THE PORT OF VIRGINIA

AMERICA'S MOST MODERN GATEWAY℠

VIRGINIA PORT AUTHORITY

Annual Comprehensive Financial Report
For the Fiscal Year ended June 30, 2026



On June 18, 2026, The Port of Virginia celebrated the completion of its $450 million channel dredging project, becoming the deepest and widest channel on the United States East Coast.

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, 2026

Prepared by

The Finance Division of the
Virginia Port Authority

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The Port of Virginia executed the First Amendment of the VIG Lease in July 2025, providing the port with greater operational control and flexibility of the terminal while also fixing the purchase price at the end of the lease term.

Dear Customers, Partners, and Stakeholders:

Fiscal year 2026 was a year that demonstrated both the resilience of The Port of Virginia and the strength of the strategy that continues to guide our future. Despite a challenging global trade environment marked by geopolitical uncertainty, shifting trade policies, and ongoing supply chain volatility, the port delivered strong operational and financial results while maintaining our commitment to safety, service excellence, and disciplined growth.

Throughout the year, our team remained focused on delivering value to our customers and executing with consistency and precision. We also launched our *We Protect What Matters* brand, sharpening our focus on safety and instilling a safety-first mindset across all colleagues. That commitment produced outstanding results across our operations. We achieved a lost workday incidence rate of 0.83, surpassing our safety goal and reinforcing our belief that operational excellence begins with a strong safety culture. We also delivered industry-leading service performance, including average truck turn times of 36 minutes, rail-ready dwell of 39 hours, and 33 adjusted crane moves per hour. These results helped drive record performances in both rail volume and stevedoring lifts while strengthening our position as America's Most Modern Gateway.

Our operational success translated into strong financial performance. The Virginia Port Authority finished fiscal year 2026 with operating revenues of $890 million, exceeding budget by 4 percent; earnings before interest, taxes, depreciation and amortization (EBITDA) of $286 million, surpassing budget by 21 percent and operating cash flows of $273 million. These results were achieved despite a slow start to the year for container volumes and reflect our disciplined approach to managing costs, growing diversified revenue streams, and maintaining superior service levels for our customers.

At the same time, we continued to realize the benefits of the significant investments made across our network over the past several years. The modernization of our terminals, expansion of rail capacity, completion of the deepest and widest commercial shipping channel on the U.S. East Coast, and continued development of our logistics ecosystem are creating enduring advantages for our customers and stakeholders.

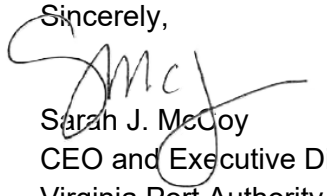
The value of these investments extends beyond our terminals. Businesses continue to choose Virginia as a strategic location for distribution, manufacturing, and logistics operations because of the supply chain advantages created by our gateway. Recent announcements by companies including ID Logistics and Rural King demonstrate how our infrastructure, connectivity, and service performance contribute to economic growth across the Commonwealth.

Looking ahead, we remain focused on sustaining our leadership position in an increasingly competitive and dynamic industry. Major projects such as the continued expansion of Norfolk International Terminals will further strengthen our network and increase our ability to serve the next generation of global trade. At the same time, we will continue leveraging technology, data, and innovation to enhance performance and create additional value for customers.

The environment in which we operate will continue to evolve. Global trade patterns, geopolitical developments, technological advancements, and changing customer expectations will create both challenges and opportunities. However, our path forward remains clear. We will continue to invest with discipline, operate with excellence, and maintain an unwavering commitment to safety, customer value, and long-term stewardship of the resources entrusted to us.

The foundation of this organization has never been stronger. Our momentum is real, our capabilities continue to expand, and our opportunities for future growth remain significant. Most importantly, these accomplishments are made possible by the dedication and professionalism of our employees, partners, customers, and stakeholders.

Sincerely,



Sarah J. McCoy
CEO and Executive Director
Virginia Port Authority

THE PORT OF VIRGINIA
AMERICA'S MOST MODERN GATEWAY

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

September 15, 2026

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

Dear Commissioners and other Users 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, 2026, 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, 2026. 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, and 11 citizens appointed by the Governor. The Board of Commissioners, the VPA CEO and Executive Director and her team, and the management of our component unit, Virginia International Terminals, LLC (VIT), work to promote, develop, and increase commerce at the ports of Virginia and other port-related industries in the Commonwealth.

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

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

Finance and Risk Management

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

In July 2025, the Authority strategically deployed cash reserves built over recent years to fund the $335 million VIG Lease Amendment and complete debt defeasance activities, actions that further strengthened its balance sheet and reduced future financing costs. Shortly thereafter, the Federal Reserve began lowering interest rates by 0.75% over the first half of the fiscal year before pausing additional cuts in response to ongoing economic and geopolitical uncertainties, particularly surrounding conflict in the Middle East. As anticipated, investment earnings decreased from fiscal year 2025 levels due to lower average invested balances following these transactions. The Authority continues to actively monitor financial markets and maintain a prudent investment and debt management strategy designed to support its long-term capital program and financial sustainability. 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 all non-terminal assets owned by the Authority. The Authority also maintains general liability, fiduciary liability, workers' compensation, cyber, and umbrella insurance policies.

Virginia Port Authority and the Economy

The port continues to serve as a significant economic engine for the Commonwealth. Annually, port-related business activity directly and indirectly supports more than 570,000 jobs and contributes approximately $63 billion to Virginia's gross domestic product. During fiscal year 2026, the Authority achieved a major milestone with the completion of the *Wider, Deeper, Safer* initiative, establishing The Port of Virginia as the deepest and widest harbor on the U.S. East Coast. This accomplishment represents a significant competitive advantage to other U.S. East Coast ports and will enhance the port's ability to accommodate larger vessels, improve supply chain efficiency, and support long-term economic growth throughout the Commonwealth. Through its port-centric development strategy and partnership with the Virginia Economic Development Partnership (VEDP), the Authority continues to attract investment and encourage business expansion by providing world-class port infrastructure, multimodal transportation connectivity, and access to domestic and international markets. The positive economic impacts of these efforts extend throughout Virginia, supporting growth in logistics, manufacturing, distribution, and related industries.

Long-Term Financial Planning

Despite continued uncertainty in global trade markets arising from evolving tariff policies, geopolitical developments, and shifting supply chain strategies, the Authority remains well positioned financially and operationally. The Authority's longstanding focus on financial discipline, liquidity management, and strategic capital investment has strengthened its ability to navigate changing market conditions while continuing to pursue long-term growth opportunities. During fiscal year 2026, the Authority continued to realize the benefits of the First Amendment to the VIG Lease executed in July 2025, which enhanced operational flexibility and provided greater certainty regarding the Authority's long-term ownership and control options. Together with the issuance of the Series 2025 Port Facilities Revenue Bonds, these actions strengthened the Authority's financial flexibility and its ability to execute its long-term capital investment program.

Optimization efforts at the North Berth of Norfolk International Terminals (NIT) continued to advance during fiscal year 2026 and remain a key component of the Authority's long-term growth strategy. Upon completion, the project is expected to add approximately 1.4 million TEUs of annual throughput capacity while enhancing operational flexibility and efficiency throughout the terminal. This optimization will also provide the North Berth with operational leverage, enabling greater control over operating costs and flexibility to scale its operations in response to volume fluctuations in a safe and sustainable manner. This adaptability is especially critical as global supply chain patterns continue to shift in response to tariff changes and geopolitical uncertainty. The timing of this project's completion is expected to closely align with the Commonwealth's Hampton Roads Bridge-Tunnel Expansion project and builds upon the Authority's *Wider, Deeper, Safer* initiative, which was completed earlier this year. Together, these investments will significantly expand terminal capacity, improve cargo fluidity, and accelerate the movement of goods to market for beneficial cargo owners. Recent enhancements to rail infrastructure at NIT further strengthen the port's competitive position by providing faster, more reliable access to Midwest markets while supporting long-term operating efficiency.

Collectively, these investments have reinforced The Port of Virginia's position as America's Most Modern Gateway and one of the premier ports on the U.S. East Coast. As shippers increasingly prioritize resiliency, capacity, and supply chain reliability, the Authority's modern infrastructure, deep-water access, and integrated transportation network position it to capture future growth opportunities while continuing to deliver value throughout the Commonwealth.

The Port of Virginia's organizational structure remains unique within the maritime industry and has supported decades of growth, innovation, and economic development throughout the Commonwealth. Building on that foundation, the Authority continues to invest in the infrastructure, technology, and operational capabilities necessary to meet the evolving needs of global commerce in the safest manner possible. Supported by a disciplined investment management strategy and a strong financial position, the Authority is well equipped to navigate changing market conditions while pursuing future growth opportunities. These efforts reinforce The Port of Virginia's position as a premier gateway for international trade and a critical driver of economic prosperity throughout the Commonwealth.

Major Initiatives

During fiscal year 2026, The Port of Virginia achieved several transformational milestones that further strengthened its position as America's Most Modern Gateway. Most notably, the Authority completed the multi-year *Wider, Deeper, Safer* initiative, marking the culmination of one of the most significant infrastructure investments in the port's history. The project enhanced navigational access, enabled two-way vessel traffic throughout the harbor, and expanded the port's capacity to accommodate the world's largest container vessels. Combined with unrestricted access to the Atlantic Ocean and no overhead restrictions, these improvements position the port to support future growth in global trade.

The Authority launched its new safety brand, *We Protect What Matters*, during fiscal year 2026. This initiative focuses on identifying and addressing the significant risks colleagues face every day and ensuring those risks are eliminated wherever possible. As part of this initiative, The Port of Virginia, in collaboration with its unionized workforce, identified seven critical safety risks as well as six life-saving rules to help mitigate those risks. The Authority established new incentive programs for its workforce to identify unsafe processes and aggressively promote safe behaviors. As a result of this initiative, the Authority was able to reduce its Lost Workday Rate by more than 19% when compared to fiscal year 2025. These thoughtful and deliberate actions bring the port closer to achieving its ultimate goal of becoming the safest port in North America.

Progress also continued on the modernization and expansion of the North Berth at Norfolk International Terminals, the Authority's largest capital project currently underway. Completion of the project, expected by the end of fiscal year 2027, will mark another major step toward increasing terminal capacity to meet future cargo demand while further improving operational efficiency, scalability, and service reliability. Despite ongoing uncertainty surrounding global trade policy, tariffs, and geopolitical conditions, the Authority's disciplined project execution has kept these strategic investments advancing on schedule and within budget expectations.

These investments, together with ongoing regional transportation improvements, are creating a more connected, resilient, and efficient logistics network capable of supporting economic growth throughout the Commonwealth. As supply chains continue to evolve, The Port of Virginia remains uniquely positioned to deliver world-class service, expand market reach, and create lasting value for Virginia businesses, communities, and citizens.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Virginia Port Authority a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. This marks the twentieth consecutive year the Authority has received 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 2026 report will continue to meet the Certificate of Achievement Program’s requirements.

In CNBC's 2026 Top States for Business study, the Commonwealth of Virginia maintained its second place infrastructure ranking and ranked among the top three states overall, reinforcing its position as one of the nation's premier locations for investment, trade, and economic growth. Supported by continued investments in transportation and logistics infrastructure, including The Port of Virginia, now the deepest and widest harbor on the U.S. East Coast, the Commonwealth continues to provide businesses with unmatched connectivity, capacity, and supply chain advantages.

Preparation of the ACFR, as always, reflects the collaborative efforts of the Authority's entire finance division and its auditors at PBMares, LLP. Finally, we express our sincere appreciation to the members of the Virginia Port Authority Board of Commissioners for their continued leadership, governance, and support in ensuring the long-term fiscal integrity and success 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, 2025

Christopher P. Morrill

Executive Director/CEO

VIRGINIA PORT AUTHORITY

Norfolk, Virginia

BOARD OF COMMISSIONERS

John W. Kirk III, Chair

James C. Burnett, Vice Chair

Shaza L. Andersen
John C. Asbury
Jeremy "Shane" Boswell
George H. Brown
Michael W. Coleman
Ellen S. Gajda
David Hallock
Maurice A. Jones
Malcolm P. Mitchell Jr.

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

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

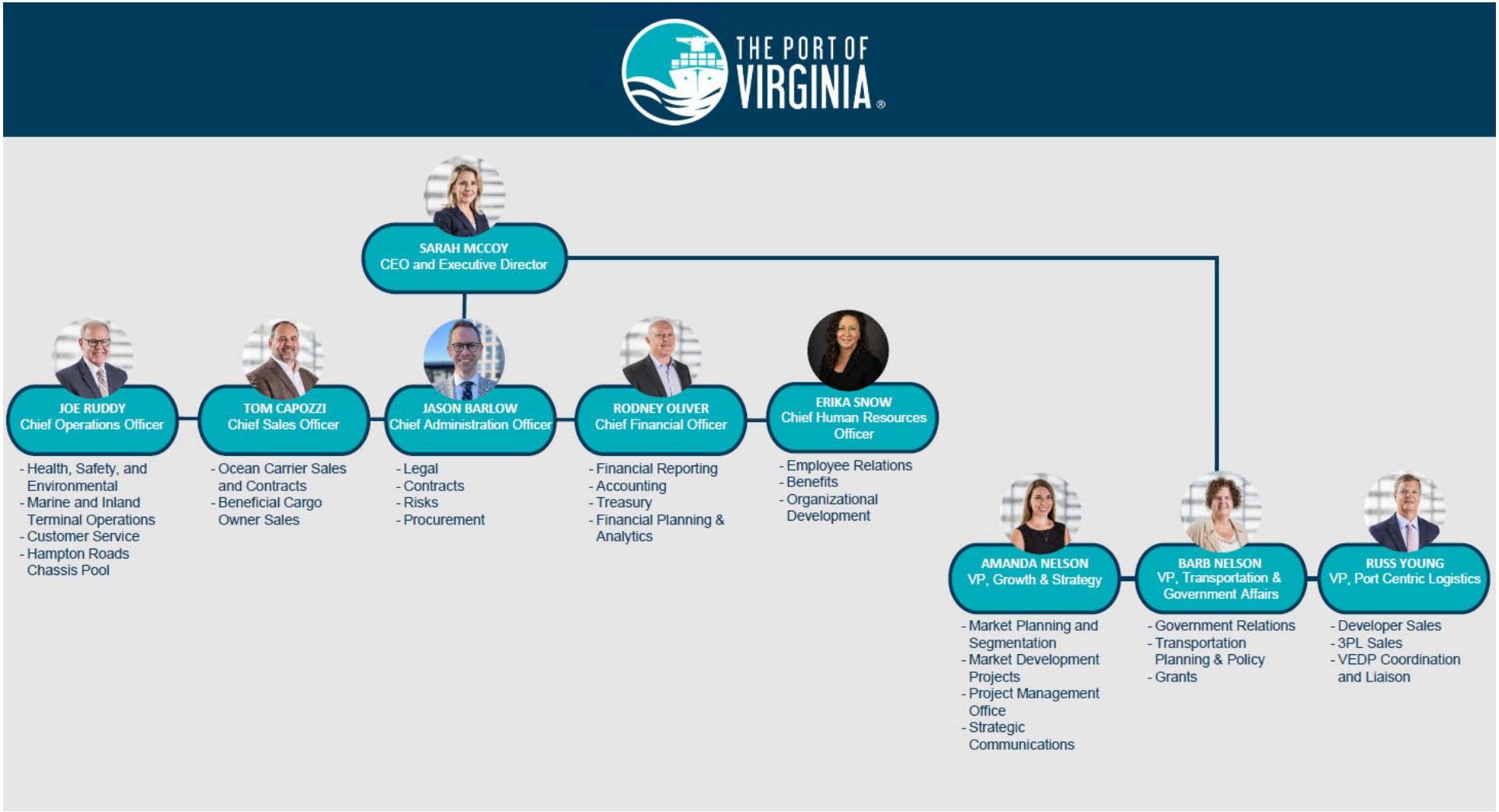
APPOINTED OFFICIALS

Sarah J. McCoy, 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
SARAH MCCOY
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
JASON BARLOW
Chief Administration Officer
- Legal
- Contracts
- Risks
- Procurement
RODNEY OLIVER
Chief Financial Officer
- Financial Reporting
- Accounting
- Treasury
- Financial Planning & Analytics
ERIKA SNOW
Chief Human Resources Officer
- Employee Relations
- Benefits
- Organizational Development
AMANDA NELSON
VP, Growth & Strategy
- Market Planning and Segmentation
- Market Development Projects
- Project Management Office
- Strategic Communications
BARB NELSON
VP, Transportation & Government Affairs
- Government Relations
- Transportation Planning & Policy
- Grants
RUSS YOUNG
VP, Port Centric Logistics
- Developer Sales
- 3PL Sales
- VEDP Coordination and Liaison



The port launched its We Protect What Matters safety campaign, focusing on 7 Critical Risks and 6 Life-Saving Rules. The port's Lost Workday Rate for fiscal year 2026 was 0.83, representing a 20% decrease from fiscal year 2025.

PBMares SM
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

The Honorable Abigail Spanberger
Governor of Virginia

The Honorable Mamie E. Locke
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, 2026, 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 activities of the Authority, as of June 30, 2026, 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; *Government Auditing Standards*; and *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 16-26 and 79-82, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information on pages 83-84 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 and statistical section as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
September 15, 2026

VIRGINIA PORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2026

(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, 2026 (fiscal year 2026), with selected comparative information as of and for the Fiscal Year ended June 30, 2025 (fiscal year 2025). 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 successive 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 $603,930 in fiscal year 2026 compared to an increase of $197,678 during fiscal year 2025. Net position at June 30, 2026 was $2,442,705.
- Operating income for VPA on a comparable basis decreased from $107,476 to $67,293.
- Volume of 1.8 million containers (3.2 million twenty-foot equivalent units, or TEUs) moved through the terminal properties during fiscal year 2026, which was 78 thousand containers (4.2%) fewer than fiscal year 2025.
- Liquidity remains strong, with net working capital of $513,608 and a current ratio (current assets divided by current liabilities) of 3.7 at June 30, 2026. Unrestricted cash and investments, including non-current investments, at June 30, 2026 were $677,564.

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 in accordance with generally accepted accounting principles 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 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.

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.

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.

FINANCIAL SUMMARY AND DETAILED ANALYSES

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, 2026 and 2025, respectively, follows:

Condensed Summary of Statements of Net Position

	2026	2025	Increase/ (Decrease)
		(In Thousands)	
Assets:			
Current assets	$ 702,887	$ 1,240,582	$ (537,695)
Capital assets, net	6,166,034	5,825,131	340,903
Other noncurrent assets	407,432	291,690	115,742
Total assets	7,276,353	7,357,403	(81,050)
Deferred outflows of resources	16,340	24,473	(8,133)
Total assets and deferred outflows of resources	7,292,693	7,381,876	(89,183)
Liabilities:			
Current liabilities	189,279	307,282	(118,003)
Noncurrent liabilities	4,617,257	5,195,996	(578,739)
Total liabilities	4,806,536	5,503,278	(696,742)
Deferred inflows of resources	43,452	39,823	3,629
Total liabilities and deferred inflows of resources	4,849,988	5,543,101	(693,113)
Net position:			
Net investment in capital assets	1,522,794	595,271	927,523
Restricted	175,246	148,868	26,378
Unrestricted	744,665	1,094,636	(349,971)
Total net position	$ 2,442,705	$ 1,838,775	$ 603,930

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets decreased $537,695 (43%) from fiscal year 2025. Balances in current cash and cash equivalents decreased $494,764 year over year, accounting for the majority of the overall decline in current assets. Much of this decrease is attributable to the significant outlay required to execute the First Amendment to the VIG Lease, which included a $335,000 upfront rental payment as well as defeasance deposits and early repayment of certain Master Equipment Lease liabilities. As a result of these changes to its debt balances, the Authority reclassified certain investments to noncurrent, reflective of shifts in certain debt service amounts. Amounts due from other governments decreased $42,750, reflecting receipt of several large, outstanding receivables related to capital projects completed during fiscal year 2026. Additional changes included a $6,326 increase in the current portion of lease receivables.

Net capital assets (the cost of capital assets, less accumulated depreciation and amortization), including right-to-use lease and subscription assets, increased $340,903 over the prior year. This increase was primarily due to the write-off of amounts previously accumulated as depreciation and amortization under the VIG Lease asset as a result of the execution of the First Amendment, previously discussed, which required a revaluation of the lease itself and recognition of a $550,587 increase to the Authority's net position. Nondepreciable capital assets increased $76,582, reflecting progress towards ongoing construction and capital improvement projects designed to enhance terminal capacity and operational efficiency. These investments support the Authority's long-term strategy to accommodate future cargo growth while maintaining safe and reliable operations. See notes 5, 6 and 12 in the notes to the financial statements for additional discussion.

The increase in noncurrent assets was driven primarily by a $114,440 increase in long-term cash and cash equivalents and investments, reflecting the Authority's need to maintain liquidity and meet future capital funding requirements as those requirements shift with the change in its debt portfolio discussed previously. As noted previously, the Authority has sought to increase its resiliency to external forces and mitigate market risk where possible. In previous years, these efforts included the transfer of certain pension-related liabilities, which have led to a net pension asset of $5,685 being reported in fiscal year 2026 compared to a net pension liability in fiscal year 2025. These increases were partially offset by a $4,864 decrease in noncurrent lease receivables. See notes 2, 3 and 9 in the notes to the financial statements for additional discussion.

Deferred outflows of resources decreased by $8,133 compared to fiscal year 2025, driven primarily by a $10,501 reduction in deferred amounts related to bond refundings as these balances continued to be amortized over the remaining life of the related debt and other deferred amounts were written off entirely as the underlying bonds were defeased as part of the First Amendment to the VIG Lease. Deferred outflows associated with pensions and OPEB increased $1,240, reflecting changes in actuarial assumptions, differences between expected and actual experience, and investment-related factors. 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 decreased by $118,003 compared to fiscal year 2025, primarily reflecting a $93,011 decrease in unearned revenue associated with the timing of funding and expenditures for capital projects. Additionally, the current portion of long-term debt decreased $10,931, primarily driven by changes in the Authority’s debt structure required as part of the First Amendment to the VIG Lease. Accounts payable and accrued expenses also decreased $19,558 due primarily to the timing of vendor payments, accrued expenditures, and capital project activity at year-end. Lower retainage payable balances further reflected the continued progression and completion of certain capital projects during the fiscal year. These decreases were partially offset by higher obligations under securities lending and modest increases in interest payable and current lease and subscription liabilities.

Noncurrent liabilities decreased by $578,739 compared to fiscal year 2025. The decrease was driven primarily by a $523,470 reduction in the noncurrent portion of the VIG Lease, reflecting the revaluation of this lease in accordance with the terms of the First Amendment described earlier. The noncurrent portion of long-term debt also decreased $38,228, reflecting changes in the Authority’s debt portfolio discussed previously as well as principal payments made toward its other debt balances. Lastly, noncurrent unearned revenue decreased $15,733 as previously received funding was earned in connection with ongoing capital project activity.

Deferred inflows of resources increased $3,629 driven by changes to the Authority’s revenue leases during the year, including extensions, amendments and new leases, as well as deferred items related to pensions and OPEB plans based on changes in actuarial assumptions such as investment performance and differences between expected and actual experience.

NET POSITION

Net investment in capital assets represents the land, buildings, infrastructure, improvements, equipment, etc., less the accumulated depreciation and amortization and outstanding liabilities related to those capital assets. This portion of net position increased by $927,523, driven by net increases in capital assets (as discussed previously), combined with decreases in related debt and lease liabilities (as discussed previously). For liquidity purposes, it should be noted the resources required to repay the debt incurred to purchase and develop the capital assets must be provided annually from terminal operations (principally those of the blended component unit – VIT) and appropriation (Commonwealth Port Fund), since the capital assets themselves generally are not monetized to liquidate liabilities. Further detail of the Authority's capital assets can be referenced in note 5 in the notes to the financial statements.

Restricted net position represents resources, principally cash and investments, which are subject to external restrictions on how they can be used pursuant to the terms of applicable bond resolutions, as well as restrictions or other terms imposed by grantors. The increase in balances at June 30, 2026 is attributable to higher cash balances held by the Commonwealth of Virginia Treasury Department resulting from increased Commonwealth Port Fund revenues and timing of expenditures related to this appropriation as well as VIT's net pension asset.

The remaining unrestricted net position may be used to fund the Authority's other ongoing obligations and initiatives. The Authority's strategic outlay of cash and investments associated with the First Amendment to the VIG Lease contributed to the 32% decrease in the fiscal year 2026 balance.

A condensed summary of the Authority's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2026 and 2025, follows:

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

	2026	2025	Increase/ (Decrease)
		(In Thousands)	
Operating revenues	$ 890,287	$ 854,534	$ 35,753
Operating expenses	822,994	747,058	75,936
Operating income	67,293	107,476	(40,183)
Noncapital subsidies, net	60,720	59,298	1,422
Operating income and noncapital subsidies	128,013	166,774	(38,761)
Other nonoperating revenues (expenses), net	(74,670)	30,904	(105,574)
Income before unusual or infrequent items	53,343	197,678	(144,335)
Unusual or infrequent items			
Special item - lease conversion	550,587	-	550,587
Increase in net position	603,930	197,678	406,252
Net position, beginning of year	1,838,775	1,644,007	194,768
Cumulative effect of changes in accounting principle	-	(2,910)	2,910
Net position, end of year	$ 2,442,705	$ 1,838,775	$ 603,930

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 2026 operating revenues increased $35,753 or 4% from fiscal year 2025, despite a 4% decrease in container volume. The increase was primarily driven by a $19,817 increase in container unit rate revenues and a $21,971 increase in stevedoring-related services, partially offset by a $20,503 decrease in loaded container storage revenues. Higher container unit rate revenues were primarily supported by contractual rate adjustments and strategic contract renewals. The increase in stevedoring revenues reflects the Authority's successful efforts to capture additional stevedoring market share from its competitors, ultimately handling 66% of total annual container volume, representing a 15% increase compared to fiscal year 2025. The decline in loaded container storage revenues is reflective of shorter average container dwell times compared to the prior year, as cargo moved through the terminals more quickly throughout fiscal year 2026. Despite challenges to the Authority's container revenues from lower volumes, the Authority was able to leverage other segments of its operations to sustain overall revenue growth. Offshore wind operations contributed $11,568 in higher gang rate revenues and increased project cargo stevedoring activity during the fiscal year. In addition, revenues associated with rail and terminal activity, including ramp and deramp services, yard movements, and refrigerated container services, increased by $12,234, consistent with changes in cargo mix and operational activity across the fiscal year. Commensurate with the decrease in container volumes, the Authority's subsidiary, HRCP, recorded $10,050 less chassis revenues during the fiscal year. Overall, the Authority's diversified revenue streams, growth in value-added service offerings, and ability to implement pricing adjustments allowed it to more than offset the decline in specific revenue streams in order to grow its operating revenues despite ongoing variability in cargo volumes and service mix.

Commensurate with the rate-driven increases in operating revenues noted above, total operating expenses also increased by $75,936, or 10%, in fiscal year 2026.

Total terminal operations expenses increased by $53,611, or 17%, in fiscal year 2026. The increase was primarily driven by higher labor-related costs associated with the Authority's unionized workforce, with payroll and fringe expenses increasing by $49,485 as a result of updated labor rates, as well as higher straight-time and overtime hours worked during the fiscal year. Variability in operating conditions throughout the fiscal year, including weather-related disruptions and changes in cargo mix such as rail activity, also contributed to fluctuations in labor utilization and cost per unit. Third-party stevedoring expenses increased by $3,494, reflecting container lift activity performed by external providers on certain services, particularly during the first half of the fiscal year. In addition, third-party services in support of offshore wind operations increased by $2,676. Despite the increase in the wage base discussed above, workers' compensation expense decreased $2,926 (23%), reflecting the Authority's sustained commitment to workplace safety and the resulting reduction in its workers' compensation rate. Lastly, the Authority recognized $2,131 lower pension expense, the result of strategic initiatives executed in previous years coming to fruition. The Authority maintained strong operational performance, with productivity metrics consistent across terminals, thereby helping to moderate the overall increase in terminal operating expenses.

Maintenance expenses increased $14,712, or 9%, in fiscal year 2026 compared to fiscal year 2025, primarily driven by higher labor and repair-related activity. Payroll and fringe expenses increased $11,329, reflecting both the impact of updated labor rates and increased maintenance hours required to support terminal operations, including higher utilization of premium hours. Repair costs increased $5,855 driven by elevated corrective and preventive maintenance activity across equipment and infrastructure, as well as higher costs for wire ropes, tires, plumbing repairs, and other equipment and facility maintenance expenditures. These increases reflect continued investment in maintaining terminal assets and supporting elevated operational activity levels throughout the fiscal year. These increases were partially offset by $1,006 of lower weather-related maintenance activity compared to the prior year, as well as $2,068 of lower utility and fuel-related costs. While reductions in fuel were driven primarily by lower diesel consumption, the Company was also able to mitigate external cost increase pressure on its diesel rates through its fixed forward price purchase agreement. Similar to terminal operations, favorable workers' compensation rates provided $794 lower costs on a higher wage base, while savings related to pension expense amounted to $953.

General and administrative expenses decreased by $7,531, or 12%, from the prior year. The reduction was driven primarily by lower contingent rent relative to the VIG Lease. As a result of the revaluation of the lease in July 2025, there were no differences between our CPI assumption and actual CPI for which contingent rent would need to be recognized. Further decreases in this category were driven by lower employee-related costs, including reduced pension expense, while other administrative spending categories remained generally stable. These results reflect ongoing efforts to manage overhead costs and maintain administrative efficiency despite persistent inflationary pressures.

Depreciation and amortization expense increased by $15,145, or 7%, compared to fiscal year 2025. The increase was primarily attributable to additional lease amortization and depreciation associated with new equipment and infrastructure assets placed into service during the fiscal year, reflecting the Authority's continued investment in its terminal facilities and operational capabilities.

Noncapital subsidies consist almost entirely of contributions from the Commonwealth Port Fund (CPF) – allocations appropriated from the Transportation Trust Fund. These revenues 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. Of the $1,422 increase from fiscal year 2025, $1,277 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.

Other nonoperating revenues/expenses, net, were $105,574 unfavorable to fiscal year 2025. Nonoperating grant revenues decreased $105,013, reflecting lower revenues recognized from state grants and private entity contributions associated with capital projects. The most significant of these projects include the PMT offshore wind development and the *Wider, Deeper, Safer* dredging project. Other projects, such as the optimization of the North Berth of NIT, continued to progress, but did so utilizing its federal funding, resulting in higher revenues from federal sources. Revenues associated with these projects are recognized as costs qualifying under the applicable grant agreement are incurred. In addition to capital-related revenues, the Authority recognized a $25,782 decrease in its investment income primarily due to the decrease in its invested balances discussed previously. At the same time, interest expense increased $31,032, almost solely driven by interest incurred on the VIG Lease, following execution of the First Amendment. These decreases were partially offset by $48,911 lower expenses incurred on behalf of other governments, including $39,349 of lower dredging costs associated with the *Wider, Deeper, Safer* dredging project and $9,562 of lower contributions to other agencies, reflecting the significant completion achieved in previous years. Within other expenses, the primary driver of the $4,413 decrease reported was the result of legislative changes to certain state and local programs, including how they are administered as well as by whom.

A condensed summary of the Statement of Cash Flows for fiscal year 2026 and fiscal year 2025, respectively, follows:

Condensed Summary of Cash Flows

	2026	2025	Increase/ (Decrease)
		(In Thousands)	
Net cash provided by operating activities	$ 273,128	$ 325,178	$ (52,050)
Net cash provided by noncapital financing activities	102,981	38,550	64,431
Net cash used in capital and related financing activities	(788,727)	(472,631)	(316,096)
Net cash provided by (used in) investing activities	(132,137)	436,831	(568,968)
Net increase (decrease) in cash and cash equivalents	(544,755)	327,928	(872,683)
Cash and cash equivalents:			
Beginning of year	917,842	589,914	327,928
End of year	$ 373,087	$ 917,842	$ (544,755)

Net cash provided by operating activities decreased by $52,050, from $325,178 in fiscal year 2025 to $273,128 in fiscal year 2026, reflecting lower cash generated from operating activities during the fiscal year. The majority of the Authority's operating cash flow is generated through the operations of its blended component unit – VIT. The change is primarily the result of the $40,183 decrease in operating income, driven by lower volumes and higher operating expenses, as previously discussed. In addition, outlays related to the Authority's pension plan increased $10,503.

Net cash provided by noncapital financing activities increased by $64,431, from net cash provided of $38,550 in fiscal year 2025 to $102,981 in fiscal year 2026. The expenditures associated with this activity are reimbursable by the Commonwealth and the U.S. Army Corps of Engineers, resulting in cash flows that mostly offset against each other, with fluctuations due to timing. Reimbursement receivables related to these activities decreased $33,839 during fiscal year 2026, while the majority of associated expenditures were incurred in fiscal year 2025, accounting for most of the variance in this category.

Net cash used in capital and related financing activities was $788,727 in fiscal year 2026, an increase of $316,096 from $472,631 in fiscal year 2025. The increase is almost entirely related to the First Amendment to the VIG Lease, which required a series of debt-related items, including defeasance of its 2016 Series bonds, issuance of its 2025 Series bonds and early retirement of certain master equipment leases as well as increased rental payments. These items accounted for $504,671 of the total outlay in this category, representing a $392,983 increase when compared to fiscal year 2025. Acquisition of capital assets moderated during the year, decreasing by $101,834, as certain major capital projects came to their conclusion towards the end of fiscal year 2025 and early fiscal year 2026. This reduction also impacted cash flows from state, federal and private sources, as the associated revenues are recognized as expenses are incurred against these capital projects. Similarly, net transfers related to Coastal Virginia Offshore Wind (CVOW) decreased $22,850, reflecting the Authority's utilization of the remaining funds provided by the project's sponsor, Dominion Energy, while funding requirements associated with future commitments had been predominately satisfied in previous years.

Net cash provided by (used in) investing activities decreased by $568,968, from an inflow of $436,831 in fiscal year 2025 to an outflow of $132,137 in fiscal year 2026. The decrease in investing cash flows reflects the Authority's strategic liquidation of a portion of its investments in order to fund the necessary outlays required as part of the First Amendment to the VIG Lease, as previously discussed. This reduction in invested balances at the beginning of the year led to lower overall interest income received during the year. 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.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Significant Capital Assets

The investment in capital assets for the Authority at June 30, 2026, 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:

- Optimization and modernization of the North Berth of NIT
- Twelve new ship-to-shore cranes for use at VIG and NIT
- Lifecycle replacement and electrification of terminal equipment

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

Long-term Financing Activity

At June 30, 2026, the Authority had $4,661,625 in outstanding liabilities related to either bond, installment purchase, or lease and subscription liabilities, excluding deferred inflows of resources. Of this balance, $3,919,325 is in the form of lease in outstanding liabilities related to either bond, installment and subscription liabilities (the two largest being the VIG lease in the amount of $3,737,145, and $146,121 related to chassis lease arrangements). Revenue bonds outstanding consist of $550,375 in Port Facilities Revenue Bonds and Commonwealth Port Fund Revenue Bonds issued by the Authority with $35,797 of issuance premiums. Installment purchase liabilities consist of $156,128 in installment purchase liabilities related to the VIG Phase II Expansion.

In furtherance of its objective to remain flexible and adaptive to changing macroeconomic forces, the Authority executed the First Amendment to the VIG Lease on July 8, 2025, which provides the Authority with greater operational control and flexibility with respect to the VIG Facility. Additionally, this amendment provides the Authority with greater certainty for future capital needs by converting the option to purchase the facility at the end of the lease term from a fair market valuation to a fixed amount of $950,000. In consideration for these amendments, the Authority's rental payment obligations under the lease were modified to include an upfront rental payment of $335,000 as well as an increase to the notional base rent amount. As a result of conditions precedent to the First Amendment, the Authority, utilizing a combination of short-term borrowings and unrestricted cash and cash equivalents, satisfied the upfront rental payment of $335,000, defeased all of its existing debt under Resolution 16-9, including $52,495 of its existing installment purchase obligations. Pursuant to Resolution 25-08, the Authority issued Port Facilities Revenue Bonds, Series 2025 (Non-AMT) (the "Series 2025 Bonds") in the par amount of $248,745. Proceeds from the Series 2025 Bonds were used to pay off the short-term borrowings previously noted, pay issuance costs associated with the Series 2025 Bonds, and replenish a portion of the unrestricted cash and cash equivalents used to satisfy the upfront rental payment. The 2025 Series is 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 Investors 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 25-08, to cover 100% of current expenses. Also, the greater of aggregate net revenue and aggregate adjusted net revenue as defined in Resolution 25-08 is 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 VIT 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 2026. 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, 2026 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 Investors 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.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Following the operational disruptions and labor uncertainty that characterized fiscal year 2025, fiscal year 2026 represented a period of relative stabilization for the Authority, though market conditions remained dynamic. Container volumes were generally consistent with the prior year, trending slightly lower overall, while exhibiting variability throughout the fiscal year due to weather-related disruptions early in the year and shifting cargo patterns. Changes in cargo mix, including fluctuations in rail activity and vessel composition, contributed to variability in throughput and operating performance across reporting periods. Despite these fluctuations, overall activity levels remained within the expected range, supported by the Authority's ability to adapt operations efficiently.

Global trade conditions continued to evolve during fiscal year 2026, building upon the supply chain adjustments initiated in the prior year following changes to U.S. tariff policy. Importers and shiplines continued to recalibrate sourcing strategies and shipment timing, resulting in periodic softness in cargo flows and shifts in service patterns. Additional geopolitical uncertainty, including the conflict in the Middle East, contributed to heightened market volatility and concerns regarding inflationary pressures associated with higher fuel and energy costs. While the direct impact on shipping lanes and trade flows remained limited, customer sentiment and broader economic uncertainty continued to influence market conditions. Despite these factors, the Authority benefited from its diversified service offerings and customer base, enabling it to maintain stable operations and positive operating cash flows amid ongoing changes to global trade patterns.

Operationally, the Authority maintained strong performance throughout the fiscal year, with productivity metrics remaining consistent despite variability in labor utilization and cargo mix. Increased reliance on rail-related movements and associated terminal activity contributed to shifts in labor deployment and cost structures during the year. Additionally, the Authority continued to expand its stevedoring operations, including increased levels of direct handling of container and project cargo, further strengthening its position across its service offerings. The expansion of these capabilities not only generated additional revenue opportunities but also provided the Authority with greater control over its variable costs, enhanced operational flexibility and margin stability in a dynamic operating environment.

Offshore wind operations remained a significant contributor during fiscal year 2026, with activity levels varying in line with project phases. Early in the fiscal year, higher levels of lift activity supported strong financial performance, while later periods reflected a transition toward more predictable, albeit more modest, operating margins. The Authority was also able to leverage its experience in heavy-lift operations provided by the offshore wind operations to capture new heavy-lift business and further expand this additional revenue stream. This diversification of business lines has enhanced the Authority's ability to absorb variability within its core business of container operations.

In contrast to prior years, loaded container storage volumes declined during fiscal year 2026 as supply chain conditions continued to normalize and cargo dwell times moderated. This trend, which began in the latter half of fiscal year 2025, persisted throughout fiscal year 2026 as average container dwell times decreased compared to prior-year levels.

Looking ahead, uncertainty remains within both domestic and global trade markets, driven by geopolitical developments, evolving tariff structures, and broader economic conditions. While geopolitical conflicts have increased market volatility and contributed to higher energy-related costs, global trade flows have thus far demonstrated resilience and adaptability. Nevertheless, shifts in customer sentiment and investment decisions remain potential risks to future cargo demand. Despite these challenges, the Authority remains well-positioned to respond to changing market dynamics through its flexible operating model, diversified revenue base, and continued investment in terminal infrastructure and equipment. These factors are expected to support the Authority's ability to maintain safe, efficient operations while adapting to evolving trade and customer needs.

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 2025 to fiscal year 2026, the Authority's apportionment in dollars increased from $59,298 to $60,575.

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, 2026

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
ASSETS				
Current assets:				
Cash and cash equivalents	$ 79,325	$ 54,520	$ -	$ 133,845
Investments	229,029	-	-	229,029
Restricted assets:				
Cash and cash equivalents	210,844	-	-	210,844
Investments	6,986	-	-	6,986
Accounts receivable, net	8,061	65,474	(4)	73,531
Due from other governments	6,414	-	-	6,414
Due from related parties	26,241	54	(26,295)	-
Inventories, net	-	27,989	-	27,989
Prepaid expenses and other	182	3,514	-	3,696
Leases receivable, current portion	6,111	4,442	-	10,553
Total current assets	573,193	155,993	(26,299)	702,887
Noncurrent assets:				
Investments	314,690	-	-	314,690
Restricted assets:				
Cash and cash equivalents	28,398	-	-	28,398
Investments	10,360	-	-	10,360
Leases receivable, noncurrent portion	35,353	7,640	-	42,993
Capital assets:				
Nondepreciable capital assets	851,306	6,444	-	857,750
Depreciable capital assets, net	1,204,997	27,735	-	1,232,732
Right-to-use lease and subscription assets, net	3,936,805	138,747	-	4,075,552
Net pension asset	-	5,685	-	5,685
Other noncurrent assets	-	5,306	-	5,306
Total noncurrent assets	6,381,909	191,557	-	6,573,466
Total assets	6,955,102	347,550	(26,299)	7,276,353
DEFERRED OUTFLOWS OF RESOURCES				
Bond refundings, net	7,073	-	-	7,073
Pensions and OPEB, net	7,329	1,938	-	9,267
Total deferred outflows of resources	14,402	1,938	-	16,340
Total assets and deferred outflows of resources	$ 6,969,504	$ 349,488	$ (26,299)	$ 7,292,693

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

VIRGINIA PORT AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2026

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$ 20,684	$ 41,244	$ (58)	$ 61,870
Interest payable	12,745	-	-	12,745
Retainage payable	152	-	-	152
Long-term debt, current portion	18,054	-	-	18,054
Lease and subscription liabilities, current portion	1,879	23,568	-	25,447
Obligations under securities lending	11,380	-	-	11,380
Unearned revenue, current portion	58,917	714	-	59,631
Due to related parties	-	26,241	(26,241)	-
Total current liabilities	123,811	91,767	(26,299)	189,279
Noncurrent liabilities:				
Long-term debt, noncurrent portion	724,246	-	-	724,246
Lease and subscription liabilities, noncurrent portion	3,746,956	124,893	-	3,871,849
Pension and OPEB liabilities, net	7,014	682	-	7,696
Unearned revenue, noncurrent portion	12,161	-	-	12,161
Other noncurrent liabilities	-	1,305	-	1,305
Total noncurrent liabilities	4,490,377	126,880	-	4,617,257
Total liabilities	4,614,188	218,647	(26,299)	4,806,536
DEFERRED INFLOWS OF RESOURCES				
Bond refundings, net	20	-	-	20
Leases	29,292	11,262	-	40,554
Pensions and OPEB, net	1,586	1,292	-	2,878
Total deferred inflows of resources	30,898	12,554	-	43,452
Total liabilities and deferred inflows of resources	4,645,086	231,201	(26,299)	4,849,988
NET POSITION				
Net investment in capital assets	1,499,835	22,959	-	1,522,794
Restricted for:				
Debt service	169,561	-	-	169,561
Net pension asset	-	5,685	-	5,685
Unrestricted	655,022	89,643	-	744,665
Total net position	2,324,418	118,287	-	2,442,705
Total liabilities, deferred inflows of resources, and net position	$ 6,969,504	$ 349,488	$ (26,299)	$ 7,292,693

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, 2026

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
Operating revenues:				
Terminal operating revenues	$ -	$ 867,239	$ -	$ 867,239
Other operating revenues	22,980	(718)	-	22,262
Other revenues - grants, federal and state	786	-	-	786
Operating revenues from related parties	245,905	-	(245,905)	-
Total operating revenues	269,671	866,521	(245,905)	890,287
Operating expenses:				
Terminal operations	115	377,216	-	377,331
Terminal maintenance	8,834	162,359	-	171,193
General and administrative	16,709	39,066	-	55,775
Depreciation and amortization	185,967	32,728	-	218,695
Operating payments to related parties	-	245,905	(245,905)	-
Total operating expenses	211,625	857,274	(245,905)	822,994
Operating income	58,046	9,247	-	67,293
Noncapital subsidies:				
Commonwealth Port Fund allocation	60,575	-	-	60,575
Other noncapital subsidies	145	-	-	145
Total noncapital subsidies	60,720	-	-	60,720
Operating income and noncapital subsidies	118,766	9,247	-	128,013
Other nonoperating revenues (expenses):				
Investment income, net	28,221	3,246	-	31,467
Interest expense	(212,214)	(6,096)	-	(218,310)
Revenues from federal sources	47,152	-	-	47,152
Revenues from state sources	80,860	-	-	80,860
Revenues from private sources	874	-	-	874
Expenses incurred on behalf of other governments	(5,782)	-	-	(5,782)
Proceeds from primary government	1,266	-	-	1,266
Other expenses	(10,996)	-	-	(10,996)
Loss on disposals	(1,630)	429	-	(1,201)
Capital contributions from (to) related parties	432	(432)	-	-
Total other nonoperating expenses, net	(71,817)	(2,853)	-	(74,670)
Income before unusual or infrequent items	46,949	6,394	-	53,343
Unusual or infrequent items:				
Special item - lease conversion	550,587	-	-	550,587
Increase in net position	597,536	6,394	-	603,930
Net position, beginning of year	1,726,882	111,893	-	1,838,775
Net position, end of year	$ 2,324,418	$ 118,287	$ -	$ 2,442,705

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, 2026

	Authority	Virginia International Terminals, LLC	Eliminations	Total Business-Type Activities
		(In Thousands)		
Cash flows from operating activities:				
Receipts from customers and users	$ 240,050	$ 870,684	$ (241,692)	$ 869,042
Receipts from operating grants	490	-	-	490
Reimbursement from (to) related parties	26,239	(241,692)	241,692	26,239
Other receipts	22,980	-	-	22,980
Payments for operating expenses	(38,336)	(206,587)	-	(244,923)
Payments to employees	(29,046)	(371,654)	-	(400,700)
Net cash provided by operating activities	222,377	50,751	-	273,128
Cash flows from noncapital financing activities:				
Operating subsidies received	61,412	-	-	61,412
Transfer from (to) primary government	45,416	-	-	45,416
Payments for channel dredging activity	(3,847)	-	-	(3,847)
Net cash provided by noncapital financing activities	102,981	-	-	102,981
Cash flows from capital and related financing activities:				
Defeasance deposits	(288,601)	-	-	(288,601)
Proceeds from short-term debt	470,587	-	-	470,587
Proceeds from long-term debt	260,502	-	-	260,502
Payments on short-term debt	(470,587)	-	-	(470,587)
Acquisition of capital assets	(238,582)	(4,419)	-	(243,001)
Transfer from primary government	(1,582)	-	-	(1,582)
Payments made on VIG lease liabilities	(472,368)	-	-	(472,368)
Principal paid on other lease and subscription liabilities	(1,936)	(23,187)	-	(25,123)
Interest paid on other lease liabilities	(438)	(6,096)	-	(6,534)
Principal paid on long-term debt	(25,466)	-	-	(25,466)
Interest paid on long-term debt	(12,911)	-	-	(12,911)
Issuance costs	(4,205)	-	-	(4,205)
Net transfers from other state, federal or other private agencies	28,447	-	-	28,447
Net transfers, CVOW	2,195	-	-	2,195
Proceeds from sale of capital assets	(903)	823	-	(80)
Net cash used in capital and related financing activities	(755,848)	(32,879)	-	(788,727)
Cash flows from investing activities:				
Proceeds from sales and maturities	1,709,024	-	-	1,709,024
Purchases of investments	(1,475,239)	-	-	(1,475,239)
Interest received and other	(367,872)	1,950	-	(365,922)
Net cash provided by (used in) investing activities	(134,087)	1,950	-	(132,137)
Net (decrease) increase in cash and cash equivalents	(564,577)	19,822	-	(544,755)
Cash and cash equivalents, beginning of year	883,144	34,698	-	917,842
Cash and cash equivalents, end of year	$ 318,567	$ 54,520	$ -	$ 373,087

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, 2026

	Authority	Virginia International Terminals, LLC	Total Business-Type Activities
		(In Thousands)	
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 58,046	$ 9,247	$ 67,293
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	185,967	32,728	218,695
Other income	(11,304)	1,293	(10,011)
Change in assets, deferred outflows and inflows of resources and liabilities:			
Accounts receivable	(550)	1,825	1,275
Inventories	-	(1,619)	(1,619)
Due to (from) related parties	(4,480)	4,480	-
Prepaid expenses and other	82	1,144	1,226
Accounts payable and other accrued expenses	981	2,259	3,240
Change in leases and subscriptions	(1,119)	1,045	(74)
Change in pension and OPEB	(5,246)	(1,651)	(6,897)
Net cash provided by operating activities	$ 222,377	$ 50,751	$ 273,128
Supplemental schedule of Noncash Capital and Related Financing Activity:			
Capital contributions from (to) related parties	$ 432	$ (432)	$ -
Capital asset additions purchased on account	9,039	-	9,039
Right-to-use lease assets	-	946	946
Right-to-use subscription assets	-	212	212
VIG lease asset	340,488		340,488
VIG lease liability	(498,765)	-	(498,765)
Installment purchases	4,137	-	4,137
Other lease liabilities	-	(946)	(946)
Subscription liabilities	-	(212)	(212)
Gain on defeasance	246	-	246

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

VIRGINIA PORT AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

		(In Thousands)
ASSETS		
Noncurrent Assets		
Investments held in trust at fair value:		
Short-term bond funds	$	2,742
Long-term bond funds		28,524
Core plus bond funds		41,161
Common and preferred stock funds		46,497
Other mutual funds		42,696
Total assets		161,620
NET POSITION		
Restricted for:		
Pension benefits		161,620
Total net position	$	161,620

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, 2026

		(In Thousands)
Additions:		
Employer contributions	$	8,640
Investment income		24,687
Payment credits		56
Total additions		33,383
Deductions:		
Benefit payments		8,105
Administrative expenses		50
Other disbursements		33
Total deductions		8,188
Change in net position		25,195
Net position, beginning of year		136,425
Net position, end of year	$	161,620

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, 2026. 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, 2026. 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.

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, 2026 for the Authority. VIT utilizes the allowance method for doubtful accounts. Accounts receivable are shown net of the allowance for doubtful accounts of approximately $5,055 as of June 30, 2026 for VIT. The allowance for doubtful accounts is an amount management believes will be adequate to absorb existing accounts receivable balances that are not likely to be collected.

G. Inventories

Inventories of VIT consist of supplies and equipment parts and are reported using the moving average unit cost method. An inventory allowance has been established for obsolescence or shrinkage. The VIT allowance for inventory totaled $2,950 at June 30, 2026.

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

Note 1. Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

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

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

The cost for maintenance and repairs is charged to expense as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation/amortization are removed from the accounts and any resulting gain or loss on such disposition is reflected in other 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, 2026, 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 non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a right-to-use lease asset and lease liability which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not readily determinable, the Authority will use the applicable incremental borrowing rate in the calculation of the present value of the lease payments.

The Authority is a lessee for non-cancellable 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, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the lease term.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

J. Leases (Continued)

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

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

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

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

K. Subscription Based Information Technology Arrangements (SBITAs)

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

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

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

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

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

	Balance July 1, 2025	Net Increases (Decreases)	Balance June 30, 2026
		(In Thousands)	
Authority	$ 1,856	$ 26	$ 1,882
Blended Component Unit - VIT	2,661	103	2,764
Total	$ 4,517	$ 129	$ 4,646

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

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

Included in accrued expenses for these legacy claims are a workers' compensation claims component and an accrued U.S. Department of Labor assessment component. The workers' compensation claims component consists of VIT's estimate of its continuing liability for injuries which occurred during periods of self-insurance. The accrued U.S. Department of Labor assessment component is VIT's estimate of the present value of its future liability to the U.S. Department of Labor for participation in the U.S. Department of Labor's Second Injury Fund. The total liability has been discounted using a rate of 5.0% at June 30, 2026. VIT expects to pay assessments annually through 2030. The balance at June 30, 2026 is classified in accrued expenses and other noncurrent liabilities as follows (in thousands):

Workers' compensation claims and U.S. DOL assessment, current	$ 385
Workers' compensation claims and U.S. DOL assessment, noncurrent	1,305
Total	$ 1,690

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, debt service payments and pension asset. A second component of the Authority's net position reports its net investment in capital assets, which represents the original cost of capital assets, net of accumulated depreciation and amortization and net of any outstanding capital-related debt.

Q. Deferred Outflows/Inflows of Resources

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

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

R. Fiduciary Net Position

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

Fiduciary funds are reported using the accrual basis of accounting, which provides that revenues are recorded when earned and expenses are recognized when incurred.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

S. Pension Liability

Both the Authority's and VIT's stand-alone net pension liability were measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2025 using updated actuarial assumptions, applied to all periods included in the measurement.

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 other 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 other nonoperating revenue, net.

V. Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through September 15, 2026, the date the financial statements were available to be issued.

W. Implementation of GASB Statement No. 103

During fiscal year 2026, the Authority implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. GASB 103 improves certain aspects of the governmental financial reporting model. The implementation of this statement resulted in changes to financial statement presentation and disclosures and had no effect on beginning net position.

X. Implementation of GASB Statement No. 104

During fiscal year 2026, the Authority implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, and also requires additional disclosures for capital assets held for sale. See Note 5 for additional detail related to capital assets.

Y. Recently Issued Accounting Pronouncements

At June 30, 2026, the Governmental Accounting Standards Board (GASB) issued statements not yet implemented by the Authority. The statements, which might impact the Authority, are as follows:

GASB Statement No. 105, *Subsequent Events*, introduces updated accounting and disclosure requirements regarding events occurring after the financial statement date. Statement 105 will be effective for the Authority beginning with its year ending June 30, 2027.

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, 2026, 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 $166,252 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, 2026, 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, 2026, these assets aggregated $256,588 with $217,830 classified as current and $38,758 classified as noncurrent based on the purpose for which the assets are restricted.

Current restricted assets consist of:

- $28,667 in cash and cash equivalents related to bond debt service payments to be made July 1, 2026;
- $11,928 in cash related to a lease payment to be made July 1, 2026;
- $165,058 in cash designated for purposes consistent with appropriations made by the Commonwealth of Virginia;
- $6,986 in cash and investments reserved to secure debt service payable within one year as required by the Authority’s bond covenants; and
- $5,191 in cash designated for major terminal improvement projects.

Noncurrent restricted assets consist of:

- $36,436 in cash and investments reserved to secure debt service in future years as required by the Authority’s bond covenants; and
- $2,322 in cash and investments for future dredging projects.

Statutes authorize the investment of funds held by the Authority in obligations of the Commonwealth, federal government, other states or political subdivisions thereof, Virginia political subdivisions, the International Bank for Reconstruction and Development, the Asian Development Bank, and the African Development Bank. In addition, the Authority may invest in prime quality commercial paper rated Prime-1 by Moody's Investors 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, 2026, the following shows the segmented time distribution of the Authority's and VIT's cash and cash equivalents and its fair value measurement:

		Maturities (in Years)
	Fair Value	Less than 1
	(In Thousands)	
Cash	$ 311,146	N/A
Mutual and Money Market Funds	2,008	$ 2,008
U.S. Treasuries	59,933	59,933
Total	$ 373,087	$ 61,941

	Fair Value	Level 1	Level 2	Level 3
		(In Thousands)		
Cash	$ 311,146	N/A	$ -	$ -
Mutual and Money Market Funds	2,008	$ 2,008	-	-
U.S. Treasuries	59,933	59,933	-	-
Total	$ 373,087	$ 61,941	$ -	$ -

Investments

As of June 30, 2026, the following shows the segmented time distribution of the Authority's investments and its fair value measurement:

		Investment Maturities (in Years)		
	Fair Value	Less than 1	1 - 5	6 - 10
		(In Thousands)		
Negotiable Certificates of Deposit	$ 45,163	$ 42,800	$ 2,363	$ -
Commercial Paper	20,780	20,780	-	-
Corporate Bonds and Notes	128,285	6,546	121,739	-
U.S. Treasuries	264,962	164,644	100,318	-
Mortgage Backed Securities	101,875	1,245	96,994	3,636
Total	$ 561,065	$ 236,015	$ 321,414	$ 3,636

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

Investments (Continued)

	Fair Value	Level 1	Level 2	Level 3
		(In Thousands)		
Negotiable Certificates of Deposit	$ 45,163	$ -	$ 45,163	$ -
Commercial Paper	20,780	-	20,780	-
Corporate Bonds and Notes	128,285	-	128,285	-
U.S. Treasuries	264,962	264,962	-	-
Mortgage Backed Securities	101,875	-	101,875	-
Total	$ 561,065	$ 264,962	$ 296,103	$ -

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.

Investments categorized as Level 2 of the Fair Value hierarchy are valued using pricing models, matrix pricing, or other similar valuation techniques. Observable inputs include quoted prices for similar securities in active markets; quoted prices for identical or similar securities in markets that are not active; interest rate yield curves; benchmark yield spread and other market coordinated inputs. These investments consist primarily of negotiable certificates of deposit, commercial paper, corporate bonds and mortgage backed securities.

With respect to the Statement of Fiduciary Net Position, there have been no changes in the valuation methodology used at June 30, 2025 (measurement date June 30, 2025). The Defined Benefit Pension Plan investment balances as of June 30, 2026 have a measurement date of June 30, 2026. 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, 2026:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2026

	Level 1	Level 2	Level 3	Total
		(In Thousands)		
Long-term bond funds	$ 10,406	$ -	$ -	$ 10,406
Core plus bond funds	10,481	-	-	10,481
Common and preferred stock funds	13,412	-	-	13,412
Other mutual funds	11,867	-	-	11,867
Total assets in the fair value hierarchy	$ 46,166	$ -	$ -	$ 46,166

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, 2026:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2026

	Level 1	Level 2	Level 3	Total
		(In Thousands)		
Short-term bond funds	$ 2,742	$ -	$ -	$ 2,742
Long-term bond funds	18,118	-	-	18,118
Core plus bond funds	30,680	-	-	30,680
Common and preferred stock funds	33,085	-	-	33,085
Other mutual funds	29,273	-	-	29,273
Total assets in the fair value hierarchy	$ 113,898	$ -	$ -	$ 113,898

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, 2026 amounted to $1,556 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 $54,520. These deposits are collateralized in accordance with the Act, or covered by the FDIC. Under the Act, bank and savings institutions holding public deposits in excess of the FDIC insured amounts must pledge collateral to the Commonwealth of Virginia Treasury Board. At June 30, 2026, 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, 2026 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	$ -	$ -	$ -	$ 45,163	$ -	$ -
Commercial Paper	-	-	-	20,780	-	-
Corporate Bonds and Notes	-	26,887	94,682	-	4,590	2,126
U.S. Treasuries	-	261,479	-	3,483	-	-
Mortgage Backed Securities	62,071	17,604	-	-	-	22,200
Total	$ 62,071	$ 305,970	$ 94,682	$ 69,426	$ 4,590	$ 24,326

Note 3. Concentration of Risk (Continued)

Blended Component Unit – VIT

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

For the year ended June 30, 2026, approximately 55% of total revenue was derived from four customers. Receivables outstanding at June 30, 2026 for this concentration totaled $48,691.

Note 4. Due From Other Governments

Amounts due from other governments as of June 30, 2026 include (in thousands):

Commonwealth of Virginia Transportation Trust Fund	$	5,489
U.S. Government		435
Virginia Department of Transportation		384
Virginia Department of Rail and Public Transportation		58
Virginia Department of Emergency Management		48
	$	6,414

Note 5. Capital Assets

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

	Balance July 1, 2025	Additions	Deletions	Transfers	Balance June 30, 2026
			(In Thousands)		
Capital assets not being depreciated or amortized:					
Land and improvements	$ 103,936	$ -	$ -	$ -	$ 103,936
Construction in progress (CIP)	666,424	215,069	-	(134,123)	747,370
	770,360	215,069	-	(134,123)	851,306
Depreciable or amortizable capital assets:					
Infrastructure	1,337,372	-	-	5,494	1,342,866
Buildings and improvements	135,206	-	(26)	1,069	136,249
Equipment	740,553	-	(55,138)	127,560	812,975
Right-to-use lease and subscription assets:					
Virginia International Gateway (VIG)	4,049,305	-	(23,494)	-	4,025,811
Land and real property	19,350	-	-	-	19,350
Equipment	40	-	-	-	40
Subscription assets	749	-	-	-	749
	6,282,575	-	(78,658)	134,123	6,338,040
Less accumulated depreciation and amortization for:					
Depreciable capital assets:					
Infrastructure	(541,145)	(37,809)	-	-	(578,954)
Buildings and improvements	(116,562)	(2,412)	26	-	(118,948)
Equipment	(399,361)	(44,255)	54,425	-	(389,191)
Right-to-use lease and subscription assets:					
VIG	(363,982)	(99,403)	363,982	-	(99,403)
Land and real property	(7,249)	(1,826)	-	-	(9,075)
Equipment	(24)	(12)	-	-	(36)
Subscription assets	(381)	(250)	-	-	(631)
Total accumulated depreciation and amortization	(1,428,704)	(185,967)	418,433	-	(1,196,238)
Depreciable or amortizable capital assets, net	4,853,871	(185,967)	339,775	134,123	5,141,802
Capital assets, net	$ 5,624,231	$ 29,102	$ 339,775	$ -	$ 5,993,108

Note 5. Capital Assets (Continued)

Blended Component Unit – VIT

Changes in capital assets for the year ended June 30, 2026 are summarized as follows:

	Balance July 1, 2025	Additions	Deletions	Transfers	Balance June 30, 2026
			(In Thousands)		
CIP (nondepreciable)	$ 10,808	$ 4,419	$ -	$ (8,783)	$ 6,444
Depreciable or amortizable capital assets:					
Buildings and improvements	2,933	-	-	42	2,975
Terminal gear and equipment	141,045	-	(4,385)	8,741	145,401
Right-to-use lease and subscription assets:*					
Chassis and terminal equipment	239,099	933	(409)	-	239,623
Subscription assets	5,875	212	(430)	-	5,657
	388,952	1,145	(5,224)	8,783	393,656
Less accumulated depreciation and amortization for:					
Depreciable capital assets:					
Buildings and improvements	(2,890)	(16)	-	-	(2,906)
Terminal gear and equipment	(113,082)	(8,219)	3,566	-	(117,735)
Right-to-use lease assets	(80,379)	(22,773)	418	-	(102,734)
Right-to-use subscription assets	(2,509)	(1,720)	430	-	(3,799)
Total accumulated depreciation and amortization	(198,860)	(32,728)	4,414	-	(227,174)
Depreciable or amortizable capital assets, net	190,092	(31,583)	(810)	8,783	166,482
Capital assets, net	$ 200,900	$ (27,164)	$ (810)	$ -	$ 172,926

*Right-to-use lease assets at June 30, 2026 primarily consist of $238,114 for approximately 16,500 chassis leased by HRCP, along with $1,509 for terminal operating equipment leased by VIT. See Note 12 for further details.

Note 6. Long-Term Debt

Temporary Bridge Financing

On July 1, 2025, the Authority entered into a Credit Agreement with a maximum borrowing capacity of $495,000, bearing interest at Daily SOFR plus 0.7%. On July 8, 2025, the Authority drew $470,587 under the Credit Agreement and applied such funds to (a) legally defease the outstanding 2016 Series Bonds, (b) payoff $52,495 of its Installment Purchase obligations and (c) satisfy $200,000 of the upfront rental payment required to execute the First Amendment to the VIG Lease. On July 9, 2025, the Authority used $270,587 of its unrestricted cash and cash equivalents to repay a portion of the draw made on the Credit Agreement. On August 26, 2025, the Authority used a portion of the proceeds of the Series 2025 Bonds to repay the remainder of the draw made against the Credit Agreement and subsequently closed the Credit Agreement. No balance was outstanding at June 30, 2026.

Changes in Long-Term Indebtedness

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

	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026	Amounts Due Within One Year
			(In Thousands)		
Revenue bonds:					
Revenue bonds	$ 549,005	$ 248,745	$ (247,375)	$ 550,375	$ 15,800
Issuance premium	35,352	11,757	(11,312)	35,797	2,254
Total revenue bonds	584,357	260,502	(258,687)	586,172	18,054
Other liabilities:					
Installment purchases	207,101	4,137	(55,110)	156,128	-
Total other liabilities	207,101	4,137	(55,110)	156,128	-
Lease liabilities:					
VIG lease	4,235,910	-	(498,765)	3,737,145	-
Other lease liabilities	13,461	-	(1,771)	11,690	1,879
Subscription liabilities	165	-	(165)	-	-
Total lease liabilities	4,249,536	-	(500,701)	3,748,835	1,879
Total long-term indebtedness	$ 5,040,994	$ 264,639	$ (814,498)	$ 4,491,135	$ 19,933

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness

Revenue Bonds	Balance as of June 30, 2026 *(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 $8,425 to $8,730 with semi-annual interest payments with rates ranging from 3.62% 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.	$ 17,155
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 1.15% 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.	71,485
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 $2,560 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.	11,795

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

	Balance as of June 30, 2026
Revenue Bonds (Continued)	*(In Thousands)*
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
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
On August 26, 2025, Port Facilities Revenue Bonds, Series 2025 (Non-AMT) (the "Series 2025 Bonds") dated the same, were issued in the amount of $248,745. The bonds are payable in annual principal installments varying from $3,185 to $15,685 beginning July 1, 2026 with semi-annual interest payments with rates ranging from 5.00% to 5.25%, with the final installment due July 1, 2055. A portion of the proceeds of the Series 2025 Bonds was used to repay the remainder of the draw made against the Credit Agreement, after which the Credit Agreement was terminated. The Series 2025 Bonds are payable from the net revenues of the Authority, and are subordinate in priority to the Amended and Restated Deed of Facilities Lease Agreement dated July 9, 2025, by and between Virginia International Gateway, Inc. and Virginia Port Authority (the VIG lease).	248,745
Sub-total revenue bonds	550,375
Issuance premium, net	35,797
Total revenue bonds	586,172

Note 6. Long-Term Debt (Continued)

Details of Long-Term Indebtedness (Continued)

	Balance as of June 30, 2026
Installment Purchases	*(In Thousands)*
Installment Purchase Contract liability recorded pursuant to the VIG lease.	$ 156,128
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, commenced effective November 1, 2016 and amended July 9, 2025.	3,737,145
Other Lease 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.	11,690
Total long-term indebtedness	$ 4,491,135

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, 2026 are as follows:

Revenue Bonds

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2027	$ 15,800	$ 23,760	$ 39,560
2028	16,995	25,098	42,093
2029	17,025	24,422	41,447
2030	17,615	23,783	41,398
2031	18,550	23,193	41,743
2032-2036	78,450	106,356	184,806
2037-2041	92,245	88,309	180,554
2042-2046	114,920	66,712	181,632
2047-2051	107,785	35,031	142,816
2052-2056	70,990	11,562	82,552
Total revenue bonds	$ 550,375	$ 428,226	$ 978,601

Installment Purchases

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2027	$ (2,319)	$ 8,291	$ 5,972
2028	(1,784)	8,392	6,608
2029	(1,697)	8,484	6,787
2030	(1,601)	8,571	6,970
2031	(1,495)	8,653	7,158
2032-2036	(5,472)	44,269	38,797
2037-2041	(828)	45,154	44,326
2042-2046	6,107	44,534	50,641
2047-2051	16,153	41,704	57,857
2052-2056	30,392	35,709	66,101
2057-2061	50,252	25,268	75,520
2062-2066	68,420	8,766	77,186
Total installment purchases	$ 156,128	$ 287,795	$ 443,923

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.

On July 9, 2025, the Authority executed an amendment to the VIG Lease. The amendment provides the Authority with greater operational control of the underlying assets as well as provides for a fixed purchase price of $950,000 at the end of the lease term, which remained unchanged as part of the amendment. In consideration for those changes, the Authority's rental payment obligations under the lease were modified to include a one-time upfront rental payment of $335,000 as well as an increase to the notional base rent amount.

All lease payments are subject to escalation based on changes in the Consumer Price Index for All Urban Consumers (CPI) as published by the U.S. Bureau of Labor Statistics. 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 first 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 25-08.

Any increases or decreases in future lease payments that result from CPI different than that applied to the minimum lease payment calculation at the effective date of the lease amendment (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)	
2027	$ (43,550)	$ 179,581	$ 136,031
2028	(41,923)	181,628	139,705
2029	(40,116)	183,592	143,476
2030	(38,116)	185,467	147,351
2031	(35,912)	187,241	151,329
2032-2036	(138,388)	958,573	820,185
2037-2041	(44,279)	981,332	937,053
2042-2046	93,901	976,672	1,070,573
2047-2051	290,692	932,426	1,223,118
2052-2056	564,931	832,468	1,397,399
2057-2061	940,962	655,552	1,596,514
2062-2066	2,228,943	352,811	2,581,754
Total VIG lease	$ 3,737,145	$ 6,607,343	$ 10,344,488

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 2039. At June 30, 2026, 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)	
2027	$ 1,879	$ 375	$ 2,254
2028	1,358	313	1,671
2029	799	280	1,079
2030	850	251	1,101
2031	903	221	1,124
2032-2036	3,336	648	3,984
2037-2041	513	400	913
2042-2046	595	305	900
2047-2051	707	193	900
2052-2056	750	61	811
Total other lease liabilities	$ 11,690	$ 3,047	$ 14,737

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	$ 301,630	$ 24,286	$ 325,916
Port facilities revenue bonds	248,745	11,511	260,256
Installment purchases	156,128	-	156,128
VIG lease	3,737,145	-	3,737,145
Other lease liabilities	11,690	-	11,690
	$ 4,455,338	$ 35,797	$ 4,491,135

The Port Facilities Revenue Bonds are required to be collateralized with liquid funds sufficient to cover the highest year of debt service. As of June 30, 2026, $8,475 was maintained as restricted cash and investments 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, 2025	Increases	Decreases	Balance June 30, 2026	Amounts Due Within One Year
			(In Thousands)		
Subscription liabilities	$ 3,145	$ 212	$ (1,754)	$ 1,603	$ 1,394
Chassis lease liabilities	166,379	789	(21,047)	146,121	21,846
Other lease liabilities	966	157	(386)	737	328
Total	$ 170,490	$ 1,158	$ (23,187)	$ 148,461	$ 23,568

Annual Long-Term Debt Requirements

Summaries of future principal and interest maturities of lease and subscription obligations as of June 30, 2026 are as follows:

Year Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2027	$ 1,394	$ 53	$ 1,447
2028	147	7	154
2029	62	2	64
Total subscription liabilities	$ 1,603	$ 62	$ 1,665

Year(s) Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2027	$ 21,846	$ 5,161	$ 27,007
2028	22,322	4,335	26,657
2029	22,288	3,497	25,785
2030	21,697	2,677	24,374
2031	19,231	1,900	21,131
2032-2035	38,737	2,301	41,038
Total chassis lease liabilities	$ 146,121	$ 19,871	$ 165,992

Year Ending June 30,	Principal	Interest	Total
		(In Thousands)	
2027	$ 328	$ 21	$ 349
2028	311	9	320
2029	42	3	45
2030	28	2	30
2031	28	1	29
Total other lease liabilities	$ 737	$ 36	$ 773

Note 7. Defeasance of Debt

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, 2026, $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, 2026, $58,525 of these defeased bonds were still outstanding.

On August 26, 2025, the Authority issued $248,745 (par value) of Port Facilities Revenue Refunding Bonds, Series 2025 (Non-AMT) to advance refund $130,655 in principal amount of the Authority's Port Facilities Revenue Bonds, Series 2016A issued in the original par amounts of $143,965; to advance refund $81,900 in principal amount of the Authority's Port Facilities Revenue Bonds, Series 2016B issued in the original par amounts of $99,230; and to advance refund $15,545 in principal amount of the Authority's Port Facilities Revenue Bonds, Series 2016C issued in the original par amounts of $37,355. 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, 2026, $212,555 of these defeased bonds were still outstanding.

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, 2026, $5,885 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, 2026, $1,188 remained as unamortized deferred outflows of resources.

Note 8. Commitments and Contingencies

As of June 30, 2026, the Authority has commitments to construction contracts totaling $717,784, of which $610,879 has been incurred.

Federal Grants

The Authority receives federal grant funding from the United States Environmental Protection Agency and 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, Federal Emergency Management Agency 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 U.S. 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, 2026, $2,322 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, 2026.

Renewable Energy

VPA is party to an arrangement with the Virginia Department of Energy (VDOE) whereby VPA has committed to purchase sixty-five percent of a prior commitment by the VDOE to purchase 88 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. 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 terms of the commitments are generally 20 years from the commercial operations dates of the respective facility, and on average are expected to last until approximately 2040. With respect to its sixty-five percent purchase commitment, plus any options exercised to purchase additional output in excess of sixty-five percent, VPA will either have to pay the excess of the base rate over the locational marginal price (LMP) as quoted by the PJM regional transmission organization, or receive the excess of the LMP over the base rate, both applied to the actual production of the facility during any given month. The cost of the renewable energy resources, including the payment or receipt for any difference as described above, will be an operating expense of the related terminals and settled by VIT in the period in which it was incurred. The principal purpose of the arrangement is for VPA to secure sufficient electric capacity to satisfy all of The Port of Virginia's electricity needs from renewable sources.

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, 2026.

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 June 1, 2027. At June 30, 2026, there were no borrowings outstanding.

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

VIT is subject to risks associated with its reliance on a workforce represented by a single labor organization. Future labor disputes, work stoppages, contract negotiations, or increases in labor costs could adversely affect operations, service levels, and financial results. Management continues to actively monitor and address labor relations matters to help mitigate these risks.

Note 9. Pension Plans

Pensions

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

Employees of the Authority who elected to be covered as employees of the Commonwealth participate in a defined benefit pension plan administered by the VRS. For information on the VRS retirement plan, please see the VRS website at https://employers.varetire.org/financial-reporting/vrs-guidelines-and-resources/ for pension plan reporting information. The VRS also administers life insurance and health related plans for retired employees. Information relating to these plans is available at the statewide level and can be found 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, 2026 is $175 along with a deferred outflow of resources of $29 and a deferred inflow of resources of $46.

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.

Note 9. Pension Plans (Continued)

Pensions (Continued)

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

VPA Defined Benefit Plan

A. General Eligibility Rules

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

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

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

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

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

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

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

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

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

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 $6,776 in fiscal year 2026 and $1,504 in fiscal year 2025 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, 2025 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	119
Inactive members entitled to but not yet receiving benefits	59
Active eligible members	58
Total	236

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

D. Net Pension Liability

VPA's net pension liability at June 30, 2026 was actuarially measured as of June 30, 2025, 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, 2026
	(In Thousands)
Total pension liability	$ 40,184
Plan fiduciary net position	34,544
Net pension liability	$ 5,640
Plan fiduciary net position as a percentage of the total pension liability	86.0%

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, 2025	$ 38,381	$ 31,135	$ 7,246
Changes for the year:			
Service cost	440	-	440
Interest	2,448	-	2,448
Differences between expected and actual experience	364	-	364
Net investment income	-	3,389	(3,389)
Contributions from employer	-	1,504	(1,504)
Benefit payments	(1,449)	(1,449)	-
Administrative expense	-	(35)	35
Balances at June 30, 2026	$ 40,184	$ 34,544	$ 5,640

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%, 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%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
		(In Thousands)	
Total pension liability	$ 45,452	$ 40,184	$ 35,770
Plan fiduciary net position	34,544	34,544	34,544
Net pension liability	$ 10,908	$ 5,640	$ 1,226

G. Deferred Outflows of Resources Related to Pensions

At June 30, 2026, reported deferred outflows of resources related to pensions originated from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In Thousands)	*(In Thousands)*
Employer contributions made subsequent to measurement date	$ 6,776	$ -
Difference between actual and expected experience	181	-
Net difference between expected and actual earnings on pension plan investments	-	(1,068)
Total	$ 6,957	$ (1,068)

The $6,776 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, 2027. 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)
2027	$ 662
2028	(663)
2029	(612)
2030	(274)
	$ (887)

For the year ended June 30, 2026, VPA recognized a pension expense of $1,531.

Note 9. Pension Plans (Continued)

VPA Defined Benefit Plan (Continued)

H. Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	20.2%	3.4%
U.S. Mid Cap Equity	6.0%	4.2%
U.S. Small Cap Equity	3.0%	4.3%
International Equity	12.0%	4.7%
Emerging Markets Equity	3.8%	5.2%
Commodities	5.0%	2.7%
REITS	5.0%	4.0%
Aggregate Bonds	45.0%	2.4%
	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 $89 for the year ended June 30, 2026. There were no contributions payable at June 30, 2026.

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, 2026 was $592 for the Defined Contribution and $267 for the Enhanced Participant Employer Matching Contribution. There were no contributions payable at June 30, 2026.

Employees transferring to the Authority from VIT, as part of The Port of Virginia restructure or shared services agreement, that had been hired by VIT prior to July 1, 2012 and were active participants of VIT's pension plan at the time of the transfer, and are not eligible for the Enhanced Defined Contribution plan, are eligible for a matching contribution of 50% of the first 3% of compensation contributed to the Deferred Compensation Plan. VPA's total matching contribution to the VPA Defined Contribution Plan for VIT Plan Participants for the year ended June 30, 2026 was $54.

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, 2025 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, 2025:

Inactive employees or beneficiaries currently receiving benefits	181
Inactive employees entitled to but not yet receiving benefits	84
Active eligible employees	84
Total	349

C. Contributions

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

Members do not contribute to the plan. VIT makes an actuarially determined contribution to the plan for all covered employees. VIT's contributions to the pension plan were $1,864 and $1,130, for the years ended with the measurement dates of June 30, 2026 and June 30, 2025, 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 2026 was $37.

E. Net Pension Liability

VIT's net pension liability at June 30, 2026 was measured as of June 30, 2025.

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

F. Actuarial Assumptions

The actuarial present value of accumulated plan benefits, as determined by an independent actuary using end of year benefit information as of June 30, 2025, 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, 2025 were (a) life expectancy of participants (the Pub-2010 Mortality Table (Safety) projected forward with Scale MP-2021), (b) assumed retirement ages (weighted between 55 to 68 years), (c) investment return (average rate of return of 6.5%) and (d) salary scale increase rate (3.5%). The foregoing actuarial assumptions are based on the presumption that the plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

G. Asset Valuation Method

IRC Section 430(g) provides that plan assets be valued at either their fair value on the valuation date or at the "average" value of assets on the valuation date. Contributions for a prior plan year that are made after the beginning of this plan year are adjusted for interest at the effective interest rate under IRC Section 430(h)(2). The VITPP values plan assets at the fair value of assets at the measurement date, reduced by a portion of the previous two years' gains and losses.

H. Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	20.2%	3.4%
U.S. Mid Cap Equity	6.0%	4.2%
U.S. Small Cap Equity	3.0%	4.3%
International Equity	12.0%	4.7%
Emerging Markets Equity	3.8%	5.2%
Commodities	5.0%	2.7%
REITs	5.0%	4.0%
Aggregate Bonds	45.0%	2.4%
	100.0%	

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

I. Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	(In Thousands)		
Balances at June 30, 2025	$ 95,039	$ 95,459	$ (420)
Changes for the year:			
Service cost	543	-	543
Interest	5,969	-	5,969
Differences between expected and actual experience	(842)	-	(842)
Contributions from employer	-	1,130	(1,130)
Net investment income	-	9,969	(9,969)
Benefit payments, net	(6,135)	(6,135)	-
Administrative expense	-	(164)	164
Net changes	(465)	4,800	(5,265)
Balances at June 30, 2026	$ 94,574	$ 100,259	$ (5,685)

Plan fiduciary net position as a percentage of the total pension liability 106.01%

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

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

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

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
		(In Thousands)	
Total pension liability	$ 103,922	$ 94,574	$ 86,557
Plan fiduciary net position	100,259	100,259	100,259
Net pension liability (asset)	$ 3,663	$ (5,685)	$ (13,702)

Note 9. Pension Plans (Continued)

Blended Component Unit – VIT (Continued)

VIT Defined Benefit Plan (Continued)

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

For the year ended June 30, 2026, VIT recognized a pension expense of $291.

VIT reported deferred outflows of resources related to pensions from the following sources at June 30, 2026:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In Thousands)	*(In Thousands)*
Employer contributions made subsequent to measurement date	$ 1,864	$ -
Difference between expected and actual experience	-	(214)
Net difference between projected and actual plan investment earnings	-	(1,030)
Total	$ 1,864	$ (1,244)

The $1,864 reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date of June 30, 2026 will be recognized as an addition to the plan fiduciary net position in the fiscal year ending June 30, 2027 (actuarial valuation measurement date of June 30, 2026).

Year Ending June 30,	Amount
	(In Thousands)
2027	$ 3,149
2028	(1,895)
2029	(1,704)
2030	(794)
	$ (1,244)

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, 2026 is $820 along with a deferred outflow of resources of $271 and a deferred inflow of resources of $412.

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, 2026 is $379 along with a deferred outflow of resources of $72 and a deferred inflow of resources of $60.

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, 2026 is $406 along with a deferred outflow of resources of $74 and a deferred inflow of resources of $48.

Note 11. Supplemental Retirement and Compensation Plans

Blended Component Unit – VIT

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 Investment Committee 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)

Blended Component Unit – VIT (Continued)

A. Executive Supplemental Retirement Plan (Continued)

ESRP Financial Statements

As of June 30, 2026 (measured as of June 30, 2025), the ESRP's statement of fiduciary net position is as follows (in thousands):

Assets		
Noncurrent Assets:		
Investments held in trust at fair value:		
Other mutual funds	$	1,556
Total assets		1,556
Net Position		
Restricted for:		
Pension benefits		1,556
Total net position	$	1,556

For the fiscal year ended June 30, 2026 (measured as of June 30, 2025), the ESRP's statement of changes in fiduciary net position is as follows (in thousands):

Additions:		
Investment income	$	171
Total additions		171
Deductions:		
Benefit payments		237
Total deductions		237
Change in net position		(66)
Net position, beginning of year		1,622
Net position, end of year	$	1,556

Participant Data

Employees covered by the benefit terms as of the measurement date of June 30, 2025:

Inactive employees receiving benefits	8
Total	8

Note 11. Supplemental Retirement and Compensation Plans (Continued)

Blended Component Unit – VIT (Continued)

A. Executive Supplemental Retirement Plan (Continued)

Net Pension Liability

VIT's net pension liability at June 30, 2026 was measured as of June 30, 2025, 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, 2026, measured as of June 30, 2025, exceeded the fair value of investments by $276. There were no contributions to the plan for the year ended June 30, 2026. 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 Human Resources 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 $1,303 for the year ended June 30, 2026. There were no contributions payable at June 30, 2026.

Note 11. Supplemental Retirement and Compensation Plans (Continued)

B. Defined Benefit Pension Plan Trust Fund

As of June 30, 2026, 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:		
Long-term bond funds	$	10,406
Core plus bond funds		10,481
Common and preferred stock funds		13,412
Other mutual funds		11,867
Total assets		46,166
Net Position		
Restricted for:		
Pension benefits		46,166
Total net position	$	46,166

For the fiscal year ended June 30, 2026, the Defined Benefit Pension Plan Trust Fund's statement of changes in fiduciary net position is as follows (in thousands):

Additions:		
Employer contributions	$	6,776
Investment income		6,501
Payment credits		16
Total additions		13,293
Deductions:		
Benefit payments		1,646
Administrative expenses		15
Other disbursements		10
Total deductions		1,671
Change in net position		11,622
Net position, beginning of year		34,544
Net position, end of year	$	46,166

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

Note 12. Leases

Lessee: The Authority is a lessee for non-cancellable 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.

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, ranging from 3%-5%.
Lease Term	The lease term includes the non-cancellable period of the lease, plus any option periods for which the Authority determines exercise is reasonably certain.
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 non-cancellable 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, ranging from 3%-5%.
Lease Term	The lease term includes the non-cancellable period of the lease.
Lease Receipts	Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

Note 12. Leases (Continued)

Lessor (continued): 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, 2026, the balance of the deferred inflow was $29,292. Lease revenue and lease interest income for the year ended June 30, 2026 was $6,033 and $3,047, respectively. Lease revenues receivable as of June 30, 2026 were $41,464.

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 non-cancellable period of the lease, plus any option periods for which 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, ranging from 3%-5%.
Lease Term	The lease term includes the non-cancellable 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, 2026, the balance of the deferred inflow was $11,262. Lease revenue for the year ended June 30, 2026 was $3,862 and lease interest income for the same year was $1,293. At June 30, 2026, VIT has a total leases receivable balance of $12,082.

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 2026 and 2025, 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 $8,362 and $7,420 for calendar years 2026 and 2025, respectively.

Note 14. Related Parties

VIT makes lease payments on behalf of the VPA for various equipment and office space for which VPA reimburses VIT. Payments on behalf of VPA for these lease agreements totaled $1,043 for the year ended June 30, 2026.

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, 2026, the cost of VIT and HRCP's allocated services from VPA amounted to $25,195 and $1,044, respectively.

For the year ended June 30, 2026, VIT and HRCP recorded $245,905 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 $16,090 in security surcharges from VIT customers on behalf of VPA for the year ended June 30, 2026.

Note 15. Unusual or Infrequent Item

On July 9, 2025, the Authority executed an amendment to the VIG Lease, resulting in additional minimum scheduled lease payments. The amendment also provides for a fixed purchase price of $950,000 at the end of the lease term. See notes 5 and 6 for more information.

Pursuant to GASB Statement No. 87, *Leases*, the Authority re-measured the VIG Lease asset and VIG Lease liability as of the effective date of the First Amendment. As a result of this re-measurement, the values of the VIG Lease asset and liability were adjusted to $4,025,811. The net impact of these adjustments resulted in an increase to the Authority's Net Position of $550,587.

REQUIRED SUPPLEMENTARY INFORMATION
(RSI)
(UNAUDITED)

VIRGINIA PORT AUTHORITY

VPA DEFINED BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(In Thousands)									
Actuarially determined contribution	$ 1,378	$ 1,323	$ 1,515	$ 1,443	$ 1,623	$ 1,518	$ 1,440	$ 1,510	$ 1,504	$ 1,375
Contributions made in relation to the actuarially determined contribution	2,378	1,323	1,515	2,120	1,591	1,704	1,465	1,535	1,504	6,776
Contribution deficiency (excess)	$ (1,000)	$ -	$ -	$ (677)	$ 32	$ (186)	$ (25)	$ (25)	$ -	$ (5,401)
Covered payroll	$ 9,728	$ 9,631	$ 9,529	$ 10,675	$ 10,028	$ 8,402	$ 8,620	$ 8,142	$ 7,285	$ 7,080
Contributions as a % of payroll	24.44%	13.74%	15.90%	19.86%	15.87%	20.28%	17.00%	18.85%	20.65%	95.71%

Notes to Schedule:

(1) Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

(2) Methods and assumptions used to determine contribution rates for the measurement date June 30, 2025 (fiscal year ended June 30, 2026):

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, 2026, the measurement date was June 30, 2025.

(4) During fiscal year 2026, the Authority elected to make a one-time contribution of $5.4 million to increase the plan's funding status to 100%. As a result, contributions made in relation to the actuarially deemed contribution exceed the actuarially deemed contribution.

VIRGINIA PORT AUTHORITY

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(In Thousands)									
Total Pension Liability										
Service cost	$ 594	$ 618	$ 612	$ 593	$ 492	$ 537	$ 546	$ 529	$ 510	$ 440
Interest	1,414	1,414	1,564	1,748	1,894	2,055	2,190	2,178	2,272	2,448
Differences between expected and actual experience	(1,059)	476	1,410	149	1,040	312	(1,014)	156	1,242	364
Changes of assumptions	(215)	414	(68)	683	867	-	1,102	-	-	-
Benefit payments	(802)	(718)	(809)	(941)	(1,024)	(907)	(1,031)	(1,378)	(1,269)	(1,449)
Net change in total pension liability	(68)	2,204	2,709	2,232	3,269	1,997	1,793	1,485	2,755	1,803
Total Pension Liability, beginning	20,005	19,937	22,141	24,850	27,082	30,351	32,348	34,141	35,626	38,381
Total Pension Liability, ending (a)	$ 19,937	$ 22,141	$ 24,850	$ 27,082	$ 30,351	$ 32,348	$ 34,141	$ 35,626	$ 38,381	$ 40,184
Plan Fiduciary Net Position										
Contributions - employer	$ 3,847	$ 2,378	$ 1,324	$ 1,515	$ 2,120	$ 1,591	$ 1,704	$ 1,465	$ 1,535	$ 1,504
Net investment income (loss)	(54)	1,729	1,492	1,299	857	5,292	(3,774)	1,915	3,473	3,389
Benefit payments	(802)	(718)	(809)	(942)	(1,024)	(907)	(1,031)	(1,378)	(1,269)	(1,449)
Administrative expense	(95)	(57)	(30)	(33)	(37)	(42)	(54)	-	-	(35)
Net change in plan fiduciary net position	2,896	3,332	1,977	1,839	1,916	5,934	(3,155)	2,002	3,739	3,409
Plan Fiduciary Net Position, beginning	10,655	13,551	16,883	18,860	20,699	22,615	28,549	25,394	27,396	31,135
Plan Fiduciary Net Position, ending (b)	$ 13,551	$ 16,883	$ 18,860	$ 20,699	$ 22,615	$ 28,549	$ 25,394	$ 27,396	$ 31,135	$ 34,544
Net Pension Liability, ending (a) - (b)	$ 6,386	$ 5,258	$ 5,990	$ 6,383	$ 7,736	$ 3,799	$ 8,747	$ 8,230	$ 7,246	$ 5,640
Plan Fiduciary Net Position as a % of Total Pension Liability	68%	76%	76%	76%	75%	88%	74%	77%	81%	86%
Covered Payroll	$ 9,763	$ 9,728	$ 9,631	$ 9,529	$ 10,675	$ 10,028	$ 8,402	$ 8,620	$ 8,142	$ 7,285
Net Pension Liability as a % of Covered Payroll	65%	54%	62%	67%	72%	38%	104%	95%	89%	77%

Notes to Schedule:

(1) **Changes of benefit terms:** There have been no significant changes to the pension benefit provisions since the effective date of GASB Statement No. 68.

(2) **Changes in assumptions:** There have been no changes to the mortality rates and the investment rate of return.

Mortality rates	Pub-2010 Mortality Table (Safety) With Scale MP-2021
Investment rate of return	6.50%

(3) For each of the fiscal years presented above, the measurement date for the reported data was June 30 of the preceding fiscal year. For example, for the fiscal year ended June 30, 2026, the measurement date was June 30, 2025.

VIRGINIA PORT AUTHORITY

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(In Thousands)									
Actuarially determined contribution	$ 2,277	$ 2,412	$ 4,205	$ 5,868	$ 5,126	$ 2,235	$ 563	$ 2,372	$ 2,489	$ 1,792
Contributions made in relation to the actuarially determined contribution	2,428	4,667	7,032	6,478	6,010	5,699	570	-	1,130	1,864
Contribution deficiency (excess)	$ (151)	$ (2,255)	$ (2,827)	$ (610)	$ (884)	$ (3,464)	$ (7)	$ 2,372	$ 1,359	$ (72)
Covered payroll	$ 17,178	$ 17,111	$ 16,657	$ 11,914	$ 9,935	$ 8,259	$ 8,167	$ 8,165	$ 7,309	$ 6,942
Contributions as a % of payroll	14.13%	27.27%	42.22%	54.37%	60.49%	69.00%	6.98%	0.00%	15.46%	26.85%

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, 2025 (fiscal year ended June 30, 2026):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
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 68
Mortality rates	Pub-2010 Mortality Table (Safety) With Scale MP-2021

(3) Contributions made by VIT were not in all cases in accordance with the actuarially determined Annual Required Contribution (ARC), but they did meet statutory requirements. In fiscal years 2024 and 2025, VIT elected to use the VITPP's credits from excess contributions in prior years to satisfy a portion of its fiscal year 2024 and 2025 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,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(In Thousands)									
Total Pension Liability										
Service cost	$ 1,104	$ 1,082	$ 1,135	$ 901	$ 659	$ 592	$ 579	$ 634	$ 569	$ 543
Interest	6,539	6,673	6,933	7,198	7,307	7,273	7,490	7,382	6,436	5,969
Changes of benefit terms	-	-	-	-	-	-	-	-	1,130	-
Changes of assumptions	(1,148)	70	(297)	1,349	2,131	-	3,043	-	-	-
Differences between expected and actual experience	(760)	363	935	(2,518)	(1,050)	1,142	(737)	(174)	513	(842)
Benefit payments	(4,417)	(4,479)	(4,567)	(4,815)	(5,436)	(5,791)	(6,494)	(22,842)	(15,761)	(6,135)
Net change in total pension liability	1,318	3,709	4,139	2,115	3,611	3,216	3,881	(15,000)	(7,113)	(465)
Total Pension Liability, beginning	95,163	96,481	100,190	104,329	106,444	110,055	113,271	117,152	102,152	95,039
Total Pension Liability, ending (a)	$ 96,481	$ 100,190	$ 104,329	$ 106,444	$ 110,055	$ 113,271	$ 117,152	$ 102,152	$ 95,039	$ 94,574
Plan Fiduciary Net Position										
Contributions - employer	$ 1,464	$ 2,428	$ 4,667	$ 7,032	$ 6,478	$ 6,010	$ 5,699	$ 570	$ -	$ 1,130
Net investment income (loss)	(322)	8,462	5,653	7,074	3,930	25,012	(17,420)	8,237	10,886	9,969
Benefit payments	(4,417)	(4,479)	(4,567)	(4,815)	(5,436)	(5,791)	(6,494)	(22,842)	(15,761)	(6,135)
Administrative expense	-	(37)	(150)	(550)	(575)	(202)	(247)	-	(329)	(164)
Net change in plan fiduciary net position	(3,275)	6,374	5,603	8,741	4,397	25,029	(18,462)	(14,035)	(5,204)	4,800
Plan Fiduciary Net Position, beginning	86,291	83,016	89,390	94,993	103,734	108,131	133,160	114,698	100,663	95,459
Plan Fiduciary Net Position, ending (b)	$ 83,016	$ 89,390	$ 94,993	$ 103,734	$ 108,131	$ 133,160	$ 114,698	$ 100,663	$ 95,459	$ 100,259
Net Pension Liability (Asset), ending (a) - (b)	$ 13,465	$ 10,800	$ 9,336	$ 2,710	$ 1,924	$ (19,889)	$ 2,454	$ 1,489	$ (420)	$ (5,685)
Plan Fiduciary Net Position as a % of the Total Pension Liability	86.04%	89.22%	91.05%	97.45%	98.25%	117.56%	97.91%	98.54%	100.44%	106.01%
Covered Payroll	$ 17,886	$ 17,178	$ 17,111	$ 16,657	$ 11,914	$ 9,935	$ 8,259	$ 8,167	$ 8,165	$ 7,309
Net Pension Liability (Asset) as a % of Covered Payroll	75.28%	62.87%	54.56%	16.27%	16.15%	-200.19%	29.71%	18.23%	-5.14%	-77.78%

SUPPLEMENTARY INFORMATION

VIRGINIA PORT AUTHORITY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

	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				
Noncurrent Assets				
Investments held in trust at fair value:				
Short-term bond funds	$ -	$ 2,742	$ -	$ 2,742
Long-term bond funds	10,406	18,118	-	28,524
Core plus bond funds	10,481	30,680	-	41,161
Common and preferred stock funds	13,412	33,085	-	46,497
Other mutual funds	11,867	29,273	1,556	42,696
Total assets	46,166	113,898	1,556	161,620
NET POSITION				
Restricted for:				
Pension benefits	46,166	113,898	1,556	161,620
Total net position	$ 46,166	$ 113,898	$ 1,556	$ 161,620

VIRGINIA PORT AUTHORITY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2026

	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	$ 6,776	$ 1,864	$ -	$ 8,640
Investment income	6,501	18,015	171	24,687
Payment credits	16	40	-	56
Total additions	13,293	19,919	171	33,383
Deductions:				
Benefit payments	1,646	6,222	237	8,105
Administrative expenses	15	35	-	50
Other disbursements	10	23	-	33
Total deductions	1,671	6,280	237	8,188
Change in net position	11,622	13,639	(66)	25,195
Net position, beginning of year	34,544	100,259	1,622	136,425
Net position, end of year	$ 46,166	$ 113,898	$ 1,556	$ 161,620



The port took delivery of four one-of-a-kind, Low-Profile Ship To Shore cranes during fiscal year 2026. Once construction of the North Berth of Norfolk International Terminals is complete, these assets will be capable of servicing the largest ships calling the U.S. East Coast.

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 global economic conditions as opposed to more localized conditions.

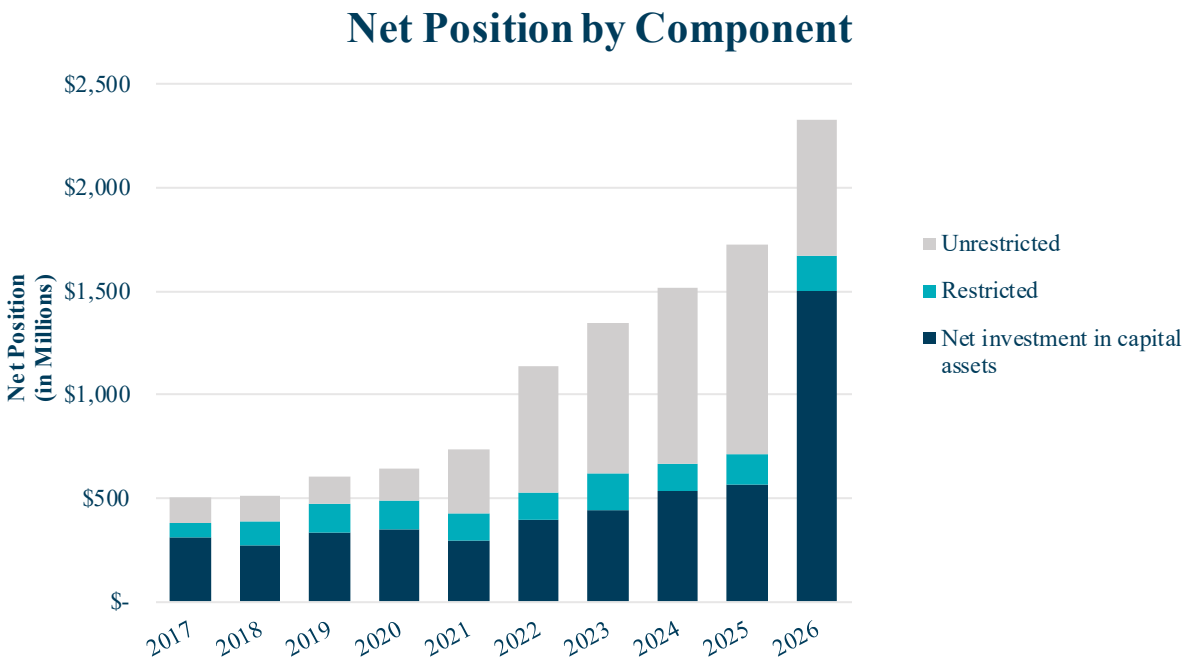
Financial Trends

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,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(In Thousands)									
Net Position										
Net investment in capital assets	$ 311,480	$ 273,121	$ 336,719	$ 349,644	$ 296,253	$ 393,528	$ 442,106	$ 531,895	$ 565,132	$ 1,499,835
Restricted	69,532	111,172	132,383	138,302	129,531	136,866	174,253	136,439	148,868	169,561
Unrestricted	126,099	126,087	131,909	153,754	307,136	605,463	727,108	845,077	1,012,882	655,022
Total net position	$ 507,111	$ 510,380	$ 601,011	$ 641,700	$ 732,920	$ 1,135,857	$ 1,343,467	$ 1,513,411	$ 1,726,882	$ 2,324,418



VIRGINIA PORT AUTHORITY

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022[1]	2023	2024	2025[1]	2026[1]
	(In Thousands)									
Operating revenues:										
Operating revenues from related parties	$ 120,512	$ 123,982	$ 156,859	$ 133,890	$ 275,472	$ 439,092	$ 325,836	$ 252,967	$ 301,394	$ 245,905
Other revenues	10,102	10,445	11,186	10,946	13,120	19,339	17,314	22,029	19,802	22,980
Operating revenues - grants, federal and state	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509	1,130	786
Total operating revenues	132,728	139,961	173,243	150,540	294,507	462,536	344,651	276,505	322,326	269,671
Operating expenses:										
Terminal operations	4,079	3,912	4,170	4,554	4,828	4,359	756	163	1,120	115
Terminal maintenance	2,053	3,879	2,441	3,700	5,005	4,857	5,258	6,002	6,923	8,834
General and administrative	18,025	20,339	22,039	25,614	23,108	17,532	16,298	16,775	18,609	16,709
Facility rental	17,429	396	1,451	1,673	293	(13)	4,573	5,163	5,079	-
Depreciation and amortization	70,124	79,098	79,673	96,412	113,978	165,406	164,941	162,794	170,749	185,967
Total operating expenses	111,710	107,624	109,774	131,953	147,212	192,141	191,826	190,897	202,480	211,625
Operating income	21,018	32,337	63,469	18,587	147,295	270,395	152,825	85,608	119,846	58,046
Noncapital subsidies:										
Commonwealth Port Fund allocation	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298	60,575
Other noncapital subsidies	-	-	-	-	-	-	-	-	-	145
Total noncapital subsidies	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298	60,720
Operating income and noncapital subsidies	62,487	73,463	106,520	60,509	196,073	328,216	212,876	142,164	179,144	118,766
Other nonoperating revenues (expenses):										
Investment income (loss), net	896	1,368	3,983	5,829	993	(2,305)	23,207	50,924	54,691	28,221
Interest expense	(88,211)	(125,345)	(123,707)	(125,264)	(124,144)	(171,000)	(171,059)	(179,165)	(180,373)	(212,214)
Revenues from federal sources	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210	19,200	47,152
Revenues from state sources	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091	126,818	80,860
Revenues from private sources	-	-	-	-	-	5,567	66,026	108,605	48,166	874
Expenses incurred on behalf of other governments	(845)	(984)	(3,224)	(17,402)	(54,144)	(23,335)	(66,366)	(70,680)	(54,694)	(5,782)
Proceeds from primary government	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444	40,981	1,266
Other expenses	(4,977)	(2,486)	(3,665)	(3,418)	(4,354)	(5,090)	(2,802)	(7,206)	(15,409)	(10,996)
Gain on disposals	(21)	(1,769)	744	225	94	481	(534)	(1,677)	(3,821)	(1,630)
Capital contributions:										
Capital contributions from related parties	22,447	710	1,489	284	148	1,638	638	1,234	-	432
Income before cumulative effect of changes in accounting principle	95,216	3,269	90,631	40,689	91,220	169,851	207,610	169,944	214,703	46,949
Cumulative effect of changes in accounting principle	-	-	-	-	-	233,086	-	-	(1,232)	-
Increase in net position	95,216	3,269	90,631	40,689	91,220	402,937	207,610	169,944	213,471	46,949
Special item - lease conversion	13,277	-	-	-	-	-	-	-	-	550,587
Increase in net position after special item	108,493	3,269	90,631	40,689	91,220	402,937	207,610	169,944	213,471	597,536
Net position - beginning of year	398,618	507,111	510,380	601,011	641,700	732,920	1,135,857	1,343,467	1,513,411	1,726,882
Net position - end of year	$ 507,111	$ 510,380	$ 601,011	$ 641,700	$ 732,920	$ 1,135,857	$ 1,343,467	$ 1,513,411	$ 1,726,882	$ 2,324,418

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

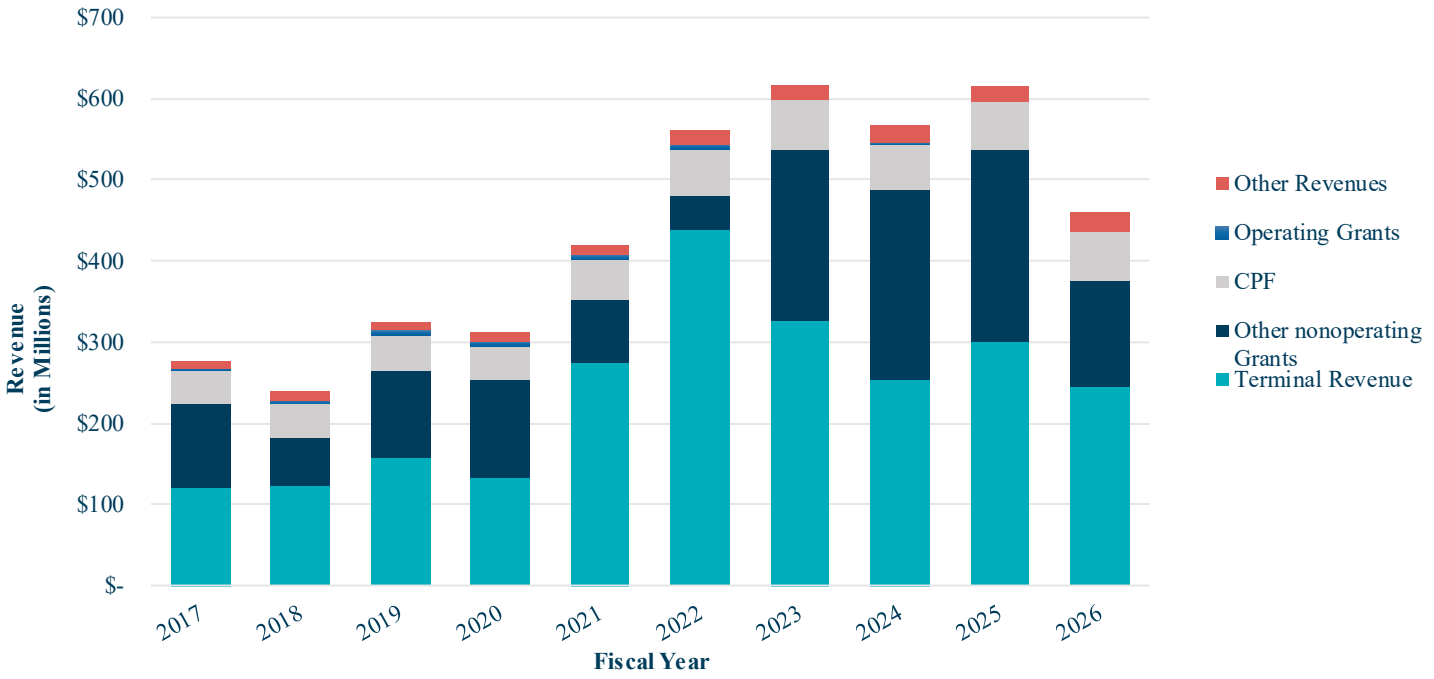
[1] The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022, Statement No. 101, *Compensated Absences*, in fiscal year 2025 and Statement No. 103, *Financial Reporting Model Improvements,* in fiscal year 2026.

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

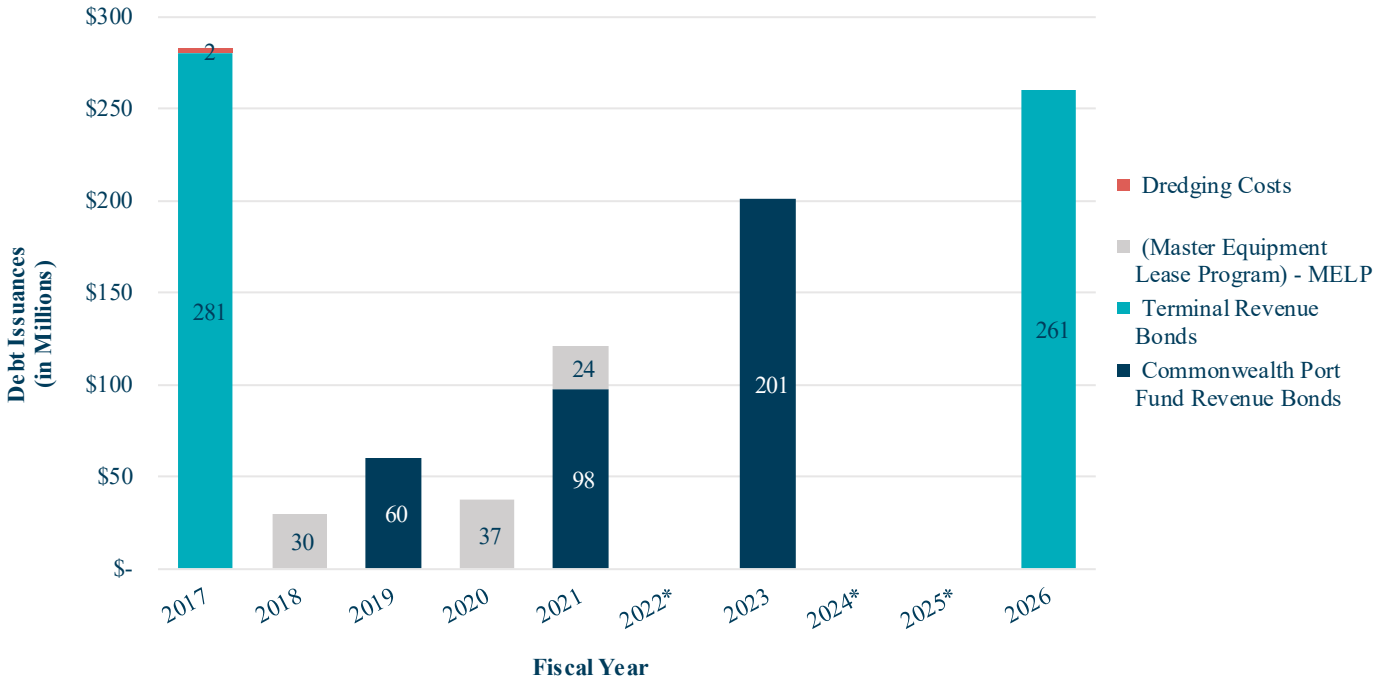


DEBT CAPACITY

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)

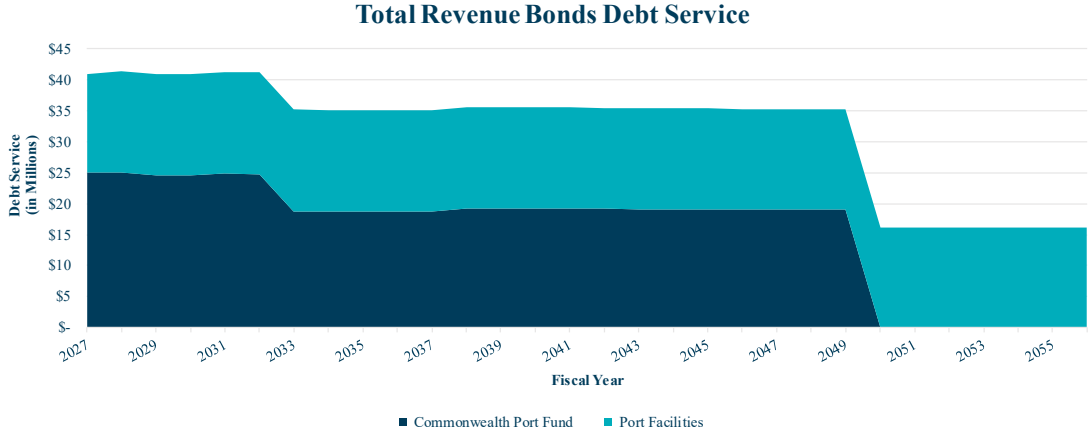


*No debt was issued in fiscal years 2022, 2024, and 2025.

VIRGINIA PORT AUTHORITY

DEBT SERVICE PAYMENT REQUIREMENTS

Fiscal Year Ending June 30,	Commonwealth Port Fund Revenue Bonds Debt Service	Port Facilities Revenue Bonds Debt Service	Total Revenue Bonds Debt Service
		(In Thousands)	
2027	$ 25,121	$ 15,858	$ 40,979
2028	25,105	16,410	41,515
2029	24,506	16,404	40,910
2030	24,512	16,404	40,916
2031	24,893	16,397	41,290
2032	24,812	16,390	41,202
2033	18,818	16,386	35,204
2034	18,811	16,380	35,191
2035	18,797	16,371	35,168
2036	18,827	16,363	35,190
2037	18,817	16,357	35,174
2038	19,302	16,350	35,652
2039	19,295	16,343	35,638
2040	19,289	16,335	35,624
2041	19,283	16,325	35,608
2042	19,163	16,316	35,479
2043	19,150	16,309	35,459
2044	19,129	16,296	35,425
2045	19,094	16,283	35,377
2046	19,075	16,273	35,348
2047	19,048	16,248	35,296
2048	19,028	16,234	35,262
2049	19,001	16,223	35,224
2050	-	16,208	16,208
2051	-	16,191	16,191
2052	-	16,176	16,176
2053	-	16,158	16,158
2054	-	16,138	16,138
2055	-	16,120	16,120
2056	-	16,097	16,097
	$ 472,876	$ 488,340	$ 961,216



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)				
2017	$ 280,530	$ 243,770	$ -	$ 2,158	$ 526,458	1.07	$ 490,835
2018	278,395	234,420	29,937	2,158	544,910	1.01	537,045
2019	272,830	227,890	28,440	2,112	531,272	0.94	567,620
2020	267,085	217,805	62,933	2,064	549,887	1.07	512,909
2021	261,145	218,740	81,971	2,015	563,871	0.88	638,615
2022	254,995	206,950	75,524	1,965	539,434	0.60	897,151
2023	248,630	336,970	68,883	-	654,483	0.80	814,766
2024	242,035	325,580	62,079	-	629,694	0.82	768,435
2025	235,195	313,810	55,109	-	604,114	0.71	854,534
2026	248,745	301,630	-	-	550,375	0.62	890,287

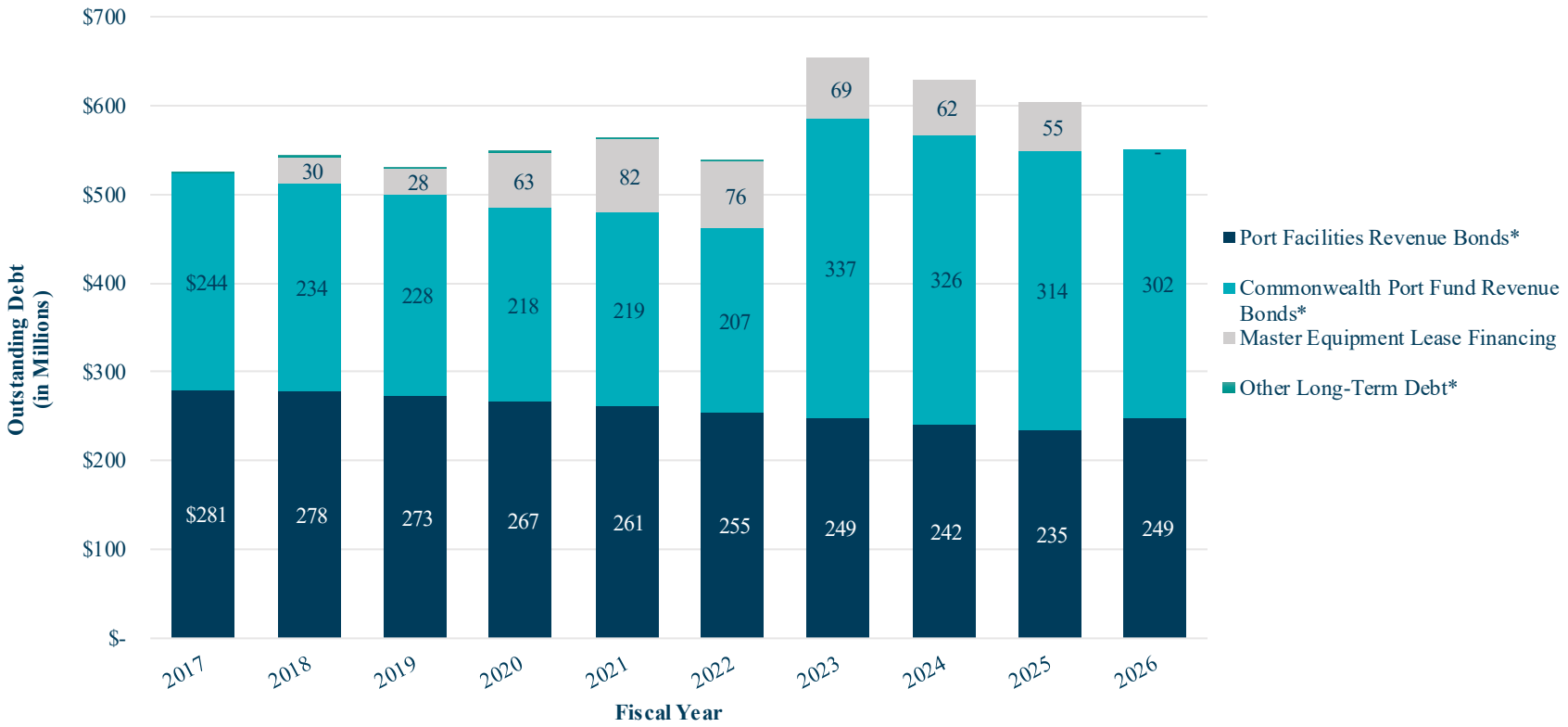
* At par value - does not include premiums or deferred amounts

[1] The above table only 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 that are not presented above. The table also excludes liabilities originating from the VIG Lease, as amended, 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

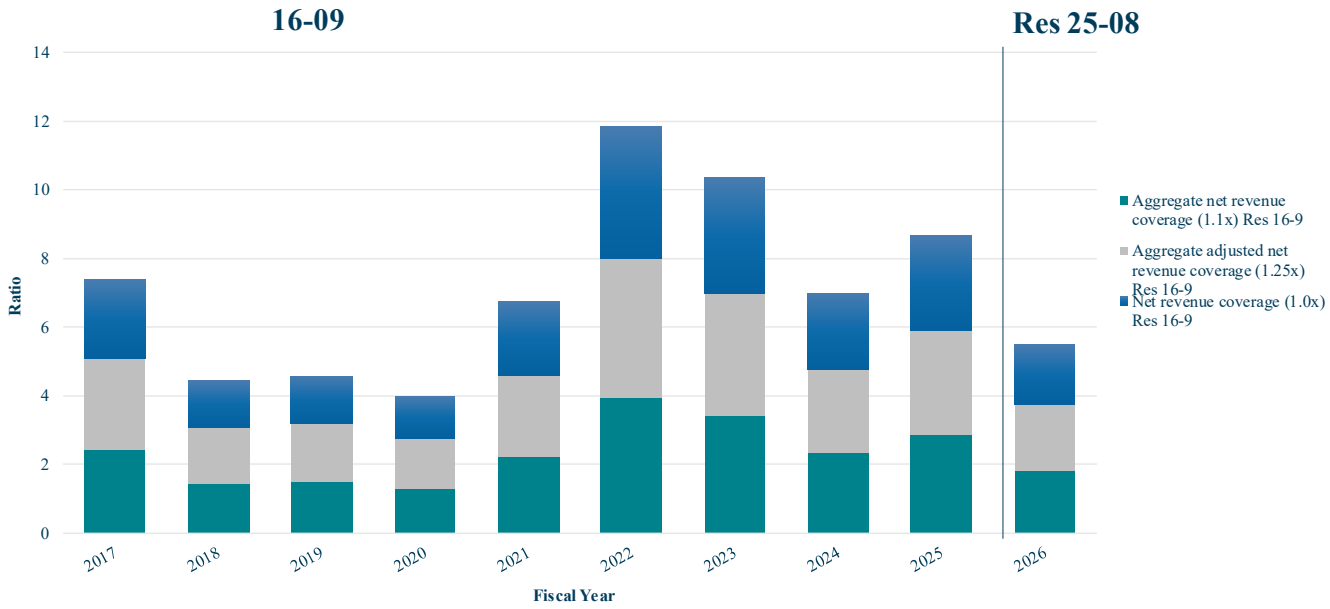


* At par value – does not include premiums or deferred amounts

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



On July 9, 2025, the Authority executed an amendment to the VIG Lease. The amendment provides the Authority with greater operational control of the underlying assets and provides for a fixed purchase price at the end of the lease term. The Debt Service Coverage calculation and methodology remain unchanged as a result of the amendment.

VIRGINIA PORT AUTHORITY

OPERATING RESULTS AND DEBT SERVICE COVERAGE RESOLUTION NO. 16-09 and 25-08

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
					(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	$ 881,342	$ 900,192
VIT/HRCP II current expenses	(350,771)	(421,533)	(419,549)	(416,717)	(403,298)	(471,421)	(474,095)	(489,926)	(558,778)	(647,079)
VIT liquidity reserve withdrawal (deposit)	(2,543)	6,061	(10,031)	(677)	4,745	(721)	(6,649)	(3,023)	(3,321)	(7,973)
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)	(11,218)	(4,616)
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	308,025	240,524
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	308,025	240,524
Other VPA income and interest income	10,037	11,186	15,052	17,247	20,271	21,433	33,789	57,935	64,035	49,990
Total gross revenues	155,526	134,879	168,686	145,387	244,707	445,985	421,004	291,546	372,060	290,514
Current expenses:										
Terminal expenditures	(26,488)	(24,606)	(27,837)	(27,756)	(22,669)	(21,440)	(20,175)	(18,563)	(22,900)	(24,837)
Operating lease payments	(17,429)	(185)	(185)	(185)	(132)	(793)	(902)	(900)	(908)	(948)
Total current expenses	(43,917)	(24,791)	(28,022)	(27,941)	(22,801)	(22,233)	(21,077)	(19,463)	(23,808)	(25,785)
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252	264,729
VPA Commonwealth Port Fund used for O & M **(P)**	7,657	8,162	9,975	10,192	6,097	7,373	6,551	4,744	8,483	5,946
VPA Commonwealth Port Fund used for VIG rent **(Q)**	5,831	9,996	9,996	9,996	9,996	9,996	9,966	9,996	9,996	9,996
Revenue stabilization fund balance	29,082	39,661	39,973	40,116	39,933	39,338	39,899	40,000	40,000	34,947
25% of revenue stabilization fund balance **(D)**	7,271	9,915	9,993	10,029	9,983	9,835	9,975	10,000	10,000	8,737
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252	264,729
Aggregate net revenue **(E)** (E = B + D - A)	126,459	131,049	157,113	138,566	240,082	442,654	415,997	290,875	369,470	278,082
Adjusted net revenue **(F)** (F = B + P + Q)	125,097	128,246	160,635	137,634	237,999	441,121	416,444	286,823	366,731	280,671
Aggregate adjusted net revenue **(G)** (G = F + D - A)	139,947	149,207	177,084	158,754	256,175	460,023	432,514	305,615	387,949	294,024
DEBT SERVICE COVERAGE										
Senior debt service:										
Senior obligations	42,578	72,795	87,818	90,299	90,092	95,352	103,962	108,121	111,688	137,369
Series 2016 Bonds principal and interest requirements	9,614	17,537	17,504	17,068	17,414	17,387	17,211	17,119	17,024	-
Series 2025 Bonds principal and interest requirements	-	-	-	-	-	-	-	-	-	13,886
Aggregate principal and interest requirements (C)	$ 52,192	$ 90,332	$ 105,322	$ 107,367	$ 107,506	$ 112,739	$ 121,173	$ 125,240	$ 128,712	$ 151,255

Debt Service Coverage	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025	Actual 2026
Aggregate net revenue coverage (E/C > 1.1x)	2.42	1.45	1.49	1.29	2.23	3.93	3.43	2.32	2.87	1.84
Aggregate adjusted net revenue coverage (G/C > 1.25x)	2.68	1.65	1.68	1.48	2.38	4.08	3.57	2.44	3.01	1.94
Net revenue coverage ((B-A)/C > 1.0x)	2.28	1.34	1.40	1.20	2.14	3.84	3.35	2.24	2.79	1.78

On July 9, 2025, the Authority executed an amendment to the VIG Lease. The amendment provides the Authority with greater operational control of the underlying assets and provides for a fixed purchase price at the end of the lease term. The Debt Service Coverage calculation and methodology remain unchanged as a result of the amendment.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

THE PORT
BY THE NUMBERS

ECONOMIC DEVELOPMENT

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

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

Named a top state for business
ranked No. 3 in CNBC's 2026 Top States for Business rankings, and No. 2 for infrastructure

MID-ATLANTIC LOCATION

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



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

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

OCEAN SERVICES

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



6 total first-in and last-out services
offer expansive global reach for importers and exporters



Deepest, widest
channel on the U.S. East Coast with 55' water depth and two-way vessel traffic

THE PORT
BY THE NUMBERS

SUSTAINABILITY



Net-Zero by 2040, the earliest commitment to net-zero carbon emissions of any East Coast port



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



Largest fleet of electric and hybrid equipment on the East Coast

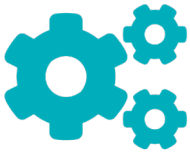
CAPACITY



5.8M TEU capacity following completion of ongoing infrastructure projects



26 Suez-class ship-to-shore cranes, growing to 33 by 2027



Advanced use of technology that drives efficiency and improves safety

IMPACT



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

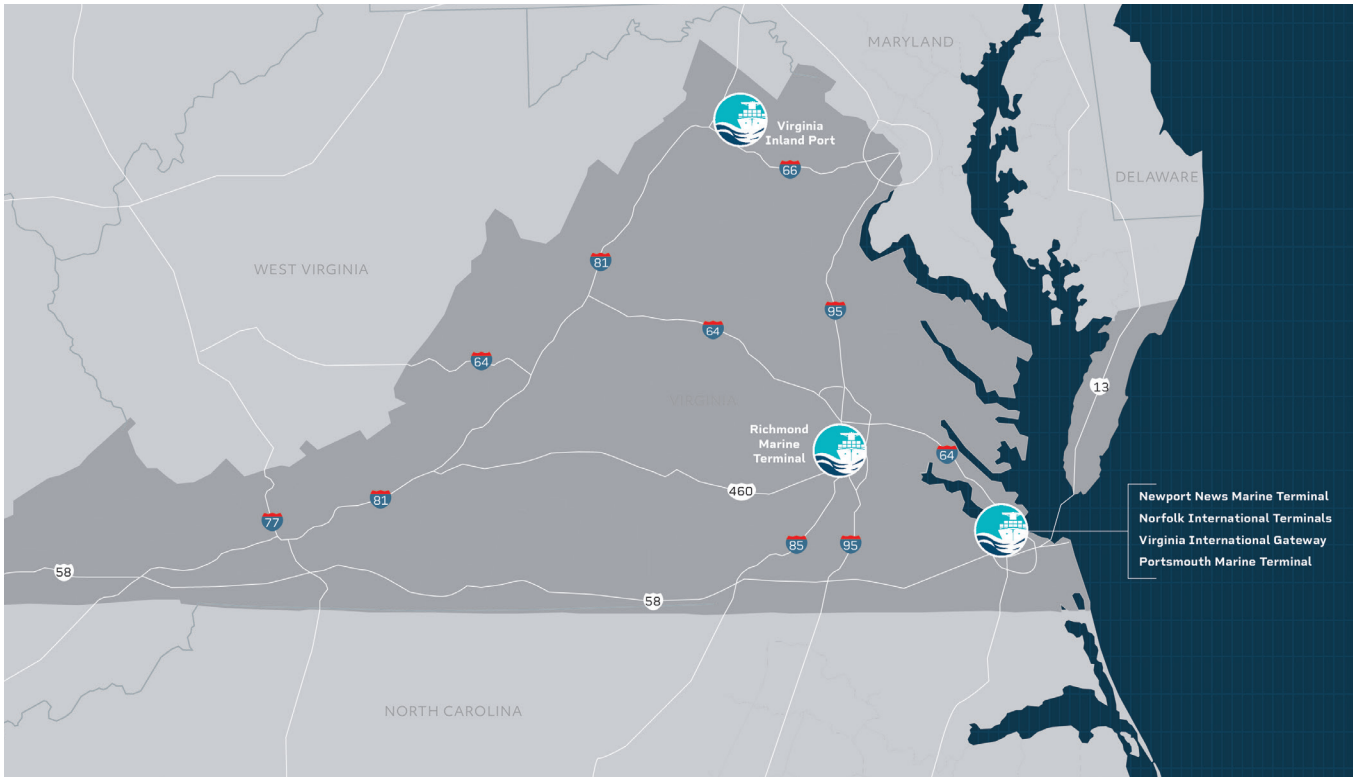


Helps drive more than **$124 billion in total spending in Virginia**



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

THE PORT OF VIRGINIA TERMINALS

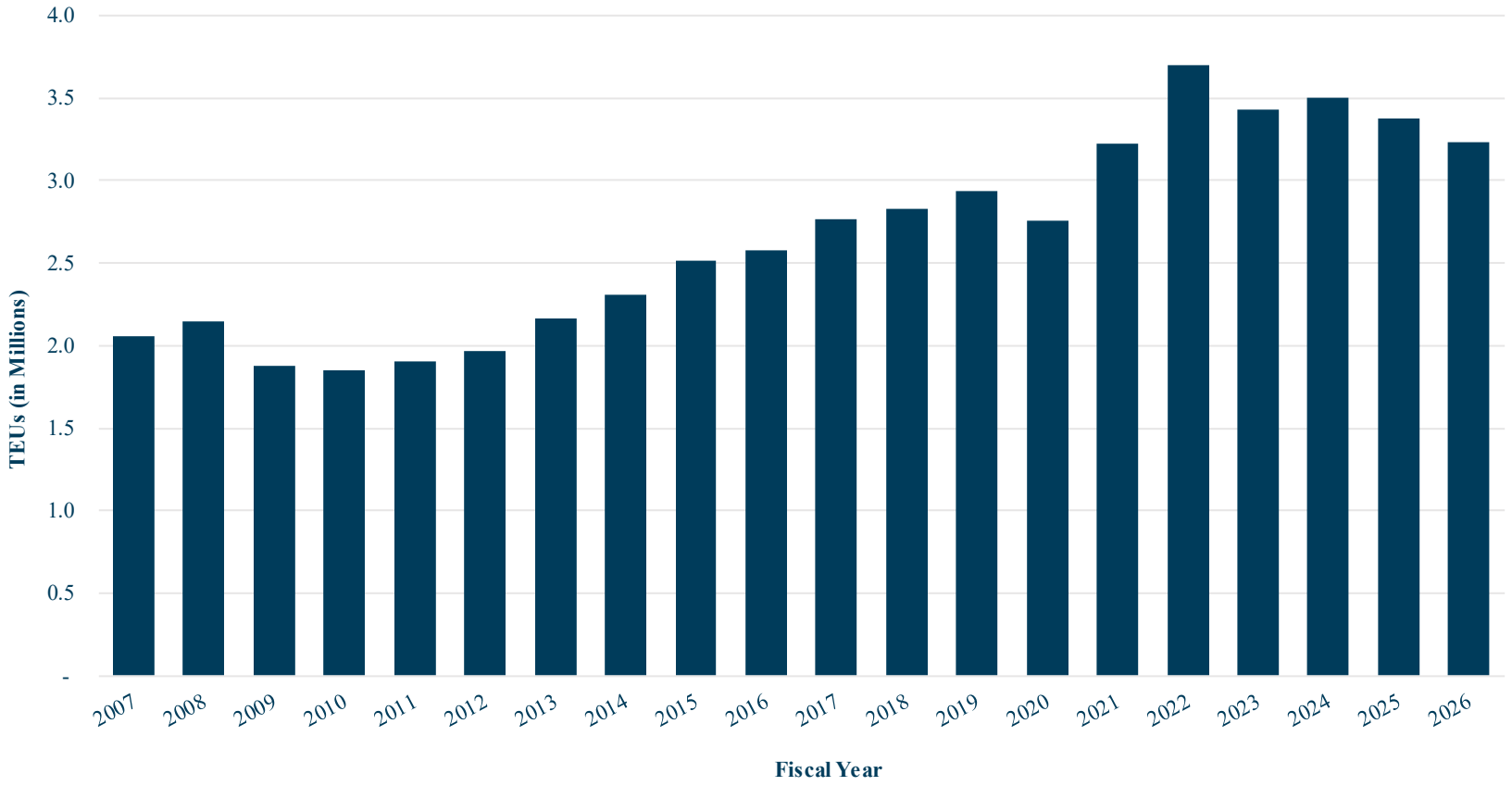


THE PORT OF VIRGINIA RAIL CONNECTIVITY



VIRGINIA PORT AUTHORITY

TWENTY-FOOT EQUIVALENT UNIT (TEU) CONTAINER THROUGHPUT



Hampton Roads Harbor

Calendar 2025 Trade Overview

TOTAL	Short Tons (Thousands)
Total Cargo	63,407
General Cargo	24,669
Container Cargo	24,146
Breakbulk Cargo*	523
Container Units	1,797,708
TEUs	3,239,638
Total Cargo Dollar Value (Millions)	98,936

EXPORT	Short Tons (Thousands)
Total Cargo	48,994
General Cargo	11,584
Container Cargo	11,578
Breakbulk Cargo	5
Container Units	923,457
TEUs	1,676,397
Total Cargo Dollar Value (Millions)	34,177

IMPORT	Short Tons (Thousands)
Total Cargo	14,413
General Cargo	13,085
Container Cargo	12,568
Breakbulk Cargo	517
Container Units	874,251
TEUs	1,563,241
Total Cargo Dollar Value (Millions)	64,759

Vessel Calls	2,445
Coal Loadings* Short Tons (Thousands)	34,069

*Coal loadings and breakbulk cargo include international and domestic shipments

US East Coast Port	TEUs	East Coast Market Share
New York/New Jersey	8,897,531	33.0%
Savannah	5,691,480	21.1%
Port of Virginia	3,239,638	12.0%
Charleston (SC)	2,565,297	9.5%
Port Everglades	1,167,122	4.3%
Miami	1,115,058	4.1%



Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, AAPA, The Port of Virginia, PMSA
Note: The list of Port Facilities included in this report is summarized on the last page of this report

Compiled by The Port of Virginia, Strategic Planning & Analytics

THE PORT OF VIRGINIA

Calendar 2025 Total Cargo in Thousands of Short Tons

Top 10 Trading Partners

	Exports			Imports	
1	India	9,333	1	China	1,877
2	Netherlands	5,408	2	India	1,708
3	Brazil	4,906	3	Germany	1,062
4	Morocco	3,181	4	Vietnam	968
5	Türkiye/Turkey	2,282	5	Türkiye/Turkey	816
6	Japan	2,056	6	Italy	621
7	Germany	1,662	7	Thailand	432
8	United Kingdom	1,616	8	France	411
9	Poland	1,570	9	Canada	370
10	Ukraine	1,420	10	Spain	356

Top 10 Commodities

	Exports			Imports	
1	Mineral Fuels, Mineral Oils And Products	34,461	1	Salt; Sulfur; Earths And Stone	1,338
2	Oil Seeds And Oleaginous Fruits	2,348	2	Nuclear Reactors, Boilers, Machinery	1,213
3	Wood And Articles Of Wood	2,254	3	Plastics And Articles Thereof	966
4	Residues And Waste From The Food Ind.	1,951	4	Furniture; Bedding, Mattresses, Etc.	876
5	Pulp Of Wood Or Other Fibrous Cellulosic Mat.	1,392	5	Articles Of Iron Or Steel	712
6	Plastics And Articles Thereof	1,065	6	Electrical Machinery And Equipment	710
7	Cereals	897	7	Vehicles	536
8	Iron And Steel	487	8	Rubber And Articles Thereof	492
9	Beverages, Spirits And Vinegar	376	9	Articles Of Stone, Plaster, Cement	465
10	Aluminum And Articles Thereof	295	10	Wood And Articles Of Wood	453

Trade Lanes

	Export	Import
Africa	4,132	242
Asia, Northeast	4,355	2,467
Asia, Southeast	3,472	2,260
Caribbean	378	87
Central AM	197	29
Europe, North	14,674	3,682
India & Others	9,818	1,973
Mediterranean	5,488	2,032
Middle East	605	228
North America	53	389
Oceania	32	42
South America	5,789	981

Top U.S. Ports

1	Houston, TX	235,013
2	Corpus Christi, TX	170,773
3	New Orleans, LA	129,555
4	Los Angeles, CA	80,727
5	Newark, NJ	69,042
6	Norfolk-Newport News, VA	63,407
7	Gramercy, LA	60,987
8	Beaumont, TX	53,237
9	Long Beach, CA	50,217
10	Baltimore, MD	49,921

Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, The Port of Virginia
Note: The list of Port Facilities included in this report is summarized on the last page of this report
Compiled by The Port of Virginia, Strategic Planning & Analytics

THE PORT OF VIRGINIA

Calendar 2025 Total Cargo in Millions of U.S. Dollars

Top 10 Trading Partners

	Exports			Imports	
1	Germany	$3,243	1	Germany	$8,547
2	Netherlands	$2,612	2	China	$7,007
3	United Kingdom	$1,936	3	India	$6,519
4	Belgium	$1,921	4	Italy	$4,302
5	Austria	$1,793	5	Vietnam	$3,974
6	India	$1,765	6	Japan	$2,070
7	China	$1,674	7	France	$1,950
8	Spain	$1,343	8	Malaysia	$1,842
9	Japan	$950	9	Ireland	$1,806
10	Korea, South	$912	10	Spain	$1,635

Top 10 Commodities

	Exports			Imports	
1	Pharmaceutical Products	$5,294	1	Nuclear Reactors, Boilers, Machinery	$13,933
2	Nuclear Reactors, Boilers, Machine	$3,389	2	Electrical Machinery And Equipment	$6,699
3	Plastics And Articles Thereof	$3,021	3	Pharmaceutical Products	$3,315
4	Vehicles	$1,629	4	Vehicles	$2,835
5	Organic Chemicals	$1,243	5	Plastics And Articles Thereof	$2,788
6	Miscellaneous Chemical Products	$1,243	6	Furniture; Bedding, Mattresses, Supports, Cushion	$2,754
7	Electrical Machinery And Equipmer	$1,108	7	Articles Of Iron Or Steel	$2,144
8	Oil Seeds And Oleaginous Fruits	$1,009	8	Optical, Photographic, Medical Or Surgical Instrun	$1,870
9	Wood And Articles Of Wood	$1,004	9	Organic Chemicals	$1,766
10	Inorganic Chemicals	$962	10	Rubber And Articles Thereof	$1,454

Trade Lanes

	Export	Import
Africa	$1,713	$906
Asia, Northeast	$4,177	$11,391
Asia, Southeast	$2,892	$10,121
Caribbean	$259	$370
Central AM	$264	$110
Europe, North	$16,085	$17,954
India & Others	$2,264	$8,041
Mediterranean	$2,867	$8,652
Middle East	$1,569	$787
North America	$29	$1,879
Oceania	$349	$128
South America	$1,709	$4,421

Top U.S. Ports

1	Los Angeles, CA	$300,707
2	Houston, TX	$205,844
3	Newark, NJ	$189,333
4	Savannah, GA	$121,279
5	Long Beach, CA	$106,117
6	Norfolk-Newport News, VA	$98,937
7	Charleston, SC	$84,275
8	Corpus Christi, TX	$81,245
9	Baltimore, MD	$65,607
10	New Orleans, LA	$65,233

Source: U.S. Dept. of Commerce, Bureau of Census, Virginia Maritime Association, The Port of Virginia
Note: The list of Port Facilities included in this report is summarized on the last page of this report
Compiled by The Port of Virginia, Strategic Planning & Analytics

OPERATING INFORMATION

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

VIRGINIA PORT AUTHORITY

OTHER OPERATIONAL INFORMATION

This schedule presents information about the Authority's personnel.

Type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sworn Officers/Security Personnel/Safety	50	49	54	53	52	52	50	55	55	54
Marketing/ Economic Development Personnel	18	19	19	18	24	18	18	7	10	10
Strategic Planning, Engineering & Acquisition Personnel	27	23	40	35	30	26	30	24	31	30
Information Technology Personnel	41	39	34	31	31	31	27	28	25	26
Administrative Personnel	67	70	73	84	78	80	79	82	82	80
Authority Totals	203	200	220	221	215	207	204	196	203	200

VIRGINIA PORT AUTHORITY
SOURCE AND USE DATA
Fiscal Year Ended June 30, 2026
(In Thousands)

Operating revenues	$ 269,671	55%	Operating expenses	$ 211,625	48%
Nonoperating revenues	219,525	45%	Nonoperating expenses	230,622	52%
Total revenues	$ 489,196		**Total expenses**	$ 442,247	

The Virginia Port Authority has several revenue sources including operating revenues from related parties, 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, $245,905 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, 59.9% 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,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
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	2,101	2,180	2,073	2,073	2,073	1,964
Berth/Wharf (linear feet)	17,935	17,935	18,736	18,736	19,885	19,885	19,885	19,885	19,885	28,690
Rail Track (linear feet)	204,607	204,607	208,495	208,495	246,188	333,704	239,759	239,759	239,759	239,556
On-Terminal Warehouse (sq. ft.)	2,638,105	2,638,105	2,017,305	2,017,305	2,017,305	2,017,305	2,017,305	2,017,305	2,017,305	2,277,273
					(In Thousands)					
Construction in Progress	$ 195,488	$ 291,099	$ 311,684	$ 205,797	$ 160,677	$ 173,820	$ 368,955	$ 719,778	$ 666,424	$ 747,370
Land	103,936	103,936	103,936	103,936	104,471	104,471	104,471	103,936	103,936	103,936
Buildings and Infrastructure	851,513	857,601	935,250	1,072,451	1,121,101	1,137,172	1,138,576	1,140,331	1,472,578	1,479,115
Equipment	370,714	370,798	448,464	596,454	660,698	643,410	687,652	690,353	740,553	812,975
Accumulated Depreciation	(609,276)	(656,345)	(709,556)	(768,762)	(828,889)	(854,439)	(925,699)	(977,033)	(1,057,068)	(1,087,093)
Net Book Value of Capital Assets	$ 912,375	$ 967,089	$ 1,089,778	$ 1,209,876	$ 1,218,058	$ 1,204,434	$ 1,373,955	$ 1,677,365	$ 1,926,423	$ 2,056,303

THE PORT OF VIRGINIA®

[1] Excludes the net book value of the VIG Lease, as amended, 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,									
	2017 Restated[1]	2018	2019	2020	2021	2022[2]	2023	2024	2025[2]	2026[2]
Operating revenues:										
Terminal operating revenues	$ 478,261	$ 522,069	$ 551,236	$ 496,258	$ 619,580	$ 873,982	$ 796,269	$ 745,476	$ 834,229	$ 867,239
Other revenues	10,102	10,445	11,186	10,946	13,120	19,064	16,996	21,450	19,175	22,262
Operating revenues - grants, federal and state	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509	1,130	786
Total operating revenues	490,477	538,048	567,620	512,908	638,615	897,151	814,766	768,435	854,534	890,287
Operating expenses:										
Terminal operations	218,813	247,513	251,470	217,208	231,239	261,743	253,075	263,594	323,720	377,331
Terminal maintenance	95,372	105,779	109,629	112,559	107,388	120,784	134,022	131,656	156,481	171,193
General and administrative	48,818	50,937	54,632	58,046	58,742	54,595	55,592	57,513	58,227	55,775
Facility rental	17,429	396	1,451	1,682	293	(13)	4,573	5,163	5,079	-
Depreciation and amortization	74,406	84,271	86,940	103,839	121,836	191,988	198,897	197,238	203,551	218,695
Total operating expenses	454,838	488,896	504,122	493,334	519,498	629,097	646,159	655,164	747,058	822,994
Operating income	35,639	49,152	63,498	19,574	119,117	268,054	168,607	113,271	107,476	67,293
Noncapital subsidies:										
Commonwealth Port Fund allocation	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298	60,575
Other noncapital subsidies	-	-	-	-	-	-	-	-	-	145
Total noncapital subsidies	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298	60,720
Operating income (loss) and noncapital subsidies	77,108	90,278	106,549	61,496	167,895	325,875	228,658	169,827	166,774	128,013
Other nonoperating revenues (expenses):										
Investment income (loss), net	920	1,368	4,053	6,177	1,075	(1,880)	24,678	53,600	57,249	31,467
Interest expense	(88,233)	(125,369)	(123,516)	(125,264)	(124,144)	(174,152)	(176,706)	(186,772)	(187,278)	(218,310)
Revenue from federal sources	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210	19,200	47,152
Revenue from state sources	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091	126,818	80,860
Revenue from private sources	-	-	-	-	-	5,567	66,026	108,605	48,166	874
Expenses incurred on behalf of other governments	(845)	(984)	(3,224)	(17,402)	(54,144)	(23,335)	(66,366)	(70,680)	(54,694)	(5,782)
Proceeds from primary government	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444	40,981	1,266
Other expenses	(4,977)	(2,486)	(3,665)	(3,418)	(4,355)	(5,090)	(2,802)	(7,206)	(15,409)	(10,996)
Gain (loss) on disposals	(21)	(1,769)	744	271	372	480	(277)	(1,670)	(4,129)	(1,201)
Income before cumulative effect of changes in accounting principle	87,392	19,350	89,432	41,786	63,253	163,144	218,835	191,449	197,678	53,343
Cumulative effect of changes in accounting principle	7	-	-	-	-	233,086	-	-	(2,910)	-
Increase in net position	87,399	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768	53,343
Special item - lease conversion	13,277	-	-	-	-	-	-	-	-	550,587
Increase in net position after special item	100,676	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768	603,930
Net position - beginning of year	522,996	623,672	643,022	732,454	774,240	837,493	1,233,723	1,452,558	1,644,007	1,838,775
Net position - end of year	$ 623,672	$ 643,022	$ 732,454	$ 774,240	$ 837,493	$ 1,233,723	$ 1,452,558	$ 1,644,007	$ 1,838,775	$ 2,442,705

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

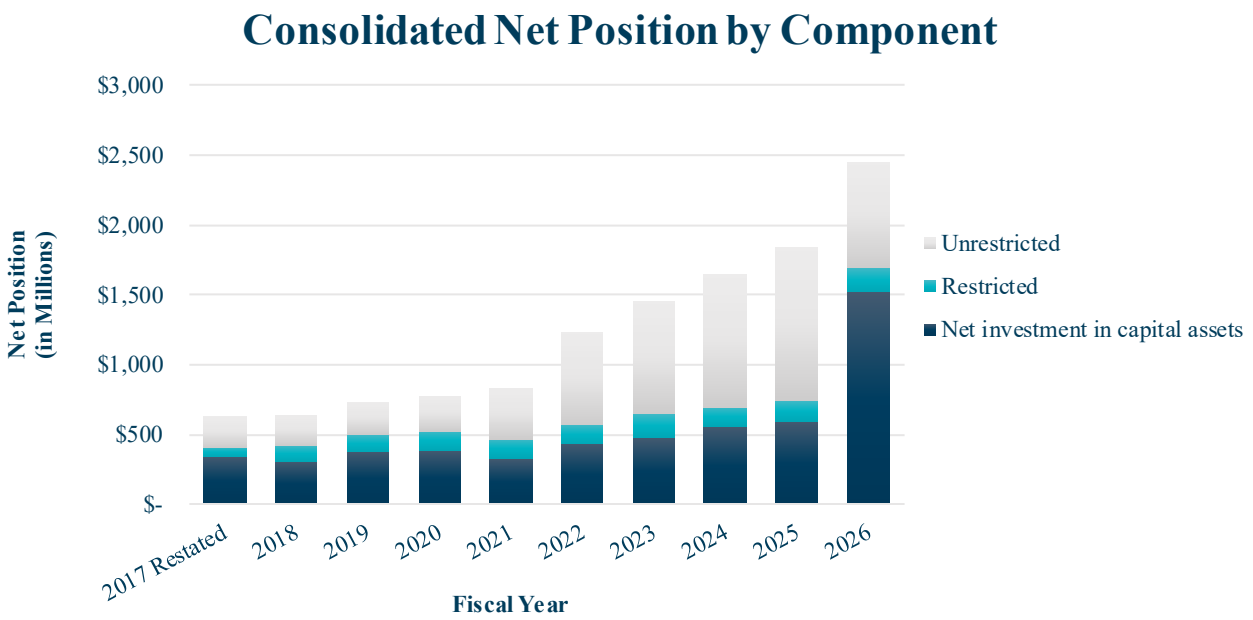
(2) The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022, Statement No. 101, *Compensated Absences*, in fiscal year 2025 and Statement No. 103, *Financial Reporting Model Improvements,* in fiscal year 2026.

VIRGINIA PORT AUTHORITY

CONSOLIDATED NET POSITION BY COMPONENT

	Fiscal Year Ended June 30,									
	2017 Restated	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(In Thousands)									
Net Position										
Net investment in capital assets	$ 344,496	$ 311,356	$ 374,200	$ 388,984	$ 336,100	$ 429,234	$ 474,318	$ 560,600	$ 595,271	$ 1,522,794
Restricted	69,531	111,171	132,382	138,300	129,530	136,866	174,253	136,439	148,868	175,246
Unrestricted	209,645	220,495	225,872	246,956	371,863	667,623	803,987	946,968	1,094,636	744,665
Total net position	$ 623,672	$ 643,022	$ 732,454	$ 774,240	$ 837,493	$ 1,233,723	$ 1,452,558	$ 1,644,007	$ 1,838,775	$ 2,442,705

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





On December 3, 2026, Asst. Chief Jason Snow was sworn in as the new Chief of Police of the Virginia Port Authority Police Department.

VIRGINIA PORT AUTHORITY

CONTINUING DISCLOSURE AGREEMENT

ANNUAL REPORT

(Unaudited)

FOR THE

FISCAL YEAR ENDED JUNE 30, 2026

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
ANNUAL REPORT
Fiscal Year Ended June 30, 2026

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").

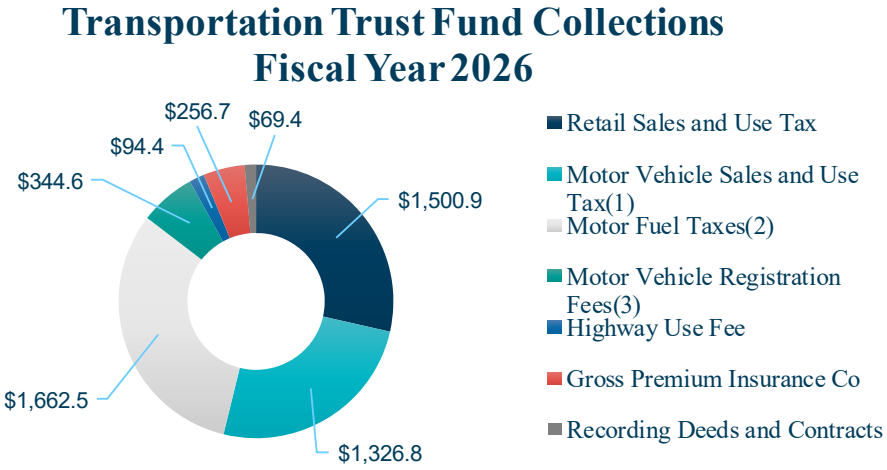
The General Assembly of the Commonwealth, in Chapter 1289 of the Acts of Assembly, approved various structural changes to the Commonwealth's method for funding transportation projects in an effort to simplify and make the Commonwealth's transportation funding arrangements more transparent and sustainable. 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, 2017.

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Retail Sales and Use Tax	$ 615.6	$ 618.4	$ 649.5	$ 644.5	$ 1,265.1	$ 1,344.2	$ 1,440.7	$ 1,377.1	$ 1,412.4	$ 1,500.9
Motor Vehicle Sales and Use Tax[(1)]	245.8	242.7	254.0	240.8	1,136.3	1,236.7	1,248.9	1,241.4	1,317.1	1,326.8
Motor Fuel Taxes[(2)]	106.9	105.3	105.4	102.1	1,027.9	1,288.0	1,472.4	1,497.9	1,575.4	1,662.5
Motor Vehicle Registration Fees[(3)]	22.3	21.8	22.4	20.2	363.1	349.8	311.7	326.6	342.7	344.6
Highway Use Fee	-	-	-	-	42.7	53.8	58.4	71.0	83.9	94.4
Gross Premium Insurance Co	-	-	-	-	181.4	180.7	202.5	217.8	228.7	256.7
Recording Deeds and Contracts	-	-	-	-	83.7	81.6	52.6	50.9	59.9	69.4
Total Transportation Trust Fund Revenues[(4)]	$ 990.6	$ 988.2	$ 1,031.3	$ 1,007.6	$ 4,100.2	$ 4,534.8	$ 4,787.2	$ 4,782.7	$ 5,020.1	$ 5,255.3

(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.



VIRGINIA PORT AUTHORITY **TABLE 2**

NET TRANSFERS TO THE COMMONWEALTH PORT FUND

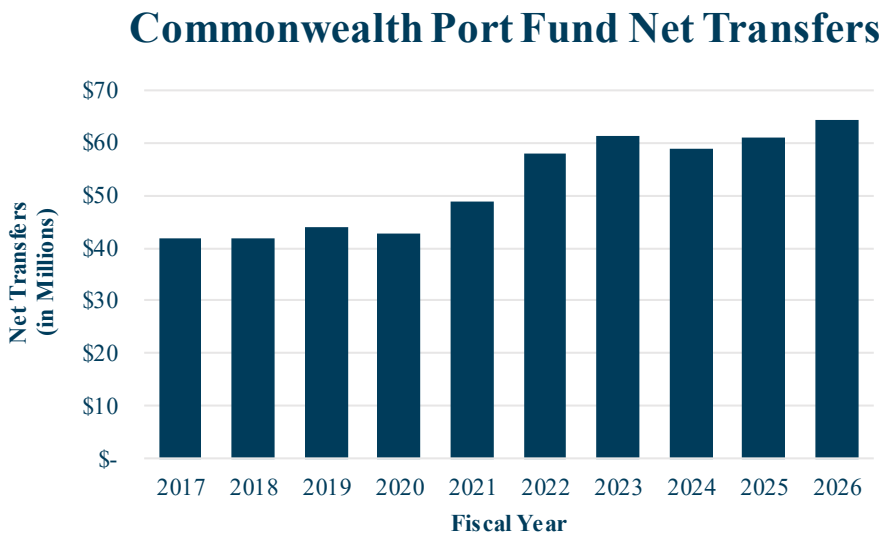
The following table shows the allocation of Transportation Trust Fund revenue to the Port Fund, the interest credited to the Port Fund prior to its transfer to the Income Account under the Authority's Commonwealth Port Fund Revenue Bond Resolution (the "Bond Resolution") net of the expenses charged thereto for the fiscal years 2017 through 2026. 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)		
2017	$ 41,451		$ 464		$ 41,915
2018	41,355		596		41,951
2019	43,156		864		44,020
2020	41,851		882		42,733
2021	48,686		230		48,916
2022	57,821		65		57,886
2023	60,051		1,075		61,126
2024	56,556		2,283		58,839
2025	59,298		1,666		60,964
2026	62,088		2,240		64,328

(1) For fiscal years 2017 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

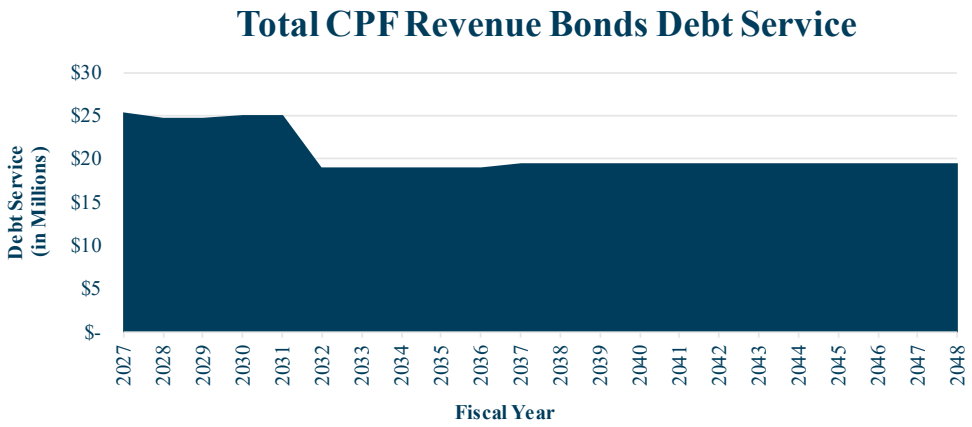
Debt Service Requirements

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)			
2027	$ 9,054	$ 2,678	$ 3,518	$ 7,636	$ 2,466	$ 25,352
2028	-	8,927	3,520	7,636	4,611	24,694
2029	-	9,766	2,688	7,636	4,609	24,699
2030	-	12,804	-	7,636	4,606	25,046
2031	-	8,522	-	7,636	8,893	25,051
2032	-	1,116	-	9,026	8,890	19,032
2033	-	1,121	-	9,026	8,890	19,037
2034	-	1,119	-	9,023	8,892	19,034
2035	-	1,118	-	9,027	8,891	19,036
2036	-	1,121	-	9,021	8,892	19,034
2037	-	8,538	-	10,952	-	19,490
2038	-	8,538	-	10,952	-	19,490
2039	-	8,538	-	10,953	-	19,491
2040	-	8,539	-	10,954	-	19,493
2041	-	-	-	19,489	-	19,489
2042	-	-	-	19,493	-	19,493
2043	-	-	-	19,488	-	19,488
2044	-	-	-	19,490	-	19,490
2045	-	-	-	19,492	-	19,492
2046	-	-	-	19,488	-	19,488
2047	-	-	-	19,487	-	19,487
2048	-	-	-	19,487	-	19,487

*Does not include bonds defeased through refundings.

Debt Service Requirements are shown in the graph below:

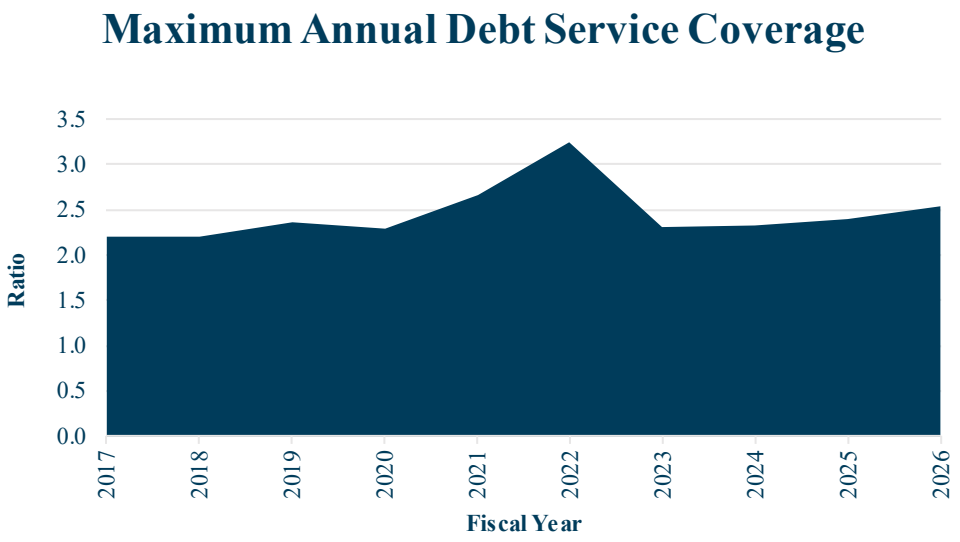


DEBT SERVICE DEPOSIT REQUIREMENTS AND COVERAGE (Continued)

Debt Service Coverage

Coverage of maximum annual debt service on the 2012, 2020, and 2023 Bonds by Commonwealth Port Fund Primary Income for the fiscal year ended June 30, 2026 is shown below:

Commonwealth Port Fund Primary Income for fiscal year ended June 30, 2026 (in thousands)	$	64,328
Maximum Annual Debt Service (fiscal year 2027) (in thousands)	$	25,352
Pro Forma Maximum Annual Debt Service Coverage		2.54



VIRGINIA PORT AUTHORITY **TABLE 4**

AUTHORITY REVENUES AND EXPENSES
Five Year Schedule
(Cash Basis)

	Fiscal Year Ended June 30,				
	2022	2023	2024	2025	2026
	(In Thousands)				
Revenues:					
Special Fund	$ 461,247	$ 425,031	$ 283,873	$ 342,099	$ 289,269
Commonwealth Port Fund	58,388	60,781	57,621	58,956	61,412
General Fund and Other	2,617	273,802	2,613	1,557	490
Total revenues	522,252	759,614	344,107	402,612	351,171
Operating Expenditures:					
Economic Development Services:					
National and international trade services	3,833	2,288	3,763	2,392	2,580
Commerce advertising	20	1	6	660	2
Port Facilities Planning, Maintenance, Acquisition and Construction:					
Maintenance and operation of Port facilities	19,186	12,603	49,105	14,938	17,732
Port facilities planning	12	16	21	70	219
Debt service for Port facilities	44,465	49,797	51,655	50,634	43,464
Financial Assistance for Port Activities:					
Aid to local ports	3,563	1,009	4,080	11,377	1,168
Payment in lieu of taxes	1,544	1,327	869	1,134	1,665
Administration and Support Services:					
General management and direction	25,098	9,243	26,742	27,060	28,198
Facility rental	95,352	103,962	108,230	111,688	137,369
Security services	10,769	11,159	11,305	11,569	12,118
Total operating expenditures	203,842	191,405	255,776	231,522	244,515
Funds available for capital projects	$ 318,410	$ 568,209	$ 88,331	$ 171,090	$ 106,656

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)

	2021	2022	2023	2024	2025
Exports:					
Soybeans and products	1,493,241	1,447,254	1,775,648	1,816,809	1,759,565
Wood pulp	958,101	893,891	755,903	916,093	933,432
Pet and animal feeds	851,644	759,153	875,512	838,318	840,547
Logs and lumber	861,555	811,900	734,468	822,792	704,868
Paper and paperboard	732,025	704,665	808,249	657,999	673,547
Imports:					
Furniture	1,081,909	1,162,725	1,013,622	1,159,368	1,019,163
Plastic products	659,672	703,927	557,787	548,198	545,695
Auto parts	322,047	368,762	430,427	451,824	383,295
Paper and paperboard	292,449	335,321	238,807	318,710	309,301
Granite	165,715	190,110	109,948	241,796	302,372

* 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)

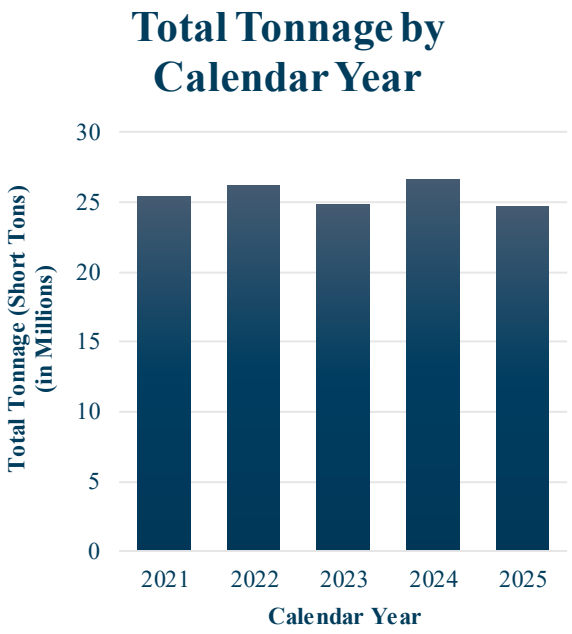
Presented below is information concerning the volume of general cargo handled at all facilities that comprise The Port of Virginia.

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

	2021	2022	2023	2024	2025
Breakbulk	147,686	157,385	124,843	443,779	522,436
Container	25,206,462	25,995,056	24,651,632	26,225,349	24,145,972
Total tons	25,354,148	26,152,441	24,776,475	26,669,128	24,668,408

* 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, 2026

PORT FACILITIES REVENUE BONDS,
SERIES 2025 (Non-AMT)

BASE CUSIP NUMBER: 928077

CONTINUING DISCLOSURE AGREEMENT
ANNUAL REPORT
Fiscal Year Ended June 30, 2026

Port Facilities Revenue Bonds, Series 2025 (Non-AMT)

Table 1	Authority Revenues and Expenses
Table 2	VIT Revenues and Expenses
Table 3	Operating Results and Debt Service Coverage-Resolution No. 16-09 and 25-08
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

VIRGINIA PORT AUTHORITY **TABLE 1**

AUTHORITY REVENUES AND EXPENSES
Five Year Schedule
(Cash Basis)

	Fiscal Year Ended June 30,				
	2022	2023	2024	2025	2026
	(In Thousands)				
Revenues:					
Special Fund	$ 461,247	$ 425,031	$ 283,873	$ 342,099	$ 289,269
Commonwealth Port Fund	58,388	60,781	57,621	58,956	61,412
General Fund and Other	2,617	273,802	2,613	1,557	490
Total revenues	522,252	759,614	344,107	402,612	351,171
Operating Expenditures:					
Economic Development Services:					
National and international trade services	3,833	2,288	3,763	2,392	2,580
Commerce advertising	20	1	6	660	2
Port Facilities Planning, Maintenance, Acquisition and Construction:					
Maintenance and operation of Port facilities	19,186	12,603	49,105	14,938	17,732
Port facilities planning	12	16	21	70	219
Debt service for Port facilities	44,465	49,797	51,655	50,634	43,464
Financial Assistance for Port Activities:					
Aid to local ports	3,563	1,009	4,080	11,377	1,168
Payment in lieu of taxes	1,544	1,327	869	1,134	1,665
Administration and Support Services:					
General management and direction	25,098	9,243	26,742	27,060	28,198
Facility rental	95,352	103,962	108,230	111,688	137,369
Security services	10,769	11,159	11,305	11,569	12,118
Total operating expenditures	203,842	191,405	255,776	231,522	244,515
Funds available for capital projects	$ 318,410	$ 568,209	$ 88,331	$ 171,090	$ 106,656

VIRGINIA INTERNATIONAL TERMINALS, LLC REVENUES AND EXPENSES
Five Year Schedule

	Fiscal Year Ended June 30,				
	2022	2023	2024	2025	2026
	(In Thousands)				
Revenues:					
Operating	$ 873,707	$ 795,951	$ 744,897	$ 833,602	$ 866,521
Nonoperating	424	1,728	2,683	2,250	3,675
Gross revenues	874,131	797,679	747,580	835,852	870,196
Expenses:					
Operating and maintenance expenses	373,152	380,988	388,977	472,158	539,575
Administrative expenses	63,804	73,345	75,290	72,420	71,794
Nonoperating	3,152	5,647	7,607	6,905	6,096
Total expenses	440,108	459,980	471,874	551,483	617,465
Income before transfers[(1)]	$ 434,023	$ 337,699	$ 275,706	$ 284,369	$ 252,731

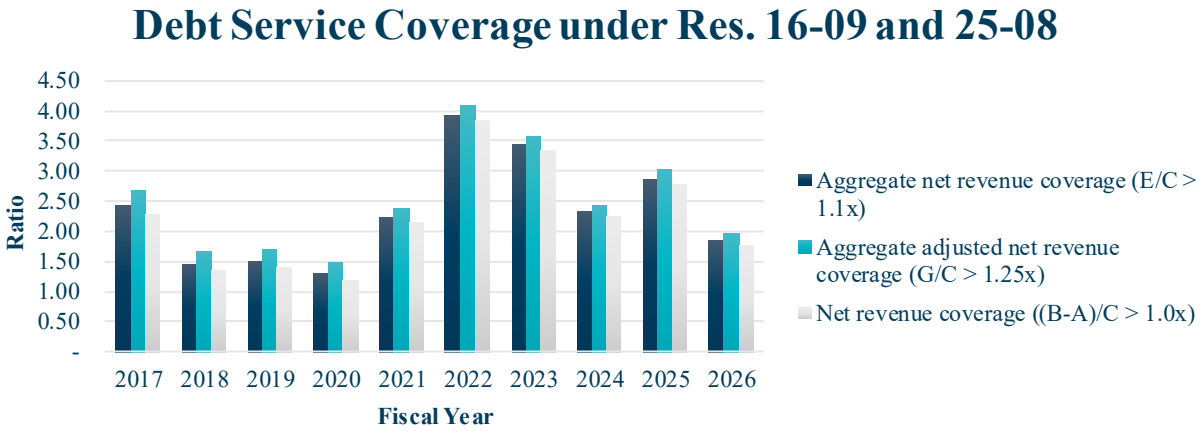
(1) The financial information relative to VIT set forth in this table is computed on an accrual basis. As a result, the amounts set forth in the line item "Income Before Transfers" do not represent net cash transferred by VIT to the Authority. However, such information is a reasonable indication of the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

OPERATING RESULTS AND DEBT SERVICE COVERAGE – Resolution No. 16-09 and 25-08

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	(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	$ 881,342	$ 900,192
VIT/HRCP II current expenses	(350,771)	(421,533)	(419,549)	(416,717)	(403,298)	(471,421)	(474,095)	(489,926)	(558,778)	(647,079)
VIT liquidity reserve withdrawal (deposit)	(2,543)	6,061	(10,031)	(677)	4,745	(721)	(6,649)	(3,023)	(3,321)	(7,973)
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)	(11,218)	(4,616)
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	308,025	240,524
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	308,025	240,524
Other VPA income and interest income	10,037	11,186	15,052	17,247	20,271	21,433	33,789	57,935	64,035	49,990
Total gross revenues	155,526	134,879	168,686	145,387	244,707	445,985	421,004	291,546	372,060	290,514
Current expenses:										
Terminal expenditures	(26,488)	(24,606)	(27,837)	(27,756)	(22,669)	(21,440)	(20,175)	(18,563)	(22,900)	(24,837)
Operating lease payments	(17,429)	(185)	(185)	(185)	(132)	(793)	(902)	(900)	(908)	(948)
Total current expenses	(43,917)	(24,791)	(28,022)	(27,941)	(22,801)	(22,233)	(21,077)	(19,463)	(23,808)	(25,785)
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252	264,729
VPA Commonwealth Port Fund used for O & M **(P)**	7,657	8,162	9,975	10,192	6,097	7,373	6,551	4,744	8,483	5,946
VPA Commonwealth Port Fund used for VIG rent **(Q)**	5,831	9,996	9,996	9,996	9,996	9,996	9,966	9,996	9,996	9,996
Revenue stabilization fund balance	29,082	39,661	39,973	40,116	39,933	39,338	39,899	40,000	40,000	34,947
25% of revenue stabilization fund balance **(D)**	7,271	9,915	9,993	10,029	9,983	9,835	9,975	10,000	10,000	8,737
Net revenue (B)	111,609	110,088	140,664	117,446	221,906	423,752	399,927	272,083	348,252	264,729
Aggregate net revenue **(E)** (E = B + D - A)	126,459	131,049	157,113	138,566	240,082	442,654	415,997	290,875	369,470	278,082
Adjusted net revenue **(F)** (F = B + P + Q)	125,097	128,246	160,635	137,634	237,999	441,121	416,444	286,823	366,731	280,671
Aggregate adjusted net revenue **(G)** (G = F + D - A)	139,947	149,207	177,084	158,754	256,175	460,023	432,514	305,615	387,949	294,024
DEBT SERVICE COVERAGE										
Senior debt service:										
Senior obligations	42,578	72,795	87,818	90,299	90,092	95,352	103,962	108,121	111,688	137,369
Series 2016 Bonds principal and interest requirements	9,614	17,537	17,504	17,068	17,414	17,387	17,211	17,119	17,024	-
Series 2025 Bonds principal and interest requirements	-	-	-	-	-	-	-	-	-	13,886
Aggregate principal and interest requirements (C)	$ 52,192	$ 90,332	$ 105,322	$ 107,367	$ 107,506	$ 112,739	$ 121,173	$ 125,240	$ 128,712	$ 151,255

Debt Service Coverage	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025	Actual 2026
Aggregate net revenue coverage (E/C > 1.1x)	2.42	1.45	1.49	1.29	2.23	3.93	3.43	2.32	2.87	1.84
Aggregate adjusted net revenue coverage (G/C > 1.25x)	2.68	1.65	1.68	1.48	2.38	4.08	3.57	2.44	3.01	1.94
Net revenue coverage ((B-A)/C > 1.0x)	2.28	1.34	1.40	1.20	2.14	3.84	3.35	2.24	2.79	1.78

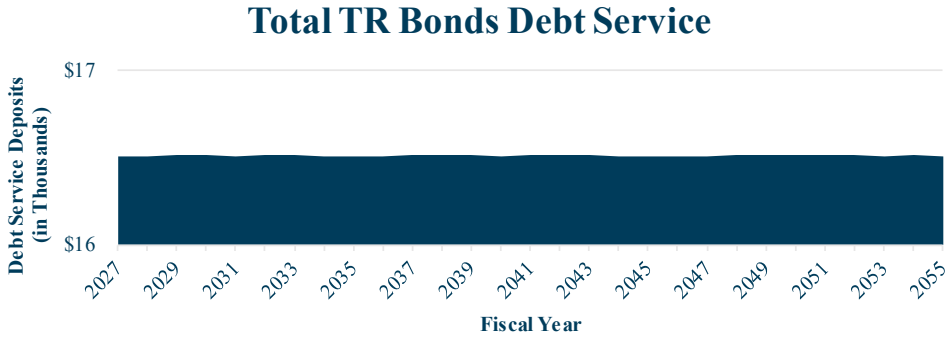
Source: VIT accrual basis financial statements for the indicated fiscal years.



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 Bonds, Series 2025.

Period Ending June 30,	Series 2025 Debt Service	Total Debt Service
	(In Thousands)	
2027	$ 16,508	$ 16,508
2028	16,507	16,507
2029	16,512	16,512
2030	16,511	16,511
2031	16,509	16,509
2032	16,511	16,511
2033	16,511	16,511
2034	16,508	16,508
2035	16,508	16,508
2036	16,509	16,509
2037	16,510	16,510
2038	16,511	16,511
2039	16,511	16,511
2040	16,509	16,509
2041	16,510	16,510
2042	16,512	16,512
2043	16,510	16,510
2044	16,507	16,507
2045	16,509	16,509
2046	16,507	16,507
2047	16,508	16,508
2048	16,511	16,511
2049	16,510	16,510
2050	16,510	16,510
2051	16,512	16,512
2052	16,511	16,511
2053	16,509	16,509
2054	16,511	16,511
2055	16,507	16,507



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)

	2021	2022	2023	2024	2025
Exports:					
Soybeans and products	1,493,241	1,447,254	1,775,648	1,816,809	1,759,565
Wood pulp	958,101	893,891	755,903	916,093	933,432
Pet and animal feeds	851,644	759,153	875,512	838,318	840,547
Logs and lumber	861,555	811,900	734,468	822,792	704,868
Paper and paperboard	732,025	704,665	808,249	657,999	673,547
Imports:					
Furniture	1,081,909	1,162,725	1,013,622	1,159,368	1,019,163
Plastic products	659,672	703,927	557,787	548,198	545,695
Auto parts	322,047	368,762	430,427	451,824	383,295
Paper and paperboard	292,449	335,321	238,807	318,710	309,301
Granite	165,715	190,110	109,948	241,796	302,372

* 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)

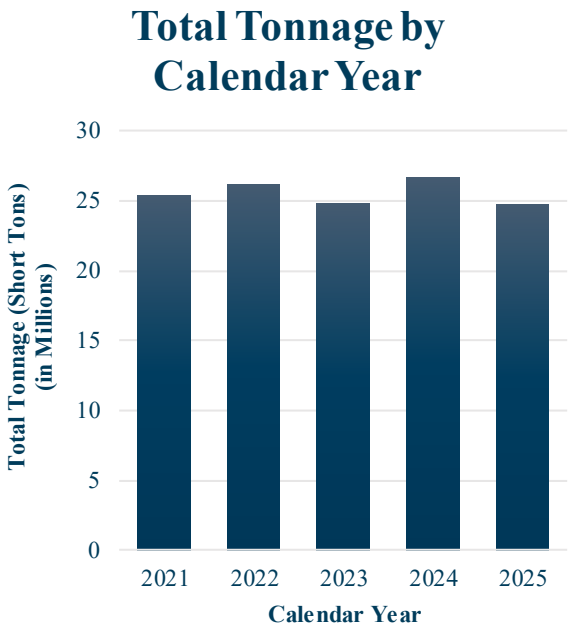
Presented below is information concerning the volume of general cargo handled at all facilities that comprise The Port of Virginia.

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

	2021	2022	2023	2024	2025
Breakbulk	147,686	157,385	124,843	443,779	522,436
Container	25,206,462	25,995,056	24,651,632	26,225,349	24,145,972
Total tons	25,354,148	26,152,441	24,776,475	26,669,128	24,668,408

* 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



CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended June 30,									
	2017 Restated[1]	2018	2019	2020	2021	2022[2]	2023	2024	2025[2]	2026[2]
Operating revenues:										
Terminal operating revenues	$ 478,261	$ 522,069	$ 551,236	$ 496,258	$ 619,580	$ 873,982	$ 796,269	$ 745,476	$ 834,229	$ 867,239
Other revenues	10,102	10,445	11,186	10,946	13,120	19,064	16,996	21,450	19,175	22,262
Operating revenues - grants, federal and state	2,114	5,534	5,198	5,704	5,915	4,105	1,501	1,509	1,130	786
Total operating revenues	490,477	538,048	567,620	512,908	638,615	897,151	814,766	768,435	854,534	890,287
Operating expenses:										
Terminal operations	218,813	247,513	251,470	217,208	231,239	261,743	253,075	263,594	323,720	377,331
Terminal maintenance	95,372	105,779	109,629	112,559	107,388	120,784	134,022	131,656	156,481	171,193
General and administrative	48,818	50,937	54,632	58,046	58,742	54,595	55,592	57,513	58,227	55,775
Facility rental	17,429	396	1,451	1,682	293	(13)	4,573	5,163	5,079	-
Depreciation and amortization	74,406	84,271	86,940	103,839	121,836	191,988	198,897	197,238	203,551	218,695
Total operating expenses	454,838	488,896	504,122	493,334	519,498	629,097	646,159	655,164	747,058	822,994
Operating income	35,639	49,152	63,498	19,574	119,117	268,054	168,607	113,271	107,476	67,293
Noncapital subsidies:										
Commonwealth Port Fund allocation	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298	60,575
Other noncapital subsidies	-	-	-	-	-	-	-	-	-	145
Total noncapital subsidies	41,469	41,126	43,051	41,922	48,778	57,821	60,051	56,556	59,298	60,720
Operating income (loss) and noncapital subsidies	77,108	90,278	106,549	61,496	167,895	325,875	228,658	169,827	166,774	128,013
Other nonoperating revenues (expenses):										
Investment income (loss), net	920	1,368	4,053	6,177	1,075	(1,880)	24,678	53,600	57,249	31,467
Interest expense	(88,233)	(125,369)	(123,516)	(125,264)	(124,144)	(174,152)	(176,706)	(186,772)	(187,278)	(218,310)
Revenue from federal sources	11,988	786	7,490	3,152	7,158	5,877	25,821	18,210	19,200	47,152
Revenue from state sources	6,791	3,265	3,345	2,725	3,453	8,520	43,717	42,091	126,818	80,860
Revenue from private sources	-	-	-	-	-	5,567	66,026	108,605	48,166	874
Expenses incurred on behalf of other governments	(845)	(984)	(3,224)	(17,402)	(54,144)	(23,335)	(66,366)	(70,680)	(54,694)	(5,782)
Proceeds from primary government	84,661	54,261	97,656	114,049	65,943	21,282	76,086	65,444	40,981	1,266
Other expenses	(4,977)	(2,486)	(3,665)	(3,418)	(4,355)	(5,090)	(2,802)	(7,206)	(15,409)	(10,996)
Gain (loss) on disposals	(21)	(1,769)	744	271	372	480	(277)	(1,670)	(4,129)	(1,201)
Income before cumulative effect of changes in accounting principle	87,392	19,350	89,432	41,786	63,253	163,144	218,835	191,449	197,678	53,343
Cumulative effect of changes in accounting principle	7	-	-	-	-	233,086	-	-	(2,910)	-
Increase in net position	87,399	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768	53,343
Special item - lease conversion	13,277	-	-	-	-	-	-	-	-	550,587
Increase in net position after special item	100,676	19,350	89,432	41,786	63,253	396,230	218,835	191,449	194,768	603,930
Net position - beginning of year	522,996	623,672	643,022	732,454	774,240	837,493	1,233,723	1,452,558	1,644,007	1,838,775
Net position - end of year	$ 623,672	$ 643,022	$ 732,454	$ 774,240	$ 837,493	$ 1,233,723	$ 1,452,558	$ 1,644,007	$ 1,838,775	$ 2,442,705

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

(2) The Authority adopted GASB Statement No. 87, *Leases*, in fiscal year 2022, Statement No. 101, *Compensated Absences*, in fiscal year 2025 and Statement No. 103, *Financial Reporting Model Improvements*, in fiscal year 2026.



VIRGINIA PORT AUTHORITY

600 World Trade Center
Norfolk, VA 23510

Fiscal Year 2026 marked a record year for VIT Stevedoring, with more than 1.2 million container lifts, the highest annual total in its history. The company also achieved its strongest productivity performance on record at 33.1 Adjusted Moves per Hour and its lowest-ever Lost Work Day Rate of 0.72.

VIRGINIA PORT AUTHORITY

COMPLIANCE REPORT

YEAR ENDED JUNE 30, 2026

PBMares SM

ASSURANCE, TAX & ADVISORY SERVICES

VIRGINIA PORT AUTHORITY

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Abigail Spanberger
Governor of Virginia

The Honorable Mamie E. Locke
Chair, Joint Legislative Audit
and Review Commission

The Board of Commissioners
Virginia Port Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America; 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, 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, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
September 15, 2026