Richmond, Virginia

Annual Comprehensive Financial Report of the Virginia Resources Authority

A Component Unit of the Commonwealth of Virginia

Year Ended June 30, 2022

Virginia Resources Authority

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Year Ended June 30, 2022

Prepared by the Finance and Administration Division:

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Crystal Woodson, Staff Accountant

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INTRODUCTORY SECTION

VRA Virginia Resources Authority

Shawn B. Crumlish
Executive Director

September 13, 2022

Board of Directors
Virginia Resources Authority
1111 East Main Street, Suite 1920
Richmond, VA 23219

Dear Board Members:

In accordance with the requirements set forth in Section 62.1-222 of the Code of Virginia, as amended, I am pleased to present the fiscal year 2022 financial statements of the Virginia Resources Authority ("VRA", "Authority"). The statute requires the Authority to publish, at the close of each fiscal year, a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with Government Auditing Standards generally accepted in the United States of America.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

The fiscal year ended June 30, 2022 was audited by CliftonLarsonAllen LLP, a licensed certified public accounting firm. I am pleased to report that as a result of an audit of the Authority's financial records and transactions of all funds, CliftonLarsonAllen has issued an unmodified opinion on the Authority's financial statements for the year ended June 30, 2022.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

VRA Profile

VRA was established in 1984 as a public body corporate and as a political subdivision of the Commonwealth of Virginia pursuant to the Virginia Resources Authority Act (Chapter 21 of Title 62.1 of the Code of Virginia, as amended). VRA is governed by an eleven-member Board of Directors, appointed by the Governor. Members include four state agency representatives, including the State Treasurer, whose agencies, along with VRA, co-manage specific loan funds. VRA's Executive Director, also appointed by the Governor, administers, manages, and directs the affairs of the Authority, subject to the policies, control, and direction of its Board of Directors.

VRA was established to provide an additional source of funding for local infrastructure projects. Initially providing financing for local water and wastewater projects, projects eligible for VRA financing have increased over the years to 18 distinct project types. These project areas reflect the capital improvement priorities of local governments and priority areas identified by Virginia's Governors and Legislature to improve the health, safety, and general welfare of Virginia's counties, cities and towns.

VRA Financing Programs

VRA's Virginia Pooled Financing Program (VPFP) is available to Virginia counties, cities, towns, and other political subdivisions requiring financing for any one of the designated project areas eligible for VRA financing. Authorized project areas include water, sewer, transportation, public safety, energy, local government buildings, parks and recreational facilities, administrative and operations systems, and a variety of other capital improvement projects. VPFP borrowers realize savings from VRA's unique state credit enhancements based in part on the Commonwealth's moral obligation, shared expenses, and a straightforward and customer-friendly loan process. VRA's high credit rating, a natural "AAA" for the senior bonds and "AA" for the subordinate bonds, results in favorable access to the capital markets for Virginia localities without the need for additional credit enhancements.

In addition to the VPFP, the Authority currently serves as co-manager of state capitalized loan/grant funds: Virginia Water Facilities Revolving Fund (VWFRF), Virginia Water Supply Revolving Fund (VWSRF), the Virginia Airports Revolving Fund (VARF), Virginia Dam Safety and Flood Prevention and Protection Fund (VDSFPPF), Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (VBAF), Virginia Tobacco Region Revolving Fund (VTRRF), Virginia Tobacco Community and Business Lending Program (VTCBLP) and the Community Flood Prevention Fund (CFPF).

Two funds, the VWFRF and the VWSRF, receive capitalization grants each year from the U.S. Environmental Protection Agency, which includes a state match requirement from the Commonwealth. The VARF, VDSFPPF, and VBAF are solely capitalized by appropriations from the Commonwealth. The VWFRF, VWSRF, VARF, and VDSFP operate as revolving loan funds with the initial capitalization monies invested and, along with the investment earnings and loan repayments, are then loaned to qualified borrowers for eligible projects. The VBAF solely issues grants for eligible projects.

The Virginia Transportation Infrastructure Bank (VTIB) was created in 2011 to finance the design and construction of roads and highways, including toll facilities, mass transit, freight, passenger and commuter rail, including rolling stock, port, airport and other transportation facilities. VRA is the manager of VTIB and performs certain duties under an agreement with the Commonwealth Transportation Board and the Secretary of Finance.

Economic Information

The Commonwealth of Virginia closed fiscal year 2022, which ended on June 30, with positive general fund revenue growth over the last year. Preliminary figures indicate that the Commonwealth concluded fiscal year 2022 with 16.3% growth in general fund revenue collections, approximately $1.9 billion above the official forecast. All major general fund revenue sources exceeded their forecasts, with non-withholding taxes 30.5% ahead of expectations. Payroll withholding and sales tax collections, 69% of total revenues, and the best indicator of current economic activity in the Commonwealth, finished $193.5 million or 1.0% ahead of the forecast.

FY2022 Accomplishments

Staff efforts along with those of state agency and private sector partners resulted in many successes and opportunities during FY2022. The Authority took full advantage of market conditions to deliver cost-effective financing to all regions of the Commonwealth. With the support and guidance of the Board of Directors and Executive Director, the Authority delivered value to local government borrowers through its Virginia Pooled Financing Program (VPFP) and through other loan programs it administers for state agencies.

Major accomplishments for the Authority during FY2022 include:

- Maintaining outstanding credit ratings – VRA has consistently maintained high investment grade credit ratings for each of its rated financial programs
- Sustaining a record of no payment defaults in bond programs
- Monitoring borrowers exhibiting financial stress and concerns
- Financing investments of 252 new loans and grants totaling $623.5 million for 160 different entities through VRA programs
- Facilitating refunding opportunities for net present value debt service savings of $7.4 million through the Virginia Pooled Financing Program for 16 localities
- Transferring approximately $2.1 million to reserves

Additional FY2022 accomplishments for the Authority include:

- Assisting state agency partners in successfully managing their loan and grant programs
    - Department of Environmental Quality – $303.4 million for 72 loans
    - Department of Health – $11.9 million for 13 loans
    - Department of Aviation – $8.0 million for 2 loans
    - Department of Conservation & Recreation – $33.0 million for 106 grants
    - Virginia Economic Development Partnership – $2.1 million for 26 grants
- Maintaining qualified staff through professional and career development training initiatives
- Achieving the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the FY2021 Annual Comprehensive Financial Report (ACFR)

FY2022 Financial Results

VRA ended the fiscal year with assets and deferred outflows of $5.4 billion, a 1.9% increase over the prior year. With assets and deferred outflows exceeding liabilities and deferred inflows by $2.0 billion, VRA's net position increased 6.7%. Approximately 98.6% of total net position is restricted for making loans and grants through the various loan programs administered by VRA. Operating revenues ($101.7 million) decreased while operating expenses ($139.4 million) increased during the fiscal year because of loan disbursement and repayment activity. Overall, VRA's financial position remains strong at the conclusion of fiscal year 2022.

Long-term Financial Planning

VRA works with its agency partners to project program demand. For the Virginia Water Facilities Revolving Fund and Virginia Water Supply Revolving Fund, VRA utilizes a long-term financial model to determine lending capacity under various scenarios. The models are updated at least annually. Ongoing communications with agency partners helps ensure effective planning.

VRA continues its practice of completing a five-year budget projection using certain assumptions for growth and project volume. Each year the assumptions are updated and the projection is revised accordingly.

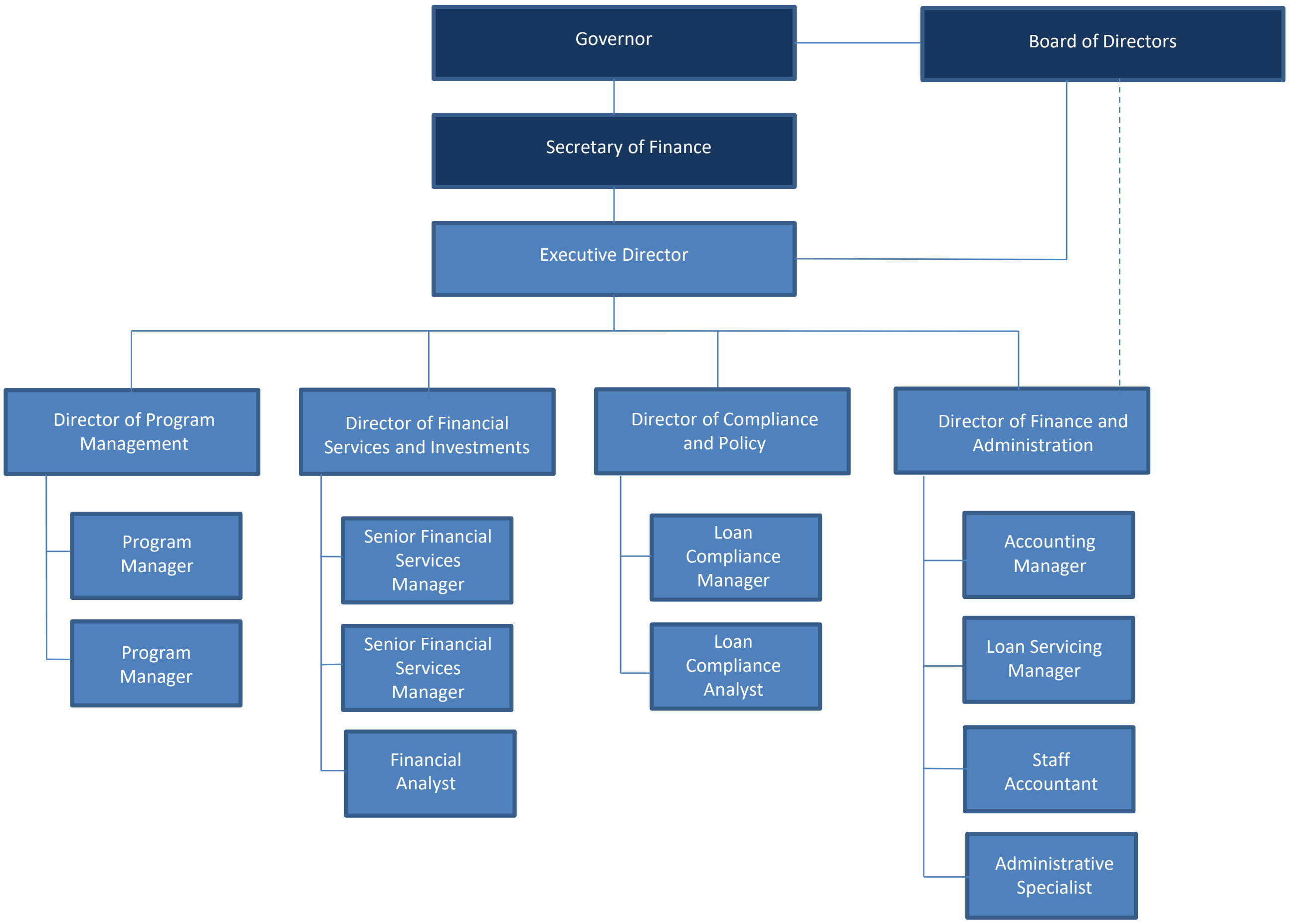
Acknowledgments

Finally, completion of the Authority’s fiscal year 2022 ACFR would not have been possible without the Authority’s knowledgeable and dedicated team of professionals. A special note of gratitude goes to the Authority’s personnel who assisted in this effort. I would also like to extend our thanks to the Authority’s Board of Directors for their continuing support in planning and conducting the financial operations of the Virginia Resources Authority in a responsible manner.

Sincerely,

Shawn B. Crumlish
Executive Director

Virginia Resources Authority
Organizational Structure
June 30, 2022



Virginia Resources Authority
Directory of Principal Officials
June 30, 2022

Board of Directors

Cecil “Rhu” Harris, Jr., Chairman

Cynthia V. Bailey

David J. Branscome

Mary B. Bunting

Barbara McCarthy Donnellan

Bill Kittrell

Dr. Charlette T. Woolridge

Ex-Officio Board Members

Greg Campbell
Director of the Department of Aviation

Michael Rolband
Director of the Department of Environmental Quality

David Richardson
Treasurer of Virginia

Dr. Colin Greene
State Health Commissioner

Administrative Officials

Shawn B. Crumlish, Executive Director

Joe Bergeron, Director of Financial Services and Investments

Peter D’Alema, Director of Program Management

Curtis Doughtie, Director of Finance and Administration

Stephanie Jones, Director of Compliance and Policy

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Virginia Resources Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Board of Directors
Virginia Resources Authority
Richmond, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Virginia Resources Authority (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Resources Authority, as of June 30, 2022, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis budgetary comparison information 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining fund financial schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are 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 accompanying 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 report. The other information comprises introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2022, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
August 26, 2022

This section presents management's discussion and analysis of the financial performance of the Virginia Resources Authority ("Authority") during the fiscal year ended June 30, 2022. This section should be read in conjunction with the transmittal letter in the introductory section of this report and the Authority's basic financial statements, which immediately follow this section.

Financial Highlights

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the fiscal year by $2.0 billion (net position), an increase of $126.0 million or 6.7%. The increase in net position is primarily due to lending and repayment activity during the fiscal year.

Operating revenues of $101.7 million decreased 24.5% primarily due to unrealized market value losses on investments. Operating expenses of $139.4 million increased 10.3% primarily due to lower interest expense offset by a higher volume of grant and principal forgiveness financing.

Overview of the Financial Statements

The financial section of this report consists of management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, required supplementary information and supplementary information.

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information and a section of other statistical information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Position. All assets, liabilities, and net position associated with the operation of the Authority are included in the Statement of Net Position. Net position – the difference between assets plus deferred outflows minus deferred inflows plus liabilities – is one way to measure the Authority's financial health or position.

The current fiscal year revenues and expenses of the Authority are accounted for in the Statement of Revenues, Expenses and Changes in Net Position which measures whether the Authority successfully recovered its costs through interest on loans, investment earnings, fees, and contributions from other governments. The Statement of Cash Flows provides information on the Authority's cash receipts, payments, and net changes in cash while providing insight into the source, use, and change in cash for the reporting period. Notes to the financial statements provide additional information that is essential to understanding data in the financial statements.

This report also includes other information, in addition to the basic financial statements and accompanying notes to the financial statements. Required supplementary information concerning the Authority's progress in funding its obligation to provide pension and OPEB benefits to employees is separately presented. Supplementary information that further explains and supports information in the basic financial statements immediately follows the notes. Combining schedules provide information for the Authority's separate programs.

The compliance section is required under provisions of Title 2 of the U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

Federal Awards; and includes auditor reports on compliance and internal controls. The Schedule of Expenditures of Federal Awards provides detail of Federal assistance, followed by explanatory notes.

Overall Financial Position Analysis

The following table presents a summary of the Authority's financial position for fiscal years 2022 and 2021, followed by a description of significant changes:

	FY2022	FY2021	$ Change	% Change
Assets				
Cash and cash equivalents	$ 339,685,625	$ 480,769,193	$ (141,083,568)	-29.3%
Investments - current	55,227,197	39,956,863	15,270,334	38.2%
Loans receivable - current	313,322,927	306,668,844	6,654,083	2.2%
Other current assets	40,533,291	37,139,015	3,394,276	9.1%
Investments - noncurrent	511,842,996	445,788,129	66,054,867	14.8%
Loans receivable - noncurrent	4,137,303,270	3,981,584,006	155,719,264	3.9%
Capital assets, net	1,389,970	149,468	1,240,502	829.9%
Other noncurrent assets	530,486	-	530,486	0.0%
Total assets	5,399,835,762	5,292,055,518	107,780,244	2.0%
Deferred outflows of resources	40,129,493	46,857,123	(6,727,630)	-14.4%
Total assets and deferred outflows of resources	5,439,965,255	5,338,912,641	101,052,614	1.9%
Liabilities				
Bonds and loans payable - current	229,151,576	229,793,907	(642,331)	-0.3%
Accrued interest	21,727,458	22,830,244	(1,102,786)	-4.8%
Other current liabilities	6,315,714	3,228,207	3,087,507	95.6%
Bonds and loans payable - noncurrent	3,145,886,913	3,167,335,562	(21,448,649)	-0.7%
Noncurrent liabilities	1,401,951	3,615,826	(2,213,875)	-61.2%
Total liabilities	3,404,483,612	3,426,803,746	(22,320,134)	-0.7%
Deferred inflows of resources	32,134,285	34,760,091	(2,625,806)	-7.6%
Net position (deficit)				
Investment in capital assets	38,483	149,468	(110,985)	-74.3%
Restricted	1,975,917,920	1,850,957,162	124,960,758	6.8%
Unrestricted	27,390,955	26,242,174	1,148,781	4.4%
Total net position	2,003,347,358	1,877,348,804	125,998,554	6.7%
Total liabilities, deferred inflows of resources, and net position	$ 5,439,965,255	$ 5,338,912,641	$ 101,052,614	1.9%

Total assets increased primarily due to an increase in loan receivables, along with a decrease in cash and cash equivalents and an increase in investments. Loans receivables increased as a result of lending and repayment activity during the fiscal year. The decrease in total liabilities was driven by a decrease to bonds payable.

Overall Revenue and Expense Analysis

The following table presents a summary of the Authority's revenues, expenses, and change in net position for fiscal years 2022 and 2021, followed by a description of significant changes:

	FY2022	FY2021	$ Change	% Change
Operating Revenues				
Interest on loans	$ 96,236,754	$ 98,769,062	$ (2,532,308)	-2.6%
Investment income	(6,313,784)	22,369,534	(28,683,318)	-128.2%
Bond administration fees	3,223,714	3,218,818	4,896	0.2%
Loan administration fees	2,818,983	2,568,850	250,133	9.7%
Loan originiation revenue	5,175,667	4,439,595	736,072	16.6%
Gain on early extinguishment of bonds	539,549	2,236,940	(1,697,391)	-75.9%
Gain on early extinguishment of loans	-	923,712	(923,712)	-100.0%
Other income	171	229,927	(229,756)	-99.9%
Total operating revenues	101,681,054	134,756,438	(33,075,384)	-24.5%
Operating Expenses				
Interest on bonds and loans	95,188,553	105,810,413	(10,621,860)	-10.0%
Bond issuance costs	4,743,241	4,816,216	(72,975)	-1.5%
Grants to local governments	26,163,464	3,635,042	22,528,422	619.8%
Principal forgiveness loans to local governments	9,095,395	7,187,048	1,908,347	26.6%
Loss on early extinguishment of loans	328,543	1,027,360	(698,817)	-68.0%
Personnel services	1,897,470	2,194,924	(297,454)	-13.6%
General operating	1,023,368	988,112	35,256	3.6%
Contractual services	930,172	665,826	264,346	39.7%
Total operating expenses	139,370,206	126,324,941	13,045,265	10.3%
Operating income (loss)	(37,689,152)	8,431,497	(46,120,649)	547.0%
Nonoperating revenues				
Contributions from other governments	171,924,710	92,418,761	79,505,949	86.0%
Federal interest subisidy	1,090,540	1,129,764	(39,224)	-3.5%
Total nonoperating revenue	173,015,250	93,548,525	79,466,725	84.9%
Nonoperating expenses				
Contributions to other governments	8,264,450	1,086,431	7,178,019	660.7%
Federal interest subisidy passthrough	1,063,094	1,102,822	(39,728)	-3.6%
Total nonoperating expense	9,327,544	2,189,253	7,138,291	326.1%
Change in net position	125,998,554	99,790,769	26,207,785	26.3%
Beginning net position	1,877,348,804	1,777,558,035	99,790,769	5.6%
Ending net position	$ 2,003,347,358	$ 1,877,348,804	$ 125,998,554	6.7%

At the end of fiscal year 2022, net position increased 6.7% to $2.0 billion. Operating revenues decreased primarily due to unrealized losses on investments. Operating expenses decreased primarily due to lower interest expense offset by a higher volume of grant and principal forgiveness financing. The Authority typically shows an operating loss as several loan programs are supported by grant funding, which is presented as a non-operating revenue.

Debt Administration
As a financing entity, the Authority's purpose and objective is to issue and administer debt on behalf of other entities. The Authority issues bonds to finance infrastructure projects approved by the local governing bodies of counties, cities, towns, and service authorities of the Commonwealth of Virginia. Depending upon the program, all of the Authority's bonds are secured by either: (a) a pledge of the full faith and credit of the municipality, (b) a pledge of certain revenues of the municipality and funds and accounts established under the applicable bond resolution or indenture, and/or (c) a lease.

The Authority obtains bond ratings from one or more of the following: Moody's Investor Service (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch). The Authority, to date, has achieved an investment grade of "AA" or better on all bond issues. All Virginia Water Facilities Revolving Fund (VWFRF) leveraged issues have obtained a AAA rating from all three agencies. Under the senior/subordinate structure in the Virginia Pooled Financing Program, the senior portion of the structure (70%) has been rated "AAA" and the subordinate portion (30%) has been rated "AA." Ratings were affirmed on subsequent issues and ratings surveillances conducted in the last fiscal year.

See Note 6 for additional information on bonds payable.

Requests for Information
This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance and Administration, Virginia Resources Authority, 1111 E. Main Street, Suite 1920, Richmond, VA 23219, or telephone (804) 644-3100. Additional information is also available on the Authority's website at www.virginiaresources.org

Virginia Resources Authority
Statement of Net Position
June 30, 2022

Assets		
Current assets:		
Cash	$	17,025,067
Cash equivalents (Note 3)		322,660,558
Investments (Note 3)		55,227,197
Loans receivable, net of allowance (Note 4)		313,322,927
Receivables:		
Investment interest		2,109,494
Loan interest		31,900,606
Loan administrative fees		1,895,062
Federal funds		2,496,890
Other		2,039,466
Other assets		91,773
Total current assets		748,769,040
Noncurrent assets:		
Investments (Note 3)		511,842,996
Loans receivable, net of allowance (Note 4)		4,137,303,270
Capital assets, net of accumulated depreciation (Note 5)		1,389,970
Net pension asset (Note 10)		530,486
Total noncurrent assets		4,651,066,722
Total assets		5,399,835,762
Deferred Outflows of Resources		
Deferred outflows related to pensions (Note 10)		222,028
Deferred outflows related to OPEB (Notes 11 and 12)		28,959
Deferred loss on refunding (Note 6)		39,878,506
Total deferred outflows of resources		40,129,493
Total assets and deferred outflows of resources	$	5,439,965,255
Liabilities		
Current liabilities:		
Bonds payable, current (Note 6)		229,151,576
Accrued interest payable		21,727,458
Agency funds		4,548,984
Accounts payable and other liabilities (Note 8)		1,766,730
Total current liabilities		257,194,748
Noncurrent liabilities:		
Net OPEB liability (Notes 11 and 12)		216,543
Bonds payable, net of current portion (Note 6)		3,145,886,913
Other accrued liabilities (Note 8)		1,185,408
Total noncurrent liabilities		3,147,288,864
Total liabilities		3,404,483,612
Deferred Inflows of Resources		
Deferred inflows related to pensions (Note 10)		400,642
Deferred inflows related to OPEB (Notes 11 and 12)		37,598
Deferred gain from localities on refunding (Note 6)		31,696,045
Total deferred inflows of resources		32,134,285
Total liabilities and deferred inflows of resources		3,436,617,897
Net position		
Investment in capital assets		38,483
Restricted (Note 7)		
Loan programs		1,968,102,592
Operating reserve		7,815,328
Unrestricted		27,390,955
Total net position		2,003,347,358
Total liabilities, deferred inflows of resources, and net position	$	5,439,965,255

The accompanying notes to the financial statements are an integral part of this financial statement.

Virginia Resources Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

Operating revenues		
Interest on loans	$	96,236,754
Investment income		(6,313,784)
Bond administrative fees		3,223,714
Loan administrative fees		2,818,983
Loan origination revenue		5,175,667
Gain on early extinguishment of bonds		539,549
Other income		171
Total operating revenues		101,681,054
Operating expenses		
Interest on bonds and loans		95,188,553
Bond issuance costs		4,743,241
Grants to local governments		26,163,464
Principal forgiveness loans to local governments		9,095,395
Loss on early extinguishment of loans		328,543
Personnel services		1,897,470
General operating		1,023,368
Contractual services		930,172
Total operating expenses		139,370,206
Operating income		(37,689,152)
Nonoperating revenues		
Contributions from other governments (Note 9)		171,924,710
Federal interest subsidy		1,090,540
Total nonoperating revenues		173,015,250
Nonoperating expenses		
Contributions to other governments		8,264,450
Federal interest subsidy pass-through		1,063,094
Total nonoperating expenses		9,327,544
Change in net position		125,998,554
Net position - beginning		1,877,348,804
Net position - ending	$	2,003,347,358

The accompanying notes to the financial statements are an integral part of this financial statement.

Virginia Resources Authority
Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities		
Loan disbursements to localities	$	(549,538,896)
Principal repayments from localities on loans		349,808,818
Interest received on loans		123,609,808
Loan origination fees received		5,175,667
Bond administrative fees received		3,205,381
Loan administrative fees received		2,521,448
Cash received from other income		171
Cash payments for salaries and benefits		(2,039,374)
Cash payments for general operating expenses		(892,958)
Cash payments for contractual services		(825,057)
Cash payments for operating grants		(26,163,464)
Cash payments for principal forgiveness loans to local governments		(9,095,395)
Interest paid on bonds and loans		(129,305,199)
Agency funds disbursed		(997,549)
Net cash used in operating activities		(234,536,599)
Cash flows from noncapital financing activities		
Proceeds from sale of bonds		308,890,379
Bond issuance costs		(4,743,241)
Principal paid on bonds and loans		(291,045,000)
Arbitrage rebate		(3,272,705)
Proceeds from Federal interest subsidy		1,090,540
Cash payments to localities for Federal interest subsidy		(1,063,094)
Agency funds received		4,000,000
Contributions from other governments		169,900,409
Contributions to other governments		(2,614,450)
Net cash provided by noncapital financing activities		181,142,838
Cash flows from investing activities		
Purchase of investments		(282,596,495)
Proceeds from sales or maturities of investments		185,929,874
Interest received on investments - net		9,119,992
Net cash provided by investing activities		(87,546,629)
Net increase in cash and cash equivalents		(141,083,568)
Cash and cash equivalents - July 1		480,769,193
Cash and cash equivalents - June 30	$	339,685,625
Reconciliation to the Statement of Net Position		
Cash	$	17,025,067
Cash equivalents		322,660,558
	$	339,685,625

The accompanying notes to the financial statements are an integral part of this financial statement.

Virginia Resources Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2022

Reconciliation of operating income to net cash used in operating activities		
Operating income	$	(37,689,152)
Depreciation and amortization expense		226,666
Pension expense		30,708
Current year pension contributions subsequent to the measurement date		(87,981)
OPEB expense		(18,163)
Current year OPEB contributions subsequent to the measurement date		(9,575)
Interest on investments		6,389,750
Gain on early extinguishment of loans		251,065
Loss on early extinguishment of bonds		(462,071)
Bond issuance costs		4,743,241
Interest, amortization and accretion - net		(8,708,310)
Effect of changes in operating assets and liabilities:		
Loans receivable		(199,504,728)
Loan interest receivable		(1,134,404)
Loan administrative fee receivable		(315,868)
Other assets		68,164
Deferred charges		2,819,054
Accounts payable and other liabilities		(1,134,995)
Net cash used in operating activities	$	(234,536,599)
Schedule of non-cash activities		
Change in fair value of assets	$	(12,369,242)

The accompanying notes to the financial statements are an integral part of this financial statement.

Note 1 – Organization and Nature of Activities

The Virginia Resources Authority (Authority or VRA) was created in 1984 by an Act of the General Assembly of the Commonwealth of Virginia. The Authority encourages the investment of both public and private funds and is authorized to make loans and grants available to local governments to finance such projects as water, sewer, storm drainage, solid waste disposal, federal facilities, public safety, aviation, brownfield remediation, transportation, Chesapeake Bay cleanup, dam safety, land conservation and preservation, local government buildings, energy, parks and recreation facilities, and broadband. Subsequent General Assembly legislation added projects for administrative and operations systems and site acquisition and development for economic and community development. The Authority's enabling legislation states that the bonds issued by the Authority do not constitute a debt or pledge of the full faith and credit of the Commonwealth of Virginia (Commonwealth) or any political subdivision thereof, other than the Authority. The bonds are payable solely from the revenue, money, or property of the Authority pledged thereon. The Authority is, however, empowered to issue bonds secured by the moral obligation of the Commonwealth, of which a maximum of $1.5 billion may be outstanding at any time.

The Authority is governed by a Board of Directors consisting of eleven members. Seven members are appointed to four-year terms by the Governor, subject to confirmation by the General Assembly. Other members consist of the State Treasurer, the State Health Commissioner, the Director of the Department of Environmental Quality, and the Director of the Department of Aviation. The Governor appoints the Chairman of the Board. The Governor also appoints the Executive Director of the Authority, who reports to but is not a member of the Board of Directors. The Executive Director serves as the ex-officio secretary of the Board of Directors and administers, manages and directs the affairs and activities of the Authority, in accordance with the policies and under the control and direction of the Board of Directors.

For financial reporting purposes, the Authority is a component unit of the Commonwealth. The accounts of the Authority, along with other similar types of funds, are included as a discretely presented component unit of the Commonwealth. The financial statements of the Authority include the activities of the Authority's pooled bond program, the Virginia Water Facilities Revolving Fund, the Virginia Water Supply Revolving Fund, the Virginia Airports Revolving Fund, the Virginia Dam Safety and Flood Prevention Fund, the Virginia Transportation Infrastructure Bank, the Virginia Brownfield Restoration and Economic Development Assistance Fund, the VirginiaSAVES Green Community Program, the Virginia Tobacco Region Revolving Fund, and the Community Flood Preparedness Fund, which are described in more detail below.

The Authority's pooled bond program serves to provide cost-effective and efficient access to the bond markets to local government borrowers throughout Virginia by issuing bonds used to fund loans to local borrowers. The program is structured so that the maturities of principal and interest payments are matched, virtually eliminating interest rate risk within the portfolio. Yields on the loans to local borrowers are designed to slightly exceed the yields on the bonds issued to fund the program, in order to support administrative and other costs related to the program.

The Virginia Water Facilities Revolving Fund (VWFRF) was created in 1986 and received its first state appropriation on July 1, 1987. The VWFRF's purpose is to make discounted interest rate loans to municipalities under the Environmental Protection Agency's (EPA) Capitalization Grants for State Revolving Funds. The VWFRF's enabling legislation provides that the Authority and the Commonwealth's Department of Environmental Quality (DEQ) jointly administer the program. The accounts of the VWFRF are in these financial statements, except for certain administrative expenses incurred by the DEQ for the VWFRF and the associated reimbursement of the federal share of these expenses is included in the financial statements of the DEQ.

Until 1999, the sole source of financial assistance to localities for wastewater projects under the VWFRF was the Direct Loan program. The available resources for the Direct Loan program, however, were determined to be insufficient to meet the demand for financial assistance from municipalities. In response, the Authority and DEQ, with the concurrence of the EPA, decided to leverage the VWFRF through the issuance of bonds.

The Authority is authorized to transfer assets of the VWFRF to funds and accounts pledged to collateralize bonds issued by the Authority. Such assets consist of federal capitalization grants, Commonwealth Matching Share funds, and any other monies appropriated or otherwise deposited by the Commonwealth to the VWFRF, including amounts repaid by municipalities to the VWFRF from loans represented by the local bonds, and earnings on the investment of any of the foregoing. The Authority and DEQ still make Direct Loans from the VWFRF, but by leveraging the VWFRF, the Authority can provide financing for more projects than before.

During 1999, the General Assembly expanded the scope of the VWFRF by allowing the State Water Control Board to loan money for the construction of facilities or structures supporting environmental goals of agricultural best management practices, commonly referred to as Agriculture Best Management Practices (AgBMP) loans. The program provides below-market rate loans to incent implementation of AgBMPs that results in reduced agricultural nonpoint source pollution of Virginia waters. To date, $25 million has been set aside from the VWFRF to fund the program. The accounts of this program are combined with those of the VWFRF in the Authority's financial statements.

The Virginia Water Supply Revolving Fund (VWSRF) was created in 1987 and received its first state appropriation on July 1, 1988. In 1997, the VWSRF was updated to align with the Safe Drinking Water Act Amendments of 1996, which allowed the establishment of a drinking water state revolving loan fund. The VWSRF's purpose is to make discounted interest rate loans to local governments to finance water supply facilities and certain non-construction activities under the EPA's Capitalization Grants for State Revolving Funds. The VWSRF's enabling legislation provides that the Authority and the Commonwealth of Virginia Department of Health (VDH) jointly administer the program. The accounts of the VWSRF are in these financial statements, except for certain administrative expenses incurred by the VDH for the VWSRF and the associated reimbursement of these expenses, which are included in the financial statements of the VDH.

In 2000, the Virginia Airports Revolving Fund (VARF) was funded with $25 million. The VARF finances local government-owned aviation projects at discounted rates for general aviation, reliever, and commercial airports across Virginia. In February 2001, the first bonds were issued by the Authority, which leveraged the VARF to provide funds for loans to three of Virginia's airports. In June 2002, $2 million was returned to the Commonwealth to be used for other purposes. The VARF can also make direct loans out of current balances, released bond proceeds, and newly appropriated funds.

The Virginia Dam Safety and Flood Prevention Fund (VDSFPF) was created in 2006 and received its first appropriation from existing State funds on July 1, 2006. The VDSFPF's purpose is to make grants or loans to local governments for the development and implementation of flood prevention or protection projects, or for flood prevention or protection studies. In addition, the VDSFPF can be used to make grants or loans to local governments owning dams and to make loans to private entities for the design, repair and the safety modifications of qualifying dams, and to make grants for the mapping and digitization of dam break inundation zones. The VDSFPF's enabling legislation provides that the Authority and the Virginia Department of Conservation and Recreation (VDCR) jointly administer the program.

The Virginia Transportation Infrastructure Bank (VTIB) was created during the 2010 General Assembly Session to finance the design and construction of roads and highways, including toll facilities, mass transit, freight, passenger and commuter rail, including rolling stock, port, airport and other transportation facilities.

The Authority is the manager of VTIB and performs certain duties under an agreement with the Commonwealth Transportation Board and the Secretary of Finance. VTIB is capitalized with appropriations by the General Assembly. VTIB is a sub-fund of the Transportation Trust Fund and only reimbursement and expenses incurred are reflected in the Authority's financial statements.

The Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (VBAF) was created in 2002 for the purposes of promoting the restoration and redevelopment of brownfield sites and to address environmental problems or obstacles to reuse so that these sites can be effectively marketed to new economic development prospects. Funds were generally not available in the VBAF until 2012. The Virginia Economic Development Partnership, DEQ, and the Authority jointly administer the VBAF.

The VirginiaSAVES Green Community Program (VGCP) was established in 2015 to provide lower financing costs for energy efficiency, renewable energy generation and alternative fuel projects. The program was initially capitalized with $20 million in Qualified Energy Conservation Bonds (QECBs), allocated under the Governor of Virginia's Executive Order 36, with the ability to provide more QECB allocations as needed from additional QECBs available to the Commonwealth. The program is sponsored by Virginia Department of Mines Minerals and Energy, and administered jointly by CleanSource Capital and Abundant Power. The Virginia Small Business Financing Authority and the Authority serve as conduit issuers for the program.

The Virginia Tobacco Region Revolving Fund (VTRRF) was established in 2016 to create a long-term mechanism to fund revenue-generating economic revitalization projects in the tobacco region, and to recycle loan repayments to assist future projects. Funds were generally not available in the VTRRF until 2017. The Virginia Tobacco Region Revitalization Commission selects projects to be sent to VRA for credit analysis prior to a potential loan offer. VRA is the manager of the Virginia Tobacco Community and Business Lending Program (VTCBLP) and performs certain duties under an agreement with the Virginia Tobacco Region Revitalization Commission.

The Community Flood Preparedness Fund (CFPF), established in the 2020 General Assembly session, assists localities and their residents affected by recurrent flooding, sea level rise, and flooding from severe weather events through a grant and loan program. The CFPF enabling legislation provides that the Authority and the Virginia Department of Conservation and Recreation jointly administer the program.

Note 2 – Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

The funds of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting, where revenues are recognized when earned and expenses are recognized when incurred in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounts of the Authority are organized on the basis of programs and activities, each of which is considered a separate accounting entity. The operations of each program are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, operating revenues, operating expenses and other non-operating revenue and expenses. All of the Authority's programs and activities are reported as a single reporting entity conforming to GAAP.

The preparation of financial statements, in conformity with GAAP, requires management of the Authority to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position

Cash equivalents – For purposes of the Statement of Cash Flows, cash equivalents are restricted to investments with original remaining maturities when purchased of three months or less.

Fair value measurements – The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; Level 3 inputs are significant unobservable inputs.

Investments – Investments, principally U.S. government obligations, corporate obligations, asset-backed securities, and municipal bonds, are carried at fair value with the change in fair value recognized as a component of interest on investments. The Authority also participates in the Commonwealth of Virginia Local Government Investment Pool (LGIP), a non-SEC registered external pool rated AAAf/S1 by S&P Global Ratings (S&P). The LGIP is managed in a manner consistent with Securities and Exchange Commission Rule 2a-7 money market fund requirements and the fair value of the position in the LGIP is the same as the value of the pool shares. Pursuant to Sections 2.2-4600 through 2.2-4606 of the *Code of Virginia*, the Treasury Board of the Commonwealth of Virginia is authorized to administer the LGIP program. As permitted by law, the Treasury Board has delegated administrative aspects of managing the LGIP program to the State Treasurer, subject to the regulations and guidelines established by the Treasury Board.

Loans receivable, discounts, and premiums – Loans receivable are reported at the unpaid principal balances, net of an allowance for loan losses, if any. The Authority receives fees relating to the origination of loans. Certain of these fees are received at the origination of a loan and other fees are received over the life of the related loans. The fees received at the origination of a loan are recorded as loan origination revenue while fees received over the life of the related loan are recorded as loan administration fees and bond administration fees in the Statement of Revenues, Expenses, and Changes in Net Position. Loan discounts and premiums are amortized over the lives of the related loans using the effective interest method.

Allowance for loan losses – The allowance for loan losses is maintained to cover possible losses inherent in the loan portfolio based on management's evaluation of the loan portfolio, giving consideration to various factors, including collateral value, past loan loss experience, current facts, and economic conditions. The allowance is based on management's estimates, and ultimate losses may vary from current estimates. An annual review is performed on a risk-based sample of borrowers in VRA's loan portfolio. The review includes performing various liquidity ratios and reviewing rate covenant calculations on existing loans to identify any potential issues with loan repayments. In addition to an annual review, the Authority actively monitors borrower information for any potential impacts to loan repayments throughout the year.

Capital assets – Capital assets are defined by the Authority as assets with an initial, individual cost of more than $5,000 and a useful life greater than one year. Such assets are recorded at historical cost and are depreciated over the useful life of the asset using the straight-line method. The Authority follows the Commonwealth's Accounting Policies and Procedures Manual (CAPP) for assigning estimated useful lives to its capital assets. The CAPP assigns an estimated useful life of 5 years to office furniture, fixtures, and equipment.

Right to use assets – The Authority has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Deferred outflows of resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Authority has three items that qualify for reporting in this category: accounting loss on debt refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB. Deferred losses on refundings are recognized as a component of interest expense over the shorter of the life of the old debt or new debt. Deferred outflows of resources related to pensions are amortized and recognized in pension expense over various predetermined closed periods. Deferred outflows of resources related to OPEB are amortized and recognized in OPEB expense over various predetermined closed periods.

Bond discounts and premiums – Bond discounts and premiums are amortized over the lives of the related issues using the effective interest method.

Arbitrage rebate liability – The amount of interest on investments of tax-exempt bond proceeds the Authority may earn is limited by certain federal legislation. Earnings in excess of the allowable amount must be rebated to the U.S. Department of the Treasury. These excess earnings are determined through arbitrage rebate calculations, with the arbitrage rebate liability separately reported on the Authority's financial statements. The Authority treats the estimated rebate payable as a reduction of available resources in the program that earned the arbitrage profit. Accordingly, interest earnings are reduced by the amount with a corresponding arbitrage rebate liability separately reported. The Authority contracts with arbitrage rebate specialists to perform the arbitrage rebate calculations as required.

Compensated absences – The Authority provides for accumulation of paid time off (PTO) leave with a maximum accumulation of up to 520 hours of unused PTO leave. Employees are paid for unused, earned PTO upon separation of employment, with a maximum payout of 240 hours. Individuals employed by the Authority prior to August 1, 2010 are subject to a higher maximum payout cap of 340 hours.

Pensions – The Authority participates in the Virginia Retirement System (VRS), a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and 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 net fiduciary position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits, Group Life Insurance Program – The Authority participates in the VRS Group Life Insurance Program, a multiple-employer, cost-sharing plan. The Group Life Insurance Program was established pursuant to §51.1-500 of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Group Life Insurance Program OPEB and the additions to/deductions from the Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits, Virginia Local Disability Program – The Authority participates in the VRS Political Subdivision Employee Virginia Local Disability Program (VLDP), a multiple-employer, cost-sharing plan. For purposes of measuring the net VLDP OPEB liability, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB, and the VLDP OPEB expense, information about the fiduciary net position of the VLDP OPEB and the additions to/deductions from the VLDP OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits, Health Insurance – The Authority provides post-employment health care benefits for qualifying retirees through a single-employer defined benefit plan. The plan is governed by the Authority's Board of Directors and can be amended at its discretion. The Authority has estimated the cost of providing this benefit using the alternative measurement method in place of an actuarial valuation. The alternative measurement method is an approach that includes the same broad measurement steps as an actuarial valuation (projecting benefit payments, discounting projected benefit payments to a present value, and attributing the present value of projected benefit payments to periods using an actuarial cost method). However, it permits simplification of certain assumptions.

Deferred inflows of resources – In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Authority has three items that qualify for reporting in this category: deferred gains on debt refundings, deferred inflows of resources related to pensions, and deferred inflows related to OPEB. Deferred gains on refundings are recognized as a component of interest expense over the shorter of the life of the old debt or new debt. Deferred inflows of resources related to pensions are amortized and recognized in pension expense over various predetermined closed periods. Deferred inflows of resources related to OPEB are amortized and recognized in OPEB expense over various predetermined closed periods.

Net position – Components of net position include the following:

- Investment in capital assets amounts are those associated with non-liquid, capital assets, less any associated outstanding debt
- Restricted amounts represent the portion of total net position restricted for the purpose of making loans to local governments or by the requirements of the various bond indentures or federal and state regulations for the various revolving funds
- Unrestricted amounts are those currently available at the discretion of the Authority's Board for use in the Authority's operations

Revenues and Expenses
Pass-through grants – The Authority accounts for grants or other financial assistance that is transferred to a secondary recipient as revenues and expenses.

Operating and non-operating revenues and expenses – The Authority's policy is to report all revenues and expenses resulting from providing services in connection with the Authority's ongoing operations, including interest revenues from loans and investments as well as interest expense on bonds payable, as operating revenues and expenses since such revenues and expenses are integral to the operations of the Authority. All revenues and expenses not meeting the above criteria are reported as non-operating revenues and expenses.

Cash Flow Reporting
All cash flows related to bond issuance and administration are included in cash flows from non-capital financing activities on the Statement of Cash Flows. All cash flows related to investment activity are included in cash flows from investing activities on the Statement of Cash Flows.

Note 3 – Cash, Cash Equivalents, and Investments

Cash is held in accounts that are insured by the Federal Deposit Insurance Corporation or are collateralized under provisions of the Commonwealth of Virginia Security for Public Deposits Act, Sec. 2.2-4400 et. seq. of the *Code of Virginia*. There were no amounts that were uninsured or uncollateralized at June 30, 2022.

Fair Value of Investments
The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2022, the Authority had the following recurring fair value measurements:

Investments by Fair Value	Fair Value	Level 1	Level 2	Level 3
Agency Mortgage Backed	$ 2,602,888	$ -	$ 2,602,888	$ -
Asset Backed Securities	39,477,950	-	39,477,950	-
Corporate Bonds and Notes	62,950,968	-	62,950,968	-
Municipal Securities	3,871,956	-	3,871,956	-
Negotiable Certificates of Deposit	7,111,440	-	7,111,440	-
U.S. Agency Securities	25,900,918	-	25,900,918	-
U.S. Treasury Securities	242,402,749	-	242,402,749	-
	$ 384,318,869	$ -	$ 384,318,869	$ -
Investments Using Other Measurements				
Guaranteed Investment Contracts	27,274,904			
LGIP	317,372,668			
Money Market Funds – Government	5,287,892			
U.S. Treasury SLGS	155,476,418			
	505,411,882			
Total investments	$ 889,730,751			
Reconciliation to Statement of Net Position				
Cash equivalents	$ 322,660,558			
Investments – current	55,227,197			
Investments – noncurrent	511,842,996			
	$ 889,730,751			

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Guaranteed investment contracts are measured on a cost-basis. Investments in the Local Government Investment Pool (LGIP) are measured at the net asset value per share. Money market funds are measured using amortized cost. U.S. Treasury SLGS are reported at historical cost.

Investment Policy

In accordance with the *Code of Virginia* (1950), as amended, and other applicable laws and regulations, the Authority's investment policy (Policy) permits investments in U.S. Government or Agency obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, negotiable certificates of deposit, negotiable bank deposit notes, repurchase agreements, bankers' acceptances, prime quality commercial paper, corporate notes of domestic corporations, mortgage or asset-backed securities, money market funds, guaranteed investment contracts (GICs), and the State Treasurer's LGIP portfolio.

As of June 30, 2022, the Authority had the following cash equivalents and investments:

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**Over 10 Years**
Agency Mortgage Backed	$ 2,602,888	$ 2,501,615	$ 100,209	$ 1,064	$ -
Asset Backed Securities	39,477,950	-	39,477,950	-	-
Corporate Bonds and Notes	62,950,968	944,668	62,006,300	-	-
Guaranteed Investment Contracts	27,274,904	8,308,254	11,442,801	7,523,849	-
LGIP	317,372,668	317,372,668	-	-	-
Money Market Funds – Govt.	5,287,892	5,287,892	-	-	-
Municipal Securities	3,871,956	-	3,871,956	-	-
Negotiable Certificates of Deposit	7,111,440	7,111,440	-	-	-
U.S. Agency Securities	25,900,918	7,919,050	17,981,868	-	-
U.S. Treasury Securities	242,402,749	11,934,297	222,131,535	1,345,619	6,991,298
U.S. Treasury SLGS	155,476,418	16,507,871	11,635,128	76,355,994	50,977,425
	$889,730,751	$377,887,755	$368,647,747	$85,226,526	$ 57,968,723

Reconciliation to Statement of Net Position	
Cash equivalents	$322,660,558
Investments – current	55,227,197
Investments – noncurrent	511,842,996
	$889,730,751

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority places emphasis on securities of high credit quality and marketability.

The Policy requires that bankers' acceptances maturing within one year have a rating of no less than "P-1" by Moody's Investors Service (Moody's) and "A-1" by S&P Global Ratings (S&P). Negotiable certificates of deposit and negotiable bank notes maturing within one year must have at least two of the following ratings: "P-1" by Moody's, "A-1" by S&P, and "F-1" by Fitch Ratings Inc. (Fitch). Negotiable certificates of deposit and negotiable bank notes with maturities over one year but less than five years must have at least two of the following ratings: "Aa" by Moody's, "AA" by S&P, and "AA" by Fitch. Commercial paper must have a short-term debt rating of "P-1", "A-1" or "F-1" from at least two nationally recognized rating agencies, which can only include Moody's, S&P, or Fitch. Municipal obligations, must have no less than a "Aa" rating by Moody's and "AA" by S&P. For corporate notes and bonds maturing in less than five years, each issuer must receive two ratings of at least "A" by Moody's, S&P, or Fitch.

Asset-backed securities maturing in less than five years must have a "AAA" rating by at least two nationally recognized rating agencies, which can only include Moody's, S&P, or Fitch. GICs must be held with financial institutions with long-term credit ratings of at least "Aa" by Moody's or "AA" by S&P. The various bond indentures require that bond fund investments, or any collateralizing securities, have no less than an "AA" rating by at least one nationally recognized rating agency.

Although Virginia statute does not impose credit standards on repurchase agreements or money market mutual funds, the Authority has established stringent credit standards for these investments to minimize portfolio risk.

At June 30, 2022, the Authority had the following cash equivalent and investments:

Investment Type	Fair Value	S&P Rating	Moody's Rating	Percent of Portfolio
Agency Mortgage Backed	$ 2,602,888	AA+	Aaa	0.3%
Asset Backed Securities (AAA)	39,477,950	AAA	Aaa	4.4%
Corporate Bonds and Notes (AAA)	606,267	AAA	Aaa	0.1%
Corporate Bonds and Notes (AA)	14,265,139	AA+ to AA-	Aa1 to A3	1.6%
Corporate Bonds and Notes (A)	37,990,004	A+ to A-	Aa2 to A3	4.3%
Corporate Bonds and Notes (BBB)	10,089,558	BBB+	A1 to A3	1.1%
Guaranteed Investment Contracts	27,274,904	AA+	A3	3.1%
LGIP	317,372,668	AAAm	-	35.7%
Money Market Funds - Government	5,287,892	AAAm	-	0.6%
Municipal Securities (AAA)	1,771,283	AAA	Aaa	0.2%
Municipal Securities (AA)	2,100,673	AA to AA-	Aa2 to Aa3	0.2%
Negotiable Certificates of Deposit (A-1)	7,111,440	A-1	P-1	0.8%
U.S. Agency Securities	25,900,918	AA+	Aaa	2.9%
U.S. Treasury Securities	242,402,749	AA+	Aaa	27.2%
U.S. Treasury SLGS	155,476,418	AA+	Aaa	17.5%
	$ 889,730,751			100.0%

The guaranteed investment contracts (GICs) were entered into based upon the credit rating of the GIC provider. The Moody's ratings of the GIC providers are as follows:

Provider	Fair Value	Moody's Rating	Percent of Portfolio
Mass Mutual	$ 27,274,904	Aa3*	3.1%

*$21,620,654 of the GIC balance is collateralized with US Treasury and Agency securities.

Concentration of Credit Risk

Concentration of credit risk is related to the risk of loss that may be attributed to the magnitude of a government's investment in a single source.

The Policy establishes limitations on portfolio composition to control the concentration of credit risk. The maximum percentage of the portfolio permitted in each security (by fund type) is as follows:

Investment Type	Fair Value	Percentage of Portfolio	Maximum
Agency mortgage backed	$ 2,602,888	0.3%	25%
Asset backed securities	39,477,950	5.6%	25%
Corporate bonds and notes	62,950,968	9.0%	25%
LGIP	317,372,668	45.5%	100%
Money market funds – Government	1,886,985	0.3%	100%
Municipal securities	3,871,956	0.6%	25%
Negotiable certificates of deposit	7,111,440	1.0%	10%
U.S. Agency securities	25,900,918	3.7%	100%
U.S. Treasury securities	230,808,163	33.1%	100%
U.S. Treasury SLGS	6,208,000	0.9%	100%
	$ 698,191,936	100.0%	

Reconciliation to Total Cash Equivalents and Investments

General and Program Funds	$ 698,191,936
Bond Funds*	191,538,815
	$ 889,730,751

*Proceeds from and deposits related to the issuance of VRA bonds (Bond Funds) are held in trust by the various trustee banks under a separate Indenture of Trust and, under certain circumstances, a Supplemental Indenture of Trust (collectively, "Indentures") for each bond issue. The Policy does not establish limitations on the portfolio composition in the Bond Funds. However, the investment of Bond Funds must be diversified in such a manner to ensure the preservation of principal.

Bond Fund investments are governed by Indentures authorizing the Authority or its trustee to invest generally in obligations of the U.S. Government, the Commonwealth of Virginia, or its political subdivisions (except the Farm Credit System for all bond series issued in 1985 and 1986) and Virginia SNAP. The Indentures authorize the Authority to enter into repurchase agreements with any bank, as principal and not as an agent, having a combined capital, surplus and undivided profits of not less than $50 million. In addition, the collateralizing securities must have a fair market value equal to at least 100% of the amount of the repurchase obligation plus accrued interest.

The Policy also establishes limitations on portfolio composition by issuer in order to further control concentration of credit risk. No more than 4% of the Authority's portfolio will be invested in the securities of any one issuer with the exception of: (1) the U.S. Government or Agencies thereof, (2) the LGIP, (3) fully insured/collateralized certificates of deposit or repurchase agreements that are collateralized by the U.S. Government or Agencies thereof, and (4) mutual funds whereby the portfolio is limited to U.S. Government or Agency Securities.

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rate environment will adversely affect the fair value of a fixed rate investment. The Authority has selected the Segmented Time Distribution method of disclosure. As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy limits individual investments to a stated maturity of no more than five years from the date of purchase. The average maturity of the portfolio may not exceed three years.

Proceeds from the sale of bonds must be invested in compliance with specific requirements of the bond covenants and may be invested in securities with longer maturities.

As of June 30, 2022, the Authority had the following investments and maturities:

General and Program Funds

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**Over 10 Years**
Agency mortgage backed	$ 2,602,888	$ 2,501,615	$ 100,208	$ 1,065	$ -
Asset backed securities	39,477,950	-	39,477,950	-	-
Corporate bonds and notes	62,950,968	944,668	62,006,300	-	-
LGIP	317,372,668	317,372,668	-	-	-
Money market funds – Government	1,886,985	1,886,985	-	-	-
Municipal securities	3,871,956	-	3,871,956	-	-
Negotiable certificates of deposit	7,111,440	7,111,440	-	-	-
U.S. Agency securities	25,900,918	7,919,050	17,981,868	-	-
U.S. Treasury securities	230,808,163	9,946,988	220,861,175	-	-
U.S. Treasury SLGS	6,208,000	1,552,000	4,656,000	-	-
	$698,191,936	$349,235,414	$348,955,457	$ 1,065	$ -

Average maturity of investments 1.13 years

The General Account includes $1,065 of investments with maturities over five years. These investments are not expected to be held until final maturity.

Bond Funds

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**Over 10 Years**
Guaranteed Investment Contracts	$ 27,274,904	$ 8,308,254	$ 11,442,801	$ 7,523,849	$ -
Money Market Funds-Government	3,400,907	3,400,907	-	-	-
U.S. Treasury Securities	11,594,586	1,987,309	1,270,360	1,345,619	6,991,298
U.S. Treasury SLGS	149,268,418	14,955,871	6,979,128	76,355,994	50,977,425
	$191,538,815	$ 28,652,341	$ 19,692,289	$85,225,462	$ 57,968,723

Average maturity of investments 10.27 years

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. The Authority's deposits at June 30, 2022 are insured by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation must pledge collateral in the amount of 50% of the excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying governments of compliance by banks. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire assets of the collateral pool become available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro-rata basis to the members of the pool.

For investments, custodial risk is the risk that, in the event of the failure of the counterparty, the reporting entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Policy requires that all investments or collateral securities purchased for the Authority be held by the Authority's designated custodian where the securities must be in the Authority's name and identifiable on the custodian's books as belonging to the Authority and the custodian must be a third party, not a counterparty to the investment transaction. As of June 30, 2022, all of the Authority's investments were held by the Authority's custodial bank in the Authority's name.

Note 4 – Loans Receivable

The Authority has outstanding loans to various localities and other governmental entities in the Commonwealth of Virginia. Certain of these loans are secured by a pledge of the revenues from the lease, system-appropriate revenues, and certain other funds and assets of the entities. Other loans are secured by the full faith and credit of the borrowing entity. A summary of loans receivable as of June 30, 2022:

Loan receivables related to bond issues:	
VPFP	$ 2,627,900,850
VWFRF – Pledged	940,717,394
VWSRF – Pledged	73,180,966
Unamortized discounts/premiums, net	161,147,442
	3,802,946,652
Loan receivables related to revolving loan funds:	
VWFRF	427,474,999
VWFRF – AgBMP	4,247,590
VARF	24,304,168
VWSRF	147,614,060
VTRRF	1,742,138
	605,382,955
Conduit loan receivables:	
VGCP	26,693,610
VAHELPS	16,015,000
	42,708,610
Total loans receivable	4,451,038,217
Less: allowance for loan losses	(412,020)
Total loans receivable, net of allowance	$ 4,450,626,197
Loans receivable – current	$ 313,322,927
Loans receivable – noncurrent	4,137,303,270
Total loans receivable, net of allowance	$ 4,450,626,197

Bonds secured by the Commonwealth's moral obligation all have bond indentures that require either the Authority or the borrower to deposit with the trustee an amount of funds, known as capital reserve funds, relating to the annual principal and interest payments required on the bonds. These capital reserve funds are available for use by the Authority to pay debt service on the bonds if the borrower defaults on any interest or principal payment on the loans. Capital reserve funds are included as investments in the accompanying Statement of Net Position.

If the Authority is required to use any of these capital reserve funds, the Governor of the Commonwealth of Virginia is required to include in the budget presented to the General Assembly, as an agency request for informational purposes only, the amount necessary to replenish the capital reserve fund to the required level. The General Assembly is under no obligation to pass the budget as presented by the Governor. Any amounts so replenished must be repaid by the Authority to the Commonwealth of Virginia, without interest, from excess operating revenues, as defined, of the Authority, to the extent available.

Loans that are outstanding related to bond issuances have rates that range from 0.187% to 6.29% and final maturities that range from FY2022 to FY2051.

The Authority also has outstanding loans to various localities and other governmental entities in the Commonwealth of Virginia from the VWFRF, VWSRF, VARF, VTRRF, VTCBLP, and VGCP. These loans range in final maturity from FY2023 to FY2053 and accrue interest at various rates ranging from 0% to 4.87%.

As of June 30, 2022, the Authority is also obligated under outstanding commitment letters and undisbursed loans and grants to disburse approximately:

Program	Committed (loan or grant closed)	Commitment letter (loan or grant not closed)	Total
VWFRF	$ 420,557,953	$ 53,921,757	$ 474,479,710
VWSRF	35,201,960	12,505,887	47,707,847
VARF	4,823,664	-	4,823,664
VTIB	97,663,510	-	97,663,510
VBAF	598,902	-	598,902
VTRRF	29,048	-	29,048
VTCBLP	3,002,451	-	3,002,451
DSFP	4,669,996	-	4,669,996
Total	$ 566,547,484	$ 66,427,644	$ 632,975,128

As of June 30, 2022, the AgBMP loans, included within the VWFRF accounts, were determined to have a need for an allowance for loan losses for $192,000. The VWSRF was determined to have a need for an allowance for loan losses for $220,020. Loan loss expense is included as a general operating expense in the Statement of Revenues, Expenses, and Changes in Net Position.

All other loan payments were current and no other loans were in payment default at June 30, 2022.

Note 5 – Capital Assets

Capital asset activity for the year ending June 30, 2022 was as follows:

	June 30, 2021	Additions	Disposals	June 30, 2022
Office equipment	$ 359,879	$ -	$ (39,514)	$ 320,365
Leased office space	1,467,168	-	-	1,467,168
Total capital assets	$ 1,827,047	$ -	$ (39,514)	$ 1,787,533
Less accumulated depreciation	(210,411)	(43,270)	39,514	(214,167)
Less accumulated amortization	-	(183,396)	-	(183,396)
Total accumulated depreciation and amortization	$ (210,411)	$ (226,666)	$ 39,514	$ (397,563)
Total capital assets, net	$ 1,616,636	$ (226,666)	$ -	$ 1,389,970

Depreciation expense was $43,270 and amortization expense was $183,396 for the year ended June 30, 2022.

Note 6 – Long-Term Debt

The Authority had the following debt outstanding as of June 30, 2022:

Description	Original Amount	Amount Outstanding
Virginia Pooled Financing Program and Stand-Alone Revenue Bonds		
Series 2002 (Capital Appreciation Bonds), dated July 31, 2002, interest rates ranging from 4.14% to 5.59%, final maturity November 1, 2031. Amount outstanding includes $14,017,343 accretion for capital appreciation bonds; $5,623,192 of the bonds defeased in 2012	$ 27,537,167	$ 22,650,851
Series 2005B Senior (Non-AMT), dated June 8, 2005, interest rates ranging from 3.00% to 5.00%, final maturity November 1, 2035; $3,845,000 of the bonds were defeased in 2012; $130,000 of the bonds were defeased in 2016; $545,000 of the bonds defeased in 2018	22,055,000	375,000
Series 2005B Subordinate (Non-AMT), dated June 8, 2005, interest rates ranging from 3.00% to 5.00%, final maturity November 1, 2035; $1,615,000 of the bonds were defeased in 2012; $55,000 of the bonds were defeased in 2016; $235,000 of the bonds defeased in 2018	9,485,000	130,000
Series 2005C Senior (Non-AMT), dated December 7, 2005, interest rates ranging from 4.63% to 5.00%, final maturity November 1, 2035; $1,275,000 of the bonds defeased in 2011; $10,260,000 of the bonds were defeased in 2012; $3,160,000 of the bonds were defeased in 2013; $4,465,000 of the bonds were defeased in 2014	36,710,000	140,000
Series 2005C Subordinate (Non-AMT), dated December 7, 2005, interest rates ranging from 4.00% to 4.75%, final maturity November 1, 2035; $595,000 of the bonds defeased in 2011; $4,260,000 of the bonds were defeased in 2012; $910,000 of the bonds were defeased in 2013; $2,375,000 of the bonds were defeased in 2014	16,365,000	60,000
Series 2009B Infrastructure Revenue Bonds (Taxable - Build America Bonds), dated November 19, 2009, interest rates ranging from 4.97 to 5.70%, final maturity November 1, 2039; $2,260,000 of the bonds defeased in 2014	45,180,000	39,190,000
Series 2009B State Moral Obligation Bonds (Taxable - Build America Bonds), dated November 19, 2009, interest rates ranging from 5.22 to 6.00%, final maturity November 1, 2039; $955,000 of the bonds defeased in 2014	20,785,000	18,215,000

Description	Original Amount	Amount Outstanding
Series 2010A Infrastructure Revenue Bonds, dated June 17, 2010, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2040; $1,685,000 of the bonds defeased in 2015; $2,200,000 of the bonds defeased in 2017; $9,345,000 of the bonds defeased in 2018; $2,325,000 of the bonds defeased in 2020; $4,315,000 of the bonds defeased in 2021, $780,000 of the bonds defeased in 2022	$ 50,470,000	$ 1,225,000
Series 2010A State Moral Obligation, dated June 17, 2010, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2040; $475,000 of the bonds defeased in 2015; $910,000 of the bonds defeased in 2017; $3,895,000 of the bonds defeased in 2018; $1,275,000 of the bonds defeased in 2020; $3,100,000 of the bonds defeased in 2021; $325,000 of the bonds defeased in 2022	23,170,000	540,000
Series 2010C Infrastructure Revenue Bonds (Tax-Exempt), dated November 23, 2010, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2033; $505,000 of the bonds defeased in 2014; $75,000 of the bonds defeased in 2015; $3,715,000 of the bonds defeased in 2018; $3,560,000 of the bonds defeased in 2019; $7,760,000 of the bonds defeased in 2020; $3,280,000 of the bonds defeased in 2021	59,635,000	2,115,000
Series 2010C Infrastructure Revenue Bonds (Taxable - Build America Bonds), dated November 23, 2010, interest rates ranging from 3.83 to 5.79%, final maturity November 1, 2040; $21,165,000 of the bonds defeased in 2019	54,740,000	530,000
Series 2010C State Moral Obligation (Tax-Exempt), dated November 23, 2010, interest rates ranging from 2.50 to 5.00%, final maturity November 1, 2033; $220,000 of the bonds defeased in 2014; $35,000 of the bonds defeased in 2015; $1,565,000 of the bonds defeased in 2018; $1,495,000 of the bonds defeased in 2019; $3,240,000 of the bonds defeased in 2020; $3,285,000 of the bonds defeased in 2021	26,395,000	710,000
Series 2010C State Moral Obligation Bonds (Taxable - Build America Bonds), dated November 23, 2010, interest rates ranging from 6.19 to 6.29%, final maturity November 1, 2040; $9,055,000 of the bonds defeased in 2019; $14,320,000 of the bonds defeased in 2019	25,920,000	225,000
Series 2011A Infrastructure Revenue Bonds (Tax-Exempt), dated June 2, 2011, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2041; $1,805,000 of the bonds defeased in 2014; $1,375,000 of the bonds defeased in 2016; $21,540,000 of the bonds defeased in 2020; $815,000 of the bonds defeased in 2022	50,795,000	595,000

Description	Original Amount	Amount Outstanding
Series 2011A Infrastructure Revenue Bonds (Taxable), dated June 2, 2011, interest rates ranging from 3.80 to 5.10%, final maturity November 1, 2031; $1,705,000 of the bonds defeased in 2022	$ 6,455,000	$ 2,270,000
Series 2011A State Moral Obligation (Tax-Exempt), dated June 2, 2011, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2041; $755,000 of the bonds defeased in 2014; $565,000 of the bonds defeased in 2016; $9,265,000 of the bonds defeased in 2020; $280,000 of the bonds defeased in 2022	21,475,000	210,000
Series 2011A State Moral Obligation Bonds (Taxable), dated June 2, 2011, interest rates ranging from 3.95 to 5.25%, final maturity November 1, 2031; $795,000 of the bonds defeased in 2022	2,790,000	915,000
Series 2011B Infrastructure Revenue Bonds (Tax-Exempt), dated November 16, 2011, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2041; $9,070,000 of the bonds defeased in 2017; $19,855,000 of the bonds defeased in 2018; $32,300,000 of the bonds defeased in 2020; $2,825,000 of the bonds defeased in 2021; $2,610,000 of the bonds defeased in 2022	129,660,000	490,000
Series 2011B Infrastructure Revenue Bonds (Taxable), dated November 16, 2011, interest rates ranging from 4.05 to 4.65%, final maturity November 1, 2041	27,750,000	27,750,000
Series 2011B State Moral Obligation (Tax-Exempt), dated November 16, 2011, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2041; $3,885,000 of the bonds defeased in 2017; $3,945,000 of the bonds defeased in 2018; $19,005,000 of the bonds defeased in 2020; $1,180,000 of the bonds defeased in 2021; $1,110,000 of the bonds defeased in 2022	55,635,000	180,000
Series 2011B State Moral Obligation Bonds (Taxable), dated November 16, 2011, interest rates ranging from 4.50 to 5.05%, final maturity November 1, 2041	12,935,000	12,935,000
Series 2012A Infrastructure Revenue Bonds, dated June 13, 2012, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2042; $3,740,000 of the bonds defeased in 2018; $1,620,000 of the bonds defeased in 2019; $96,950,000 of the bonds defeased in 2020; $1,650,000 of the bonds defeased in 2021	205,405,000	10,835,000
Series 2012A State Moral Obligation, dated June 13, 2012, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2042; $2,905,000 of the bonds defeased in 2018; $1,075,000 of the bonds defeased in 2019; $44,865,000 of the bonds defeased in 2020; $685,000 of the bonds defeased in 2021; $4,925,000 of the bonds defeased in 2022	92,735,000	4,475,000

Description	Original Amount	Amount Outstanding
Series 2012A-1 Infrastructure Revenue Bonds, dated June 13, 2012, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2042; $26,555,000 of the bonds defeased in 2020	$ 31,705,000	$ 790,000
Series 2012A-1 State Moral Obligation, dated June 13, 2012, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2042; $12,180,000 of the bonds defeased in 2020	14,365,000	335,000
Series 2012B Infrastructure Revenue Bonds (Non-AMT), dated August 2, 2012, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2041; $5,870,000 of the bonds defeased in 2022	50,240,000	9,505,000
Series 2012B Infrastructure Revenue Bonds (AMT), dated August 2, 2012, interest rates ranging from 2.00 to 2.50%, final maturity November 1, 2024; $3,465,000 of the bonds defeased in 2021	3,840,000	500,000
Series 2012B State Moral Obligation Bonds (Non-AMT), dated August 2, 2012, interest rates ranging from 2.50 to 5.00%, final maturity November 1, 2041; $3,370,000 of the bonds defeased in 2022	23,385,000	4,130,000
Series 2012B State Moral Obligation Bonds (AMT), dated August 2, 2012, interest rates ranging from 2.00 to 2.75%, final maturity November 1, 2024; $1,485,000 of the bonds defeased in 2021	1,590,000	210,000
Series 2012 Current Interest Bonds (Taxable), dated November 15, 2012, interest rate of 3.82%, final maturity November 1, 2029	6,730,000	6,730,000
Series 2012C Infrastructure Revenue Bonds (Non-AMT), dated December 6, 2012, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2042; $1,370,000 of the bonds defeased in 2014; $2,860,000 of the bonds defeased in 2019; $3,245,000 of the bonds defeased in 2020; $2,075,000 of the bonds defeased in 2021; $7,395,000 of the bonds defeased in 2022	34,040,000	5,150,000
Series 2012C Infrastructure Revenue Bonds (AMT), dated December 6, 2012, interest rates ranging from 2.00 to 4.00%, final maturity November 1, 2022; $1,280,000 of the bonds defeased in 2014; $1,355,000 of the bonds defeased in 2021	2,890,000	180,000
Series 2012C State Moral Obligation Bonds (Non-AMT), dated December 6, 2012, interest rates ranging from 2.00 to 4.00%, final maturity November 1, 2042; $585,000 of the bonds defeased in 2014; $1,220,000 of the bonds defeased in 2019; $1,385,000 of the bonds defeased in 2020; $605,000 of the bonds defeased in 2021; $3,995,000 of the bonds defeased in 2022	15,375,000	2,250,000

Description	Original Amount	Amount Outstanding
Series 2012C State Moral Obligation Bonds (AMT), dated December 6, 2012, interest rates ranging from 2.50 to 3.00%, final maturity November 1, 2022; $530,000 of the bonds defeased in 2014; $850,000 of the bonds defeased in 2021	$ 1,465,000	$ 320,000
Series 2013A Infrastructure Revenue Bonds, dated June 5, 2013, interest rates ranging from 1.00 to 5.00%, final maturity November 1, 2042; $585,000 of the bonds defeased in 2014; $10,175,000 of the bonds defeased in 2020; $12,905,000 of the bonds defeased in 2021; $1,155,000 of the bonds defeased in 2022	92,810,000	11,905,000
Series 2013A State Moral Obligation, dated June 5, 2013, interest rates ranging from 2.00 to 4.00%, final maturity November 1, 2042; $5,530,000 of the bonds defeased in 2021; $2,980,000 of the bonds defeased in 2022	42,135,000	21,920,000
Series 2013B Infrastructure Revenue Bonds, dated August 14, 2013, interest rates ranging from 1.75 to 5.00%, final maturity November 1, 2043; $1,660,000 of the bonds defeased in 2022	46,410,000	24,335,000
Series 2013B State Moral Obligation, dated August 14, 2013, interest rates ranging from 4.00 to 4.75%, final maturity November 1, 2043; $985,000 of the bonds defeased in 2022	20,080,000	10,330,000
Series 2013C Infrastructure Revenue Bonds (Tax-Exempt), dated November 20, 2013, interest rates ranging from 1.50 to 5.00%, final maturity November 1, 2033.	13,535,000	6,650,000
Series 2013C Infrastructure Revenue Bonds (Taxable), dated November 20, 2013, interest rates ranging from 0.55 to 4.95%, final maturity November 1, 2033; $2,250,000 of the bonds defeased in 2021	3,615,000	335,000
Series 2013C State Moral Obligation (Tax-Exempt), dated November 20, 2013, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2033; $335,000 of the bonds defeased in 2022	6,280,000	2,805,000
Series 2013C State Moral Obligation Bonds (Taxable), dated November 20, 2013, interest rates ranging from 0.70 to 5.10%, final maturity November 1, 2033; $960,000 of the bonds defeased in 2021; $110,000 of the bonds defeased in 2022	1,670,000	145,000
Series 2014A Infrastructure Revenue Bonds, dated May 21, 2014, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2044; $9,585,000 of the bonds defeased in 2021	66,290,000	43,675,000

Description	Original Amount	Amount Outstanding
Series 2014A State Moral Obligation, dated May 21, 2014, interest rates ranging from 3.00 to 4.00%, final maturity November 1, 2044; $1,660,000 of the bonds defeased in 2022	$ 29,870,000	$ 22,705,000
Series 2014B Infrastructure Revenue Bonds, dated August 13, 2014, interest rates ranging from 1.25 to 5.00%, final maturity November 1, 2038; $10,245,000 of the bonds defeased in 2021	92,405,000	60,190,000
Series 2014B State Moral Obligation, dated August 13, 2014, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2038; $1,600,000 of the bonds defeased in 2021; $1,755,000 of the bonds defeased in 2022	42,085,000	29,210,000
Series 2014C Infrastructure Revenue Bonds (Non-AMT), dated November 19, 2014, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2038, $3,495,000 of the bonds defeased in 2018; $11,060,000 of the bonds defeased in 2021	103,595,000	52,790,000
Series 2014C Infrastructure Revenue Bonds (AMT), dated November 19, 2014, interest rates ranging from 2.00 to 4.00%, final maturity November 1, 2044; $7,215,000 of the bonds defeased in 2021; $865,000 of the bonds defeased in 2022	4,040,000	3,430,000
Series 2014C State Moral Obligation (Non-AMT), dated November 19, 2014, interest rates ranging from 4.00 to 5.00%, final maturity November 1, 2038, $1,600,000 of the bonds defeased in 2018; $4,820,000 of the bonds defeased in 2021	45,870,000	24,315,000
Series 2014C State Moral Obligation Bonds (AMT), dated November 19, 2014, interest rates ranging from 2.00 to 4.00%, final maturity November 1, 2044; $270,000 of the bonds defeased in 2018; $790,000 of the bonds defeased in 2021; $2,185,000 of the bonds defeased in 2022	1,730,000	1,395,000
Series 2014D Infrastructure Revenue Bonds, dated December 17, 2014, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2028	27,465,000	15,860,000
Series 2014D State Moral Obligation, dated December 17, 2014, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2028	12,835,000	7,880,000
Series 2015A Infrastructure Revenue Bonds (Tax-Exempt), dated May 28, 2015, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2040; $580,000 of the bonds defeased in 2018; $3,790,000 of the bonds defeased in 2022	83,775,000	55,550,000

Description	Original Amount	Amount Outstanding
Series 2015A Infrastructure Revenue Bonds (Taxable), dated May 28, 2015, interest rates ranging from 0.48 to 4.25%, final maturity November 1, 2035; $5,655,000 of the bonds defeased in 2021; $995,000 of the bonds defeased in 2022	$ 11,110,000	$ 2,485,000
Series 2015A State Moral Obligation (Tax-Exempt), dated May 28, 2015, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2040; $1,230,000 of the bonds defeased in 2022	35,225,000	25,475,000
Series 2015A State Moral Obligation Bonds (Taxable), dated May 28, 2015, interest rates ranging from 0.68 to 4.69%, final maturity November 1, 2035; $1,100,000 of the bonds defeased in 2021; $460,000 of the bonds defeased in 2022	5,225,000	1,000,000
Series 2015B Infrastructure Revenue Bonds (Tax-Exempt), dated November 18, 2015, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2035; $875,000 of the bonds defeased in 2021	42,250,000	35,550,000
Series 2015B Infrastructure Revenue Bonds (Taxable), dated November 18, 2015, interest rates ranging from 0.22 to 4.01%, final maturity November 1, 2030; $3,605,000 of the bonds defeased in 2021	6,310,000	580,000
Series 2015B State Moral Obligation (Tax-Exempt), dated November 18, 2015, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2035; $380,000 of the bonds defeased in 2021	18,505,000	15,770,000
Series 2015B State Moral Obligation Bonds (Taxable), dated November 18, 2015, interest rates ranging from 0.37 to 4.16%, final maturity November 1, 2030; $1,575,000 of the bonds defeased in 2021	3,005,000	490,000
Series 2015C Infrastructure Revenue Bonds, dated October 14, 2015, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2035	21,910,000	19,665,000
Series 2015C State Moral Obligation Bonds, dated October 14, 2015, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2035	9,850,000	8,915,000
Series 2015D Infrastructure Revenue Bonds (Tax-Exempt), dated November 18, 2015, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2036; $710,000 of the bonds defeased in 2019; $900,000 of the bonds defeased in 2020; $12,985,000 of the bonds defeased in 2021; $780,000 of the bonds defeased in 2022	107,760,000	54,070,000

Description	Original Amount	Amount Outstanding
Series 2015D Infrastructure Revenue Bonds (Taxable), dated November 18, 2015, interest rates ranging from 0,80 to 3.20%, final maturity November 1, 2025	$ 4,475,000	$ 1,585,000
Series 2015D State Moral Obligation (Tax-Exempt), dated November 18, 2015, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2038; $325,000 of the bonds defeased in 2019; $410,000 of the bonds defeased in 2020; $20,760,000 of the bonds defeased in 2021; $3,490,000 of the bonds defeased in 2022	52,290,000	39,925,000
Series 2015D State Moral Obligation Bonds (Taxable), dated November 18, 2015, interest ranging from 0.90 to 3.35%, final maturity November 1, 2025	2,455,000	1,105,000
Series 2016A Infrastructure Revenue Bonds, dated May 25, 20126, interest rates ranging from 4.00 to 5.00%, final maturity November 1, 2037	89,580,000	70,780,000
Series 2016A State Moral Obligation Bonds, dated May 25, 2016, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2037	47,040,000	38,355,000
Series 2016B Infrastructure Revenue Bonds (Tax-Exempt), dated August 10, 2016, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2036; $885,000 of the bonds defeased in 2021	32,635,000	25,680,000
Series 2016B Infrastructure Revenue Bonds (Taxable), dated August 10, 2016, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2046	2,340,000	1,225,000
Series 2016B State Moral Obligation (Tax-Exempt), dated August 10, 2016, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2036; $415,000 of the bonds defeased in 2021	16,330,000	13,005,000
Series 2016B State Moral Obligation Bonds (Taxable), dated August 10, 2016, interest ranging from 2.75 to 3.00%, final maturity November 1, 2046	1,230,000	705,000
Series 2016C Infrastructure Revenue Bonds, dated November 16, 2016, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2046; $7,035,000 of the bonds defeased in 2022	146,095,000	130,535,000
Series 2016C State Moral Obligation Bonds, dated November 16, 2016, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2046; $3,305,000 of the bonds defeased in 2022	66,820,000	59,475,000

Description	Original Amount	Amount Outstanding
Series 2017A Infrastructure Revenue Bonds, dated May 18, 2017, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2037	$ 42,965,000	$ 39,590,000
Series 2017A State Moral Obligation Bonds, dated May 18, 2017, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2038	19,130,000	17,690,000
Series 2017B Infrastructure Revenue Bonds (Tax-Exempt), dated August 16, 2017, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2041	27,675,000	25,940,000
Series 2017B Infrastructure Revenue Bonds (Taxable), dated August 16, 2017, interest rates ranging from 1.625 to 3.875%, final maturity November 1, 2037	2,655,000	2,255,000
Series 2017B State Moral Obligation Bonds (Tax-Exempt), dated August 16, 2017, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2037	7,620,000	6,925,000
Series 2017B State Moral Obligation Bonds (Taxable), dated August 16, 2017, interest rates ranging from 1.625 to 4.05%, final maturity November 1, 2037	1,215,000	1,035,000
Series 2017C Infrastructure Revenue Bonds, dated November 15, 2017, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2044	56,630,000	48,490,000
Series 2017C State Moral Obligation Bonds, dated November 15, 2017, interest rates ranging from 2.00 to 5.00%, final maturity November 1, 2044	30,315,000	26,550,000
Series 2018A Infrastructure Revenue Bonds (Tax-Exempt), dated May 23, 2018, interest rates ranging from 3.125 to 5.00%, final maturity November 1, 2047	70,385,000	61,020,000
Series 2018A Infrastructure Revenue Bonds (Taxable), dated May 23, 2018, interest rates ranging from 2.125 to 5.00%, final maturity November 1, 2047	2,510,000	2,315,000
Series 2018A State Moral Obligation Bonds (Tax-Exempt), dated May 23, 2018, interest rates ranging from 3.00 to 5.00%, final maturity November 1, 2047	32,275,000	28,335,000
Series 2018A State Moral Obligation Bonds (Taxable), dated May 23, 2018, interest rates ranging from 2.275 to 4.17%, final maturity November 1, 2047	1,160,000	1,065,000

Description	Original Amount	Amount Outstanding
Series 2018B Infrastructure Revenue Bonds, dated August 16, 2018, interest rates ranging from 3.0 to 5.0%, final maturity November 1, 2038	$ 19,595,000	$ 17,675,000
Series 2018B State Moral Obligation Bonds, dated August 16, 2018, interest rates ranging from 3.0 to 5.0%, final maturity Nov. 1, 2038	8,365,000	7,550,000
Series 2018C Infrastructure Revenue Bonds (Tax-Exempt), dated November 13, 2018, interest rates ranging from 4.0 to 5.0%, final maturity November 1, 2048	72,960,000	64,650,000
Series 2018C Infrastructure Revenue Bonds (Taxable), dated November 13, 2018, interest rates ranging from 2.75 to 4.25%, final maturity November 1, 2038	4,610,000	3,900,000
Series 2018C State Moral Obligation Bonds (Tax-Exempt), dated November 13, 2018, interest rates ranging from 3.25 to 5.0%, final maturity November 1, 2048	39,105,000	35,135,000
Series 2018C State Moral Obligation Bonds (Taxable), dated November 13, 2018, interest rates ranging from 2.875 to 4.35%, final maturity November 1, 2038	2,285,000	1,960,000
Series 2019A Infrastructure Revenue Bonds (Tax-Exempt), dated November 13, 2018, interest rates ranging from 2.625 to 5.0%, final maturity November 1, 2040	37,365,000	35,475,000
Series 2019A State Moral Obligation Bonds (Tax-Exempt), dated November 13, 2018, interest rates ranging from 3.0 to 5.0%, final maturity November 1, 2040	18,625,000	17,830,000
Series 2019B Infrastructure Revenue Bonds (Tax-Exempt), dated August 14, 2019, interest rates ranging from 3.0 to 5.0%, final maturity November 1, 2041	40,990,000	34,980,000
Series 2019B Infrastructure Revenue Bonds (AMT), dated August 14, 2019, interest rates ranging from 3.0 to 5.0%, final maturity November 1, 2049	5,515,000	5,310,000
Series 2019B Infrastructure Revenue Bonds (Taxable), dated August 14, 2019, interest rates ranging from 1.95 to 2.75%, final maturity November 1, 2034	11,740,000	11,260,000
Series 2019B State Moral Obligation Bonds (Tax-Exempt), dated August 14, 2019, interest rates ranging from 3.0 to 5.0%, final maturity Nov. 1, 2041	27,865,000	23,530,000

Description	Original Amount	Amount Outstanding
Series 2019B State Moral Obligation Bonds (AMT), dated August 14, 2019, interest rates ranging from 3.375 to 5.0%, final maturity Nov. 1, 2049	$ 2,345,000	$ 2,270,000
Series 2019B State Moral Obligation Bonds (Taxable), dated August 14, 2019, interest rates ranging from 2.05 to 3.0%, final maturity Nov. 1, 2034	5,615,000	5,415,000
Series 2019C Infrastructure Revenue Bonds (Tax-Exempt), dated November 18, 2019, interest rates ranging from 3.0 to 5.0%, final maturity November 1, 2049	71,270,000	64,545,000
Series 2019C Infrastructure Revenue Bonds (Taxable), dated November 18, 2019, interest rates ranging from 1.817 to 3.32%, final maturity November 1, 2042	193,515,000	188,270,000
Series 2019C State Moral Obligation Bonds (Tax-Exempt), dated November 18, 2019, interest rates ranging from 2.0 to 5.0%, final maturity Nov. 1, 2049	32,885,000	29,985,000
Series 2019C State Moral Obligation Bonds (Taxable), dated November 18, 2019, interest rates ranging from 1.85 to 3.25%, final maturity Nov. 1, 2042	85,900,000	83,610,000
Series 2020A Infrastructure Revenue Bonds (Tax-Exempt), dated June 3, 2020, interest rates ranging from 4.0 to 5.0%, final maturity November 1, 2040	12,195,000	11,975,000
Series 2020A Infrastructure Revenue Bonds (Taxable), dated June 3, 2020, interest rates ranging from 1.2 to 3.1%, final maturity November 1, 2038	37,880,000	36,680,000
Series 2020A State Moral Obligation Bonds (Tax-Exempt), dated June 3, 2020, interest rates ranging from 4.0 to 5.0%, final maturity Nov. 1, 2040	5,245,000	5,175,000
Series 2020 Water and Sewer Revenue Bonds (Taxable), dated July 29, 2020, interest rates ranging from 1.612 to 2.212%, final maturity Nov. 1, 2041	61,350,000	61,350,000
Series 2020B Infrastructure Revenue Bonds (Tax-Exempt), dated August 5, 2020, interest rates ranging from 2.0 to 5.0%, final maturity November 1, 2050	38,460,000	37,790,000
Series 2020B Infrastructure Revenue Bonds (Taxable), dated August 5, 2020, interest rates ranging from 1.0 to 2.0%, final maturity November 1, 2031	2,605,000	2,380,000

Description	Original Amount	Amount Outstanding
Series 2020B State Moral Obligation Bonds (Tax-Exempt), dated August 5, 2020, interest rates ranging from 2.0 to 5.0%, final maturity Nov. 1, 2050	$ 20,460,000	$ 20,180,000
Series 2020B State Moral Obligation Bonds (Taxable), dated August 5, 2020, interest rates ranging from 1.0 to 2.0%, final maturity Nov. 1, 2031	1,015,000	935,000
Series 2020C Infrastructure Revenue Bonds (Tax-Exempt), dated November 17, 2020, interest rates ranging from 1.625 to 5.0%, final maturity November 1, 2040	48,775,000	45,180,000
Series 2020C Infrastructure Revenue Bonds (Taxable), dated November 17, 2020, interest rates ranging from 0.249 to 2.829%, final maturity November 1, 2045	80,905,000	79,455,000
Series 2020C State Moral Obligation Bonds (Tax-Exempt), dated November 17, 2020, interest rates ranging from 2.125 to 5.0%, final maturity Nov. 1, 2040	22,015,000	20,565,000
Series 2020C State Moral Obligation Bonds (Taxable), dated November 17, 2020, interest rates ranging from 0.35 to 2.65%, final maturity Nov. 1, 2040	16,840,000	16,485,000
Series 2021A Infrastructure Revenue Bonds (Tax-Exempt), dated May 24, 2021, interest rates ranging from 4.0 to 5.0%, final maturity November 1, 2047	26,120,000	24,250,000
Series 2021A Infrastructure Revenue Bonds (Taxable), dated May 24, 2021, interest rates ranging from 0.187 to 2.736%, final maturity November 1, 2039	40,840,000	40,430,000
Series 2021A Infrastructure Revenue Bonds (AMT), dated May 24, 2021, interest rates ranging from 4.0 to 5.0 %, final maturity November 1, 2041	5,840,000	5,840,000
Series 2021A State Moral Obligation Bonds (Tax-Exempt), dated May 24, 2021, interest rates ranging from 2.125 to 5.0%, final maturity Nov. 1, 2047	12,305,000	11,510,000
Series 2021A State Moral Obligation Bonds (Taxable), dated May 24, 2021, interest rates ranging from 1.0 to 2.5%, final maturity Nov. 1, 2039	8,365,000	8,335,000
Series 2021A State Moral Obligation Bonds (AMT), dated May 24, 2021, interest rates ranging from 4.0 to 5.0%, final maturity Nov. 1, 2041	2,575,000	2,575,000

Description	Original Amount	Amount Outstanding
Series 2021B Infrastructure Revenue Bonds (Tax-Exempt), dated August 3, 2021, interest rates ranging from 1.875 to 5.0%, final maturity November 1, 2041	$ 29,050,000	$ 27,995,000
Series 2021B Infrastructure Revenue Bonds (Taxable), dated August 3, 2021, interest rates ranging from 1.65 to 3.0%, final maturity November 1, 2042	18,420,000	18,095,000
Series 2021B State Moral Obligation Bonds (Tax-Exempt), dated August 3, 2021, interest rates ranging from 2.0 to 5.0%, final maturity Nov. 1, 2041	12,805,000	12,385,000
Series 2021B State Moral Obligation Bonds (Taxable), dated August 3, 2021, interest rates ranging from 1.65 to 2.0%, final maturity Nov. 1, 2036	19,175,000	18,960,000
Series 2021C Infrastructure Revenue Bonds (Tax-Exempt), dated November 15, 2021, interest rates ranging from 2.125 to 5.0%, final maturity November 1, 2042	75,775,000	75,775,000
Series 2021C Infrastructure Revenue Bonds (Taxable), dated November 15, 2021, interest rates ranging from 2.0 to 3.0%, final maturity November 1, 2035	14,735,000	14,735,000
Series 2021C State Moral Obligation Bonds (Tax-Exempt), dated November 15, 2021, interest rates ranging from 2.125 to 5.0%, final maturity Nov. 1, 2051	34,280,000	34,280,000
Series 2021C State Moral Obligation Bonds (Taxable), dated November 15, 2021, interest rates ranging from 0.4 to 2.85%, final maturity Nov. 1, 2042	14,795,000	14,795,000
Series 2022A Infrastructure Revenue Bonds (Tax-Exempt), dated May 25, 2022, interest rates ranging from 3.875 to 5.0%, final maturity November 1, 2042	32,390,000	32,390,000
Series 2022A State Moral Obligation Bonds (Tax-Exempt), dated May 25, 2022, interest rate of 5.0%, final maturity Nov. 1, 2042	13,350,000	13,350,000
Total Virginia Pooled Financing Program and Stand-Alone Revenue Bonds	$4,352,292,167	$2,707,070,851

Description	Original Amount	Amount Outstanding
Virginia Water Facilities Revolving Loan Fund		
Series 2005 CWSRF (Refunding), dated June 30, 2005, interest rates ranging from 3.00% to 5.50%, final maturity October 1, 2022	$ 188,475,000	$ 8,390,000
Series 2013 CWSRF (Refunding), dated June 20, 2013, interest rates ranging from 1.00% to 5.00%, final maturity October 1, 2025	104,275,000	52,370,000
Series 2014B CWSRF (Refunding), dated September 30, 2014, interest rates ranging from 2.00% to 5.00%, final maturity October 1, 2031	178,935,000	152,805,000
Series 2015 CWSRF (Refunding), dated April 14, 2015, interest rate of 5.00%, final maturity October 1, 2031	115,225,000	98,975,000
Series 2020 State Revolving Fund Revenue, dated September 16, 2020, interest rates ranging from 2.0% to 5.0%, final maturity October 1, 2042	60,980,000	54,790,000
Total Virginia Water Facilities Revolving Loan Fund	$ 647,890,000	$ 367,330,000
Virginia Water Supply Revolving Loan Fund		
Series 2020 State Revolving Fund Revenue, dated September 16, 2020, interest rates ranging from 2.0% to 5.0%, final maturity October 1, 2052	$ 44,000,000	$ 44,000,000
Total Virginia Water Supply Revolving Loan Fund	$ 44,000,000	$ 44,000,000

Changes in long-term debt for the year ended June 30, 2022 are as follows:

	June 30, 2021	Increases	Decreases	June 30, 2022	Due within One Year
Bonds outstanding	$3,143,427,445	$264,775,000	$(289,801,594)	$3,118,400,851	$198,170,000
Unamortized discounts and premiums on bonds	225,216,364	28,100,379	(39,387,715)	213,929,028	29,111,716
Conduit debt	28,485,660	16,015,000	(1,792,050)	42,708,610	1,869,860
	$3,397,129,469	$308,890,379	$(330,981,359)	$3,375,038,489	$229,151,576

All bonds are limited obligations of the Authority payable solely from and secured by a pledge of the principal and interest payments required to be made by certain local and other governmental entities on loans made by the Authority and a pledge of all funds and accounts established by the various bond indentures. The Authority has the option to redeem various bonds. The redemptions generally cannot be exercised until the bonds have been outstanding for ten years or more, as fully described in the various bond indentures.

At June 30, 2022, $929,910,851 of the outstanding bonds were secured by the moral obligation of the Commonwealth.

At June 30, 2022, the Series 2002 Revenue Bonds include capital appreciation bonds with unaccreted values of $4,049,148.

Conduit Debt
The Authority issued bonds through the Virginia Green Communities Program (VGCP), which uses the Commonwealth's allocation of Qualified Energy Conservation Bonds to provide subsidized financing for energy efficiency, renewable energy, alternative fueling, and other qualified conservation purposes. The Authority is a conduit issuer for public borrowers with a third-party funding source providing financing for eligible projects. The terms of the VGCP bonds stipulate that the Authority does not guarantee repayment of principal and interest to the bondholders. The Authority has elected to show these bonds as liabilities and the associated loans from local borrowers as assets in the accompanying financial statements. As of June 30, 2022, the total outstanding principal amount of conduit debt obligations in the VGCP was $26,693,610.

The Authority issued bonds through the VirginiaHELPS Conduit Borrower Program (VAHELPS). The Authority is a conduit issuer for public borrowers with a third-party funding source providing financing for eligible projects. The terms of the VAHELPS bonds stipulate that the Authority does not guarantee repayment of principal and interest to the bondholders. The Authority has elected to show these bonds as liabilities and the associated loans from local borrowers as assets in the accompanying financial statements. As of June 30, 2022, the total outstanding principal amount of conduit debt obligations in VAHELPS was $16,015,000.

Refundings
During the fiscal year, the Authority issued Virginia Pooled Financing Program Revenue Bonds, Series 2021B, Series 2021C, and Series 2022A, from which a portion of proceeds were used to provide resources to place in trust for the purpose of making future debt service payments for certain maturities.

As a result, the refunded bonds below are considered to be defeased and the liability has been removed from the Statement of Net Position:

Issue	Principal Defeased	Difference between Previous and New Debt Services	Economic Gain as a Result of the Refunding
2011A Series	$ 1,095,000	$ 365,738	$ 297,681
2011B Series	3,720,000	369,363	370,054
2012A Series	4,925,000	713,750	549,684
2012B Series	9,240,000	741,205	680,475
2012C Series	9,025,000	773,936	684,607
2013A Series	4,135,000	442,366	347,359
2013B Series	2,645,000	249,676	230,315
2013C Series	445,000	59,128	53,475
2014A Series	1,660,000	175,488	141,302
2014B Series	1,755,000	185,530	149,389
2014C Series	3,050,000	507,410	235,504
2015A Series	6,475,000	588,417	510,645
2015D Series	4,270,000	324,595	273,173
2016C Series	10,340,000	689,793	623,284
	$ 62,780,000	$ 6,186,395	$ 5,146,947

The amount outstanding at June 30, 2022 for bonds that have been in-substance defeased was $580,449,791. In addition to the refundings noted above, this includes bonds that were in-substance defeased during the current and prior years: Series 2002, Series 2009A, Series 2010C, Series 2011A, Series 2011B, Series 2012, Series 2012A, Series 2012A-1, Series 2012B, Series 2012C, Series 2013A, Series 2013B, Series 2013C, Series 2014A, Series 2014B, Series 2014C, Series 2015A, Series 2015B, Series 2015D, Series 2016B, and Series 2016C.

Debt Service Requirements
Debt service requirements at June 30, 2022 are as follows:

	Bonds		
June 30,	**Principal**	**Interest**	**Total**
2023	$ 200,039,860	$ 116,412,335	$ 316,452,195
2024	193,214,097	107,921,214	301,135,311
2025	202,574,805	99,517,553	302,092,358
2026	209,482,035	90,764,660	300,246,695
2027	207,692,828	81,946,306	289,639,134
2028-2032	931,164,951	290,888,210	1,222,053,161
2033-2037	632,155,033	148,390,405	780,545,438
2038-2042	411,580,000	62,169,360	473,749,360
2043-2047	135,580,000	16,541,431	152,121,431
2048-2052	40,645,000	2,615,063	43,260,063
2053	1,030,000	20,600	1,050,600
	$ 3,165,158,609	$ 1,017,187,137	$ 4,182,345,746

Note 7 – Restricted Net Position

Restricted net position represents the portion of total net position restricted for the purpose of making loans to local governments or by the requirements of various bond indentures or federal and state regulations for the various revolving funds. Restricted net position includes Revolving Loan Fund Accounts, Airport Revolving Fund Accounts, Bond Accounts, and the Operating Reserve Fund. Such loans or grants are generally made at the direction of the state agencies overseeing the related programs. All assets and liabilities included in the Authority's General Accounts are non-restricted in nature; however, the General Account has pledged assets to establish an Operating Reserve Fund for the VPFP. The Operating Reserve Fund serves as security on the Authority's Infrastructure Revenue Bonds (senior lien) and is classified as restricted. At June 30, 2022 the cash, cash equivalents, and investments restricted for use related to the Operating Reserve Fund amounted to $7,815,328.

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2022 consisted of:

	Current	**Noncurrent**	**Total**
Accounts payable and other liabilities	$ 90,495	$ -	$ 90,495
Compensated absences	122,413	-	122,413
Loan payments received prior to due date	1,387,743	-	1,387,743
Lease liability	166,079	1,185,408	1,351,487
	$ 1,766,730	$ 1,185,408	$ 2,952,138

Note 9 – Contributions from Other Governments

During the fiscal year, the Authority received $57,188,644 from the EPA under the Capitalization Grants for State Revolving Funds. Contributions from the EPA are disbursed as loans to municipalities. The Authority also received $5,629,724 from the Commonwealth as part of the required state match of federal funds.

In addition, the Authority received the following funds from the Commonwealth: $23,014,525 for VWFRF's combined sewer overflow projects; $1,186,077 for VDSFPF; $82,655,740 for CFPF; and $2,250,000 for VBAF.

Note 10 – Employee Pension Plans

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by the VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System ("System") along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer are pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out below:

VRS Plan 1

Overview – Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.

Eligibility – Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election – VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

Retirement Contributions – Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

Creditable Service – Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Vesting – Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.

Calculating the Benefit – The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

Average Final Compensation – A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

Service Retirement Multiplier – The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.

Normal Retirement Age – Age 65.

Earliest Unreduced Retirement Eligibility – Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Earliest Reduced Retirement Eligibility – Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

Cost-of-Living Adjustment (COLA) in Retirement – The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

Disability Coverage – Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Purchase of Prior Service – Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

<u>VRS Plan 2</u>
Overview – Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.

Eligible Members – Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

Hybrid Opt-In Election – Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.

Retirement Contributions – Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.

Creditable Service – Same as Plan 1.

Vesting – Same as Plan 1.

Calculating the Benefit – See definition under Plan 1.

Average Final Compensation – A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

Service Retirement Multiplier – Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

Normal Retirement Age – Normal Social Security retirement age.

Earliest Unreduced Retirement Eligibility – Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.

Earliest Reduced Retirement Eligibility – Age 60 with at least five years (60 months) of creditable service.

Cost-of-Living Adjustment (COLA) in Retirement – The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. Eligibility and exceptions to COLA effective dates are the same as VRS Plan 1.

Disability Coverage –Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service – Same as Plan 1.

VRS Hybrid Retirement Plan
Overview – The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window (see "Eligible Members"). The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Eligible Members – Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes political subdivision employees and members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. Some employees are not eligible to participate in the Hybrid Retirement Plan. They include political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Retirement Contributions – A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

Creditable Service, Defined Benefit Component – Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Creditable Service, Defined Contributions Component – Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

Vesting, Defined Benefit Component – Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Vesting, Defined Contributions Component – Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service:

- After two years, a member is 50% vested and may withdraw 50% of employer contributions
- After three years, a member is 75% vested and may withdraw 75% of employer contributions
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions

Distribution is not required by law until age 70½.

Calculating the Benefit, Defined Benefit Component – See definition under Plan 1.

Calculating the Benefit, Defined Contribution Component – The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

Average Final Compensation – Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

Service Retirement Multiplier – The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Normal Retirement Age, Defined Benefit Component – Same as Plan 2.

Normal Retirement Age, Defined Contribution Component – Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Unreduced Retirement Eligibility, Defined Benefit Component – Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Earliest Unreduced Retirement Eligibility, Defined Contribution Component – Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Reduced Retirement Eligibility, Defined Benefit Component – Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Earliest Reduced Retirement Eligibility, Defined Contribution Component – Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Cost-of-Living Adjustment (COLA) in Retirement, Defined Benefit Component – Same as Plan 2. Eligibility and exceptions to COLA effective dates are the same as Plan 1 and Plan 2.

Cost-of-Living Adjustment (COLA) in Retirement, Defined Contribution Component – Not applicable.

Disability Coverage – Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Purchase of Prior Service, Defined Benefit Component – Same as Plan 1, with the following exceptions: Hybrid Retirement Plan members are ineligible for ported service.

Purchase of Prior Service, Defined Contribution Component – Not applicable.

Employees Covered by Benefit Terms
As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive members or their beneficiaries currently receiving benefits	4
Inactive members:	
Vested inactive members	6
Non-vested inactive members	4
Inactive members elsewhere in VRS	7
Total inactive members	17
Active members	15
Total covered employees	36

Contributions
The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority's contractually required contribution rate for the year ended June 30, 2022 was 6.03% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $87,981 and $90,449 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability
The Authority's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

Actuarial Methods and Assumptions
The total pension liability for the Authority was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.5%
Salary increases, including inflation	3.5-5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

Mortality rates: 15% of deaths are assumed to be service related

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Withdrawal rates: adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Line of Duty Disability: no change

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-Asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
Inflation			2.50%
Expected arithmetic nominal return*			7.39%

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take in account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate.

Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a)-(b)**
Balance at June 30, 2020	$ 2,360,678	$ 2,298,472	$ 62,206
Changes for the year:			
Service cost	155,418	-	155,418
Interest	157,606	-	157,606
Changes of assumptions	(8,775)	-	(8,775)
Difference between expected and actual experience	(90,365)	-	(90,365)
Contributions – employer	-	86,424	(86,424)
Contributions – employee	-	72,756	(72,756)
Net investment income	-	648,797	(648,797)
Benefit payments, including refunds	(51,536)	(51,536)	-
Administrative expenses	-	(1,464)	1,464
Other changes	-	63	(63)
Net change	162,348	755,040	(592,692)
Balance at June 30, 2021	$ 2,523,026	$ 3,053,512	$ (530,486)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the Authority's net pension liability using the current discount rate, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)	$ (90,321)	$ (530,486)	$ (873,386)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions
For the year ended June 30, 2022, the Authority recognized pension expense of $(57,196). At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 112,793	$ 65,329
Changes of assumptions	21,254	6,033
Net difference between projected and actual earnings on plan investments	-	329,280
Employer contributions subsequent to the measurement date	87,981	-
	$ 222,028	$ 400,642

Deferred outflows of resources of $87,981 resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions and amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	$ (10,918)
2024	(82,009)
2025	(75,656)
2026	(98,012)
2027	-
Thereafter	-
	$ 266,595

Pension Plan Data
Information about the VRS Plan is also available in the separately issued VRS Annual Report at http://www.varetire.org/Publications, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 11 – Other Post-Employment Benefits – Group Life Insurance Program

Plan Description
All full-time, salaried permanent employees of the Authority are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System ("System") along with pensions and other OPEB plans for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage, and benefits is set out below:

<u>Eligible Employees</u>
The Group Life Insurance Program was established July 1, 1960 for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contribution and accrued interest.

<u>Benefit Amounts</u>
The benefits payable under the Group Life Insurance Program have several components:

- Natural Death Benefit: Equal to the employee's covered compensation rounded to the next highest thousand, then doubled.
- Accidental Death Benefit: Double the natural death benefit.
- Other Benefit Provisions: In addition to the natural and accidental death benefits, the program provides additional benefits under specific circumstances, including the accidental dismember benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option.

<u>Reduction in Benefit Amounts</u>
The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

<u>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</u>
For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by Statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was $8,722 as of June 30, 2022.

Contributions
The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation; this was allocated into an employee and employer component using a 60/40 split, resulting in the employee component of 0.80% and the employer component of 0.54%. Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution.

Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program for the Authority were $7,827 and $8,040 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net OPEB Liability
The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the Group Life Insurance Program is as follows (in thousands):

Total OPEB liability	$ 3,577,346
Less Plan Fiduciary Net Positon	(2,413,074)
Employers' Net OPEB Liability	$ 1,164,272
Plan Fiduciary Net Positon as a percentage of the Total OPEB liability	67.45%

The total OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

At June 30, 2022, the Authority reported a liability of $84,526 for its proportionate share of the NOL. The NOL was measured as of June 30, 2021 and the total Group Life Insurance OPEB liability used to calculate the NOL was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The Authority's proportion of the NOL was based on the Authority's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021 and June 30, 2020, the Authority's proportion was 0.00726% and 0. 00726%, respectively.

Actuarial Assumptions
The total Group Life insurance OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.5%
Salary increases, including inflation	
General state employees	3.5-5.35%
Teachers	3.5-5.95%
SPORS employees	3.5-4.75%
VaLORS employees	3.5-4.75%
JRS employees	4.5%
Locality – General employees	3.5-5.35%
Locality – Hazardous Duty employees	3.5-4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

<u>Mortality rates – General State Employees</u>

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years
- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years
- Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Line of Duty disability: no change
- Discount rate: decreased from no change

<u>Mortality rates – Teachers</u>

- Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change

Mortality rates – SPORS Employees

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
- Withdrawal rates: decreased rate for 0 years of service and increased rates for 1 to 6 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty Disability: no change

Mortality rates – VaLORS Employees

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 year
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70

- Withdrawal rates: adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty Disability: no change

Mortality rates – JRS Employees

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years
- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: decreased rates for ages 60-66 and 70-72
- Withdrawal rates: no change
- Disability rates: no change
- Salary scale: reduce increases across all ages by 0.50%
- Discount rate: no change

Mortality rates – Largest Ten Locality Employers – General Employees

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

<u>Mortality rates – Non-Largest Ten Locality Employers – General Employees</u>

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

<u>Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees</u>

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP- 2020
- Retirement rates: adjusted rates to better fit experience and changed final retirement age from 65 to 70
- Withdrawal rates: decreased rates
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

<u>Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees</u>

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally;95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP- 2020
- Retirement rates: adjusted rates to better fit experience and changed final retirement age from 65 to 70
- Withdrawal rates: decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-Asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
Inflation			2.50%
Expected arithmetic nominal return*			7.39%

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take in account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total Group Life Insurance OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by the Authority for the Group Life Insurance OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Group Life Insurance OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Group Life Insurance OPEB liability.

Sensitivity of the Authority's Proportionate Share of the Net Group Life Insurance OPEB Liability to Changes in the Discount Rate
The following presents the Authority's proportionate share of the net Group Life Insurance OPEB liability using the current discount rate, as well as what the Authority's proportionate share of the net Group Life Insurance OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Proportionate share of the net Group Life Insurance OPEB liability	$ 123,496	$ 84,526	$ 53,056

Group Life Insurance OPEB Expense and Deferred Outflows/Inflows of Resources Related to the Group Life Insurance Program
For the year ended June 30, 2022, the Authority recognized total OPEB expense of $(27,738), of which ($4,699) was related to the Group Life Insurance OPEB. Since there was a change in proportionate share between measurement dates, a portion of the Group Life Insurance OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,640	$ 644
Net difference between projected and actual earnings on plan investments	-	20,175
Change in assumptions	4,660	11,565
Changes in proportion	5,084	5,214
Employer contributions subsequent to the measurement date	7,827	-
	$ 27,211	$ 37,598

Deferred outflows of resources of $7,827 resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Group Life Insurance OPEB Liability in the year ended June 30, 2023.

Amounts reported as deferred inflows of resources related to the Group Life Insurance OPEB will be recognized in the Group Life Insurance OPEB expense as follows:

Year Ended June 30,	
2021	$ 4,338
2022	3,269
2023	3,227
2024	6,210
2025	1,170
Thereafter	-
	$ 18,214

Group Life Insurance Plan Data
Information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS Annual Report at http://www.varetire.org/Publications, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12 – Other Post-Employment Benefits – Virginia Local Disability Program

Plan Description
All full-time, salaried permanent employees of the Authority who are in the VRS Hybrid Retirement Plan benefit structure are automatically covered by the VRS Political Subdivision Employee Virginia Local Disability Program ("VLDP") upon employment. This plan is administered by the Virginia Retirement System ("System") along with pensions and other OPEB plans for public employer groups in the Commonwealth of Virginia. Political subdivisions are required by Title 51.1 of the *Code of Virginia*, as amended, to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDP.

Eligible Employees
The VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits. Eligible employees are enrolled automatically upon employment.

Benefit Amounts
- Short-term disability
    - Beginning after a seven-calendar day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.
    - During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work related or work-related disability.
    - Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.
- Long-term disability
    - Beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
    - Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

VLDP Program Notes
Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.

VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

Contributions
The contribution requirements for the active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2022 was 0.83% of covered employee compensation

for employees in the VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the VLDP were $1,748 and $1,861 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net OPEB Liability
The net OPEB liability (NOL) for the VLDP represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VLDP is as follows (in thousands):

Total OPEB liability	$	5,156
Less Plan Fiduciary Net Positon		(6,166)
Net OPEB Liability (asset)	$	(1,010)
Plan Fiduciary Net Positon as a percentage of the Total OPEB liability		119.59%

The total OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

At June 30, 2022, the Authority reported an asset of $151 for its proportionate share of the NOL. The NOL was measured as of June 30, 2021 and the total OPEB liability used to calculate the NOL was determined by an actuarial valuation as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The Authority's proportion of the NOL was based on the Authority's actuarially determined employer contributions to the VLDP for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021 and June 30, 2020 the Authority's proportion was 0.056% and 0.033% respectively.

Actuarial Assumptions
The total VLDP OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.5%
Salary increases, including inflation	3.5-5.35%
Investment rate of return	6.75%, including inflation*

<u>Mortality rates – Non-Largest Ten Locality Employers – General and Non-Hazardous Duty Employees</u>

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally

- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is75% of the MP-2020 rates

The actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate (based on VRS Board action effective July 1, 2019). Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each year age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Line of Duty Disability: no change
- Discount rate: no change

Long-Term Expected Rate of Return
The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-Asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
Inflation			2.50%
Expected arithmetic nominal return*			7.39%

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take in account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On

October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total VLDP OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the Authority for the VLDP OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VLDP OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VLDP OPEB liability.

VLDP OPEB Expense and Deferred Outflows/Inflows of Resources Related to the VLDP

For the year ended June 30, 2022, the Authority recognized total OPEB expense of $(27,738), of which $(778) was related to the VLDP OPEB.

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual earnings on plan investments	-	-
Change in assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	1,748	-
	$ 1,748	$ -

Deferred outflows of resources of $1,748 resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net VLDP OPEB Liability in the year ended June 30, 2023.

VLDP OPEB Plan Data

Information about the VLDP's Fiduciary Net Position is available in the separately issued VRS Annual Financial Comprehensive Report at http://www.varetire.org/Publications, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13 – Other Post-Employment Benefits – Retiree Healthcare Plan

Plan Description

Effective July 1, 2018, the Authority began administering a single-employer defined benefit healthcare plan (the "Plan" or "Retiree Healthcare"), which provides post-employment healthcare benefits to retirees of the Authority. The Plan may be modified or discontinued at any time by the Authority's Board of Directors.

Retirees are eligible to participate in the Plan upon retiring at 50 years old with ten years of service with the Authority or 55 years old with five years of service with the Authority. Upon reaching Medicare age, participating retirees are required to join a Medicare-supplement plan.

A separate report is not issued for the Plan.

Employees Covered by Benefit Terms
As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the Plan:

Inactive employees currently receiving benefits	-
Inactive employees entitled but not receiving benefits	-
Active employees	14
Total	14

Funding Policy
Participating retirees must pay the full cost of these benefits, which results in an implicit rate subsidy for the Authority. Benefits are paid on a pay-as-you-go basis and there are no plan assets set aside in trust. This funding policy may be modified at any time by the Authority's Board of Directors.

Total OPEB Liability and OPEB Expense
For the year ended June 30, 2022, the Authority recognized total OPEB expense of $(27,738), of which ($22,261) was related to the Retiree Healthcare OPEB.

For the year ending June 30, 2022, the Authority reported a total Retiree Healthcare OPEB liability of $132,438.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (a)-(b)**
Balance at June 30, 2021	$ 154,699	$ -	$ 154,699
Changes for the year:			
Service cost	15,504	-	15,504
Interest	3,642	-	3,642
Effect of economic/demographic gains or losses	(8,228)		(8,228)
Changes of assumptions	(33,179)	-	(33,179)
Difference between expected and actual experience	-	-	-
Contributions – employer	-	-	-
Contributions – employee	-	-	-
Benefit payments, including refunds	-	-	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net change	(22,261)	-	(22,261)
Balance at June 30, 2022	$ 132,438	$ -	$ 132,438

Actuarial Assumptions
The total OPEB liability was based on an actuarial valuation as of June 30, 2022, using the alternative measurement method and the following assumptions:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll
Healthcare cost trend rates:	From 5.9% in the current year to 4.3% in future years, consistent with the Getzen model promulgated by the Society of Actuaries for use in long-term trend projection
Payroll growth assumption:	average annual percentage change in the Consumer Price Index – Urban Wage Earners and Clerical Workers CPI-W from 2011 to 2021.
Amortization period:	20 years
Mortality table:	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvements projected for 10 years
Turnover assumption:	Derived from data maintained by the US Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

Sensitivity of the Plan's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate
The following presents the Plan's total OPEB liability using healthcare trend rates 1% greater than and 1% less than the baseline trends are shown in the table below:

	Baseline Trend -1%	Baseline Trend	Baseline Trend +1%
Total OPEB liability	$ 105,370	$ 132,438	$ 167,026

Discount Rate and Sensitivity of the Plan's Total OPEB Liability to Changes in the Discount Rate
The discount rate used to measure the total OPEB liability was 3.54%. This rate reflects the Bond Buyer 20-Bond GO index as of the measurement date.

The following presents the Plan's total OPEB liability using the discount rate as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Current Rate -1%	Current Rate	Current Rate +1%
Total OPEB liability	$ 155,208	$ 132,438	$ 113,550

Note 14 – Contingencies

The Authority participates in the Capitalization Grants for State Revolving Funds. Although the Authority's administration of the program has been audited in accordance with Title 2 of the U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2022, this program is still subject to federal financial and compliance audits. The amount of expenses, which may be disallowed by the granting agency, cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

The Authority issued Build America Bonds, a form of direct-pay bonds where issuers receive subsidy payments from the Treasury equal to 35% of their interest costs, in 2009 and 2010. As an issuer of Build America Bonds, the Authority is subject to reductions in the subsidy payments pursuant to the spending cut requirements (the "sequester") of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Certain automatic reductions, in the amount of 5.7%, went into effect October 1, 2020 and the reduction rate will be applied until September 30, 2030 or intervening Congressional action, at which time the sequestration rate is subject to change. The amount of any reduction to future subsidy payments of the Authority cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

The Authority issued Qualified Energy Conservation Bonds, a form of direct-pay bonds where issuers receive subsidy payments from the Treasury equal to 70% of the related Qualified Tax Credit Bond Rate, 2016 and 2017. As an issuer of Qualified Energy Conservation Bonds, the Authority is subject to reductions in the subsidy payments pursuant to the spending cut requirements (the "sequester") of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Certain automatic reductions, in the amount of 5.7%, went into effect October 1, 2020 and the reduction rate will be applied until September 30, 2030 or intervening Congressional action, at which time the sequestration rate is subject to change. The amount of any reduction to future subsidy payments of the Authority cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

Note 15 – Leases

The Authority has entered into an agreement to lease its office space. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The agreement was executed on November 9, 2020, to lease office space and requires 90 monthly payments increasing over the life of the lease from $15,918 to $18,918. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.14%, which is the Authority's incremental borrowing rate. As a result of the lease, the Authority has recorded a right to use asset with a net book value of $1,283,772 at June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 are as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total
2023	$ 166,079	$ 27,312	$ 193,391
2024	174,549	23,675	198,224
2025	183,328	19,855	203,183
2026	192,424	15,843	208,267
2027	201,842	11,633	213,475
2028	211,590	7,219	218,809
2029	221,675	2,593	224,268
	$ 1,351,487	$ 108,130	$ 1,459,617

Note 16 – Risk Management

The Authority carries commercial insurance for various risks of loss including property, workers' compensation, theft, general liability, errors and omissions, employee health and accident, and public officials' liability. There have been no claims exceeding the amount insured resulting from these risks during the three years ended June 30, 2022 and there was no reduction in insurance coverage during the fiscal year.

Note 17 – Subsequent Events

The Authority issued debt via direct borrowing dated July 20, 2022 for $98,000,000 in the Virginia Water Facilities Revolving Loan Fund to help expand capacity in the program. The note has an interest rate of 3.186% with a final maturity date of October 1, 2042.

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2022

Schedule of Changes in Net Pension Liability and Related Ratios

	Plan Year Ended June 30,							
	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service cost	$ 113,609	$ 138,652	$ 146,176	$ 164,504	$ 148,916	$ 137,528	$ 170,910	$ 155,418
Interest	49,872	61,149	79,808	96,398	96,332	101,751	134,894	157,606
Changes of assumptions	-	-	-	(96,698)	-	79,464	-	(8,775)
Difference between expected and actual experience	-	66,756	15,713	(39,168)	(28,307)	264,966	77,039	(90,365)
Benefit payments, including refunds of employee contributions	(4,749)	-	-	(9,413)	(242,525)	(36,525)	(41,202)	(51,536)
Net change	158,732	266,557	241,697	115,623	(25,584)	547,184	341,641	162,348
Total pension liability, beginning	714,828	873,560	1,140,117	1,381,814	1,497,437	1,471,853	2,019,037	2,360,678
Total pension liability, ending (a)	$ 873,560	$1,140,117	$1,381,814	$1,497,437	$1,471,853	$2,019,037	$2,360,678	$2,523,026
Plan Fiduciary Net Position								
Contributions – employer	$ 85,767	$ 46,529	$ 45,908	$ 60,777	$ 58,238	$ 65,730	$ 68,145	$ 86,424
Contributions – employee	77,046	64,726	65,224	71,356	64,628	71,954	74,870	72,756
Net investment income	163,643	61,565	28,964	202,035	140,948	134,272	42,699	648,797
Benefit payments, including refunds of employee contributions	(4,749)	-	-	(9,413)	(242,525)	(36,525)	(41,202)	(51,536)
Administrative expense	(736)	(720)	(828)	(1,026)	(1,323)	(1,172)	(1,312)	(1,464)
Other	8	(13)	(11)	(524)	(420)	(86)	(52)	63
Net change	320,979	172,087	139,257	323,205	19,546	234,173	143,148	755,040
Plan fiduciary net position, beginning	946,077	1,267,056	1,439,143	1,578,400	1,901,605	1,921,151	2,155,324	2,298,472
Plan fiduciary net position, ending (b)	$1,267,056	$1,439,143	$1,578,400	$1,901,605	$1,921,151	$2,155,324	$2,298,472	$3,053,512
Net Pension Liability (Asset) (b)-(a)	$(393,496)	$(299,026)	$(196,586)	$(404,168)	$(449,298)	$(136,287)	$ 62,206	$(530,486)
Plan fiduciary net position as a percentage of the total pension liability	145.0%	126.2%	114.2%	127.0%	130.5%	106.8%	97.4%	121.0%
Covered payroll	$1,170,504	$1,294,522	$1,311,484	$1,342,834	$1,292,489	$1,458,029	$1,521,744	$1,499,979
Net pension liability (asset) as a percentage of covered payroll	(33.6%)	(23.1%)	(15.0%)	(30.1%)	(34.8%)	(9.3%)	4.1%	(35.4%)

Information is presented only for those years for which it is available.

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2022

Schedule of Pension Contributions

Fiscal Year	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 46,862	$ 46,862	$ -	$ 1,294,522	3.62%
2016	47,476	47,476	-	1,311,484	3.62%
2017	62,039	62,039	-	1,342,834	4.62%
2018	59,713	59,713	-	1,292,489	4.62%
2019	68,090	68,090	-	1,458,029	4.67%
2020	71,065	71,065	-	1,521,744	4.67%
2021	76,925	76,925	-	1,499,979	6.03%
2022	87,981	87,981	-	1,460,326	6.03%

**Includes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.*

Information is presented only for those years for which it is available.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Contributions

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions are as follows:

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Withdrawal rates: adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Line of Duty Disability: no change

Schedule of Employer's Share of Net OPEB Liability – Group Life Insurance Program

	Plan Year Ended June 30,				
	2017	**2018**	**2019**	**2020**	**2021**
Proportion of the net Group Life Insurance (GLI) OPEB liability	0.00730%	0.00683%	0.00744%	0.00726%	0.00726%
Proportionate share of the net GLI OPEB liability	$110,000	$104,000	$121,000	$123,327	$84,526
Covered payroll	$1,342,834	$1,292,489	$1,458,029	$1,521,744	$1,499,979
Proportionate share of the net GLI OPEB liability as a percentage of covered payroll	8.19%	8.05%	8.30%	8.10%	5.64%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%

Information is presented only for those years for which it is available.

Schedule of Employer OPEB Contributions – Group Life Insurance Program

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 7,037	$ 7,037	-	$ 1,342,834	0.52%
2018	6,774	6,774	-	1,292,489	0.52%
2019	7,640	7,640	-	1,458,029	0.52%
2020	7,974	7,974	-	1,521,744	0.52%
2021	8,040	8,040	-	1,499,979	0.54%
2022	7,827	7,827	-	1,460,326	0.54%

Information is presented only for those years for which it is available.

Notes to Schedule of Employer's Share of Net OPEB Liability and Schedule of Employer OPEB Contributions – Group Life Insurance Program

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate (based on VRS Board action effective as of July 1, 2019). Changes to the actuarial assumptions are as follows:

General State Employees

- Mortality rates: Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Line of Duty disability: no change
- Discount rate: decreased from no change

<u>Teachers</u>

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change

<u>SPORS Employees</u>

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
- Withdrawal rates: decreased rate for 0 years of service and increased rates for 1 to 6 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty Disability: no change

<u>VaLORS Employees</u>

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
- Withdrawal rates: adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty Disability: no change

<u>JRS Employees</u>

- Mortality rates: review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: decreased rates for ages 60-66 and 70-72
- Withdrawal rates: no change
- Disability rates: no change
- Salary scale: reduce increases across all ages by 0.50%
- Discount rate: no change

<u>Largest Ten Locality Employers – General Employees</u>

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

<u>Non-Largest Ten Locality Employers – General Employees</u>

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

<u>Largest Ten Locality Employers – Hazardous Duty Employees</u>

- Mortality rates: update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP- 2020
- Retirement rates: adjusted rates to better fit experience and changed final retirement age from 65 to 70
- Withdrawal rates: decreased rates
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

<u>Non-Largest Ten Locality Employers – Hazardous Duty Employees</u>

- Mortality rates: update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP- 2020
- Retirement rates: adjusted rates to better fit experience and changed final retirement age from 65 to 70
- Withdrawal rates: decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
- Disability rates: no change
- Salary scale: no change
- Discount rate: no change
- Line of Duty disability: no change

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2022

Schedule of Employer's Share of Net OPEB Liability – Virginia Local Disability Program

	Plan Year Ended June 30,				
	2017	**2018**	**2019**	**2020**	**2021**
Proportion of the net Virginia Local Disability Program (VLDP) OPEB liability	0.020%	0.019%	0.031%	0.033%	0.056%
Proportionate share of the net VLDP OPEB liability (asset)	$111	$144	$620	$326	($151)
Covered payroll	$36,057	$45,402	$94,727	$121,776	$224,276
Proportionate share of the net VLDP OPEB liability/asset as a percentage of covered payroll	0.31%	0.32%	0.65%	0.26%	0.07%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability/asset	38.4%	51.2%	49.2%	76.8%	119.6%

Information is presented only for those years for which it is available.

Schedule of Employer OPEB Contributions – Virginia Local Disability Program

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 216	$ 216	-	$ 36,057	0.60%
2018	272	272	-	45,402	0.60%
2019	682	682	-	94,727	0.72%
2020	877	877	-	121,776	0.72%
2021	1,861	1,861	-	224,276	0.83%
2022	1,748	1,748	-	210,615	0.83%

Information is presented only for those years for which it is available.

Notes to Schedule of Employer's Share of Net OPEB Liability and Schedule of Employer OPEB Contributions – Virginia Local Disability Program

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate (based on VRS Board action effective as of July 1, 2019). Changes to the actuarial assumptions are as follows:

Largest Ten Locality Employers – General and Non-Hazardous Duty Employees

- Mortality rates: update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement rates: adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Withdrawal rates: adjusted rates to better fit experience at each year age and service decrement through 9 years of service
- Disability rates: no change
- Salary scale: no change

- Line of Duty Disability: no change
- Discount rate: no change

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2022

Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Healthcare Plan

	Plan Year Ended June 30,			
Total OPEB Liability	**2019**	**2020**	**2021**	**2022**
Service cost	$ -	$ -	$ 15,985	$ 15,504
Interest	-	-	3,702	3,642
Effect of economic/demographic gains or losses	-	-	-	(8,228)
Changes of assumptions	101,505	50,009	(16,502)	(33,179)
Benefit payments, including refunds	-	-	-	-
Net change	101,505	50,009	3,185	(22,261)
Total OPEB liability, beginning	$ -	$ 101,505	$ 151,514	$ 154,699
Total OPEB liability, ending (a)	$ 101,505	$ 151,514	$ 154,699	$ 132,438
Plan Fiduciary Net Position				
Contributions – employer	$ -	$ -	$ -	$ -
Contributions – employee	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds	-	-	-	-
Administrative expense	-	-	-	-
Other changes	-	-	-	-
Net change	-	-	-	-
Plan fiduciary net position, beginning	$ -	$ -	$ -	$ -
Plan fiduciary net position, ending (b)	$ -	$ -	$ -	$ -
Net OPEB Liability (a)-(b)	$ 101,505	$ 151,514	$ 154,699	$ 132,438
Plan fiduciary net position as a percentage of the total pension liability	NA	NA	NA	NA
Covered-employee payroll	$1,458,029	$1,521,744	$1,499,979	$1,460,326
Net OPEB liability as a percentage of covered-employee payroll	6.96%	9.96%	10.31%	9.07%

Information is presented only for those years for which it is available.

Notes to Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Healthcare Plan

The Retiree Healthcare Plan became effective July 1, 2018. Benefits are paid on a pay-as-you-go basis and there are no plan assets set aside in trust.

Virginia Resources Authority
Combining Schedule of Net Position
June 30, 2022

	General Accounts	Virginia Revolving Loan Fund Accounts: Water Facilities	Virginia Revolving Loan Fund Accounts: Water Supply	Airport Accounts	Bond Accounts	Transportation Infrastructure Bank	Dam Safety & CFPF Accounts	Tobacco Commission Accounts	Brownfields & Miscellaneous Accounts	Total
Assets										
Current assets										
Cash	$ 761,224	$ 7,468,195	$ 3,741,826	$ 74,619	$ -	$ -	$ -	$ 4,479,203	$ 500,000	$ 17,025,067
Cash equivalents	3,703,624	165,980,375	21,919,357	7,388,578	1,739,341	-	118,478,716	-	3,450,567	322,660,558
Investments	2,778,843	35,488,584	10,866,901	534,443	4,600,635	-	957,791	-	-	55,227,197
Loans receivable - current portior	-	120,696,379	8,611,490	3,334,381	178,672,000	-	-	138,817	1,869,860	313,322,927
Receivables:										
Investment interes	54,094	1,383,453	183,666	9,621	460,938	-	17,722	-	-	2,109,494
Loan interest	-	5,662,382	967,584	135,239	24,423,362	-	-	7,912	704,127	31,900,606
Loan administrative fees	-	679,070	413,228	-	802,764	-	-	-	-	1,895,062
Federal funds	-	-	2,496,890	-	-	-	-	-	-	2,496,890
Other	72,426	1,242,552	724,488	-	-	-	-	-	-	2,039,466
Other	91,773	-	-	-	-	-	-	-	-	91,773
Total current assets	7,461,984	338,600,990	49,925,430	11,476,881	210,699,040	-	119,454,229	4,625,932	6,524,554	748,769,040
Noncurrent assets										
Investments - non-curren	27,353,883	314,634,311	76,423,265	3,345,760	84,209,824	-	5,875,953	-	-	511,842,996
Loans receivable - non-curren	-	1,251,551,604	211,963,517	20,969,787	2,626,391,292	-	-	1,603,321	24,823,749	4,137,303,270
Capital assets, net	1,389,970	-	-	-	-	-	-	-	-	1,389,970
Net pension asset	530,486	-	-	-	-	-	-	-	-	530,486
Total noncurrent assets	29,274,339	1,566,185,915	288,386,782	24,315,547	2,710,601,116	-	5,875,953	1,603,321	24,823,749	4,651,066,722
Total assets	36,736,323	1,904,786,905	338,312,212	35,792,428	2,921,300,156	-	125,330,182	6,229,253	31,348,303	5,399,835,762
Deferred Outflows of Resources										
Deferred outflows - pensior	222,028	-	-	-	-	-	-	-	-	222,028
Deferred outflows - OPEB	28,959	-	-	-	-	-	-	-	-	28,959
Deferred loss on refunding	-	12,773,485	-	-	27,105,021	-	-	-	-	39,878,506
Total deferred outflows of resource	250,987	12,773,485	-	-	27,105,021	-	-	-	-	40,129,493
Total assets and deferred outflows of resource	$ 36,987,310	$ 1,917,560,390	$ 338,312,212	$ 35,792,428	$ 2,948,405,177	$ -	$ 125,330,182	$ 6,229,253	$ 31,348,303	$ 5,439,965,255
Liabilities										
Current liabilities										
Bonds payable - curren	$ -	$ 47,126,487	$ 338,723	$ -	$ 179,816,506	$ -	$ -	$ -	$ 1,869,860	$ 229,151,576
Accrued interest	-	4,090,913	375,259	-	16,557,159	-	-	-	704,127	21,727,458
Due to (from) other accounts	(476,460)	358,372	72,480	7,823	-	-	37,785	-	-	-
Agency funds	-	1,413,556	97,201	33,101	-	-	-	3,005,126	-	4,548,984
Accounts payable and other liabilities	378,813	951,200	334,773	74,619	-	-	-	27,325	-	1,766,730
Total current liabilities	(97,647)	53,940,528	1,218,436	115,543	196,373,665	-	37,785	3,032,451	2,573,987	257,194,748
Noncurrent liabilities										
Net OPEB liability	216,543	-	-	-	-	-	-	-	-	216,543
Bonds payable - noncurren	-	349,065,209	49,213,721	-	2,722,784,234	-	-	-	24,823,749	3,145,886,913
Other accrued liabilities	1,185,408	-	-	-	-	-	-	-	-	1,185,408
Total noncurrent liabilities	1,401,951	349,065,209	49,213,721	-	2,722,784,234	-	-	-	24,823,749	3,147,288,864
Total liabilities	1,304,304	403,005,737	50,432,157	115,543	2,919,157,899	-	37,785	3,032,451	27,397,736	3,404,483,612
Deferred Inflows of Resources										
Deferred inflows - pensior	400,642	-	-	-	-	-	-	-	-	400,642
Deferred inflows - OPEB	37,598	-	-	-	-	-	-	-	-	37,598
Deferred gain from localities on refundin	-	-	-	-	31,696,045	-	-	-	-	31,696,045
Total deferred inflows of resource	438,240	-	-	-	31,696,045	-	-	-	-	32,134,285
Net position										
Invested in capital assets	38,483	-	-	-	-	-	-	-	-	38,483
Restricted:										
Loan programs	-	1,514,554,653	287,880,055	35,676,885	(2,448,767)	-	125,292,397	3,196,802	3,950,567	1,968,102,592
Operating reserve	7,815,328	-	-	-	-	-	-	-	-	7,815,328
Unrestricted	27,390,955	-	-	-	-	-	-	-	-	27,390,955
Total net positior	35,244,766	1,514,554,653	287,880,055	35,676,885	(2,448,767)	-	125,292,397	3,196,802	3,950,567	2,003,347,358
Total liabilities, deferred inflows of resources, and net positio	$ 36,987,310	$ 1,917,560,390	$ 338,312,212	$ 35,792,428	$ 2,948,405,177	$ -	$ 125,330,182	$ 6,229,253	$ 31,348,303	$ 5,439,965,255

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

	General Accounts	Virginia Revolving Loan Fund Accounts: Water Facilities	Virginia Revolving Loan Fund Accounts: Water Supply	Airport Accounts	Bond Accounts	Transportation Infrastructure Bank	Dam Safety & CFPF Accounts	Tobacco Commission Accounts	Brownfields & Miscellaneous Accounts	Total
Operating revenues										
Interest on loans	$ -	$ 15,929,700	$ 1,942,855	$ 447,307	$ 76,802,858	$ -	$ -	$ 46,377	$ 1,067,657	$ 96,236,754
Investment income	(748,195)	(3,648,834)	(2,508,304)	(123,165)	568,804	-	132,610	3,297	10,003	(6,313,784)
Bond administrative fees	-	-	-	-	3,223,714	-	-	-	-	3,223,714
Loan administrative fees	-	1,577,442	1,227,305	-	14,236	-	-	-	-	2,818,983
Loan origination revenue	-	-	-	-	5,175,667	-	-	-	-	5,175,667
Gain on early extinguishment of bonds	-	-	-	-	539,549	-	-	-	-	539,549
Other income	-	171	-	-	-	-	-	-	-	171
Total operating revenues	(748,195)	13,858,479	661,856	324,142	86,324,828	-	132,610	49,674	1,077,660	101,681,054
Operating expenses										
Interest expense	27,497	13,241,030	1,072,914	-	79,779,455	-	-	-	1,067,657	95,188,553
Bond issuance costs	-	-	-	-	4,743,241	-	-	-	-	4,743,241
Grants to local governments	-	23,014,525	-	-	-	-	518,126	-	2,630,813	26,163,464
Principal Forgiveness loans to local governments	-	4,843,800	4,251,595	-	-	-	-	-	-	9,095,395
Loss on early extinguishment of loans	-	-	-	-	328,543	-	-	-	-	328,543
Personnel services	862,367	665,500	289,573	47,462	-	-	32,568	-	-	1,897,470
General operating	472,430	292,609	106,486	9,656	921	-	41,159	3,152	96,955	1,023,368
Contractual services	235,551	327,093	292,728	66,312	-	-	8,488	-	-	930,172
Total operating expenses	1,597,845	42,384,557	6,013,296	123,430	84,852,160	-	600,341	3,152	3,795,425	139,370,206
Operating income (loss)	(2,346,040)	(28,526,078)	(5,351,440)	200,712	1,472,668	-	(467,731)	46,522	(2,717,765)	(37,689,152)
Nonoperating revenues										
Contributions from other governments	-	70,320,531	15,512,362	-	-	-	83,841,817	-	2,250,000	171,924,710
Federal interest subsidy	-	-	-	-	1,090,540	-	-	-	-	1,090,540
Nonoperating expenses										
Contributions to other governments	-	-	-	-	-	-	(2,614,450)	(5,650,000)	-	(8,264,450)
Federal interest subsidy passthrough	-	-	-	-	(1,063,094)	-	-	-	-	(1,063,094)
Income (loss) before transfers	(2,346,040)	41,794,453	10,160,922	200,712	1,500,114	-	80,759,636	(5,603,478)	(467,765)	125,998,554
Operating transfers	3,439,164	-	-	-	(3,439,164)	-	-	-	-	-
Change in net position	1,093,124	41,794,453	10,160,922	200,712	(1,939,050)	-	80,759,636	(5,603,478)	(467,765)	125,998,554
Total net position - beginning	34,151,642	1,472,760,200	277,719,133	35,476,173	(509,717)	-	44,532,761	8,800,280	4,418,332	1,877,348,804
Total net position - ending	$ 35,244,766	$ 1,514,554,653	$ 287,880,055	$ 35,676,885	$ (2,448,767)	$ -	$ 125,292,397	$ 3,196,802	$ 3,950,567	$ 2,003,347,358

Virginia Resources Authority
Combining Schedule of Cash Flows
Year Ended June 30, 2022

	General Accounts	Virginia Revolving Loan Fund Accounts: Water Facilities	Virginia Revolving Loan Fund Accounts: Water Supply	Airport Accounts	Bond Accounts	Transportation Infrastructure Bank	Dam Safety & CFPF Accounts	Tobacco Commission Accounts	Brownfields & Miscellaneous Accounts	Total
Cash flows from operating activities										
Cash payments to localities for loans	$ -	$ (197,990,463)	$ (53,855,550)	$ (4,901,969)	$ (292,790,914)	$ -	$ -	$ -	$ -	$ (549,538,896)
Principal repayments from localities on loans	-	125,766,882	13,937,744	3,406,565	205,550,000	-	-	1,147,627	-	349,808,818
Interest received on loans	-	15,729,795	1,432,044	453,404	105,924,524	-	-	70,041	-	123,609,808
Loan origination fees received	-	-	-	-	5,175,667	-	-	-	-	5,175,667
Bond administrative fees received	-	-	-	-	3,205,381	-	-	-	-	3,205,381
Loan administrative fees received	-	1,361,960	1,159,488	-	-	-	-	-	-	2,521,448
Cash received from other income	-	171	-	-	-	-	-	-	-	171
Cash payments for salaries and related benefits	(1,004,271)	(665,500)	(289,573)	(47,462)	-	-	(32,568)	-	-	(2,039,374)
Cash payments for general operating expenses	(394,755)	(302,943)	(48,905)	(9,571)	-	-	(41,159)	-	(95,625)	(892,958)
Cash payments for contractual services	(130,436)	(327,093)	(292,728)	(66,312)	-	-	(8,488)	-	-	(825,057)
Cash payments for operating grants	-	(23,014,525)	-	-	-	-	(518,126)	-	(2,630,813)	(26,163,464)
Cash payments for principal forgiveness loans	-	(4,843,800)	(4,251,595)	-	-	-	-	-	-	(9,095,395)
Interest paid on bonds and loans	-	(18,291,020)	(1,517,899)	-	(109,496,280)	-	-	-	-	(129,305,199)
Agency funds disbursed	-	-	-	-	-	-	-	(997,549)	-	(997,549)
Interfund activity	(8,438)	100,131	(88,363)	(35,323)	-	-	31,993	-	-	-
Net cash used in operating activities	(1,537,900)	(102,476,405)	(43,815,337)	(1,200,668)	(82,431,622)	-	(568,348)	220,119	(2,726,438)	(234,536,599)
Cash flows from noncapital financing activities										
Proceeds from sale of bonds	-	-	-	-	308,890,379	-	-	-	-	308,890,379
Bond issuance costs	-	-	-	-	(4,743,241)	-	-	-	-	(4,743,241)
Principal paid on bonds and loans	-	(74,600,000)	-	-	(216,445,000)	-	-	-	-	(291,045,000)
Arbitrage rebate	-	(3,272,705)	-	-	-	-	-	-	-	(3,272,705)
Proceeds from interest subsidy	-	-	-	-	1,090,540	-	-	-	-	1,090,540
Cash payments to localities for interest subsidy	-	-	-	-	(1,063,094)	-	-	-	-	(1,063,094)
Agency funds received	-	-	-	-	-	-	-	4,000,000	-	4,000,000
Contributions from other governments	-	71,343,461	12,465,131	-	-	-	83,841,817	-	2,250,000	169,900,409
Contributions to other governments	-	-	-	-	-	-	(2,614,450)	-	-	(2,614,450)
Cash received (paid) from other accounts	3,439,162	-	-	-	(3,439,162)	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	3,439,162	(6,529,244)	12,465,131	-	84,290,422	-	81,227,367	4,000,000	2,250,000	181,142,838
Cash flows from investing activities										
Purchase of investments	(15,153,706)	(172,186,217)	(77,198,617)	(4,746,357)	(5,733,180)	-	(7,578,418)	-	-	(282,596,495)
Proceeds from sales or maturities of investments	12,883,823	137,284,041	25,322,875	4,941,667	2,813,892	-	2,683,576	-	-	185,929,874
Interest received on investments - net	268,127	6,647,381	476,857	25,807	1,399,318	-	293,684	145	8,673	9,119,992
Net cash provided by (used in) investing activities	(2,001,756)	(28,254,795)	(51,398,885)	221,117	(1,519,970)	-	(4,601,158)	145	8,673	(87,546,629)
Net increase (decrease) in cash and cash equivalents	(243,672)	(137,260,444)	(82,749,091)	(979,551)	338,830	-	76,057,861	4,220,264	(467,765)	(141,083,568)
Cash and cash equivalents										
Beginning of year	4,708,520	310,709,014	108,410,274	8,442,748	1,400,511	-	42,420,855	258,939	4,418,332	480,769,193
End of year	$ 4,464,848	$ 173,448,570	$ 25,661,183	$ 7,463,197	$ 1,739,341	$ -	$ 118,478,716	$ 4,479,203	$ 3,950,567	$ 339,685,625
Reconciliation to the Statement of Net Position										
Cash	$ 761,224	$ 7,468,195	$ 3,741,826	$ 74,619	$ -	$ -	$ -	$ 4,479,203	$ 500,000	$ 17,025,067
Cash Equivalents	3,703,624	165,980,375	21,919,357	7,388,578	1,739,341	-	118,478,716	-	3,450,567	322,660,558
	$ 4,464,848	$ 173,448,570	$ 25,661,183	$ 7,463,197	$ 1,739,341	$ -	$ 118,478,716	$ 4,479,203	$ 3,950,567	$ 339,685,625

Virginia Resources Authority
Combining Schedule of Cash Flows (Continued)
Year Ended June 30, 2022

	General Accounts	Virginia Revolving Loan Fund Accounts: Water Facilities	Virginia Revolving Loan Fund Accounts: Water Supply	Airport Accounts	Bond Accounts	Transportation Infrastructure Bank	Dam Safety & CFPF Accounts	Tobacco Commission Accounts	Brownfields & Miscellaneous Accounts	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities										
Operating income (loss)	(2,346,041)	(28,526,077)	(5,351,440)	200,712	1,472,668	-	(467,731)	46,522	(2,717,765)	(37,689,152)
Depreciation and amortization expense	226,666	-	-	-	-	-	-	-	-	226,666
Pension expense	30,708	-	-	-	-	-	-	-	-	30,708
Pension contributions subsequent to the measurement date	(87,981)	-	-	-	-	-	-	-	-	(87,981)
OPEB expense	(18,163)	-	-	-	-	-	-	-	-	(18,163)
OPEB contributions subsequent to the measurement date	(9,575)	-	-	-	-	-	-	-	-	(9,575)
Interest on investments	748,196	3,662,499	2,565,201	123,165	(567,883)	-	(132,610)	(145)	(8,673)	6,389,750
Gain on early extinguishment of loans	-	-	-	-	251,065	-	-	-	-	251,065
Loss on early extinguishment of bonds	-	-	-	-	(462,071)	-	-	-	-	(462,071)
Bond issuance cost	-	-	-	-	4,743,241	-	-	-	-	4,743,241
Interest, amortization and accretion - net	27,497	(8,700,311)	(444,985)	-	409,489	-	-	-	-	(8,708,310)
Effect of changes in operating assets and liabilities:										
Loans receivable	-	(72,247,581)	(39,917,122)	(1,497,803)	(86,989,849)	-	-	1,147,627	-	(199,504,728)
Loan interest receivable	-	(199,905)	(510,811)	(20,231)	(424,446)	-	-	20,989	-	(1,134,404)
Loan administrative fee receivable	-	(215,482)	(67,817)	-	(32,569)	-	-	-	-	(315,868)
Other assets	68,164	-	-	-	-	-	-	-	-	68,164
Deferred charges	-	3,650,321	-	-	(831,267)	-	-	-	-	2,819,054
Accounts payable and other liabilities	(168,933)	-	-	28,812	-	-	-	(994,874)	-	(1,134,995)
Due to other funds	(8,438)	100,131	(88,363)	(35,323)	-	-	31,993	-	-	-
Net cash provided by (used in) operating activities	$ (1,537,900)	$ (102,476,405)	$ (43,815,337)	$ (1,200,668)	$ (82,431,622)	$ -	$ (568,348)	$ 220,119	$ (2,726,438)	$ (234,536,599)
Schedule of non-cash activities										
Change in fair value of assets	$ (987,491)	$ (10,048,505)	$ (2,888,064)	$ (133,207)	$ 1,849,572	$ -	$ (161,547)	$ -	$ -	$ (12,369,242)

Virginia Resources Authority
Combining Schedule of Net Position
Virginia Revolving Loan Fund Accounts - Water Facilities
June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	Agricultural Best Management Practices Account	Combined Sewer Overflow Fund Account	State Match Accounts	Administrative Fee Accounts	Total
Assets							
Current assets							
Cash	$ 5,498,576	$ -	$ 1,634,221	$ -	$ -	$ 335,398	$ 7,468,195
Cash equivalents	154,374,161	1,661,560	5,989,968	2,642,055	1,469	1,311,162	165,980,375
Investments	14,442,693	19,635,799	750,972	-	-	659,120	35,488,584
Loans receivable, net - current portion	16,911,494	101,407,642	2,377,243	-	-	-	120,696,379
Receivables:							
Investment interest	420,329	936,532	16,052	-	-	10,540	1,383,453
Loan interest	1,981,253	3,666,233	14,896	-	-	-	5,662,382
Loan administrative fees	-	-	-	-	-	679,070	679,070
Other	1,242,552	-	-	-	-	-	1,242,552
Total current assets	194,871,058	127,307,766	10,783,352	2,642,055	1,469	2,995,290	338,600,990
Noncurrent assets							
Investments - non-current	223,647,525	78,171,650	7,447,311	-	-	5,367,825	314,634,311
Loans receivable - non-current	410,563,505	839,309,752	1,678,347	-	-	-	1,251,551,604
Total noncurrent assets	634,211,030	917,481,402	9,125,658	-	-	5,367,825	1,566,185,915
Total assets	829,082,088	1,044,789,168	19,909,010	2,642,055	1,469	8,363,115	1,904,786,905
Deferred Outflows of Resources							
Deferred loss on refunding	-	12,773,485	-	-	-	-	12,773,485
Total assets and deferred outflows of resources	$ 829,082,088	$ 1,057,562,653	$ 19,909,010	$ 2,642,055	$ 1,469	$ 8,363,115	$ 1,917,560,390
Liabilities							
Current liabilities							
Bonds payable - current	-	47,126,487	-	-	-	-	47,126,487
Accrued interest	-	4,090,913	-	-	-	-	4,090,913
Due to (from) other accounts	(26,154,205)	26,153,486	-	-	-	359,091	358,372
Agency funds	1,413,556	-	-	-	-	-	1,413,556
Accounts payable and other liabilities	946,731	-	-	-	-	4,469	951,200
Total current liabilities	(23,793,918)	77,370,886	-	-	-	363,560	53,940,528
Noncurrent liabilities							
Bonds payable - noncurrent	-	349,065,209	-	-	-	-	349,065,209
Other accrued liabilities	-	-	-	-	-	-	-
Total noncurrent liabilities	-	349,065,209	-	-	-	-	349,065,209
Total liabilities	(23,793,918)	426,436,095	-	-	-	363,560	403,005,737
Net position							
Restricted:							
Loan programs	852,876,006	631,126,558	19,909,010	2,642,055	1,469	7,999,555	1,514,554,653
Total net position	852,876,006	631,126,558	19,909,010	2,642,055	1,469	7,999,555	1,514,554,653
Total liabilities and net position	$ 829,082,088	$ 1,057,562,653	$ 19,909,010	$ 2,642,055	$ 1,469	$ 8,363,115	$ 1,917,560,390

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Virginia Revolving Loan Fund Accounts - Water Facilities
Year Ended June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	Agricultural Best Management Practices Account	Combined Sewer Overflow Fund Account	State Match Accounts	Administrative Fee Accounts	Total
Operating revenues							
Interest on loans	$ 7,789,090	$ 8,131,232	$ 9,378	$ -	$ -	$ -	$ 15,929,700
Investment income	(7,488,161)	4,272,768	(236,053)	6,835	478	(204,701)	(3,648,834)
Loan administrative fees	-	-	-	-	-	1,577,442	1,577,442
Other income	-	-	171	-	-	-	171
Total operating revenues	300,929	12,404,000	(226,504)	6,835	478	1,372,741	13,858,479
Operating expenses							
Interest on bonds and loans	-	13,241,030	-	-	-	-	13,241,030
Principal forgiveness loans to local governments	4,292,938	-	550,862	-	-	-	4,843,800
Grants to local governments	-	-	-	23,014,525	-	-	23,014,525
Personnel services	665,500	-	-	-	-	-	665,500
General operating	302,943	-	(15,259)	-	-	4,925	292,609
Contractual services	327,093	-	-	-	-	-	327,093
Total operating expenses	5,588,474	13,241,030	535,603	23,014,525	-	4,925	42,384,557
Operating income (loss)	(5,287,545)	(837,030)	(762,107)	(23,007,690)	478	1,367,816	(28,526,078)
Nonoperating revenues							
Contributions from other governments	45,170,225	-	-	23,014,526	2,135,780	-	70,320,531
Income (loss) before transfers	39,882,680	(837,030)	(762,107)	6,836	2,136,258	1,367,816	41,794,453
Operating transfers	104,703,313	(97,124,970)	-	-	(4,553,600)	(3,024,743)	-
Change in net position	144,585,993	(97,962,000)	(762,107)	6,836	(2,417,342)	(1,656,927)	41,794,453
Total net position - beginning	708,290,013	729,088,558	20,671,117	2,635,219	2,418,811	9,656,482	1,472,760,200
Total net position - ending	$ 852,876,006	$ 631,126,558	$ 19,909,010	$ 2,642,055	$ 1,469	$ 7,999,555	$ 1,514,554,653

Virginia Resources Authority
Combining Schedule of Cash Flows
Virginia Revolving Loan Fund Accounts - Water Facilities
Year Ended June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	Agricultural Best Management Practices Account	Combined Sewer Overflow Fund Account	State Match Accounts	Administrative Fee Accounts	Total
Cash flows from operating activities							
Cash payments to localities for loans	$ (192,380,004)	$ (1,840,262)	$ (3,770,197)	$ -	$ -	$ -	(197,990,463)
Principal repayments from localities on loans	15,263,735	107,663,926	2,839,221	-	-	-	125,766,882
Interest received on loans	6,603,647	9,112,658	13,490	-	-	-	15,729,795
Loan administrative fees received	-	-	-	-	-	1,361,960	1,361,960
Cash received from other income	-	-	171	-	-	-	171
Cash payments for salaries and related benefits	(665,500)	-	-	-	-	-	(665,500)
Cash payments for general operating expenses	(302,943)	-	-	-	-	-	(302,943)
Cash payments for contractual services	(327,093)	-	-	-	-	-	(327,093)
Cash payments for operating grants	-	-	-	(23,014,525)	-	-	(23,014,525)
Cash payments for principal forgiveness loans	(4,292,938)	-	(550,862)	-	-	-	(4,843,800)
Interest paid on bonds and loans	-	(18,291,020)	-	-	-	-	(18,291,020)
Interfund activity	(26,154,205)	26,153,486	-	-	-	100,850	100,131
Net cash provided by (used in) operating activities	(202,255,301)	122,798,788	(1,468,177)	(23,014,525)	-	1,462,810	(102,476,405)
Cash flows from noncapital financing activities							
Principal paid on bonds and loans	-	(74,600,000)	-	-	-	-	(74,600,000)
Arbitrage rebate	-	(3,272,705)	-	-	-	-	(3,272,705)
Contributions from other governments	46,193,156	-	-	23,014,525	2,135,780	-	71,343,461
Cash received (paid) from other accounts	104,703,309	(97,124,966)	-	-	(4,553,600)	(3,024,743)	-
Net cash provided by (used in) noncapital financing activities	150,896,465	(174,997,671)	-	23,014,525	(2,417,820)	(3,024,743)	(6,529,244)
Cash flows from investing activities							
Purchase of investments	(150,698,901)	(10,917,158)	(7,791,976)	-	-	(2,778,182)	(172,186,217)
Proceeds from sales or maturities of investments	119,274,981	12,796,543	2,643,163	-	-	2,569,354	137,284,041
Interest received on investments - net	2,390,448	4,138,984	68,703	6,836	478	41,932	6,647,381
Net cash provided by (used in) investing activities	(29,033,472)	6,018,369	(5,080,110)	6,836	478	(166,896)	(28,254,795)
Net increase (decrease) in cash and cash equivalents	(80,392,308)	(46,180,514)	(6,548,287)	6,836	(2,417,342)	(1,728,829)	(137,260,444)
Cash and cash equivalents							
Beginning of year	240,265,045	47,842,074	14,172,476	2,635,219	2,418,811	3,375,389	310,709,014
End of year	$ 159,872,737	$ 1,661,560	$ 7,624,189	$ 2,642,055	$ 1,469	$ 1,646,560	173,448,570
Reconciliation to the Statement of Net Position							
Cash	$ 5,498,576	$ -	$ 1,634,221	$ -	$ -	$ 335,398	7,468,195
Cash Equivalents	154,374,161	1,661,560	5,989,968	2,642,055	1,469	1,311,162	165,980,375
	$ 159,872,737	$ 1,661,560	$ 7,624,189	$ 2,642,055	$ 1,469	$ 1,646,560	173,448,570

Virginia Resources Authority
Combining Schedule of Cash Flows (Continued)
Virginia Revolving Loan Fund Accounts - Water Facilities
Year Ended June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	Agricultural Best Management Practices Account	Combined Sewer Overflow Fund Account	State Match Accounts	Administrative Fee Accounts	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	(5,287,545)	(837,030)	(762,106)	(23,007,690)	478	1,367,816	(28,526,077)
Interest on investments	7,488,161	(4,272,768)	244,793	(6,835)	(478)	209,626	3,662,499
Interest, amortization and accretion - net	-	(8,700,311)	-	-	-	-	(8,700,311)
Effect of changes in operating assets and liabilities:							
Loans receivable	(177,116,269)	105,823,664	(954,976)	-	-	-	(72,247,581)
Loan interest receivable	(1,185,443)	981,426	4,112	-	-	-	(199,905)
Loan administrative fee receivable	-	-	-	-	-	(215,482)	(215,482)
Deferred charges	-	3,650,321	-	-	-	-	3,650,321
Due to other funds	(26,154,205)	26,153,486	-	-	-	100,850	100,131
Net cash provided by (used in) operating activities	$ (202,255,301)	$ 122,798,788	$ (1,468,177)	$ (23,014,525)	$ -	$ 1,462,810	(102,476,405)
Schedule of non-cash activities							
Change in fair value of assets	$ (9,511,421)	$ -	$ (195,699)	$ -	$ (98,095)	$ (68,342)	(9,873,557)

Virginia Resources Authority
Combining Schedule of Net Position
Virginia Revolving Loan Fund Accounts - Water Supply
June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Assets						
Current assets						
Cash	$ 3,405,829	$ -	$ 74,220	$ -	$ 261,777	$ 3,741,826
Cash equivalents	18,886,413	7	101,438	-	2,931,499	21,919,357
Investments	9,851,901	1,015,000	-	-	-	10,866,901
Loans receivable - current portion	7,858,421	748,431	4,638	-	-	8,611,490
Receivables:						
Investment interest	183,174	492	-	-	-	183,666
Loan interest	347,104	620,480	-	-	-	967,584
Loan administrative fees	-	-	-	-	413,228	413,228
Federal funds	2,496,890	-	-	-	-	2,496,890
Other	724,488	-	-	-	-	724,488
Total current assets	43,754,220	2,384,410	180,296	-	3,606,504	49,925,430
Noncurrent assets						
Investments - non-current	75,918,265	505,000	-	-	-	76,423,265
Loans receivable - non-current	139,528,663	72,432,535	2,319	-	-	211,963,517
Total noncurrent assets	215,446,928	72,937,535	2,319	-	-	288,386,782
Total assets	$ 259,201,148	$ 75,321,945	$ 182,615	$ -	$ 3,606,504	$ 338,312,212
Liabilities						
Current liabilities						
Bonds payable - current	-	338,723	-	-	-	338,723
Accrued interest	-	375,259	-	-	-	375,259
Due to (from) other accounts	-	-	-	-	72,480	72,480
Agency funds	97,201	-	-	-	-	97,201
Accounts payable and other liabilities	299,905	-	-	-	34,868	334,773
Total current liabilities	397,106	713,982	-	-	107,348	1,218,436
Noncurrent liabilities						
Bonds payable - noncurrent	-	49,213,721	-	-	-	49,213,721
Total noncurrent liabilities	-	49,213,721	-	-	-	49,213,721
Total liabilities	397,106	49,927,703	-	-	107,348	50,432,157
Net position						
Restricted:						
Loan programs	258,804,042	25,394,242	182,615	-	3,499,156	287,880,055
Total net position	258,804,042	25,394,242	182,615	-	3,499,156	287,880,055
Total liabilities and net position	$ 259,201,148	$ 75,321,945	$ 182,615	$ -	$ 3,606,504	$ 338,312,212

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Virginia Revolving Loan Fund Accounts - Water Supply
Year Ended June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Operating revenues						
Interest on loans	$ 1,936,304	$ 6,551	$ -	$ -	$ -	$ 1,942,855
Investment income	(2,527,426)	12,247	451	-	6,424	(2,508,304)
Loan administrative fees	-	-	-	-	1,227,305	1,227,305
Other income	-	-	-	-	-	-
Total operating revenues	(591,122)	18,798	451	-	1,233,729	661,856
Operating expenses						
Interest on bonds and loans	-	1,072,914	-	-	-	1,072,914
Principal forgiveness loans to local governments	3,922,772	315,635	13,188	-	-	4,251,595
Personnel services	-	-	-	289,573	-	289,573
General operating	57,407	-	174	48,905	-	106,486
Contractual services	-	-	-	292,728	-	292,728
Total operating expenses	3,980,179	1,388,549	13,362	631,206	-	6,013,296
Operating income (loss)	(4,571,301)	(1,369,751)	(12,911)	(631,206)	1,233,729	(5,351,440)
Nonoperating revenues						
Contributions from other governments	15,512,362	-	-	-	-	15,512,362
Income (loss) before transfers	10,941,061	(1,369,751)	(12,911)	(631,206)	1,233,729	10,160,922
Operating transfers	(10,373,382)	10,374,659	-	631,206	(632,483)	-
Change in net position	567,679	9,004,908	(12,911)	-	601,246	10,160,922
Total net position - beginning	258,236,363	16,389,334	195,526	-	2,897,910	277,719,133
Total net position - ending	$ 258,804,042	$ 25,394,242	$ 182,615	$ -	$ 3,499,156	$ 287,880,055

Virginia Resources Authority
Combining Schedule of Cash Flows
Virginia Revolving Loan Fund Accounts - Water Supply
Year Ended June 30, 2022

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Cash flows from operating activities						
Cash payments to localities for loans	$ (6,659,907)	$ (47,195,643)	$ -	$ -	$ -	$ (53,855,550)
Principal repayments from localities on loans	13,209,199	723,908	4,637	-	-	13,937,744
Interest received on loans	1,957,688	(525,644)	-	-	-	1,432,044
Loan administrative fees received	-	-	-	-	1,159,488	1,159,488
Cash payments for salaries and related benefits	-	-	-	(289,573)	-	(289,573)
Cash payments for general operating expenses	-	-	-	(48,905)	-	(48,905)
Cash payments for contractual services	-	-	-	(292,728)	-	(292,728)
Cash payments for principal forgiveness loans	(3,922,772)	(315,635)	(13,188)	-	-	(4,251,595)
Interest paid on bonds and loans	-	(1,517,899)	-	-	-	(1,517,899)
Interfund activity	(1,526)	-	-	-	(86,837)	(88,363)
Net cash provided by (used in) operating activities	4,582,682	(48,830,913)	(8,551)	(631,206)	1,072,651	(43,815,337)
Cash flows from noncapital financing activities						
Contributions from other governments	12,465,131	-	-	-	-	12,465,131
Cash received (paid) from other accounts	(10,373,382)	10,374,659	-	631,206	(632,483)	-
Net cash provided by (used in) noncapital financing activities	2,091,749	10,374,659	-	631,206	(632,483)	12,465,131
Cash flows from investing activities						
Purchase of investments	(77,198,617)	-	-	-	-	(77,198,617)
Proceeds from sales or maturities of investments	24,302,875	1,020,000	-	-	-	25,322,875
Interest received on investments - net	457,624	12,532	277	-	6,424	476,857
Net cash provided by (used in) investing activities	(52,438,118)	1,032,532	277	-	6,424	(51,398,885)
Net increase (decrease) in cash and cash equivalents	(45,763,687)	(37,423,722)	(8,274)	-	446,592	(82,749,091)
Cash and cash equivalents						
Beginning of year	68,055,929	37,423,729	183,932	-	2,746,684	108,410,274
End of year	$ 22,292,242	$ 7	$ 175,658	$ -	$ 3,193,276	$ 25,661,183
Reconciliation to the Statement of Net Position						
Cash	$ 3,405,829	$ -	$ 74,220	$ -	$ 261,777	$ 3,741,826
Cash Equivalents	18,886,413	7	101,438	-	2,931,499	21,919,357
	$ 22,292,242	$ 7	$ 175,658	$ -	$ 3,193,276	$ 25,661,183
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	(4,571,301)	(1,369,751)	(12,911)	(631,206)	1,233,729	$ (5,351,440)
Interest on investments	2,584,149	(12,247)	(277)	-	(6,424)	2,565,201
Interest, amortization and accretion - net	-	(444,985)	-	-	-	(444,985)
Effect of changes in operating assets and liabilities:					-	
Loans receivable	6,549,976	(46,471,735)	4,637	-	-	(39,917,122)
Loan interest receivable	21,384	(532,195)	-	-	-	(510,811)
Loan administrative fee receivable	-	-	-	-	(67,817)	(67,817)
Due to other funds	(1,526)	-	-	-	(86,837)	(88,363)
Net cash provided by (used in) operating activities	$ 4,582,682	$ (48,830,913)	$ (8,551)	$ (631,206)	$ 1,072,651	$ (43,815,337)
Schedule of non-cash activities						
Change in fair value of assets	$ (2,888,064)	$ -	$ -	$ -	$ -	$ (2,888,064)

STATISTICAL SECTION

Virginia Resources Authority
Statistical Section
June 30, 2022

The statistical section presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information indicate about the Authority's financial health over an extended period of time.

Financial Trends

These tables contain trend information to help the reader understand how the Authority's financial performance and well-being changed over time.

Table 1	Net Position by Component
Table 2	Change in Net Position
Table 3	Operating Revenues
Table 4	Operating Expenses

Revenue Capacity

This table contains information to help the reader assess the Authority's significant operating revenues.

Table 5	Outstanding Loans Receivable

Debt Capacity

These tables present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Table 6	Outstanding Debt

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Table 7	Virginia Principal Employers
Table 8	Virginia Demographic and Economic Statistics

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Table 9	Operating Indicators
Table 10	Employees by Identifiable Activity

Sources: Unless otherwise noted, information in these tables is derived from the Authority's Annual Financial Comprehensive Report for the relevant year.

Table 1 – Net Position by Component, Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2013	$ 209,143	$ 1,383,915,308	$ 9,642,211	$ 1,393,766,662
2014	51,500	1,426,836,084	11,285,350	1,438,172,934
2015	112,766	1,469,844,791	13,023,011	1,482,980,568
2016	103,466	1,512,101,797	14,939,060	1,527,144,323
2017	103,160	1,550,423,556	16,916,728	1,567,443,444
2018	63,451	1,596,299,523	18,805,620	1,615,168,594
2019	122,088	1,674,042,345	21,567,320	1,695,731,753
2020	164,089	1,752,921,179	24,472,767	1,777,558,035
2021	149,468	1,850,957,162	26,242,174	1,877,348,804
2022	38,483	1,975,917,920	27,390,955	2,003,347,358

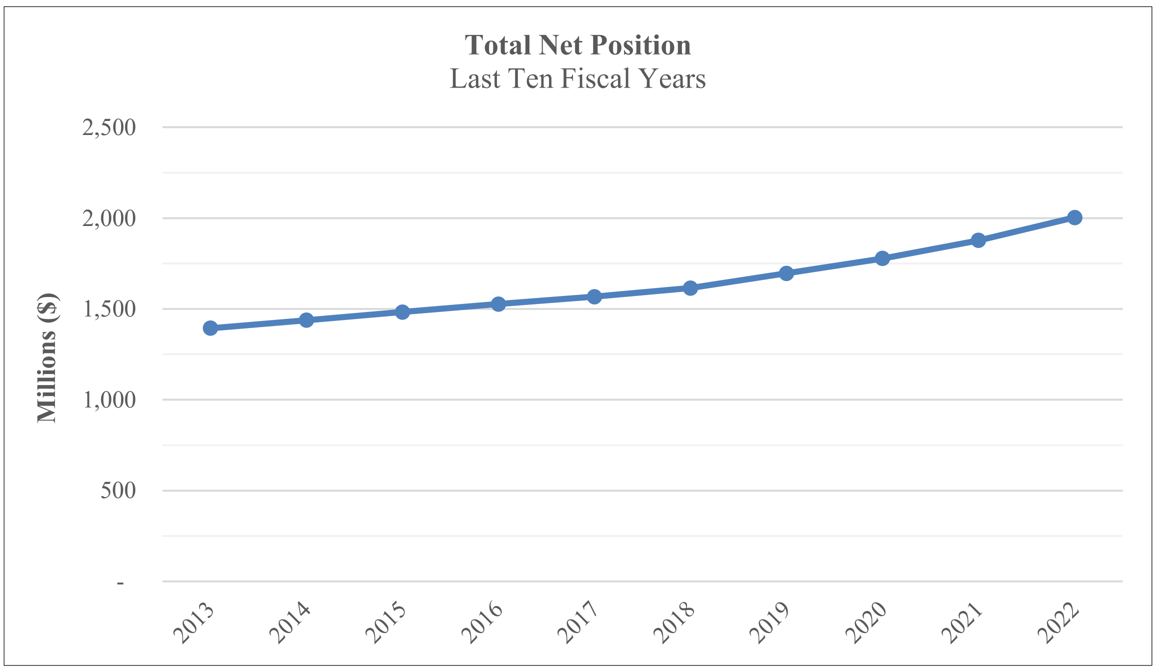


Table 2 – Change in Net Position, Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expense	Operating Income	Non-operating Revenue (Expense), Net	Change in Net Position
2013	$ 146,254,548	$ 153,674,122	$ (7,419,574)	$ 44,912,474	$ 37,492,900
2014	146,953,955	150,936,764	(3,982,809)	48,072,063	44,089,254
2015	148,908,438	154,788,289	(5,879,851)	50,735,314	44,855,463
2016	148,046,948	151,913,487	(3,866,539)	47,982,465	44,115,926
2017	141,062,437	142,978,472	(1,916,035)	42,215,156	40,299,121
2018	139,713,451	141,185,639	(1,472,188)	49,318,112	47,845,924
2019	148,821,595	155,551,039	(6,729,444)	87,292,603	80,563,159
2020	150,126,437	175,176,261	(25,049,824)	106,876,106	81,826,282
2021	134,756,438	126,324,941	8,431,497	91,359,272	99,790,769
2022	101,681,054	139,370,206	(37,689,152)	163,687,706	125,998,554

Table 3 – Operating Revenues, Last Ten Fiscal Years

Fiscal Year	Interest on Loans	Investment Income	Admin. Reimbu-rsement	Bond Admin. Fees	Loan Admin. Fees	Loan Origination Revenue (1)	Other	Total
2013	$ 129,061,115	$ 11,598,881	$550,179	$ 2,771,287	$ 1,765,758	$ -	$ 507,328	$ 146,254,548
2014	124,972,397	11,480,974	509,932	2,826,301	1,822,734	2,346,383	2,995,234	146,953,955
2015	122,794,090	11,061,275	83,816	3,042,444	1,907,580	5,211,541	4,807,692	148,908,438
2016	121,474,338	12,856,376	-	3,607,108	2,041,425	5,133,637	2,934,064	148,046,948
2017	118,893,894	13,020,537	-	2,755,079	2,154,816	4,053,518	184,593	141,062,437
2018	114,478,487	16,883,169	-	3,218,224	2,208,795	2,735,470	189,306	139,713,451
2019	113,394,150	26,978,747	-	3,319,259	2,353,592	2,139,511	636,336	148,821,595
2020	110,683,314	28,883,744	-	3,341,069	2,537,279	4,550,643	130,388	150,126,437
2021	98,769,062	22,369,534	-	3,218,818	2,568,850	4,439,595	3,390,579	134,756,438
2022	96,236,754	(6,313,784)	-	3,223,714	2,818,983	5,175,667	539,720	101,681,054

(1) GASB 65 was implemented in fiscal year 2014, which required the immediate recognition of loan origination revenue, which was previously deferred and recognized over the life of the loan.

Table 4 – Operating Expenses, Last Ten Fiscal Years

Fiscal Year	Interest on Bonds and Loans	Bond Issuance Costs (1)	Grants and Principal Forgiveness on Loans	Loss on Early Extinguish-ment of Bonds	Personnel Services	General Operating	Contractual Services	Total
2013	$ 135,666,875	$ -	$ 14,312,957	$ 489,821	$ 1,636,027	$ 803,924	$ 764,518	$ 153,674,122
2014	132,360,014	1,893,419	10,141,816	3,151,663	1,657,123	1,069,847	662,882	150,936,764
2015	129,993,652	5,461,806	12,285,923	4,071,026	1,626,424	919,259	430,199	154,788,289
2016	127,374,789	3,688,101	14,944,559	2,886,783	1,630,865	932,924	455,466	151,913,487
2017	127,518,234	2,8s49,010	9,141,740	126,575	1,623,718	1,256,502	462,693	142,978,472
2018	122,994,971	2,302,158	12,909,090	167,975	1,677,275	689,643	444,527	141,185,639
2019	120,045,825	1,925,208	29,235,617	669,613	2,089,310	1,183,969	401,497	155,551,039
2020	113,916,449	4,006,048	53,720,820	-	2,215,321	871,172	446,451	175,176,261
2021	105,810,413	4,816,216	10,822,090	1,027,360	2,194,924	988,112	665,826	126,324,941
2022	95,188,553	4,743,241	35,258,859	328,543	1,897,470	1,023,368	930,172	139,370,206

(1) GASB 65 was implemented in fiscal year 2014, which required the immediate recognition of bond issuance costs, which were previously deferred and recognized over the life of the bond.

Table 5 – Outstanding Loans Receivable, Last Ten Fiscal Years

Loans Pledged to Outstanding Bonds

Fiscal Year	Revenue Bonds	VWFRF – Pledged	VARF	VSWRF - Pledged	Unamortized Discount/ Premium (1)	Total
2013	$ 2,192,704,353	$ 907,752,044	$ 52,527,348	$ -	$ 118,873,800	$ 3,271,857,545
2014	2,194,934,597	874,358,580	48,430,013	-	159,999,677	3,277,722,867
2015	2,325,204,904	828,049,020	43,526,294	-	197,078,938	3,393,859,156
2016	2,438,694,318	781,696,843	40,580,256	-	221,659,494	3,482,630,911
2017	2,515,813,162	725,939,770	37,716,253	-	226,735,757	3,506,204,942
2018	2,560,058,692	659,660,119	33,550,896	-	224,221,552	3,477,491,259
2019	2,514,255,420	601,280,976	27,708,574	-	211,481,241	3,354,726,211
2020	2,540,794,359	540,710,376	30,125,815	-	176,487,506	3,288,118,056
2021	2,583,147,445	1,046,541,058	-	26,709,230	164,472,110	3,820,869,843
2022	2,627,900,850	940,717,394	-	73,180,966	161,147,442	3,802,946,652

(1) GASB 65 was implemented in fiscal year 2014, which required the immediate recognition of bond issuance costs. In this table, prior years include the cost of issuance in the Unamortized Discount/Premium column.

Loans from Revolving Funds

Fiscal Year	VWFRF	VWFRF AgBMP	VARF	VWSRF	VTRRF	Total
2013	$ 694,530,427	$ 7,601,297	$ -	$ 131,938,920	$ -	$ 834,070,644
2014	699,775,722	5,691,138	-	144,578,587	-	850,045,447
2015	717,089,183	4,291,226	-	157,547,699	-	878,928,108
2016	729,475,535	3,920,074	-	163,074,966	-	896,470,575
2017	732,123,967	2,379,091	-	165,249,684	-	899,752,742
2018	720,275,558	2,195,062	-	168,294,548	540,000	891,305,168
2019	739,019,014	1,692,364	-	178,362,854	1,603,062	920,677,294
2020	769,926,493	2,562,847	-	174,948,255	2,913,974	950,351,569
2021	250,384,317	3,316,614	22,806,365	154,285,145	8,540,240	439,332,681
2022	427,474,999	4,247,590	24,304,168	147,614,060	1,742,138	605,382,955

Loans from Other Programs

Fiscal Year	VGCP	VAHELPS	Other	Total	Loans Receivable, Combined Total
2013	$ -	$ -	$ 2,383,510	$ 2,383,510	$ 4,108,311,699
2014	-	-	1,737,275	1,737,275	4,129,505,589
2015	-	-	325,102	325,102	4,273,112,366
2016	12,004,595	-	104,562	12,109,157	4,391,210,643
2017	28,173,001	-	53,121	28,226,122	4,434,183,806
2018	33,597,177	-	780,000	34,377,177	4,403,173,604
2019	31,937,232	-	-	31,937,232	4,307,340,737
2020	30,219,281	-	-	30,219,281	4,268,688,906
2021	28,485,660	-	-	28,485,660	4,288,688,184
2022	26,693,610	16,015,000	-	42,708,610	4,451,038,217

Virginia Resources Authority
Statistical Section
June 30, 2022

Table 6 – Outstanding Debt, Last Ten Fiscal Years

Fiscal Year	Total Outstanding Revenue Bonds	Unamortized Discounts / Premiums (1)	Net Bonds Payable	Outstanding Bonds Secured by the Moral Obligation of the Commonwealth	Commonwealth Limit on Moral Obligation Debt	Remaining Capacity for Moral Obligation Debt	Revenue Bonds per Capita (2)
2013	$3,185,224,353	$ 234,354,212	$3,419,578,565	$ 836,655,903	$ 1,500,000,000	$ 663,344,097	$ 389.04
2014	3,140,914,596	226,960,909	3,367,875,505	831,164,596	1,500,000,000	668,835,404	380.45
2015	3,212,994,904	296,032,824	3,509,027,728	877,874,904	1,500,000,000	622,125,096	386.39
2016	3,300,763,913	310,765,995	3,611,529,908	907,209,309	1,500,000,000	592,790,691	394.48
2017	3,347,331,162	303,590,898	3,650,922,060	928,088,162	1,500,000,000	571,911,838	397.66
2018	3,337,580,869	292,549,585	3,630,130,454	927,833,692	1,500,000,000	572,166,308	394.00
2019	3,288,408,651	275,297,841	3,563,706,492	926,540,419	1,500,000,000	573,459,581	386.38
2020	3,259,982,640	234,156,667	3,494,139,307	933,279,358	1,500,000,000	566,720,642	380.99
2021	3,171,913,105	225,216,364	3,397,129,469	914,377,445	1,500,000,000	585,622,555	369.23
2022	3,161,109,461	213,929,028	3,375,038,489	929,910,851	1,500,000,000	570,089,149	365.77

(1) The Authority adopted GASB 65 in FY2014, which treated all cost of issuance amounts as expensed in the year incurred. For this table, FY2013 and prior amounts in the Unamortized Discount/Premium column include the cost of issuance.
(2) Population for the proceeding calendar year (*Source: Table 8)*

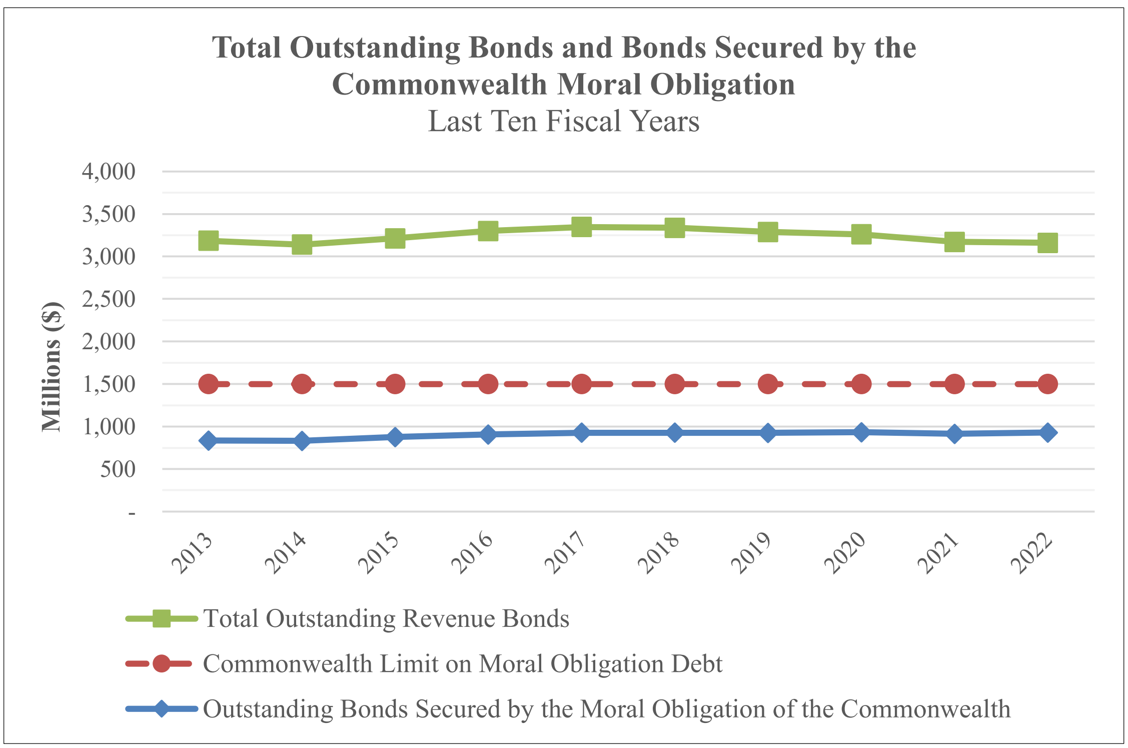


Table 7 – Virginia Principal Employers, Current and Ten Years Ago

Employer (1)	Fiscal Year 2022 (1, 2) Ranking	Fiscal Year 2013 (1, 2) Ranking
U.S. Department of Defense	1	1
Wal-Mart	2	2
Fairfax County Public Schools	3	3
Sentara Health Care	4	5
Huntington Ingalls Industries, Inc.	5	4
University of Virginia/Blue Ridge Hospital	6	10
Inova Health System	7	-
Capital One Bank	8	-
Food Lion	9	6
U.S. Postal Services	10	7
County of Fairfax	12	8
HCA Virginia Health System	14	9

(1) Final quarter data for most recent calendar year (2021 and 2012).
(2) The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All employers in this table have over 1,000 individuals employed.

Source: Virginia Employment Commission

Table 8 – Virginia Demographic and Economic Statistics, Current and Ten Years Ago

Fiscal Year	Population Estimate(1)	Personal Income (1)	Per Capita Income (1)	Public Primary and Secondary School Enrollment	Unemployment Rate (1) (2)
2013	8,196,915	$ 404,179,700	$ 49,309	1,265,277	5.40%
2014	8,269,638	401,684,300	48,573	1,273,532	5.00%
2015	8,333,578	419,329,600	50,318	1,280,370	4.50%
2016	8,389,864	438,272,800	52,238	1,284,114	3.80%
2017	8,444,688	449,830,100	53,268	1,288,033	3.70%
2018	8,502,578	467,437,700	54,976	1,292,706	3.10%
2019	8,547,016	484,936,800	56,738	1,290,513	2.70%
2020	8,597,339	502,600,800	58,460	1,298,083	2.40%
2021	8,632,044	532,256,200	61,661	1,252,756	4.60%
2022	8,642,274	565,274,300	65,408	1,251,970	2.70%

(1) For the preceding calendar year, as revised.
(2) Not seasonally adjusted, as revised.

Sources: Population, Personal Income and Per Capita Income – U.S. Bureau of Economic Analysis
Public Primary and Secondary School Enrollment – Virginia Department of Education
Unemployment Rate – U.S. Bureau of Labor Statistics

Virginia Resources Authority
Statistical Section
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Table 9 – Operating Indicators, Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Virginia Pooled Financing Program										
Projects	38	20	44	39	24	24	20	41	40	32
Lending	$318,753,736	$185,115,000	$458,215,000	$396,200,000	$321,620,000	$223,025,000	$191,370,000	$516,760,000	$319,210,000	$249,060,000
Clean Water Revolving Loan Fund										
Projects	22	14	12	13	14	18	10	15	28	30
Closed loans	$86,105,110	$139,221,106	$112,279,105	$ 37,029,027	$ 30,952,582	$115,555,569	$69,252,668	$201,678,861	$246,924,926	$298,125,243
AgBMP Program										
Projects	-	-	-	-	-	-	-	11	37	42
Closed loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,655,268	$ 4,853,184	$ 5,273,968
Drinking Water Revolving Fund										
Projects	15	19	20	24	19	24	34	20	18	13
Closed loans	$ 26,752,886	$ 28,182,614	$ 16,262,052	$ 16,912,070	$ 17,157,567	$ 27,088,449	$ 19,256,987	$ 12,142,839	$ 88,118,143	$ 11,856,898
Virginia Airports Revolving Fund										
Projects	1	-	1	-	1	1	1	2	4	2
Closed loans	$ 325,500	$ -	$ 1,612,000	$ -	$ 2,010,000	$ 1,846,000	$ 2,400,000	$ 3,212,473	$ 4,239,031	$ 8,020,000
Dam Safety and Flood Prevention										
Projects	37	55	65	70	40	45	39	21	30	57
Closed grants	$ 558,711	$ 996,146	$ 824,860	$ 326,916	$ 1,041,301	$ 1,347,437	$ 473,179	$ 423,772	$ 1,582,491	$ 726,039
Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund										
Projects	8	2	2	12	16	18	18	18	29	26
Closed grants	$ 316,560	$ 100,000	$ 70,200	$ 445,585	$ 833,434	$ 997,770	$ 1,288,352	$ 835,130	$ 1,892,163	$ 2,123,218
VirginiaSAVES Green Communities										
Projects	-	-	-	2	3	1	-	-	-	-
Closed loans	$ -	$ -	$ -	$ 12,004,595	$ 16,384,987	$ 6,512,144	$ -	$ -	$ -	$ -
Virginia Tobacco Region Revolving Funds										
Projects	-	-	-	-	-	1	1	2	-	-
Closed loans	$ -	$ -	$ -	$ -	$ -	$ 540,000	$ 1,100,000	$ 1,400,000	$ -	$ -
Community Flood Preparedness Program										
Projects	-	-	-	-	-	-	-	-	-	49
Closed grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,289,788
VAHELPS Conduit Loan Program										
Projects	-	-	-	-	-	-	-	-	-	1
Closed loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,015,000
Total new projects	121	110	144	160	117	132	123	130	186	252
Total entities served	74	80	101	104	88	93	77	107	148	160
Total new financings	$432,812,503	$353,614,866	$589,263,217	$462,918,193	$389,999,871	$376,912,369	$285,141,186	$739,108,343	$666,819,938	$623,490,154

Table 10 – Employees (1) by Identifiable Activity, Current and Ten Years Ago

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Executive Director	1	1	1	1	1	1	1	1	1	1
Financial Services	4	4	4	4	4	4	4	4	4	3
Finance and Administration	5	5	5	6	5	5	5	5	5	5
Program Management	1	3	3	3	3	3	3	3	3	3
Policy and Compliance	2	2	2	2	2	3	4	4	4	2
Total	13	15	15	16	15	16	17	17	17	14

(1) Permanent employees

COMPLIANCE SECTION

INDEPENDENT AUDITORS' 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 Members of the Board of Directors
Virginia Resources Authority
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (Specifications), the financial statements of the Virginia Resources Authority (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 26, 2022.

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 opinion 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 that a material misstatement of the entity'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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable Members of the Board of Directors
Virginia Resources Authority

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 that are required to be reported under *Government Auditing Standards* or the *Specifications.*

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
August 26, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Virginia Resources Authority
Richmond, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Virginia Resources Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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 the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
August 26, 2022

Virginia Resources Authority
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-through Identifying Number	Federal Expenditure
Environmental Protection Agency			
Pass-through payments from the Commonwealth of Virginia:			
Department of Environmental Quality			
Capitalization Grants for Clean Water State Revolving Funds (VWFRF) Cluster	66.458	90320, 90321	$ 45,170,225
Department of Health			
Capitalization Grants for Drinking Water State Revolving Funds (VWSRF) Cluster	66.468	66145, 66155	12,018,565
Total Expenditures of Federal Awards			$ 57,188,790

See notes to the Schedule of Expenditures of Federal Awards

Virginia Resources Authority
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

Note 1 – General

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of the federal award programs of the Authority. All federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies are included.

Note 2 – Basis of Accounting

The accompanying Schedule is presented on the accrual basis of accounting, which is more fully described in Note 1 of the Authority's basic financial statements.

Note 3 – Loan and Grant Commitments

The Authority is obligated under outstanding commitments for undisbursed loans and grants to disburse approximately $474,479,710 from the VWFRF and $47,707,847 from the VWSRF as of June 30, 2022.

Note 4 – Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported to the Commonwealth of Virginia Department of Environmental Quality (DEQ) and the Commonwealth of Virginia Department of Health (VDH), the grantees for the federal programs. The DEQ and VDH consolidate amounts reported by the Authority with their own expenditures for federal financial reporting purposes.

Note 5 – Relationship to the Authority's Basic Financial Statements

The federal awards in the accompanying schedule are reported as revenue (contributions from other governments) in the Authority's basic financial statements as follows:

	VWFRF	VWSRF	Other	Total
Revenue per Financial Statements:				
Contributions from other Governments	$ 70,320,531	$15,512,362	$ 86,091,817	$171,924,710
Total Governmental Revenues				
Less amounts not related to federal financial assistance	(25,150,306)	(3,493,797)	(86,091,817)	(114,735,920)
Schedule of Expenditures of Federal Awards	$ 45,170,225	$ 12,018,565	$ -	$ 57,188,790

Note 6 – Indirect Cost Rate

The Authority did not elect to use the 10% de minimis indirect cost rate.

Virginia Resources Authority
Schedule of Findings and Questioned Costs
June 30, 2022

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

    - Material weakness(es) identified? ____________ yes ____x____ no

    - Significant deficiency(ies) identified? ____________ yes ____x____ none reported

3. Noncompliance material to financial statements noted? ____________ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:

    - Material weakness(es) identified? ____________ yes ____x____ no

    - Significant deficiency(ies) identified? ____________ yes ____x____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with
    - 2 CFR 200.516(a)? ____________ yes ____x____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: $1,715,664

Auditee qualified as low-risk auditee? ____x____ yes ____________ no

Virginia Resources Authority
Schedule of Findings and Questioned Costs
June 30, 2022

Section II – Financial Statement Audit

None

Section III – Major Federal Award Program Audit

None