
Paper and paperboard	231,792	205,321	292,379	335,316	238,807
Non alcoholic beverages	233,866	265,986	306,615	279,304	218,402

* 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)

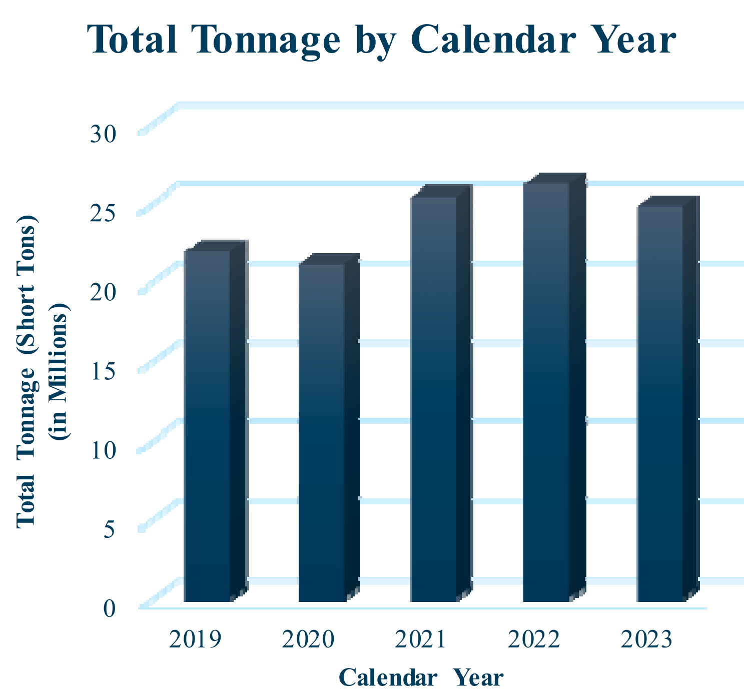
Presented below is information concerning the volume of general cargo handled at all facilities that comprise the Port of Virginia.

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

	2019	2020	2021	2022	2023
Breakbulk	161,489	80,097	147,686	157,385	124,843
Container	21,779,258	21,001,830	25,206,462	25,995,056	24,651,632
Total tons	21,940,747	21,081,927	25,354,148	26,152,441	24,776,475

* 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



VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT

ANNUAL REPORT

(Unaudited)

FOR THE

FISCAL YEAR ENDED JUNE 30, 2024

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

CONTINUING DISCLOSURE AGREEMENT
ANNUAL REPORT
Fiscal Year Ended June 30, 2024

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,				
	2020	2021	2022	2023	2024
			(In Thousands)		
Revenues:					
Special Fund	$ 160,492	$ 264,777	$ 461,247	$ 425,031	$ 283,873
Commonwealth Port Fund	43,971	45,579	58,388	60,781	57,621
General Fund and Other	12,816	5,256	2,617	273,802	2,613
Total revenues	217,279	315,612	522,252	759,614	344,107
Operating Expenditures:					
Economic Development Services:					
National and international trade services	3,928	3,884	3,833	2,288	3,763
Commerce advertising	740	426	20	1	6
Port Facilities Planning, Maintenance, Acquisition and Construction:					
Maintenance and operation of Port facilities	19,309	27,364	19,186	12,603	49,105
Port facilities planning	5	13	12	16	21
Debt service for Port facilities	38,044	42,695	44,465	49,797	51,655
Financial Assistance for Port Activities:					
Aid to local ports	2,185	2,302	3,563	1,009	4,080
Payment in lieu of taxes	1,241	1,376	1,544	1,327	869
Administration and Support Services:					
General management and direction	25,180	25,412	25,098	9,243	26,742
Facility rental	90,484	90,225	95,352	103,962	108,230
Security services	11,201	9,410	10,769	11,159	11,305
Total operating expenditures	192,317	203,107	203,842	191,405	255,776
Funds available for capital projects	$ 24,962	$ 112,505	$ 318,410	$ 568,209	$ 88,331

VIRGINIA INTERNATIONAL TERMINALS, LLC REVENUES AND EXPENSES
Five Year Schedule

	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
	(In Thousands)				
Revenues:					
Operating	$ 496,258	$ 619,581	$ 873,707	$ 795,951	$ 744,897
Nonoperating	394	360	424	1,728	2,683
Gross revenues	496,652	619,941	874,131	797,679	747,580
Expenses:					
Operating and maintenance expenses	321,288	328,761	373,152	380,988	388,977
Administrative expenses	40,094	43,525	63,804	73,345	75,290
Nonoperating	-	-	3,152	5,647	7,607
Total expenses	361,382	372,286	440,108	459,980	471,874
Income before transfers[(1)]	$ 135,270	$ 247,655	$ 434,023	$ 337,699	$ 275,706

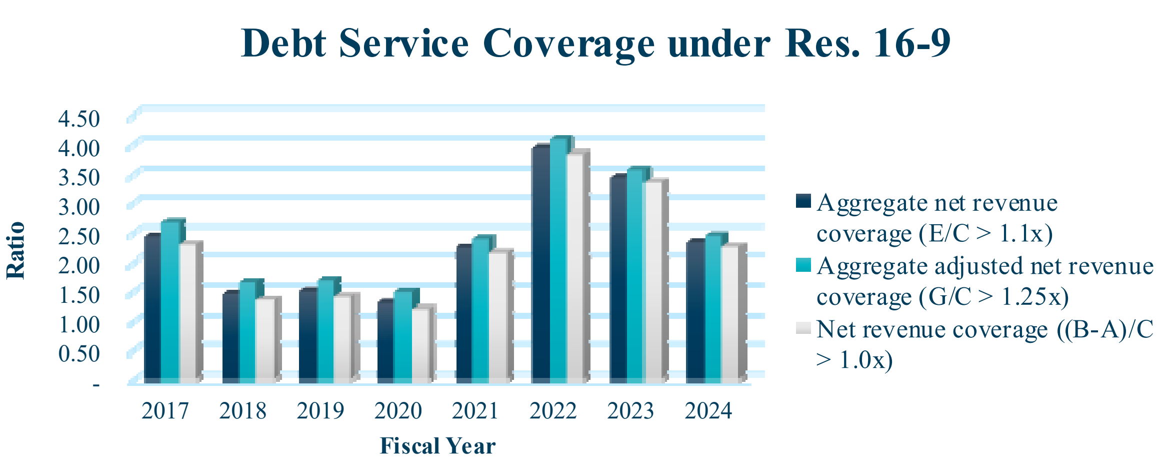
(1) The financial information relative to VIT set forth in this table is computed on an accrual basis. As a result, the amounts set forth in the line item "Income Before Transfers" does not represent net cash transferred by VIT to the Authority. However, such information is a reasonable indication of 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
	(In Thousands)							
VIRGINIA INTERNATIONAL TERMINALS								
VIT/HRCP II gross receipts	$ 484,494	$ 550,211	$ 589,670	$ 556,625	$ 631,182	$ 905,761	$ 874,054	$ 735,352
VIT/HRCP II current expenses	(350,771)	(421,533)	(419,549)	(416,717)	(403,298)	(471,421)	(474,095)	(489,926)
VIT liquidity reserve withdrawal (deposit)	(2,543)	6,061	(10,031)	(677)	4,745	(721)	(6,649)	(3,023)
One-time cash transfers HRCP II	5,827	-	-	-	-	-	-	-
VIT CEMA liquidation	16,061	-	-	-	-	-	-	-
VIT/HRCP II port operator capital expenditures **(A)**	(7,579)	(11,046)	(6,456)	(11,091)	(8,193)	(9,067)	(6,095)	(8,792)
VIT/HRCP II payment (per Payment Agreement to VPA)	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611
VIRGINIA PORT AUTHORITY								
Gross revenues:								
VIT/HRCP II payment per Payment Agreement	145,489	123,693	153,634	128,140	224,436	424,552	387,215	233,611
Other VPA income and interest income	10,037	11,186	15,052	17,247	20,271	21,433	33,789	57,935
Total gross revenues	155,526	134,879	168,686	145,387	244,707	445,985	421,004	291,546
Current expenses:								
Terminal expenditures	(26,488)	(24,606)	(27,837)	(27,756)	(22,669)	(21,440)	(20,175)	(18,563)
Operating lease payments	(17,429)	(185)	(185)	(185)	(132)	(793)	(902)	(900)
Total current expenses	(43,917)	(24,791)	(28,022)	(27,941)	(22,801)	(22,233)	(21,077)	(19,463)
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083
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
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
Revenue stabilization fund balance	29,082	39,661	39,973	40,116	39,933	39,338	39,899	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
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083
Aggregate net revenue **(E)** (E = B + D - A)	126,459	131,049	157,113	138,566	240,082	442,654	415,997	290,875
Adjusted net revenue **(F)** (F = B + P + Q)	125,097	128,246	160,635	137,634	237,999	441,121	416,444	286,823
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
DEBT SERVICE COVERAGE								
Senior debt service:								
Senior obligations	42,578	72,795	87,818	90,299	90,092	95,352	103,962	108,121
Series 2016 Bonds principal and interest requirements	9,614	17,537	17,504	17,068	17,414	17,387	17,211	17,119
Aggregate principal and interest requirements (C)	$ 52,192	$ 90,332	$ 105,322	$ 107,367	$ 107,506	$ 112,739	$ 121,173	$ 125,240

Debt Service Coverage	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024
Aggregate net revenue coverage (E/C > 1.1x)	2.42	1.45	1.49	1.29	2.23	3.93	3.43	2.32
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
Net revenue coverage ((B-A)/C > 1.0x)	2.28	1.34	1.40	1.20	2.14	3.84	3.35	2.24

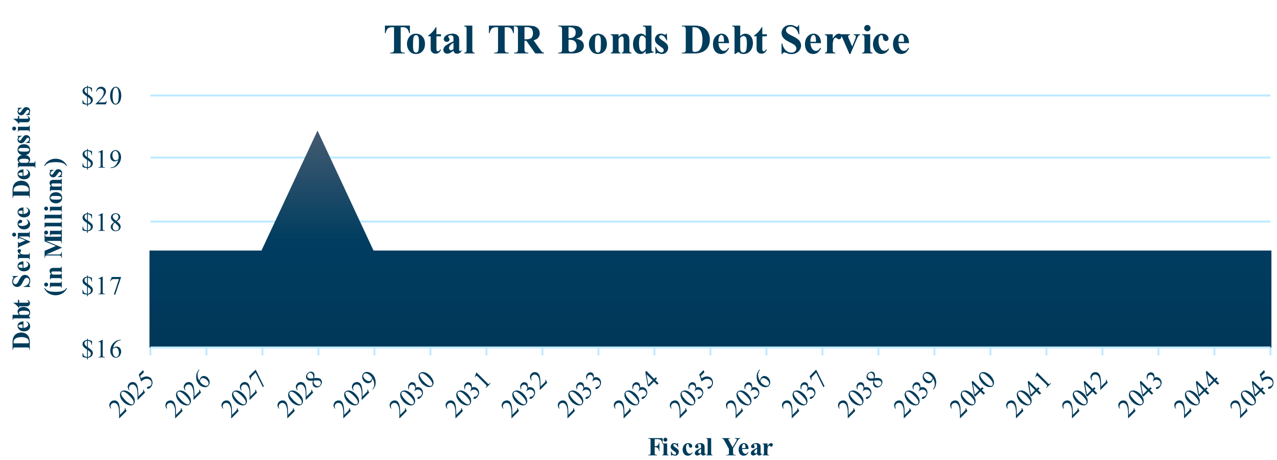
Source: VIT accrual basis financial statements for the indicated fiscal years.



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
		(In Thousands)		
2025	$ 7,440	$ 6,778	$ 3,317	$ 17,535
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	10,761	6,773	-	17,534



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)

	2019	2020	2021	2022	2023
Exports:					
Soybeans and products	1,125,101	1,407,782	1,493,241	1,447,254	1,775,648
Pet and animal feeds	656,282	847,080	851,644	759,153	875,512
Paper and paperboard	689,676	667,851	731,917	704,665	808,249
Wood pulp	817,174	933,449	958,155	893,891	755,903
Logs and lumber	784,436	696,838	861,555	811,900	734,468
Imports:					
Furniture	867,517	848,511	1,079,478	1,162,746	1,013,594
Plastic products	412,707	488,565	658,909	703,905	557,847
Auto parts	406,515	193,911	321,965	368,741	430,491
Paper and paperboard	231,792	205,321	292,379	335,316	238,807
Non alcoholic beverages	233,866	265,986	306,615	279,304	218,402

* 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)

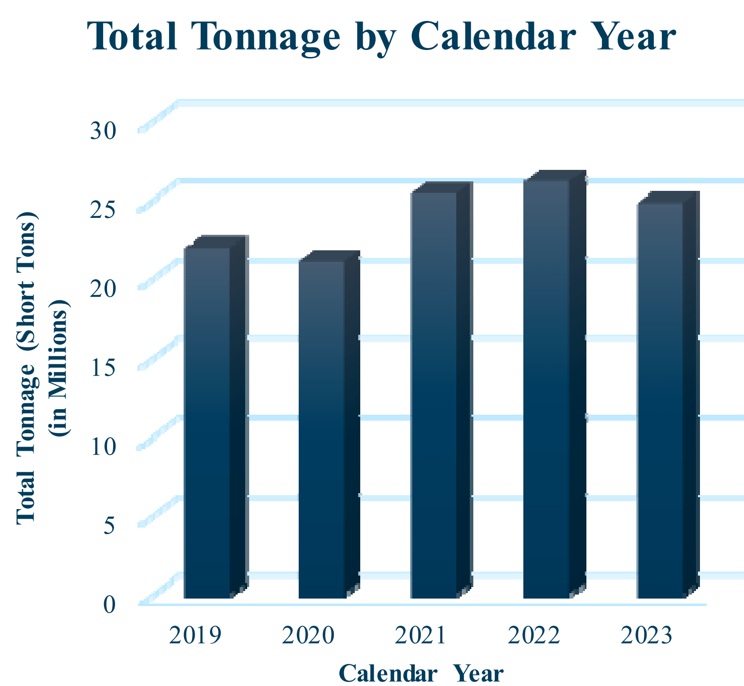
Presented below is information concerning the volume of general cargo handled at all facilities that comprise the Port of Virginia.

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

	2019	2020	2021	2022	2023
Breakbulk	161,489	80,097	147,686	157,385	124,843
Container	21,779,258	21,001,830	25,206,462	25,995,056	24,651,632
Total tons	21,940,747	21,081,927	25,354,148	26,152,441	24,776,475

* 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



VIRGINIA PORT AUTHORITY — TABLE 6

TEN-YEAR CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended June 30,									
	2015[1]	2016	2017 Restated[2]	2018	2019	2020	2021	2022[3]	2023	2024
Operating revenues:										
Terminal operating revenues	$ 451,242	$ 444,444	$ 478,261	$ 522,069	$ 551,236	$ 496,258	$ 619,580	$ 873,982	$ 796,269	$ 745,476
Other revenues	9,148	9,340	10,102	10,445	11,186	10,946	13,120	19,064	16,996	21,450
Operating revenues - grants, federal and state	5,295	6,391	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509
Total operating revenues	465,685	460,175	490,477	538,048	567,620	512,908	638,615	897,151	814,766	768,435
Operating expenses:										
Terminal operations	222,665	209,681	218,813	247,513	251,470	217,208	231,239	261,743	253,075	263,594
Terminal maintenance	86,936	89,884	94,534	104,687	108,679	112,129	107,231	120,376	133,795	131,409
General and administrative	36,480	49,709	49,656	52,029	55,582	58,476	58,899	55,003	55,819	57,760
Facility rental	55,679	55,619	17,429	396	1,451	1,682	293	(13)	4,573	5,163
Depreciation and amortization	46,649	47,723	74,406	84,271	86,940	103,839	121,836	191,988	198,897	197,238
Total operating expenses	448,409	452,616	454,838	488,896	504,122	493,334	519,498	629,097	646,159	655,164
Operating income	17,276	7,559	35,639	49,152	63,498	19,574	119,117	268,054	168,607	113,271
Nonoperating revenues (expenses):										
Investment income (loss), net	502	704	920	1,368	4,053	6,177	1,075	(1,880)	24,678	53,600
Interest expense	(14,241)	(18,365)	(88,233)	(125,369)	(123,516)	(125,264)	(124,144)	(174,152)	(176,706)	(186,772)
Revenue from federal sources	707	9,653	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210
Revenue from state sources	-	6,143	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091
Revenue from private sources	-	-	-	-	-	-	-	5,567	66,026	108,605
Other expenses	(627)	(3,292)	(4,977)	(2,486)	(3,665)	(3,418)	(4,355)	(5,090)	(2,802)	(7,206)
Gain (loss) on disposals	-	(1,107)	(21)	(1,769)	744	271	372	480	(277)	(1,670)
Income (loss) before capital contributions	3,617	1,295	(37,893)	(75,053)	(48,051)	(96,783)	2,676	107,376	149,064	140,129
Capital contributions:										
Commonwealth Port Fund allocation	38,418	42,367	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556
Payments to federal government - channel dredging	-	(5,500)	(845)	(984)	(3,224)	(17,402)	(54,679)	(23,335)	(66,366)	(68,391)
Proceeds from primary government	-	-	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444
Capital contributions (to) from other state agencies	-	153	-	-	-	-	535	-	-	(2,289)
Cumulative effect of changes in accounting principle	(29,916)	-	7	-	-	-	-	233,086	-	-
Increase in net position	12,119	38,315	87,399	19,350	89,432	41,786	63,253	396,230	218,835	191,449
Special item - lease conversion	-	-	13,277	-	-	-	-	-	-	-
Increase in net position after special item	12,119	38,315	100,676	19,350	89,432	41,786	63,253	396,230	218,835	191,449
Net position - beginning of year	472,562	484,681	522,996	623,672	643,022	732,454	774,240	837,493	1,233,723	1,452,558
Net position - end 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

(1) VIT adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, in fiscal year 2015.

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

(3) The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022.

VIRGINIA PORT AUTHORITY
600 World Trade Center
Norfolk, VA 23510

Orion heavy-lift installation vessel with six monopile foundations.