VRA Virginia Resources Authority

November 26, 2024

The Honorable Glenn Youngkin
Governor of Virginia
Patrick Henry Building, 3rd Floor
Richmond, Virginia 23219

The General Assembly of Virginia
Commonwealth of Virginia
201 North 9th Street
Richmond, Virginia 23219

Dear Governor Youngkin and Members of the General Assembly:

I am pleased to present the annual report of the Virginia Resources Authority ("VRA" or "Authority"). This report and its accompanying Annual Comprehensive Financial Report ("Annual Report") for the year ended June 30, 2024 is submitted pursuant to the requirements set forth in §62.1-222 of the Code of Virginia, as amended.

VRA's attached 2024 Annual Report provides the Authority's complete operating and financial statements during the fiscal year. As required, an independent certified public accountant has performed an audit of the books and accounts of the Authority and has issued an unmodified opinion with no audit findings. The Annual Report also includes supplemental information relating to the Water Facilities (§62.1-227), Water Supply (§62.1-236), Airports (§5.1-30.9), Dam Safety (§10.1-603.23), Brownfields Restoration and Economic Redevelopment Assistance (§10.1-1237), Tobacco Region (§3.2-3120), Community Flood Preparedness (§10.1-603.27), and Resilient Virginia (§10.1-603.31) revolving funds.

In Fiscal Year 2024, VRA provided 250 loans and grants to 200 different entities totaling $369.9 million of capital improvement investment in Virginia communities. A list of the financial assistance recipients is included as Attachment A to this submittal. VRA continues to deliver value to local governments to support essential infrastructure that improves the health, safety, and general welfare of communities in the Commonwealth.

Sincerely,

Shawn B. Crumlish

Shawn B. Crumlish
Executive Director

Enclosures

Attachment A

Closing Date	Borrower/ Grantee		Committed Funding
Clean Water Revolving Loan Fund "Water Facilities"			
FY2024	Agricultural Best Management Practices (82 Agreements)		11,877,137
7/10/2023	Wise County Public Service Authority		1,800,000
7/10/2023	Wise County Public Service Authority		421,203
7/13/2023	Marion, Town of		325,860
7/28/2023	Westmoreland County		692,000
10/13/2023	Exmore, Town of		6,012,419
1/30/2024	Lynchburg, City of		10,000,000
3/6/2024	Washington County Service Authority		2,845,274
3/28/2024	Chilhowie, Town of		3,604,990
5/23/2024	Bristol Virginia Utility Authority		5,010,575
5/24/2024	Marion, Town of		295,240
5/30/2024	Hampton Roads Sanitation District		80,000,000
		$	**122,884,698**
Community Flood Preparedness Fund			
10/1/2023	Richmond, City of		7,500,000
		$	**7,500,000**
Dam Safety, Flood Prevention and Protection Assistance Fund			
8/1/2023	Atkins Dam		12,350
8/1/2023	Atkins Dam		3,850
8/1/2023	Atkins Dam		1,500
8/1/2023	Barkers Millpond Dam		1,000
8/1/2023	Barkers Millpond Dam		2,500
8/1/2023	Barkers Millpond Dam		10,000
8/1/2023	Bell Dam		2,225
8/1/2023	Bell Dam		15,500
8/1/2023	Bell Dam		5,750
8/1/2023	Campbell Dam		1,250
8/1/2023	Carter & Harrell Dam		9,550
8/1/2023	Carter & Harrell Dam		1,900
8/1/2023	Carter & Harrell Dam		650
8/1/2023	Chester Club Dam		10,800
8/1/2023	Chester Club Dam		2,350
8/1/2023	CJ Koehr Dam		9,750
8/1/2023	CJ Koehr Dam		2,500
8/1/2023	Darr Dam		2,500
8/1/2023	Darr Dam		12,500
8/1/2023	Darr Dam		5,000
8/1/2023	Davenports Pond Dam		2,500
8/1/2023	Davenports Pond Dam		12,500
8/1/2023	Davenports Pond Dam		5,000
8/1/2023	Dovershire Dam		9,623
8/1/2023	Dovershire Dam		4,703
8/1/2023	Earl Collier Dam		9,550
8/1/2023	Earl Collier Dam		1,550
8/1/2023	Earl Collier Dam		650
8/1/2023	Fluvanna County Dam #7		935
8/1/2023	Fluvanna County Dam #9		13,973
8/1/2023	Fluvanna County Dam #9		1,788
8/1/2023	Fluvanna County Dam #9		1,500
8/1/2023	High Grove Dam		8,350
8/1/2023	Horners Dam		2,500
8/1/2023	Irish Langhorne Dam		1,500
8/1/2023	Irish Langhorne Dam		12,500

Attachment A

Closing Date	Borrower/ Grantee	Committed Funding
8/1/2023	Irish Langhorne Dam	5,000
8/1/2023	JCM LLC Dam	1,375
8/1/2023	JCM LLC Dam	10,700
8/1/2023	JCM LLC Dam	1,750
8/1/2023	JR Ritchie Dam	1,249
8/1/2023	JR Ritchie Dam	10,152
8/1/2023	JR Ritchie Dam	2,798
8/1/2023	Lake Shawnee Dam #2	16,125
8/1/2023	Lake Shawnee Dam #2	3,750
8/1/2023	Lake Shawnee Dam #2	1,500
8/1/2023	MGMT SRS Dam	14,740
8/1/2023	MGMT SRS Dam	1,825
8/1/2023	MGMT SRS Dam	1,500
8/1/2023	MHC Regency Lakes Dam	2,500
8/1/2023	MHC Regency Lakes Dam	12,500
8/1/2023	MHC Regency Lakes Dam	5,000
8/1/2023	Moore Dam	6,875
8/1/2023	Moore Dam	4,188
8/1/2023	Moore Dam	1,948
8/1/2023	Morris Dam	11,250
8/1/2023	Morris Dam	2,500
8/1/2023	Morris Dam	1,250
8/1/2023	Nakhle Dam	3,440
8/1/2023	Nakhle Dam	5,710
8/1/2023	Nakhle Dam	1,600
8/1/2023	Nelson County Dam #4	11,715
8/1/2023	Nelson County Dam #4	3,850
8/1/2023	Nelson County Dam #4	1,500
8/1/2023	Newman Dam	1,500
8/1/2023	Newman Dam	12,500
8/1/2023	Newman Dam	5,000
8/1/2023	Pine Lake Dam	2,500
8/1/2023	Pine Lake Dam	12,500
8/1/2023	Pine Lake Dam	2,500
8/1/2023	Prince Edward County Dam #9	9,550
8/1/2023	Prince Edward County Dam #9	1,550
8/1/2023	Prince Edward County Dam #9	700
8/1/2023	Shawnee Dam #1	1,500
8/1/2023	Shawnee Dam #1	3,750
8/1/2023	Shawnee Dam #1	16,125
8/1/2023	Valley Green Dam	1,768
8/1/2023	Valley Green Dam	22,558
8/1/2023	Valley Green Dam	2,005
8/1/2023	Wildon Grove Dam	11,900
8/1/2023	Wildon Grove Dam	3,850
8/1/2023	Wildon Grove Dam	1,500
8/1/2023	Wintergreen Dam (Lower)	11,715
8/1/2023	Wintergreen Dam (Lower)	3,850
8/1/2023	Wintergreen Dam (Lower)	1,500
		$ 481,154
Drinking Water State Revolving Fund "Water Supply"		
10/31/2023	Bedford Regional Water Authority	250,000
11/13/2023	Blacksburg, Town of	250,000
11/14/2023	Hillsville, Town of	250,000

Attachment A

Closing Date	Borrower/ Grantee		Committed Funding
11/17/2023	Bristol Virginia Utility Authority		711,780
12/1/2023	Campbell County Utilities and Service Authority		188,740
12/7/2023	Pennington Gap, Town of		265,950
12/13/2023	Blackstone, Town of		566,000
12/20/2023	Wise County Public Service Authority		250,000
12/21/2023	Galax, City of		3,000,000
1/2/2024	Radford, City of		250,000
2/5/2024	Covington, City of		250,000
2/21/2024	Pulaski, Town of		750,000
2/29/2024	Western Virginia Water Authority		10,432,961
3/22/2024	Rye Valley Water Authority		500,000
4/5/2024	Richmond, City of		750,000
4/16/2024	Nelson County Service Authority		150,000
4/23/2024	Charlottesville, City of		250,000
4/29/2024	Rocky Mount, Town of		250,000
4/29/2024	Chilhowie, Town of		250,000
5/1/2024	Altavista, Town of		125,000
5/29/2024	Western Virginia Water Authority		285,000
5/29/2024	Purcellville, Town of		226,000
6/7/2024	Lynchburg, City of		1,475,000
6/12/2024	Hurt, Town of		92,550
6/20/2024	Carroll County Public Service Authority		250,000
		$	**22,018,981**
Virginia Airports Revolving Fund			
12/20/2023	Roanoke Regional Airport Commission		8,500,000
2/6/2024	Virginia Highlands Airport Authority		600,000
		$	**9,100,000**
Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund			
8/2/2023	Northampton County		47,000
8/3/2023	Bristol, City of		6,350
8/3/2023	Roanoke, City of		50,000
8/3/2023	Southampton County		50,000
8/3/2023	Buchanan, Town of		50,000
8/8/2023	Norfolk, City of		50,000
9/1/2023	Floyd, Town of		50,000
9/12/2023	Accomack-Northampton Transportation District Commission		280,750
9/28/2023	Halifax, Town of		50,000
10/23/2023	South Hill, Town of		50,000
10/24/2023	Clarksville, Town of		48,900
11/6/2023	Highland County Economic Development Authority		341,586
12/6/2023	Radford, City of		50,000
1/17/2024	Charles City County		30,040
2/14/2024	Leesburg, Town of		50,000
2/15/2024	Williamsburg, City of		50,000
2/27/2024	Danville, City of		500,000
2/27/2024	Radford, City of		49,500
2/27/2024	Augusta County		50,000
2/27/2024	Henrico County		50,000
2/29/2024	Northampton County		50,000
3/5/2024	Pound, Town of		125,000
3/5/2024	Floyd, Town of		262,500
3/12/2024	Dublin, Town of		50,000
4/3/2023	Caroline County		37,650
4/4/2024	Altavista, Town of		50,000

Attachment A

Closing Date	Borrower/ Grantee		Committed Funding
5/14/2024	Salem, City of		50,000
		$	**2,529,276**
Virginia Local Government Direct Loan Program			
6/6/2024	Narrows, Town of		265,280
6/18/2024	Blue Ridge Resource Authority		500,000
		$	**765,280**
Virginia Pooled Financing Program			
11/15/2023	Fredericksburg, City of		2,005,000
11/15/2023	Greene County		2,100,000
11/15/2023	Stafford County		2,010,000
11/15/2023	Suffolk, City of		4,865,000
5/15/2024	Augusta County		37,855,000
5/15/2024	Danville, City of		11,420,000
5/15/2024	Grayson County		2,300,000
5/15/2024	James River Water Authority		45,075,000
5/15/2024	Louisa County		19,110,000
5/15/2024	NRV Regional Water Authority		2,740,000
5/15/2024	Smyth County		12,050,000
5/15/2024	Staunton, City of		16,745,000
5/15/2024	Washington County		17,560,000
5/15/2024	Western Virginia Water Authority		15,505,000
5/15/2024	Winchester, City of		13,290,000
		$	**204,630,000**
		$	**369,909,389**

Attachment B

Richmond, Virginia

Annual Comprehensive Financial Report of the Virginia Resources Authority

A Component Unit of the Commonwealth of Virginia

Year Ended June 30, 2024

Virginia Resources Authority

Richmond, Virginia

Annual Comprehensive Financial Report of the Virginia Resources Authority

A Component Unit of the Commonwealth of Virginia

Year Ended June 30, 2024

Prepared by the Finance and Administration Division:

Curtis Doughtie, Director of Finance and Administration
Catherine O’Brien, Accounting Manager
George Panos, Loan Servicing Manager
Nola Zhang, Accountant

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Virginia Resources Authority
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June 30, 2024

STATISTICAL SECTION

COMPLIANCE SECTION

INTRODUCTORY SECTION

VRA Virginia Resources Authority

Shawn B. Crumlish
Executive Director

September 10, 2024

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 2024 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, 2024 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, 2024.

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. 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 20 distinct project types. These project areas reflect the capital improvement priorities of local governments and priority areas identified by Virginia's Governors and General Assembly 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, local government buildings, parks and recreational facilities, 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 "AAA" for the senior bonds and "AA" for the subordinate bonds, results in favorable access to the capital markets for Virginia localities.

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. These funds are operated and known as the Clean Water Revolving Loan Fund (VWFRF) and the Drinking Water State Revolving Loan Fund (VWSRF). 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's general fund revenues exceeded the fiscal year 2024 forecast by $1.2 billion. For the full fiscal year, overall general fund revenues were $1.7 billion higher than the December 2023 forecast. Higher than expected revenue collections are primarily attributable to increased net individual income taxes and higher than projected sales and use taxes, partially offset by lower than forecasted corporate income taxes.

FY2024 Accomplishments

VRA team efforts along with those of state agency and private sector partners resulted in many successes during FY2024. 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.

Accomplishments for the Authority during FY2024 include:

- Maintaining outstanding credit ratings – VRA has consistently maintained high investment grade credit ratings for each of its rated financial programs
- Reached the 20-year milestone of the VPFP (166 Borrowers with 560 Loans for $5.6 billion)
- Monitoring borrowers exhibiting financial stress and concerns
- Financing investments of 250 new loans and grants totaling $369.9 million for 200 different entities through VRA programs
- Assisting state agency partners in successfully managing their loan and grant programs
    - Department of Environmental Quality – $122.9 million for 93 projects
    - Department of Health – $22.0 million for 25 projects
    - Department of Conservation & Recreation – $8.0 million for 86 grants
    - Virginia Economic Development Partnership – $2.5 million for 27 grants
- Transferring approximately $3.0 million to reserves
- Maintaining qualified staff through professional and career development training initiatives
- Attained 16th consecutive year of Government Finance Officers Association recognition for excellence in financial reporting for the FY2023 Annual Comprehensive Financial Report

FY2024 Financial Results

VRA ended the fiscal year with assets and deferred outflows of $5.9 billion, a 5.3% increase over the prior year. With assets and deferred outflows exceeding liabilities and deferred inflows by $2.6 billion, VRA's net position increased 15.5%. Approximately 98.7% of total net position is restricted for making loans and grants through the various loan programs administered by VRA.

Operating revenues ($158.3 million) increased 23.1% while operating expenses ($137.8 million) increased 17.9%, primarily because of interest earnings on investments and loan disbursement and repayment activity. Overall, VRA's financial position remains strong at the conclusion of fiscal year 2024.

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 also completes 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.

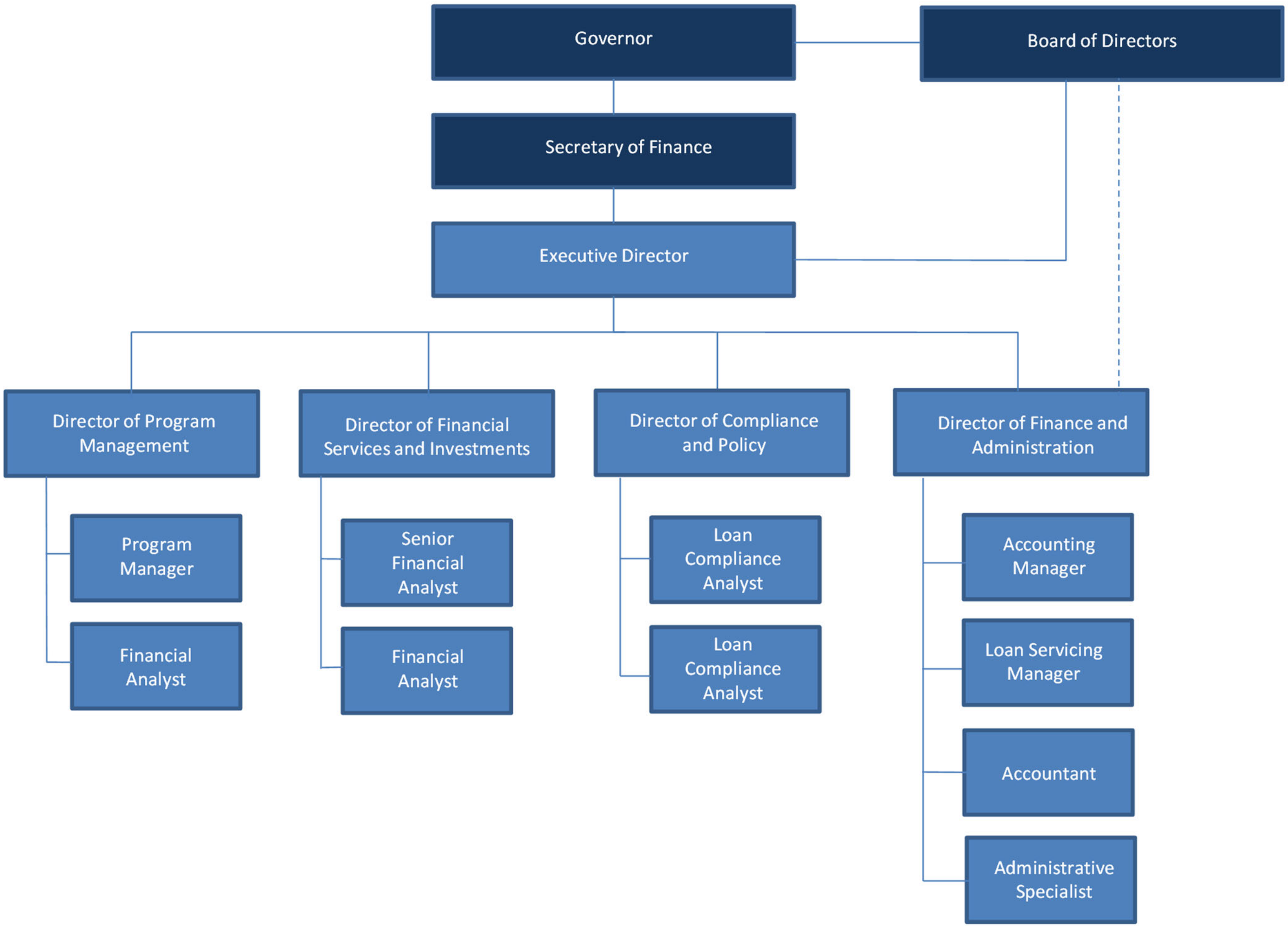
Acknowledgments

Finally, completion of the Authority's fiscal year 2024 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, 2024



Virginia Resources Authority
Directory of Principal Officials
June 30, 2024

Board of Directors

Cecil "Rhu" Harris, Jr., Chairman

David J. Branscome

Barbara McCarthy Donnellan

Dan Featherly

The Honorable Scott Mayausky

Maria Tedesco

Dr. Charlette T. Woolridge

Ex-Officio Board Members

Greg Campbell
Director of the Department of Aviation

David Richardson
Treasurer of Virginia

Michael Rolband
Director of the Department of Environmental Quality

Dr. Karen Shelton
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, 2023

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

Opinions

We have audited the accompanying financial statements of Virginia Resources Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 for Authorities, Boards and Commissions* (the Specifications), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Specifications, 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 opinions 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 combining fund financial schedules and the schedule of expenditures of federal awards are 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 the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

The Honorable Members of the Board of Directors
Virginia Resources Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
September 6, 2024

Virginia Resources Authority
Management's Discussion and Analysis
June 30, 2024

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, 2024. 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 $2.6 billion (net position), an increase of $342.6 million or 15.5%. The increase in net position is primarily due to lending and repayment activity during the fiscal year and investment earnings.

Operating revenues of $158.3 million increased 23.1% primarily due to higher investment earnings. Operating expenses of $137.8 million increased 17.9% primarily due to 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 2024 and 2023, followed by a description of significant changes:

	FY2024	FY2023	$ Change	% Change
Assets				
Cash and cash equivalents	$ 801,690,923	$ 482,204,938	$ 319,485,985	66.3%
Investments - current	23,295,802	96,190,375	(72,894,573)	-75.8%
Loans receivable - current	390,369,630	363,820,067	26,549,563	7.3%
Other current assets	49,659,625	50,875,428	(1,215,803)	-2.4%
Investments - noncurrent	529,536,871	508,348,163	21,188,708	4.2%
Loans receivable - noncurrent	4,037,721,556	4,030,243,966	7,477,590	0.2%
Capital assets, net	971,147	1,186,245	(215,098)	-18.1%
Other noncurrent assets	609,810	476,752	133,058	27.9%
Total assets	5,833,855,364	5,533,345,934	300,509,430	5.4%
Deferred outflows of resources	27,609,940	33,873,749	(6,263,809)	-18.5%
Total assets and deferred outflows of resources	5,861,465,304	5,567,219,683	294,245,621	5.3%
Liabilities				
Bonds and loans payable - current	219,766,822	226,501,782	(6,734,960)	-3.0%
Accrued interest	20,176,105	20,819,556	(643,451)	-3.1%
Other current liabilities	5,118,593	8,626,094	(3,507,501)	-40.7%
Bonds and loans payable - noncurrent	3,029,947,980	3,066,001,771	(36,053,791)	-1.2%
Noncurrent liabilities	3,344,849	1,218,783	2,126,066	174.4%
Total liabilities	3,278,354,349	3,323,167,986	(44,813,637)	-1.3%
Deferred inflows of resources	24,858,136	28,443,901	(3,585,765)	-12.6%
Net position (deficit)				
Investment in capital assets	(39,713)	837	(40,550)	-4844.7%
Restricted	2,525,277,841	2,186,138,480	339,139,361	15.5%
Unrestricted	33,014,691	29,468,479	3,546,212	12.0%
Total net position	2,558,252,819	2,215,607,796	342,645,023	15.5%
Total liabilities, deferred inflows of resources, and net position	$ 5,861,465,304	$ 5,567,219,683	$ 294,245,621	5.3%

Total assets increased primarily due to an increase in cash and cash equivalents and investments as a result of lending and repayment activity and contributions into the Community Flood Prevention Program and Resilient Virginia program during the fiscal year. The decrease in total liabilities was driven by a decrease to bonds payable due to repayment activity.

Virginia Resources Authority
Management's Discussion and Analysis
June 30, 2024

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 2024 and 2023, followed by a description of significant changes:

	FY2024	FY2023	$ Change	% Change
Operating Revenues				
Interest on loans	$ 93,224,928	$ 93,898,155	$ (673,227)	-0.7%
Investment income	52,677,361	26,090,090	26,587,271	101.9%
Bond administration fees	3,094,272	3,174,839	(80,567)	-2.5%
Loan administration fees	3,342,023	3,126,709	215,314	6.9%
Loan origination revenue	3,974,134	2,261,526	1,712,608	75.7%
Gain on early extinguishment of bonds	1,950,544	-	1,950,544	0.0%
Other income	-	64,854	(64,854)	-100.0%
Total operating revenues	158,263,262	128,616,173	29,647,089	23.1%
Operating Expenses				
Interest on bonds and loans	92,408,667	95,303,759	(2,895,092)	-3.0%
Bond issuance costs	3,415,434	2,146,856	1,268,578	59.1%
Grants to local governments	22,729,952	5,835,056	16,894,896	289.5%
Principal forgiveness loans to local governments	13,736,210	9,055,519	4,680,691	51.7%
Loss on early extinguishment of loans	654,662	-	654,662	0.0%
Personnel services	1,937,604	1,899,980	37,624	2.0%
General operating	870,593	848,333	22,260	2.6%
Contractual services	1,801,536	1,570,425	231,111	14.7%
Depreciation expense and amortization	220,931	221,863	(932)	-0.4%
Total operating expenses	137,775,589	116,881,791	20,893,798	17.9%
Operating income	20,487,673	11,734,382	8,753,291	-74.6%
Nonoperating revenues				
Contributions from other governments	322,450,776	200,499,124	121,951,652	60.8%
Federal interest subsidy	949,807	1,026,979	(77,172)	-7.5%
Total nonoperating revenue	323,400,583	201,526,103	121,874,480	60.5%
Nonoperating expenses				
Contributions to other governments	320,358	-	320,358	0.0%
Federal interest subsidy passthrough	922,875	1,000,047	(77,172)	-7.7%
Total nonoperating expense	1,243,233	1,000,047	243,186	24.3%
Change in net position	342,645,023	212,260,438	130,384,585	61.4%
Beginning net position	2,215,607,796	2,003,347,358	212,260,438	10.6%
Ending net position	$ 2,558,252,819	$ 2,215,607,796	$ 342,645,023	15.5%

At the end of fiscal year 2024, net position increased 15.5% to $2.6 billion. Operating revenues increased primarily due to investment earnings during fiscal year 2024. Operating expenses increased primarily due to additional grant disbursements in the Clean Water Combined Sewer Overflow Program ($14.1 million in fiscal year 2024 vs. $1 million in fiscal year 2023).

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, 2024

Assets		
Current assets:		
Cash	$	18,072,963
Cash equivalents (Note 3)		783,617,960
Investments (Note 3)		23,295,802
Loans receivable, net of allowance (Note 4)		390,369,630
Receivables:		
Investment interest		4,573,724
Loan interest		29,427,818
Loan administrative fees		1,847,113
Federal funds		12,277,438
Other		1,467,409
Other assets		66,123
Total current assets		1,265,015,980
Noncurrent assets:		
Investments (Note 3)		529,536,871
Loans receivable, net of allowance (Note 4)		4,037,721,556
Capital assets, net of accumulated depreciation and amortization (Note 5)		971,147
Net pension asset (Note 10)		609,810
Total noncurrent assets		4,568,839,384
Total assets		5,833,855,364
Deferred Outflows of Resources		
Deferred outflows related to pensions (Note 10)		70,279
Deferred outflows related to OPEB (Notes 11, 12 and 13)		23,580
Deferred loss on refunding (Note 6)		27,516,081
Total deferred outflows of resources		27,609,940
Total assets and deferred outflows of resources	$	5,861,465,304
Liabilities		
Current liabilities:		
Bonds payable, current (Note 6)	$	219,766,822
Accrued interest payable		20,176,105
Agency funds		2,896,113
Accounts payable and other liabilities (Note 8)		2,222,480
Total current liabilities		245,061,520
Noncurrent liabilities:		
Net OPEB liability (Notes 11 and 12)		210,883
Bonds payable, net of current portion (Note 6)		3,029,947,980
Other accrued liabilities (Note 8)		3,133,966
Total noncurrent liabilities		3,033,292,829
Total liabilities		3,278,354,349
Deferred Inflows of Resources		
Deferred inflows related to pensions (Note 10)		163,090
Deferred inflows related to OPEB (Notes 11 and 12)		21,793
Deferred gain from localities on refunding (Note 6)		24,673,253
Total deferred inflows of resources		24,858,136
Total liabilities and deferred inflows of resources		3,303,212,485
Net position		
Investment in capital assets		(39,713)
Restricted (Note 7)		
Net pension asset		609,810
Loan programs		2,516,709,327
Operating reserve		7,958,704
Unrestricted		33,014,691
Total net position		2,558,252,819
Total liabilities, deferred inflows of resources, and net position	$	5,861,465,304

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, 2024

Operating revenues	
Interest on loans	$ 93,224,928
Investment income	52,677,361
Bond administrative fees	3,094,272
Loan administrative fees	3,342,023
Loan origination revenue	3,974,134
Gain on early extinguishment of bonds	1,950,544
Total operating revenues	158,263,262
Operating expenses	
Interest on bonds and loans	92,408,667
Bond issuance costs	3,415,434
Grants to local governments	22,729,952
Principal forgiveness loans to local governments	13,736,210
Loss on early extinguishment of loans	654,662
Personnel services	1,937,604
General operating	870,593
Contractual services	1,801,536
Depreciation expense and amortization	220,931
Total operating expenses	137,775,589
Operating income	20,487,673
Nonoperating revenues	
Contributions from other governments (Note 9)	322,450,776
Federal interest subsidy	949,807
Total nonoperating revenues	323,400,583
Nonoperating expenses	
Contributions to other governments	320,358
Federal interest subsidy pass-through	922,875
Total nonoperating expenses	1,243,233
Change in net position	342,645,023
Net position - beginning	2,215,607,796
Net position - ending	$ 2,558,252,819

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, 2024

Cash flows from operating activities		
Loan disbursements to localities	$	(381,409,264)
Principal repayments from localities on loans		324,635,367
Interest received on loans		116,698,164
Loan origination fees received		3,974,134
Bond administrative fees received		3,102,686
Loan administrative fees received		3,583,259
Cash payments for salaries and benefits		(2,076,852)
Cash payments for general operating expenses		(809,752)
Cash payments for contractual services		(1,802,311)
Cash payments for operating grants		(22,729,952)
Cash payments for principal forgiveness loans to local governments		(13,736,210)
Interest paid on bonds and loans		(117,578,407)
Loss on extinguishment of bonds		1,203,458
Agency funds received		(2,084,713)
Interfund activity		23,514
Net cash used in operating activities		(89,006,879)
Cash flows from noncapital financing activities		
Proceeds from sale of bonds		226,979,158
Bond issuance costs		(3,415,434)
Principal paid on bonds and loans		(241,875,000)
Proceeds from Federal interest subsidy		949,807
Cash payments to localities for Federal interest subsidy		(922,875)
Contributions from other governments		322,432,125
Contributions to other governments		(320,358)
Net cash provided by noncapital financing activities		303,827,423
Cash flows from capital and financing related activities		
Purchase of office equipment		(5,833)
Lease payments		(198,224)
Net cash used in noncapital financing activities		(204,057)
Cash flows from investing activities		
Purchase of investments		(248,424,587)
Proceeds from sales or maturities of investments		304,804,708
Interest received on investments - net		48,489,377
Net cash provided by investing activities		104,869,498
Net increase in cash and cash equivalents		319,485,985
Cash and cash equivalents - July 1		482,204,938
Cash and cash equivalents - June 30	$	801,690,923
Reconciliation to the Statement of Net Position		
Cash	$	18,072,963
Cash equivalents		783,617,960
	$	801,690,923

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, 2024

Reconciliation of operating income to net cash used in operating activities		
Operating income	$	20,487,673
Depreciation and amortization expense		220,931
Pension expense		(74,821)
Current year pension contributions subsequent to the measurement date		(62,960)
OPEB expense		11,059
Current year OPEB contributions subsequent to the measurement date		(12,360)
Interest on investments		(55,264,243)
Gain on early extinguishment of loans		563,493
Loss on early extinguishment of bonds		(655,917)
Bond issuance costs		3,415,434
Interest, amortization and accretion - net		(5,746,970)
Effect of changes in operating assets and liabilities:		
Loans receivable		(56,212,223)
Loan interest receivable		2,038,429
Loan administrative fee receivable		249,650
Other assets		2,903
Deferred charges		1,467,618
Accounts payable and other liabilities		565,425
Net cash used in operating activities	$	(89,006,879)
Schedule of non-cash activities		
Change in fair value of assets	$	8,743,708

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, negotiable certificates of deposits, 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, 2024.

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, 2024, the Authority had the following recurring fair value measurements:

Investments by Fair Value	Fair Value	Level 1	Level 2	Level 3
Agency Mortgage Backed	$ 8,787,846	$ -	$ 8,787,846	$ -
Asset Backed Securities	106,718,481	-	106,718,481	-
Corporate Bonds and Notes	122,891,002	-	122,891,002	-
Municipal Securities	2,699,917	-	2,699,917	-
Negotiable Certificates of Deposit	11,089,755	-	11,089,755	-
Supranationals	232,556		232,556	
U.S. Agency Securities	89,828	-	89,828	-
U.S. Treasury Securities	191,388,937	-	191,388,937	-
	$ 443,898,322	$ -	$ 443,898,322	$ -
Investments Using Other Measurements				
Guaranteed Investment Contracts	16,232,429			
LGIP	778,512,440			
Money Market Funds – Government	5,105,523			
U.S. Treasury SLGS	92,701,919			
	892,552,311			
Total investments	$1,336,450,633			

Reconciliation to Statement of Net Position	
Cash equivalents	$ 783,617,960
Investments – current	23,295,802
Investments – noncurrent	529,536,871
	$1,336,450,633

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, Supranationals, 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, 2024, 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	$ 8,787,846	$ -	$ 8,787,190	$ 656	$ -
Asset Backed Securities	106,718,481	-	106,718,481	-	-
Corporate Bonds and Notes	122,891,002	4,219,873	118,671,129	-	-
Guaranteed Investment Contracts	16,232,429	2,816,863	11,653,198	1,762,368	-
LGIP	778,512,440	778,512,440	-	-	-
Money Market Funds – Govt.	5,105,523	5,105,523	-	-	-
Municipal Securities	2,699,917	2,610,231	89,686	-	-
Negotiable Certificates of Deposit	11,089,755	-	11,089,755	-	-
Supranationals	232,556	-	232,556	-	-
U.S. Agency Securities	89,828	89,828	-	-	-
U.S. Treasury Securities	191,388,937	1,100,425	182,621,072	1,069,022	6,598,418
U.S. Treasury SLGS	92,701,919	9,010,011	17,963,855	16,648,950	49,079,103
	$1,336,450,633	$803,465,194	$457,826,922	$19,480,996	$55,677,521

Reconciliation to Statement of Net Position	
Cash equivalents	$783,617,960
Investments – current	23,295,802
Investments – noncurrent	529,536,871
	$1,336,450,633

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 and Supranationals 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, 2024, 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	$ 8,787,846	AA+	Aaa	0.7%
Asset Backed Securities	106,718,481	AAA	Aaa	8.0%
Corporate Bonds and Notes (AA)	15,925,401	AA+ to AA-	Aaa to A1	1.2%
Corporate Bonds and Notes (A)	97,400,864	A+ to A-	Aa1 to A3	7.3%
Corporate Bonds and Notes (BBB)	9,564,737	BBB+	A1 to A3	0.7%
Guaranteed Investment Contracts	16,232,429	AA+	Aa3	1.2%
LGIP	778,512,440	AAAm	-	58.1%
Money Market Funds - Government	5,105,523	AAAm	-	0.4%
Municipal Securities	2,699,917	AA-	Aa1 to Aa2	0.2%
Negotiable Certificates of Deposit	11,089,755	AA-/A+	Aa2 to Aa3	0.8%
Supranationals	232,556	AAA	Aaa	0.1%
U.S. Agency Securities	89,828	AA+	Aaa	0.1%
U.S. Treasury Securities	191,388,937	AA+	Aaa	14.3%
U.S. Treasury SLGS	92,701,919	AA+	Aaa	6.9%
	$ 1,336,450,633			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	$ 16,232,429	Aa3*	1.2%

*The entire 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	$ 8,787,846	0.7%	25%
Asset backed securities	106,718,481	8.7%	25%
Corporate bonds and notes	122,891,002	10.1%	25%
LGIP	778,512,440	63.7%	100%
Money market funds – Government	1,593,666	0.1%	100%
Municipal securities	2,699,917	0.2%	25%
Negotiable certificates of deposit	11,089,755	0.9%	25%
Supranationals	232,556	0.1%	10%
U.S. Agency securities	89,828	0.1%	100%
U.S. Treasury securities	182,338,948	14.9%	100%
U.S. Treasury SLGS	6,408,512	0.5%	100%
	$1,221,362,951	100.0%	

Reconciliation to Total Cash Equivalents and Investments

General and Program Funds	$1,221,362,951
Bond Funds*	115,087,682
	$1,336,450,633

*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 settlement, except for mortgage and asset backed securities which are limited to a final maturity of not exceeding ten years. 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, 2024, 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	$ 8,787,846	$ -	$ 8,787,190	$ 656	$ -
Asset backed securities	106,718,481	-	106,718,481	-	-
Corporate bonds and notes	122,891,002	4,219,873	118,671,129	-	-
LGIP	778,512,440	778,512,440	-	-	-
Money market funds – Government	1,593,666	1,593,666	-	-	-
Municipal securities	2,699,917	2,610,231	89,686	-	-
Negotiable certificates of deposit	11,089,755	-	11,089,755	-	-
Supranationals	232,556	-	232,556	-	-
U.S. Agency securities	89,828	89,828	-	-	-
U.S. Treasury securities	182,338,948	1,100,425	181,238,523	-	-
U.S. Treasury SLGS	6,408,512	1,552,000	4,856,512	-	-
	$1,221,362,951	$789,678,463	$431,683,832	$ 656	$ -

Average maturity of investments	0.96 years

Bond Funds

		Investment Maturities			
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**Over 10 Years**
Guaranteed Investment Contracts	$ 16,232,429	$ 2,816,863	$ 11,653,198	$ 1,762,368	$ -
Money Market Funds- Government	3,511,857	3,511,857	-	-	-
U.S. Treasury Securities	9,049,989	-	1,382,549	1,069,022	6,598,418
U.S. Treasury SLGS	86,293,407	7,458,011	13,107,343	16,648,950	49,079,103
	$ 115,087,682	$ 13,786,731	$ 26,143,090	$19,480,340	$55,677,521

Average maturity of investments	9.96 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, 2024 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, 2024, 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, 2024:

Loan receivables related to bond issues:	
VPFP	$ 2,588,633,525
VWFRF – Pledged	939,463,671
VWSRF – Pledged	81,651,789
Unamortized discounts/premiums, net	137,059,881
	3,746,808,866
Loan receivables related to revolving loan funds:	
VWFRF	496,980,116
VWFRF – AgBMP	8,715,631
VARF	23,213,631
VWSRF	150,772,080
VTRRF	1,493,798
Direct Loan Program	517,000
	681,692,256
Total loans receivable	4,428,501,122
Less: allowance for loan losses	(409,936)
Total loans receivable, net of allowance	$ 4,428,091,186
Loans receivable – current	$ 390,369,630
Loans receivable – noncurrent	4,037,721,556
Total loans receivable, net of allowance	$ 4,428,091,186

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 FY2025 to FY2055.

The Authority also has outstanding loans to various localities and other governmental entities in the Commonwealth of Virginia from the VWFRF, VWSRF, VARF, and VTRRF. These loans range in final maturity from FY2024 to FY2055 and accrue interest at various rates ranging from 0% to 4.87%.

As of June 30, 2024, 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	$ 245,801,120	$ 55,702,470	$ 301,503,590
VWSRF	20,629,432	71,648,387	92,277,819
VARF	7,319,937	-	7,319,937
VTIB	49,000,000	-	49,000,000
VBAF	100,000	-	100,000
VTRRF	29,049	-	29,049
VTCBLP	1,893,363	-	1,893,363
Direct Loan Program	248,280		248,280
CFPF	24,421,049	-	24,421,049
DSFP	4,106,422	-	4,106,422
Total	$ 353,548,652	$ 127,350,857	$ 480,899,509

As of June 30, 2024, the AgBMP loans, included within the VWFRF accounts, were determined to have a need for an allowance for loan losses for $189,916. 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.

Note 5 – Capital Assets

Capital asset activity for the year ending June 30, 2024 was as follows:

	June 30, 2023	Additions	Disposals	June 30, 2024
Office equipment	$ 338,503	$ 5,833	$ (12,937)	$ 331,399
Leased office space	1,467,168	-	-	1,467,168
Total capital assets	$ 1,805,671	$ 5,833	$ (12,937)	$ 1,798,567
Less accumulated depreciation	(252,634)	(37,535)	12,937	(277,232)
Less accumulated amortization	(366,792)	(183,396)	-	(550,188)
Total accumulated depreciation and amortization	$ (619,426)	$ (220,931)	$ 12,937	$ (827,420)
Total capital assets, net	$ 1,186,245	$ (215,098)	$ -	$ 971,147

Depreciation expense of $37,535 and amortization expense of $183,396 for the year ended June 30, 2024 are included in the Statement of Revenue, Expenses, and Changes in Net Position.

Note 6 – Long-Term Debt

The Authority had the following debt outstanding as of June 30, 2024:

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 $11,814,849 accretion for capital appreciation bonds; $5,623,192 of the bonds defeased in 2012	$ 27,537,167	$ 17,328,525
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	310,000
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	100,000
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	75,000
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	30,000
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	32,990,000
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	15,550,000

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	$ 410,000
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	185,000
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	270,000
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	120,000
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	405,000
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	1,630,000
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	150,000
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	645,000

Description	Original Amount	Amount Outstanding
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	$ 340,000
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	26,800,000
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	130,000
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	12,530,000
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	3,885,000
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	1,560,000
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	4,235,000
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	170,000
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	1,770,000

Description	Original Amount	Amount Outstanding
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	$ 70,000
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	3,545,000
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	1,570,000
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	4,410,000
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	18,735,000
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; $2,125,000 of the bonds defeased in 2024	46,410,000	15,715,000
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; $865,000 of the bonds defeased in 2024	20,080,000	6,700,000
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	5,595,000

Description	Original Amount	Amount Outstanding
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	$ 2,385,000
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	38,155,000
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	20,385,000
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	50,705,000
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	24,650,000
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	41,230,000
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	3,235,000
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	18,910,000
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	1,315,000
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	11,805,000

Description	Original Amount	Amount Outstanding
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	$ 6,150,000
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	38,605,000
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	1,450,000
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	17,810,000
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	1,085,000
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	32,630,000
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	295,000
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	14,545,000
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	365,000
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	18,545,000
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	8,445,000

Description	Original Amount	Amount Outstanding
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	$ 44,395,000
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	815,000
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	35,460,000
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	740,000
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	59,915,000
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	33,170,000
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	22,260,000
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	755,000
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	11,440,000
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	475,000
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	123,695,000

Description	Original Amount	Amount Outstanding
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	$ 56,255,000
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	35,670,000
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	16,050,000
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	24,055,000
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	2,035,000
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	6,105,000
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	940,000
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	43,495,000
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	24,435,000
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	54,580,000
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	2,215,000
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	25,610,000

Description	Original Amount	Amount Outstanding
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	$ 1,010,000
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	16,225,000
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	6,935,000
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	59,865,000
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	3,420,000
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	33,155,000
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	1,735,000
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	32,880,000
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	16,745,000
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	29,195,000
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	5,085,000
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	10,740,000

Description	Original Amount	Amount Outstanding
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	$ 21,145,000
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	2,185,000
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	5,190,000
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	60,065,000
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	167,550,000
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	28,055,000
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	74,580,000
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	11,515,000
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	35,530,000
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	5,005,000
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	36,755,000

Description	Original Amount	Amount Outstanding
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	$ 1,900,000
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	18,930,000
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	745,000
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	37,185,000
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	74,670,000
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	17,300,000
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	15,010,000
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	20,065,000
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	38,920,000
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	5,470,000
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	9,740,000
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	7,950,000

Description	Original Amount	Amount Outstanding
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	$ 2,430,000
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	23,765,000
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	15,800,000
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	10,670,000
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	17,815,000
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	69,295,000
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	13,800,000
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	31,585,000
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	14,265,000
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	31,405,000
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	12,980,000
Series 2022B Infrastructure Revenue Bonds (Tax-Exempt), dated November 16, 2022, interest rates ranging from 4.5 to 5.0%, final maturity November 1, 2042	39,175,000	38,610,000

Description	Original Amount	Amount Outstanding
Series 2022B State Moral Obligation Bonds (Tax-Exempt), dated November 16, 2022, interest rate of 5.0%, final maturity Nov. 1, 2041	$ 17,680,000	$ 17,445,000
Series 2023A Infrastructure Revenue Bonds (Tax-Exempt), dated May 23, 2023, interest rates ranging from 4.0 to 5.0%, final maturity November 1, 2043	18,670,000	18,670,000
Series 2023A State Moral Obligation Bonds (Tax-Exempt), dated May 23, 2023, interest rates ranging from 4.0 to 5.0%, final maturity Nov. 1, 2043	8,380,000	8,380,000
Series 2023B Infrastructure Revenue Bonds (Tax-Exempt), dated November 15, 2023, interest rates ranging from 4.0 to 5.0%, final maturity November 1, 2043	6,280,000	6,280,000
Series 2023B Infrastructure Revenue Bonds (Taxable), dated November 15, 2023, interest rates ranging from 5.65 to 6.125%, final maturity November 1, 2043	1,510,000	1,510,000
Series 2023B State Moral Obligation Bonds (Tax-Exempt), dated November 15, 2023, interest rate of 5.0%, final maturity Nov. 1, 2043	2,930,000	2,930,000
Series 2023B State Moral Obligation Bonds (Taxable), dated November 15, 2023, interest rates ranging from 5.7 to 6.125%, final maturity Nov. 1, 2043	640,000	640,000
Series 2024A Infrastructure Revenue Bonds (Tax-Exempt), dated May 15, 2024, interest rates ranging from 4.0 to 5.0%, final maturity November 1, 2054	136,070,000	136,070,000
Series 2024A State Moral Obligation Bonds (Tax-Exempt), dated May 15, 2024, interest rates ranging from 4.0 to 5.0%, final maturity Nov. 1, 2054	61,420,000	61,420,000
Total Virginia Pooled Financing Program and Stand-Alone Revenue Bonds	$4,503,307,167	$2,671,518,525

Description	Original Amount	Amount Outstanding
Virginia Water Facilities Revolving Loan Fund		
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	$ 133,335,000
Series 2015 CWSRF (Refunding), dated April 14, 2015, interest rate of 5.00%, final maturity October 1, 2031	115,225,000	80,965,000
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	51,410,000
Series 2022 State Revolving Fund Revenue, dated July 18, 2022, interest rates ranging from 2.33% to 3.18%, final maturity October 1, 2042 (Direct Placement)	98,000,000	90,000,000
Total Virginia Water Facilities Revolving Loan Fund	$ 453,140,000	$ 355,710,000

Description	Original Amount	Amount Outstanding
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, 2024 are as follows:

	June 30, 2023	Increases	Decreases	June 30, 2024	Due within One Year
Bonds outstanding	$3,005,263,183	$208,850,000	$(232,884,658)	$2,981,228,525	$190,845,000
Unamortized discounts and premiums on bonds	189,240,370	18,129,158	(28,883,251)	178,486,277	25,401,822
Direct placements	98,000,000	-	(8,000,000)	90,000,000	3,520,000
	$3,292,503,553	$226,979,158	$(269,767,909)	$3,249,714,802	$219,766,822

All bonds and direct placements 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, 2024, $917,953,525 of the outstanding bonds were secured by the moral obligation of the Commonwealth.

At June 30, 2024, the Series 2002 Revenue Bonds include capital appreciation bonds with unaccreted values of $1,931,475.

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. As of June 30, 2024, the total outstanding principal amount of conduit debt obligations in the VGCP was $22,889,652.

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. As of June 30, 2024, the total outstanding principal amount of conduit debt obligations in VAHELPS was $15,735,249.

In accordance with GASB 91, conduit debt liabilities and the associated loan assets are not recorded on the Statement of Net Position.

Refundings

During the fiscal year, the Authority issued Virginia Pooled Financing Program Revenue Bonds, Series 2023B and 2024A, 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 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
2013B Series	$ 2,990,000	$ 189,730	$ 140,065

The amount outstanding at June 30, 2024 for bonds that have been in-substance defeased was $195,705,000. In addition to the refundings noted above, this includes bonds that were in-substance defeased during prior years: Series 2002, Series 2009A, Series 2010C, Series 2011A, Series 2011B, 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, 2024 are as follows:

	Bonds			Direct Borrowings		
June 30,	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2025	$ 190,845,000	$ 110,269,904	$ 301,114,904	$ 3,520,000	$ 2,806,032	$ 6,326,032
2026	196,525,000	102,471,379	298,996,379	3,635,000	2,692,268	6,327,268
2027	208,150,000	93,925,451	302,075,451	3,750,000	2,574,846	6,324,846
2028	209,340,000	85,375,088	294,715,088	3,870,000	2,453,688	6,323,688
2029	209,580,000	77,006,995	286,586,995	3,990,000	2,328,714	6,318,714
2030-2034	836,955,000	278,720,687	1,115,675,687	21,950,000	9,625,065	31,575,065
2035-2039	589,885,000	151,906,632	741,791,632	25,665,000	5,847,146	31,512,146
2040-2044	350,580,000	66,018,960	416,598,960	23,620,000	1,531,647	25,151,647
2045-2049	128,060,000	23,511,336	151,571,336	-	-	-
2050-2054	54,805,000	7,098,256	61,903,256	-	-	-
2055	8,435,000	193,113	8,628,113	-	-	-
	$ 2,983,160,000	$ 996,497,801	$ 3,979,657,801	$ 90,000,000	$29,859,406	$119,859,406

Note 7 – Restricted Net Position – Loan Programs

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, 2024 the cash, cash equivalents, and investments restricted for use related to the Operating Reserve Fund amounted to $7,958,704.

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2024 consisted of:

	Current	**Noncurrent**	**Total**
Accounts payable and other liabilities	$ 79,052	$ -	$ 79,052
Arbitrage rebate liability	366,974	2,306,435	2,673,409
Compensated absences	121,864	-	121,864
Loan payments received prior to due date	1,471,262	-	1,471,262
Lease liability	183,328	827,531	1,010,859
	$ 2,222,480	$ 3,133,966	$ 5,356,446

Note 9 – Contributions from Other Governments

During the fiscal year, the Authority received $67,309,139 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 $13,254,152 from the Commonwealth as part of the required state match of federal funds.

In addition, the Authority received the following funds from the Commonwealth: $14,129,290 for VWFRF's combined sewer overflow projects; $1,488,052 for VDSFPF; $2,250,000 for VBAF; $124,020,143 for CFPF; and $100,000,000 for Resilient VA.

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.

VRS Plan 2
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, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive members or their beneficiaries currently receiving benefits	5
Inactive members:	
Vested inactive members	5
Non-vested inactive members	6
Inactive members elsewhere in VRS	8
Total inactive members	24
Active members	13
Total covered employees	37

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, 2024 was 4.80% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $76,240 and $71,221 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2023.

Actuarial Methods and Assumptions

The total pension liability for the Authority was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
Multi-Asset Public Strategies	4.00%	4.50%	0.18%
Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Inflation			2.50%
Expected arithmetic nominal return*			8.25%

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into 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 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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, 2023, 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, 2021, actuarial valuations, whichever was greater. From July 1, 2022, 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, 2022	$ 2,675,555	$ 3,152,307	$ (476,752)
Changes for the year:			
Service cost	131,625	-	131,625
Interest	187,813	-	187,813
Difference between expected and actual experience	(109,755)	-	(109,755)
Contributions – employer	-	63,616	(63,616)
Contributions – employee	-	71,405	(71,405)
Net investment income	-	209,596	(209,596)
Benefit payments, including refunds	(49,543)	(49,543)	-
Administrative expenses	-	(1,962)	1,962
Other changes	-	86	(86)
Net change	160,140	293,198	(133,058)
Balance at June 30, 2023	$ 2,835,695	$ 3,445,505	$ (609,810)

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)	$ (23,409)	$ (609,810)	$ (998,901)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions
For the year ended June 30, 2024, the Authority recognized pension expense of $(137,782).

At June 30, 2024, 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	$ 7,319	$ 122,121
Changes of assumptions	-	549
Net difference between projected and actual earnings on plan investments	-	40,420
Employer contributions subsequent to the measurement date	62,960	-
	$ 70,279	$ 163,090

Deferred outflows of resources of $62,960 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, 2025. 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,	
2025	$ (110,379)
2026	(90,984)
2027	44,389
2028	1,203
2029	-
Thereafter	-
	$ (155,771)

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:

Eligible Employees

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.

Benefit Amounts

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.

Reduction in Benefit Amounts
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.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)
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 $9,254 as of June 30, 2024.

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, 2024 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $8,513 and $7,984 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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, 2023, NOL amounts for the Group Life Insurance Program is as follows (in thousands):

Total OPEB liability	$ 3,907,052
Less Plan Fiduciary Net Positon	(2,707,739)
Employers' Net OPEB Liability	$ 1,199,313
Plan Fiduciary Net Positon as a percentage of the Total OPEB liability	69.30 %

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, 2024, the Authority reported a liability of $75,797 for its proportionate share of the NOL. The NOL was measured as of June 30, 2023 and the total Group Life Insurance OPEB liability used to calculate the NOL was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023 and June 30, 2022, the Authority's proportion was 0.00632% and 0.00674%, respectively.

Actuarial Assumptions

The total Group Life insurance OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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	4.0%
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, 2021). 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

Mortality rates – Teachers

- 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, 2021). 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, 2021). 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

<u>Mortality rates – VaLORS 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 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, 2021). 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

<u>Mortality rates – JRS Employees</u>

- 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, 2021). 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

<u>Mortality rates – 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, 2021). 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, 2021). 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, 2021). 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

Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty 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, 2021). 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
Multi-Asset Public Strategies	4.00%	4.50%	0.18%
Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Inflation			2.50%
Expected arithmetic nominal return*			8.25%

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into 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 7.14%, including expected inflation of 2.50%. On June 15 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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, 2023, 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 which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers are assumed to continue 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	$ 112,354	$ 75,797	$ 46,240

Group Life Insurance OPEB Expense and Deferred Outflows/Inflows of Resources Related to the Group Life Insurance Program

For the year ended June 30, 2024, the Authority recognized total OPEB expense of $(1,301), of which ($8,140) 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, 2024, 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	$ 7,570	$ 2,301
Net difference between projected and actual earnings on plan investments	-	3,046
Change in assumptions	1,620	5,251
Changes in proportion	2,030	11,195
Employer contributions subsequent to the measurement date	8,513	-
	$ 19,773	$ 21,793

Deferred outflows of resources of $8,513 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, 2025.

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,	
2025	$ (3,777)
2026	(22,999)
2027	9,479
2028	1,185
2029	5,539
Thereafter	-
	$ (10,573)

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, 2024 was 0.85% 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, 2021. 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 \$3,847 and \$2,367 for the years ended June 30, 2024 and June 30, 2023, 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, 2023, NOL amounts for the VLDP is as follows (in thousands):

Total OPEB liability	$ 9,525
Less Plan Fiduciary Net Position	(11,134)
Net OPEB Liability (asset)	$ (1,609)
Plan Fiduciary Net Position as a percentage of the Total OPEB liability	116.89%

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, 2024, the Authority reported an asset of \$732 for its proportionate share of the NOL. The NOL was measured as of June 30, 2023 and the total OPEB liability used to calculate the NOL was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023 and June 30, 2022 the Authority's proportion was 0.045% and 0.045% respectively.

Actuarial Assumptions

The total VLDP OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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, 2021). 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
Multi-Asset Public Strategies	4.00%	4.50%	0.18%
Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Inflation			2.50%
Expected arithmetic nominal return*			8.25%

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into 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 7.14%, including expected inflation of 2.50%. On June 15 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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, 2023, 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, 2023 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, 2024, the Authority recognized total OPEB expense of ($1,301), of which ($1,948) was related to the VLDP OPEB.

At June 30, 2024, 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	3,847	-
	$ 3,847	$ -

Deferred outflows of resources of $3,847 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, 2025.

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, 2024 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	15
Total	15

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, 2024, the Authority recognized total OPEB expense of ($1,301), of which $8,787 was related to the Retiree Healthcare OPEB.

For the year ending June 30, 2024, the Authority reported a total Retiree Healthcare OPEB liability of $135,818.

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, 2023	$ 127,031	$ -	$ 127,031
Changes for the year:			
Service cost	8,801	-	8,801
Interest	4,958	-	4,958
Effect of economic/demographic gains or losses	909		909
Changes of assumptions	(5,881)	-	(5,881)
Difference between expected and actual experience	-	-	-
Contributions – employer	-	-	-
Contributions – employee	-	-	-
Benefit payments, including refunds	-	-	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net change	8,787	-	8,787
Balance at June 30, 2024	$ 135,818	$ -	$ 135,818

Actuarial Assumptions
The total OPEB liability was based on an actuarial valuation as of June 30, 2024, 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 4.7% in the current year to 4.2% 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 2013 to 2023.
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	$ 113,117	$ 135,818	$ 163,383

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 3.93%. 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	$ 158,251	$ 135,818	$ 117,015

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, 2024, 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 $916,980 at June 30, 2024.

Lease liability activity for the year ending June 30, 2024 was as follows:

	June 30, 2023	Increases	Decreases	June 30, 2024
Office lease	$ 1,185,409	$ -	$ (174,550)	$ 1,010,859

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024 are as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total
2025	$ 183,328	$ 19,855	$ 203,183
2026	192,423	15,843	208,266
2027	201,842	11,633	213,475
2028	211,590	7,219	218,809
2029	221,676	2,593	224,269
	$ 1,010,859	$ 57,143	$ 1,068,002

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, cyber, and public officials' liability. There have been no claims exceeding the amount insured resulting from these risks during the three years ended June 30, 2024 and there was no reduction in insurance coverage during the fiscal year.

Note 17 – Subsequent Events

On August 7, 2024, the Authority issued revenue bonds in the amount of $175,105,000 through the VPFP. Interest rates range from 4.0% to 5.0% with a final maturity date of November 1, 2054.

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2024

Schedule of Changes in Net Pension Liability and Related Ratios

	Plan Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	$ 113,609	$ 138,652	$ 146,176	$ 164,504	$ 148,916	$ 137,528	$ 170,910	$ 155,418	$ 148,755	$ 131,625
Interest	49,872	61,149	79,808	96,398	96,332	101,751	134,894	157,606	178,730	187,813
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)	(127,095)	(109,755)
Benefit payments, including refunds of employee contributions	(4,749)	-	-	(9,413)	(242,525)	(36,525)	(41,202)	(51,536)	(47,861)	(49,543)
Net change	158,732	266,557	241,697	115,623	(25,584)	547,184	341,641	162,348	152,529	160,140
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	2,523,026	2,675,555
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	$2,675,555	$2,835,695
Plan Fiduciary Net Position										
Contributions – employer	$ 85,767	$ 46,529	$ 45,908	$ 60,777	$ 58,238	$ 65,730	$ 68,145	$ 86,424	$ 83,537	$ 63,616
Contributions – employee	77,046	64,726	65,224	71,356	64,628	71,954	74,870	72,756	71,165	71,405
Net investment income	163,643	61,565	28,964	202,035	140,948	134,272	42,699	648,797	(6,282)	209,596
Benefit payments, including refunds of employee contributions	(4,749)	-	-	(9,413)	(242,525)	(36,525)	(41,202)	(51,536)	(47,861)	(49,543)
Administrative expense	(736)	(720)	(828)	(1,026)	(1,323)	(1,172)	(1,312)	(1,464)	(1,838)	(1,962)
Other	8	(13)	(11)	(524)	(420)	(86)	(52)	63	74	86
Net change	320,979	172,087	139,257	323,205	19,546	234,173	143,148	755,040	98,795	293,198
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	3,053,512	3,152,307
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	$3,152,307	$3,445,505
Net Pension Liability (Asset) (b)-(a)	$(393,496)	$(299,026)	$(196,586)	$(404,168)	$(449,298)	$(136,287)	$ 62,206	$(530,486)	$(476,752)	$(609,810)
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%	117.8%	121.5%
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	$1,460,326	$1,483,778
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%)	(32.6%)	(41.1%)

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2024

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%
2023	71,221	71,221	-	1,483,778	4.80%
2024	76,240	76,240	-	1,588,325	4.80%

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

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, 2022, 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, 2021. 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

Virginia Resources Authority
Required Supplementary Information (Unaudited)
June 30, 2024

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

	Plan Year Ended June 30,						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Proportion of the net Group Life Insurance (GLI) OPEB liability	0.00730%	0.00683%	0.00744%	0.00726%	0.00726%	0.00674%	0.00632%
Proportionate share of the net GLI OPEB liability	$110,000	$104,000	$121,000	$123,327	$84,526	$81,156	$75,797
Covered payroll	$1,342,834	$1,292,489	$1,458,029	$1,521,744	$1,499,979	$1,460,326	$1,483,778
Proportionate share of the net GLI OPEB liability as a percentage of covered payroll	8.19%	8.05%	8.30%	8.10%	5.64%	5.56%	5.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%

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%
2023	7,984	7,984	-	1,483,778	0.54%
2024	8,513	8,513	-	1,588,325	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, 2022, 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, 2021). 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

Teachers

- 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

SPORS 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: 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

VaLORS 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: 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

Non-Largest Ten Locality Employers – Hazardous Duty Employees

- 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, 2024

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

	Plan Year Ended June 30,						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Proportion of the net Virginia Local Disability Program (VLDP) OPEB liability	0.020%	0.019%	0.031%	0.033%	0.056%	0.045%	0.045%
Proportionate share of the net VLDP OPEB liability (asset)	$111	$144	$620	$326	($151)	($264)	($732)
Covered payroll	$36,057	$45,402	$94,727	$121,776	$224,276	$210,615	$278,417
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%	0.12%	0.26%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability/asset	38.4%	51.2%	49.2%	76.8%	119.6%	107.9%	116.9%

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%
2023	2,367	2,367	-	278,417	0.85%
2024	3,847	3,847	-	452,632	0.85%

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, 2022, 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, 2021). 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, 2024

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**	**2023**	**2024**
Service cost	$ -	$ -	$ 15,985	$ 15,504	$ 15,504	$ 8,801
Interest	-	-	3,702	3,642	5,237	4,958
Effect of economic/demographic gains or losses	-	-	-	(8,228)	(23,875)	909
Changes of assumptions	101,505	50,009	(16,502)	(33,179)	(2,273)	(5,881)
Benefit payments, including refunds	-	-	-	-	-	-
Net change	101,505	50,009	3,185	(22,261)	(5,407)	8,787
Total OPEB liability, beginning	$ -	$ 101,505	$ 151,514	$ 154,699	$ 132,438	$ 127,031
Total OPEB liability, ending (a)	$ 101,505	$ 151,514	$ 154,699	$ 132,438	$ 127,031	$ 135,818
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	$ 127,031	$ 135,818
Plan fiduciary net position as a percentage of the total pension liability	NA	NA	NA	NA	NA	NA
Covered-employee payroll	$1,458,029	$1,521,744	$1,499,979	$1,460,326	$1,483,778	$1,588,325
Net OPEB liability as a percentage of covered-employee payroll	6.96%	9.96%	10.31%	9.07%	8.56%	8.55%

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, 2024

	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	$ 587,201	$ 13,719,423	$ 2,534,208	$ 624,769	$ 144	$ -	$ -	$ 107,218	$ 500,000	$ 18,072,963
Cash equivalents	8,049,635	262,389,540	26,264,279	9,862,321	195,135	-	469,194,637	3,524,494	4,137,919	783,617,960
Investments	2,378,134	15,674,728	3,476,619	580,833	-	-	1,185,488	-	-	23,295,802
Loans receivable - current portion	34,959	138,410,039	11,973,500	3,434,443	236,394,576	-	-	122,113	-	390,369,630
Receivables:										
Investment interest	225,809	2,915,784	786,096	38,949	539,626	-	67,460	-	-	4,573,724
Loan interest	564	4,810,772	792,425	190,884	23,626,544	-	-	6,629	-	29,427,818
Loan administrative fees	6,617	634,584	436,147	-	769,765	-	-	-	-	1,847,113
Federal funds	-	-	12,277,438	-	-	-	-	-	-	12,277,438
Other	5,366	-	1,462,043	-	-	-	-	-	-	1,467,409
Other	66,123	-	-	-	-	-	-	-	-	66,123
Total current assets	11,354,408	438,554,870	60,002,755	14,732,199	261,525,790	-	470,447,585	3,760,454	4,637,919	1,265,015,980
Noncurrent assets										
Investments - non-current	29,057,391	308,963,652	86,591,132	3,473,983	95,343,396	-	6,107,317	-	-	529,536,871
Loans receivable - non-current	482,041	1,306,559,463	220,230,350	19,779,189	2,489,298,828	-	-	1,371,685	-	4,037,721,556
Capital assets, net	971,147	-	-	-	-	-	-	-	-	971,147
Net pension asset	609,810	-	-	-	-	-	-	-	-	609,810
Total noncurrent assets	31,120,389	1,615,523,115	306,821,482	23,253,172	2,584,642,224	-	6,107,317	1,371,685	-	4,568,839,384
Total assets	42,474,797	2,054,077,985	366,824,237	37,985,371	2,846,168,014	-	476,554,902	5,132,139	4,637,919	5,833,855,364
Deferred Outflows of Resources										
Deferred outflows - pension	70,279	-	-	-	-	-	-	-	-	70,279
Deferred outflows - OPEB	23,580	-	-	-	-	-	-	-	-	23,580
Deferred loss on refunding	-	6,593,754	-	-	20,922,327	-	-	-	-	27,516,081
Total deferred outflows of resources	93,859	6,593,754	-	-	20,922,327	-	-	-	-	27,609,940
Total assets and deferred outflows of resources	$ 42,568,656	$ 2,060,671,739	$ 366,824,237	$ 37,985,371	$ 2,867,090,341	$ -	$ 476,554,902	$ 5,132,139	$ 4,637,919	$ 5,861,465,304
Liabilities										
Current liabilities										
Bonds payable - current	$ -	$ 29,629,270	$ 1,183,558	$ -	$ 188,953,994	$ -	$ -	$ -	$ -	$ 219,766,822
Accrued interest	-	3,531,956	375,259	-	16,268,890	-	-	-	-	20,176,105
Due to (from) other accounts	(582,376)	651,236	(149,876)	67,687	-	-	29,321	(15,992)	-	-
Agency funds	-	738,006	102,935	36,350	-	-	-	2,018,822	-	2,896,113
Accounts payable and other liabilities	384,243	708,309	473,284	268,650	366,974	-	-	21,020	-	2,222,480
Total current liabilities	(198,133)	35,258,777	1,985,160	372,687	205,589,858	-	29,321	2,023,850	-	245,061,520
Noncurrent liabilities										
Net OPEB liability	210,883	-	-	-	-	-	-	-	-	210,883
Bonds payable - noncurrent	-	343,340,277	47,455,958	-	2,639,151,745	-	-	-	-	3,029,947,980
Other accrued liabilities	827,531	-	-	-	2,306,435	-	-	-	-	3,133,966
Total noncurrent liabilities	1,038,414	343,340,277	47,455,958	-	2,641,458,180	-	-	-	-	3,033,292,829
Total liabilities	840,281	378,599,054	49,441,118	372,687	2,847,048,038	-	29,321	2,023,850	-	3,278,354,349
Deferred Inflows of Resources										
Deferred inflows - pension	163,090	-	-	-	-	-	-	-	-	163,090
Deferred inflows - OPEB	21,793	-	-	-	-	-	-	-	-	21,793
Deferred gain from localities on refunding	-	-	-	-	24,673,253	-	-	-	-	24,673,253
Total deferred inflows of resources	184,883	-	-	-	24,673,253	-	-	-	-	24,858,136
Net position										
Invested in capital assets	(39,713)	-	-	-	-	-	-	-	-	(39,713)
Restricted:										
Net pension asset	609,810	-	-	-	-	-	-	-	-	609,810
Loan programs	-	1,682,072,685	317,383,119	37,612,684	(4,630,950)	-	476,525,581	3,108,289	4,637,919	2,516,709,327
Operating reserve	7,958,704	-	-	-	-	-	-	-	-	7,958,704
Unrestricted	33,014,691	-	-	-	-	-	-	-	-	33,014,691
Total net position	41,543,492	1,682,072,685	317,383,119	37,612,684	(4,630,950)	-	476,525,581	3,108,289	4,637,919	2,558,252,819
Total liabilities, deferred inflows of resources, and net position	$ 42,568,656	$ 2,060,671,739	$ 366,824,237	$ 37,985,371	$ 2,867,090,341	$ -	$ 476,554,902	$ 5,132,139	$ 4,637,919	$ 5,861,465,304

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

	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	$ 564	$ 15,247,325	$ 2,420,287	$ 470,884	$ 75,049,205	$ -	$ -	$ 36,663	$ -	$ 93,224,928
Investment income	1,724,748	28,040,394	5,794,580	810,944	1,003,185	-	15,007,813	92,416	203,281	52,677,361
Bond administrative fees	-	-	-	-	3,094,272	-	-	-	-	3,094,272
Loan administrative fees	17,012	1,951,672	1,373,339	-	-	-	-	-	-	3,342,023
Loan origination revenue	-	-	-	-	3,974,134	-	-	-	-	3,974,134
Gain on early extinguishment of bonds	-	1,262,330	-	-	688,214	-	-	-	-	1,950,544
Total operating revenues	1,742,324	46,501,721	9,588,206	1,281,828	83,809,010	-	15,007,813	129,079	203,281	158,263,262
Operating expenses										
Interest expense	23,675	13,381,156	1,056,540	-	77,947,296	-	-	-	-	92,408,667
Bond issuance costs	-	-	-	-	3,415,434	-	-	-	-	3,415,434
Grants to local governments	-	14,129,290	-	-	-	-	6,544,987	-	2,055,675	22,729,952
Principal Forgiveness loans to local governments	-	8,398,026	5,338,184	-	-	-	-	-	-	13,736,210
Loss on early extinguishment of loans	-	-	-	-	654,662	-	-	-	-	654,662
Personnel services	616,363	714,230	451,223	96,404	-	-	63,978	(4,594)	-	1,937,604
General operating	279,233	337,303	123,972	15,008	2,734	-	11,722	2,843	97,778	870,593
Contractual services	193,956	284,476	1,268,438	28,708	-	-	25,269	689	-	1,801,536
Depreciation and amortization	220,931	-	-	-	-	-	-	-	-	220,931
Total operating expenses	1,334,158	37,244,481	8,238,357	140,120	82,020,126	-	6,645,956	(1,062)	2,153,453	137,775,589
Operating income (loss)	408,166	9,257,240	1,349,849	1,141,708	1,788,884	-	8,361,857	130,141	(1,950,172)	20,487,673
Nonoperating revenues										
Contributions from other governments	-	80,726,479	13,966,102	-	-	-	225,508,195	-	2,250,000	322,450,776
Federal interest subsidy	-	-	-	-	949,807	-	-	-	-	949,807
Nonoperating expenses										
Contributions to other governments	-	-	-	-	-	-	-	(320,358)	-	(320,358)
Federal interest subsidy passthrough	-	-	-	-	(922,875)	-	-	-	-	(922,875)
Income (loss) before transfers	408,166	89,983,719	15,315,951	1,141,708	1,815,816	-	233,870,052	(190,217)	299,828	342,645,023
Operating transfers	3,301,386	-	-	-	(3,301,386)	-	-	-	-	-
Change in net position	3,709,552	89,983,719	15,315,951	1,141,708	(1,485,570)	-	233,870,052	(190,217)	299,828	342,645,023
Total net position - beginning	37,833,940	1,592,088,966	302,067,168	36,470,976	(3,145,380)	-	242,655,529	3,298,506	4,338,091	2,215,607,796
Total net position - ending	$ 41,543,492	$ 1,682,072,685	$ 317,383,119	$ 37,612,684	$ (4,630,950)	$ -	$ 476,525,581	$ 3,108,289	$ 4,637,919	$ 2,558,252,819

Virginia Resources Authority
Combining Schedule of Cash Flows
Year Ended June 30, 2024

	General Accounts	Virginia Revolving Loan Fund Accounts		Airport Accounts	Bond Accounts	Transportation Infrastructure Bank	Dam Safety & CFPF Accounts	Tobacco Commission Accounts	Brownfields & Miscellaneous Accounts	Total
		Water Facilities	Water Supply							
Cash flows from operating activities										
Cash payments to localities for loans	$ (517,000)	$ (142,321,169)	$ (9,802,560)	$ (6,120,773)	$ (222,647,762)	$ -	$ -	$ -	$ -	$ (381,409,264)
Principal repayments from localities on loans	-	133,308,581	12,685,570	3,783,207	174,745,000	-	-	113,009	-	324,635,367
Interest received on loans	-	17,216,918	2,442,311	388,092	96,610,157	-	-	40,686	-	116,698,164
Loan origination fees received	-	-	-	-	3,974,134	-	-	-	-	3,974,134
Bond administrative fees received	-	-	-	-	3,102,686	-	-	-	-	3,102,686
Loan administrative fees received	17,012	2,247,835	1,318,412	-	-	-	-	-	-	3,583,259
Cash payments for salaries and related benefits	(737,090)	(714,230)	(451,223)	(96,404)	-	-	(63,978)	(13,927)	-	(2,076,852)
Cash payments for general operating expenses	(325,698)	(306,781)	(54,938)	(13,075)	-	-	(11,722)	(1,913)	(95,625)	(809,752)
Cash payments for contractual services	(188,808)	(284,476)	(1,268,438)	(28,708)	-	-	(25,269)	(6,612)	-	(1,802,311)
Cash payments for operating grants	-	(14,129,290)	-	-	-	-	(6,544,987)	-	(2,055,675)	(22,729,952)
Cash payments for principal forgiveness loans	-	(8,398,026)	(5,338,184)	-	-	-	-	-	-	(13,736,210)
Interest paid on bonds and loans	-	(16,805,607)	(1,517,900)	-	(99,254,900)	-	-	-	-	(117,578,407)
Loss on extinguishment of bonds	-	1,262,330	-	-	(58,872)	-	-	-	-	1,203,458
Agency funds received (disbursed)	-	-	-	-	-	(1,106,202)	-	(978,511)	-	(2,084,713)
Interfund activity	51,222	235,281	(344,625)	82,240	-	-	(8,126)	7,522	-	23,514
Net cash used in operating activities	(1,700,362)	(28,688,634)	(2,331,575)	(2,005,421)	(43,529,557)	(1,106,202)	(6,654,082)	(839,746)	(2,151,300)	(89,006,879)
Cash flows from noncapital financing activities										
Proceeds from sale of bonds	-	-	-	-	226,979,158	-	-	-	-	226,979,158
Bond issuance costs	-	-	-	-	(3,415,434)	-	-	-	-	(3,415,434)
Principal paid on bonds and loans	-	(66,980,000)	-	-	(174,895,000)	-	-	-	-	(241,875,000)
Proceeds from interest subsidy	-	-	-	-	949,807	-	-	-	-	949,807
Cash payments to localities for interest subsidy	-	-	-	-	(922,875)	-	-	-	-	(922,875)
Contributions from other governments	-	80,726,479	13,947,451	-	-	-	225,508,195	-	2,250,000	322,432,125
Contributions to other governments	-	-	-	-	-	-	-	(320,358)	-	(320,358)
Cash received (paid) from other accounts	3,301,386	-	-	-	(3,301,386)	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	3,301,386	13,746,479	13,947,451	-	45,394,270	-	225,508,195	(320,358)	2,250,000	303,827,423
Cash flows from capital and financing related activities										
Purchase of office equipment	(5,833)	-	-	-	-	-	-	-	-	(5,833)
Lease payments	(198,224)	-	-	-	-	-	-	-	-	(198,224)
Net cash used in noncapital financing activities	(204,057)	-	-	-	-	-	-	-	-	(204,057)
Cash flows from investing activities										
Purchase of investments	(11,542,966)	(171,221,789)	(48,497,071)	(2,254,604)	(11,001,788)	-	(3,906,369)	-	-	(248,424,587)
Proceeds from sales or maturities of investments	10,768,058	241,270,929	46,356,702	2,160,517	540,872	-	3,707,630	-	-	304,804,708
Interest received on investments - net	1,358,712	22,824,689	4,338,800	738,410	4,066,755	-	14,868,467	92,416	201,128	48,489,377
Net cash provided by (used in) investing activities	583,804	92,873,829	2,198,431	644,323	(6,394,161)	-	14,669,728	92,416	201,128	104,869,498
Net increase (decrease) in cash and cash equivalents	1,980,771	77,931,674	13,814,307	(1,361,098)	(4,529,448)	(1,106,202)	233,523,841	(1,067,688)	299,828	319,485,985
Cash and cash equivalents										
Beginning of year	6,656,065	198,177,289	14,984,180	11,848,188	4,724,727	1,106,202	235,670,796	4,699,400	4,338,091	482,204,938
End of year	$ 8,636,836	$ 276,108,963	$ 28,798,487	$ 10,487,090	$ 195,279	$ -	$ 469,194,637	$ 3,631,712	$ 4,637,919	$ 801,690,923
Reconciliation to the Statement of Net Position										
Cash	$ 587,201	$ 13,719,423	$ 2,534,208	$ 624,769	$ 144	$ -	$ -	$ 107,218	$ 500,000	$ 18,072,963
Cash Equivalents	8,049,635	262,389,540	26,264,279	9,862,321	195,135	-	469,194,637	3,524,494	4,137,919	783,617,960
	$ 8,636,836	$ 276,108,963	$ 28,798,487	$ 10,487,090	$ 195,279	$ -	$ 469,194,637	$ 3,631,712	$ 4,637,919	$ 801,690,923

Virginia Resources Authority
Combining Schedule of Cash Flows (Continued)
Year Ended June 30, 2024

	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)	408,166	9,257,240	1,349,849	1,141,708	1,788,884	-	8,361,857	130,141	(1,950,172)	20,487,673
Depreciation and amortization expense	220,931	-	-	-	-	-	-	-	-	220,931
Pension expense	(74,821)	-	-	-	-	-	-	-	-	(74,821)
Pension contributions subsequent to the measurement date	(62,960)	-	-	-	-	-	-	-	-	(62,960)
OPEB expense	11,059	-	-	-	-	-	-	-	-	11,059
OPEB contributions subsequent to the measurement date	(12,360)	-	-	-	-	-	-	-	-	(12,360)
Interest on investments	(1,724,748)	(28,027,788)	(5,725,546)	(810,944)	(3,673,860)	-	(15,007,813)	(92,416)	(201,128)	(55,264,243)
Gain on early extinguishment of loans	-	-	-	-	563,493	-	-	-	-	563,493
Loss on early extinguishment of bonds	-	-	-	-	(655,917)	-	-	-	-	(655,917)
Bond issuance cost	-	-	-	-	3,415,434	-	-	-	-	3,415,434
Interest, amortization and accretion - net	23,675	(6,476,835)	(461,360)	-	1,167,550	-	-	-	-	(5,746,970)
Effect of changes in operating assets and liabilities:										
Loans receivable	(517,000)	(8,994,672)	2,883,010	(2,357,301)	(47,339,269)	-	-	113,009	-	(56,212,223)
Loan interest receivable	(564)	1,969,593	22,024	(63,718)	107,071	-	-	4,023	-	2,038,429
Loan administrative fee receivable	-	296,163	(54,927)	-	8,414	-	-	-	-	249,650
Other assets	2,903	-	-	-	-	-	-	-	-	2,903
Deferred charges	-	3,052,384	-	-	(1,584,766)	-	-	-	-	1,467,618
Accounts payable and other liabilities	(25,865)	-	-	2,594	2,673,409	(1,106,202)	-	(978,511)	-	565,425
Due to other funds	51,222	235,281	(344,625)	82,240	-	-	(8,126)	(15,992)	-	-
Net cash provided by (used in) operating activities	$ (1,700,362)	$ (28,688,634)	$ (2,331,575)	$ (2,005,421)	$ (43,529,557)	$ (1,106,202)	$ (6,654,082)	$ (839,746)	$ (2,151,300)	$ (89,006,879)
Schedule of non-cash activities										
Change in fair value of assets	$ 408,616	$ 6,525,706	$ 2,007,100	$ 93,699	$ (438,879)	$ -	$ 147,466	$ -	$ -	$ 8,743,708

Virginia Resources Authority
Combining Schedule of Net Position
Virginia Revolving Loan Fund Accounts - Water Facilities
June 30, 2024

	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	$ 11,741,206	$ -	$ 864,604	$ -	$ -	$ 1,113,613	$ 13,719,423
Cash equivalents	237,742,212	3,006,902	1,890,660	2,901,372	14,924,046	1,924,348	262,389,540
Investments	11,559,524	2,816,863	447,971	-	-	850,370	15,674,728
Loans receivable, net - current portion	27,840,442	105,975,102	4,594,495	-	-	-	138,410,039
Receivables:							
Investment interest	2,556,897	221,757	74,814	-	-	62,316	2,915,784
Loan interest	1,078,941	3,712,793	19,038	-	-	-	4,810,772
Loan administrative fees	-	-	-	-	-	634,584	634,584
Total current assets	292,519,222	115,733,417	7,891,582	2,901,372	14,924,046	4,585,231	438,554,870
Noncurrent assets							
Investments - non-current	281,804,050	13,415,567	8,146,955	-	-	5,597,080	308,963,652
Loans receivable - non-current	469,139,674	833,488,570	3,931,219	-	-	-	1,306,559,463
Total noncurrent assets	750,943,724	846,904,137	12,078,174	-	-	5,597,080	1,615,523,115
Total assets	1,043,462,946	962,637,554	19,969,756	2,901,372	14,924,046	10,182,311	2,054,077,985
Deferred Outflows of Resources							
Deferred loss on refunding	-	6,593,754	-	-	-	-	6,593,754
Total assets and deferred outflows of resources	$ 1,043,462,946	$ 969,231,308	$ 19,969,756	$ 2,901,372	$ 14,924,046	$ 10,182,311	$ 2,060,671,739
Liabilities							
Current liabilities							
Bonds payable - current	-	29,629,270	-	-	-	-	29,629,270
Accrued interest	-	3,531,956	-	-	-	-	3,531,956
Due to (from) other accounts	386,703	-	-	-	-	264,533	651,236
Agency funds	738,006	-	-	-	-	-	738,006
Accounts payable and other liabilities	708,309	-	-	-	-	-	708,309
Total current liabilities	1,833,018	33,161,226	-	-	-	264,533	35,258,777
Noncurrent liabilities							
Bonds payable - noncurrent	-	343,340,277	-	-	-	-	343,340,277
Total noncurrent liabilities	-	343,340,277	-	-	-	-	343,340,277
Total liabilities	1,833,018	376,501,503	-	-	-	264,533	378,599,054
Net position							
Restricted:							
Loan programs	1,041,629,928	592,729,805	19,969,756	2,901,372	14,924,046	9,917,778	1,682,072,685
Total net position	1,041,629,928	592,729,805	19,969,756	2,901,372	14,924,046	9,917,778	1,682,072,685
Total liabilities and net position	$ 1,043,462,946	$ 969,231,308	$ 19,969,756	$ 2,901,372	$ 14,924,046	$ 10,182,311	$ 2,060,671,739

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Virginia Revolving Loan Fund Accounts - Water Facilities
Year Ended June 30, 2024

	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	$ 3,834,625	$ 11,408,491	$ 4,209	$ -	$ -	$ -	$ 15,247,325
Investment income	23,804,382	2,455,392	605,835	154,316	608,711	411,758	28,040,394
Loan administrative fees	-	-	-	-	-	1,951,672	1,951,672
Gain on early extinguishment of bonds	-	1,262,330	-	-	-	-	1,262,330
Other income	-	-	-	-	-	-	-
Total operating revenues	27,639,007	15,126,213	610,044	154,316	608,711	2,363,430	46,501,721
Operating expenses							
Interest on bonds and loans	-	13,381,156	-	-	-	-	13,381,156
Bond issuance costs	-	-	-	-	-	-	-
Principal forgiveness loans to local governments	8,120,141	-	277,885	-	-	-	8,398,026
Grants to local governments	-	-	-	14,129,290	-	-	14,129,290
Personnel services	714,230	-	-	-	-	-	714,230
General operating	306,781	-	26,440	-	-	4,082	337,303
Contractual services	284,476	-	-	-	-	-	284,476
Total operating expenses	9,425,628	13,381,156	304,325	14,129,290	-	4,082	37,244,481
Operating income (loss)	18,213,379	1,745,057	305,719	(13,974,974)	608,711	2,359,348	9,257,240
Nonoperating revenues							
Contributions from other governments	54,945,529	-	-	14,129,290	11,651,660	-	80,726,479
Income (loss) before transfers	73,158,908	1,745,057	305,719	154,316	12,260,371	2,359,348	89,983,719
Operating transfers	92,996,172	(87,627,278)	-	-	(4,265,800)	(1,103,094)	-
Change in net position	166,155,080	(85,882,221)	305,719	154,316	7,994,571	1,256,254	89,983,719
Total net position - beginning	875,474,848	678,612,026	19,664,037	2,747,056	6,929,475	8,661,524	1,592,088,966
Total net position - ending	$ 1,041,629,928	$ 592,729,805	$ 19,969,756	$ 2,901,372	$ 14,924,046	$ 9,917,778	$ 1,682,072,685

Virginia Resources Authority
Combining Schedule of Cash Flows
Virginia Revolving Loan Fund Accounts - Water Facilities
Year Ended June 30, 2024

	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	$ (106,499,964)	$ (26,740,000)	$ (9,081,205)	$ -	$ -	$ -	(142,321,169)
Principal repayments from localities on loans	25,455,760	101,331,479	6,521,342	-	-	-	133,308,581
Interest received on loans	3,974,082	13,242,314	522	-	-	-	17,216,918
Loan administrative fees received	-	-	-	-	-	2,247,835	2,247,835
Cash payments for salaries and related benefits	(714,230)	-	-	-	-	-	(714,230)
Cash payments for general operating expenses	(306,781)	-	-	-	-	-	(306,781)
Cash payments for contractual services	(284,476)	-	-	-	-	-	(284,476)
Cash payments for operating grants	-	-	-	(14,129,290)	-	-	(14,129,290)
Cash payments for principal forgiveness loans	(8,120,141)	-	(277,885)	-	-	-	(8,398,026)
Interest paid on bonds and loans	-	(16,805,607)	-	-	-	-	(16,805,607)
Loss on extinguishment of bonds	-	1,262,330	-	-	-	-	1,262,330
Interfund activity	386,703	-	-	-	-	(151,422)	235,281
Net cash provided by (used in) operating activities	(86,109,047)	72,290,516	(2,837,226)	(14,129,290)	-	2,096,413	(28,688,634)
Cash flows from noncapital financing activities							
Principal paid on bonds and loans	-	(66,980,000)	-	-	-	-	(66,980,000)
Contributions from other governments	54,945,529	-	-	14,129,290	11,651,660	-	80,726,479
Cash received (paid) from other accounts	92,996,172	(87,627,278)	-	-	(4,265,800)	(1,103,094)	-
Net cash provided by (used in) noncapital financing activities	147,941,701	(154,607,278)	-	14,129,290	7,385,860	(1,103,094)	13,746,479
Cash flows from investing activities							
Purchase of investments	(162,631,338)	-	(5,059,306)	-	-	(3,531,145)	(171,221,789)
Proceeds from sales or maturities of investments	152,311,243	80,742,598	4,839,970	-	-	3,377,118	241,270,929
Interest received on investments - net	19,629,338	1,695,494	455,161	154,316	608,711	281,669	22,824,689
Net cash provided by (used in) investing activities	9,309,243	82,438,092	235,825	154,316	608,711	127,642	92,873,829
Net increase (decrease) in cash and cash equivalents	71,141,897	121,330	(2,601,401)	154,316	7,994,571	1,120,961	77,931,674
Cash and cash equivalents							
Beginning of year	178,341,521	2,885,572	5,356,665	2,747,056	6,929,475	1,917,000	198,177,289
End of year	$ 249,483,418	$ 3,006,902	$ 2,755,264	$ 2,901,372	$ 14,924,046	$ 3,037,961	276,108,963
Reconciliation to the Statement of Net Position							
Cash	$ 11,741,206	$ -	$ 864,604	$ -	$ -	$ 1,113,613	13,719,423
Cash Equivalents	237,742,212	3,006,902	1,890,660	2,901,372	14,924,046	1,924,348	262,389,540
	$ 249,483,418	$ 3,006,902	$ 2,755,264	$ 2,901,372	$ 14,924,046	$ 3,037,961	276,108,963

Virginia Resources Authority
Combining Schedule of Cash Flows (Continued)
Virginia Revolving Loan Fund Accounts - Water Facilities
Year Ended June 30, 2024

	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)	18,213,379	1,745,057	305,719	(13,974,974)	608,711	2,359,348	9,257,240
Interest on investments	(23,804,382)	(2,455,392)	(597,311)	(154,316)	(608,711)	(407,676)	(28,027,788)
Interest, amortization and accretion - net	-	(6,476,835)	-	-	-	-	(6,476,835)
Effect of changes in operating assets and liabilities:							
Loans receivable	(81,044,204)	74,591,479	(2,541,947)	-	-	-	(8,994,672)
Loan interest receivable	139,457	1,833,823	(3,687)	-	-	-	1,969,593
Loan administrative fee receivable	-	-	-	-	-	296,163	296,163
Deferred charges	-	3,052,384	-	-	-	-	3,052,384
Due to other funds	386,703	-	-	-	-	(151,422)	235,281
Net cash provided by (used in) operating activities	$ (86,109,047)	$ 72,290,516	$ (2,837,226)	$ (14,129,290)	$ -	$ 2,096,413	(28,688,634)
Schedule of non-cash activities							
Change in fair value of assets	$ 6,152,267	$ -	$ 212,128	$ -	$ -	$ 161,311	6,525,706

Virginia Resources Authority
Combining Schedule of Net Position
Virginia Revolving Loan Fund Accounts - Water Supply
June 30, 2024

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Assets						
Current assets						
Cash	$ 1,685,109	$ -	$ 81,534	-	$ 767,565	$ 2,534,208
Cash equivalents	23,530,791	309,818	111,394	-	2,312,276	26,264,279
Investments	3,476,619	-	-	-	-	3,476,619
Loans receivable - current portion	8,701,657	3,271,843	-	-	-	11,973,500
Receivables:						
Investment interest	786,096	-	-	-	-	786,096
Loan interest	426,994	365,431	-	-	-	792,425
Loan administrative fees	-	-	-	-	436,147	436,147
Federal funds	12,277,438	-	-	-	-	12,277,438
Other	1,462,043	-	-	-	-	1,462,043
Total current assets	52,346,747	3,947,092	192,928	-	3,515,988	60,002,755
Noncurrent assets						
Investments - non-current	86,591,132	-	-	-	-	86,591,132
Loans receivable - non-current	141,850,404	78,379,946	-	-	-	220,230,350
Total noncurrent assets	228,441,536	78,379,946	-	-	-	306,821,482
Total assets	$ 280,788,283	$ 82,327,038	$ 192,928	-	$ 3,515,988	$ 366,824,237
Liabilities						
Current liabilities						
Bonds payable - current	-	1,183,558	-	-	-	1,183,558
Accrued interest	-	375,259	-	-	-	375,259
Due to (from) other accounts	(386,703)	-	-	-	236,827	(149,876)
Agency funds	102,935	-	-	-	-	102,935
Accounts payable and other liabilities	473,284	-	-	-	-	473,284
Total current liabilities	189,516	1,558,817	-	-	236,827	1,985,160
Noncurrent liabilities						
Bonds payable - noncurrent	-	47,455,958	-	-	-	47,455,958
Total noncurrent liabilities	-	47,455,958	-	-	-	47,455,958
Total liabilities	189,516	49,014,775	-	-	236,827	49,441,118
Net position						
Restricted:						
Loan programs	280,598,767	33,312,263	192,928	-	3,279,161	317,383,119
Total net position	280,598,767	33,312,263	192,928	-	3,279,161	317,383,119
Total liabilities and net position	$ 280,788,283	$ 82,327,038	$ 192,928	-	$ 3,515,988	$ 366,824,237

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Virginia Revolving Loan Fund Accounts - Water Supply
Year Ended June 30, 2024

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Operating revenues						
Interest on loans	$ 1,158,091	$ 1,262,196	$ -	-	$ -	$ 2,420,287
Investment income	5,621,598	16,447	7,174	-	149,361	5,794,580
Loan administrative fees	-	-	-	-	1,373,339	1,373,339
Total operating revenues	6,779,689	1,278,643	7,174	-	1,522,700	9,588,206
Operating expenses						
Interest on bonds and loans	-	1,056,540	-	-	-	1,056,540
Principal forgiveness loans to local governments	5,338,184	-	-	-	-	5,338,184
Personnel services	-	-	-	451,223	-	451,223
General operating	67,947	-	1,087	54,938	-	123,972
Contractual services	-	-	-	1,268,438	-	1,268,438
Total operating expenses	5,406,131	1,056,540	1,087	1,774,599	-	8,238,357
Operating income (loss)	1,373,558	222,103	6,087	(1,774,599)	1,522,700	1,349,849
Nonoperating revenues						
Contributions from other governments	13,966,102	-	-	-	-	13,966,102
Income (loss) before transfers	15,339,660	222,103	6,087	(1,774,599)	1,522,700	15,315,951
Operating transfers	2,024,054	(2,149,076)	-	1,774,599	(1,649,577)	-
Change in net position	17,363,714	(1,926,973)	6,087	-	(126,877)	15,315,951
Total net position - beginning	263,235,053	35,239,236	186,841	-	3,406,038	302,067,168
Total net position - ending	$ 280,598,767	$ 33,312,263	$ 192,928	-	$ 3,279,161	$ 317,383,119

Virginia Resources Authority
Combining Schedule of Cash Flows
Virginia Revolving Loan Fund Accounts - Water Supply
Year Ended June 30, 2024

	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	$ (8,718,413)	$ (1,084,147)	$ -	$ -	$ -	$ (9,802,560)
Principal repayments from localities on loans	9,421,972	3,263,598	-	-	-	12,685,570
Interest received on loans	1,168,994	1,273,317	-	-	-	2,442,311
Loan administrative fees received	-	-	-	-	1,318,412	1,318,412
Cash payments for salaries and related benefits	-	-	-	(451,223)	-	(451,223)
Cash payments for general operating expenses	-	-	-	(54,938)	-	(54,938)
Cash payments for contractual services	-	-	-	(1,268,438)	-	(1,268,438)
Cash payments for principal forgiveness loans	(5,338,184)	-	-	-	-	(5,338,184)
Interest paid on bonds and loans	-	(1,517,900)	-	-	-	(1,517,900)
Interfund activity	(386,703)	-	-	-	42,078	(344,625)
Net cash provided by (used in) operating activities	(3,852,334)	1,934,868	-	(1,774,599)	1,360,490	(2,331,575)
Cash flows from noncapital financing activities						
Contributions from other governments	13,947,451	-	-	-	-	13,947,451
Cash received (paid) from other accounts	2,024,054	(2,149,076)	-	1,774,599	(1,649,577)	-
Net cash provided by (used in) noncapital financing activities	15,971,505	(2,149,076)	-	1,774,599	(1,649,577)	13,947,451
Cash flows from investing activities						
Purchase of investments	(48,497,071)	-	-	-	-	(48,497,071)
Proceeds from sales or maturities of investments	45,851,702	505,000	-	-	-	46,356,702
Interest received on investments - net	4,166,713	16,639	6,087	-	149,361	4,338,800
Net cash provided by (used in) investing activities	1,521,344	521,639	6,087	-	149,361	2,198,431
Net increase (decrease) in cash and cash equivalents	13,640,515	307,431	6,087	-	(139,726)	13,814,307
Cash and cash equivalents						
Beginning of year	11,575,385	2,387	186,841	-	3,219,567	14,984,180
End of year	$ 25,215,900	$ 309,818	$ 192,928	$ -	$ 3,079,841	$ 28,798,487
Reconciliation to the Statement of Net Position						
Cash	$ 1,685,109	$ -	$ 81,534	$ -	$ 767,565	$ 2,534,208
Cash Equivalents	23,530,791	309,818	111,394	-	2,312,276	26,264,279
	$ 25,215,900	$ 309,818	$ 192,928	$ -	$ 3,079,841	$ 28,798,487
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	1,373,558	222,103	6,087	(1,774,599)	1,522,700	$ 1,349,849
Interest on investments	(5,553,651)	(16,447)	(6,087)	-	(149,361)	(5,725,546)
Interest, amortization and accretion - net	-	(461,360)	-	-	-	(461,360)
Effect of changes in operating assets and liabilities:					-	
Loans receivable	703,559	2,179,451	-	-	-	2,883,010
Loan interest receivable	10,903	11,121	-	-	-	22,024
Loan administrative fee receivable	-	-	-	-	(54,927)	(54,927)
Due to other funds	(386,703)	-	-	-	42,078	(344,625)
Net cash provided by (used in) operating activities	$ (3,852,334)	$ 1,934,868	$ -	$ (1,774,599)	$ 1,360,490	$ (2,331,575)
Schedule of non-cash activities						
Change in fair value of assets	$ 2,007,100	$ -	$ -	$ -	$ -	$ 2,007,100

STATISTICAL SECTION

Virginia Resources Authority
Statistical Section
June 30, 2024

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
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
2023	837	2,186,138,480	29,468,479	2,215,607,796
2024	(39,713)	2,525,277,841	33,014,691	2,558,252,819

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
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
2023	128,616,173	116,881,791	11,734,382	200,526,056	212,260,438
2024	158,263,262	137,775,589	20,487,673	322,157,350	342,645,023

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	Other	Total
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
2023	93,898,155	26,090,090	-	3,714,839	3,126,709	2,261,526	64,854	128,616,173
2024	93,224,928	52,677,361	-	3,094,272	3,342,023	3,974,134	1,950,544	158,263,262

Table 4 – Operating Expenses, Last Ten Fiscal Years

Fiscal Year	Interest on Bonds and Loans	Bond Issuance Costs	Grants and Principal Forgiveness on Loans	Loss on Early Extinguish -ment of Bonds	Personnel Services	General Operating	Contractual Services	Total
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
2023	95,303,759	2,146,856	14,890,575	-	1,899,980	1,070,196	1,570,425	116,881,791
2024	92,408,667	3,415,434	36,466,162	654,662	1,937,604	1,091,524	1,801,536	137,775,589

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	Total
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
2023	2,557,758,180	1,014,055,151	-	83,831,240	142,049,833	3,797,694,404
2024	2,588,633,525	939,463,671	-	81,651,789	137,059,881	3,746,808,866

Loans from Revolving Funds

Fiscal Year	VWFRF	VWFRF AgBMP	VARF	VWSRF	VTRRF	Total
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
2023	416,634,297	6,155,768	20,856,332	151,507,338	1,607,914	596,761,649
2024	496,980,116	8,715,631	23,213,631	150,772,080	1,493,798	681,175,256

Fiscal Year	Other Programs	Loans Receivable, Combined Total (1)	Conduit Loans		
			VGCP	VAHelps	Total
2015	$ 325,102	$ 4,273,112,366	$ -	$ -	$ -
2016	104,562	4,379,206,048	12,004,595	-	12,004,595
2017	53,121	4,406,010,805	28,173,001	-	28,173,001
2018	780,000	4,369,576,427	33,597,177	-	33,597,177
2019	-	4,275,403,505	31,937,232	-	31,937,232
2020	-	4,238,469,625	30,219,281	-	30,219,281
2021	-	4,260,202,524	28,485,660	-	28,485,660
2022	-	4,408,329,607	26,693,610	16,015,000	42,708,610
2023	-	4,394,456,053	24,823,749	16,015,000	40,838,749
2024	517,000	4,428,501,122	22,889,652	15,735,249	38,624,901

(1) Conduit loans were removed from loan receivables upon adoption of GASB 91 (FY2023)

Table 6 – Outstanding Debt, Last Ten Fiscal Years

Fiscal Year	Total Outstanding Revenue Bonds	Unamortized Discounts / Premiums	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 (1)
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
2023	3,103,263,183	189,240,370	3,292,503,553	906,848,183	1,500,000,000	593,151,817	357.37
2024	3,071,228,525	178,486,277	3,249,714,802	917,953,525	1,500,000,000	582,046,475	352.38

(1) Population for the proceeding calendar year (*Source: Table 8)*

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

Employer (1)	Fiscal Year 2024 (1, 2) Ranking	Fiscal Year 2015 (1, 2) Ranking
U.S. Department of Defense	1	1
Wal-Mart	2	2
Fairfax County Public Schools	3	3
Amazon Fulfillment Services, Inc.	4	-
Sentara Health Care	5	5
Huntington Ingalls Industries, Inc.	6	4
University of Virginia/Blue Ridge Hospital	7	-
Inova Health System	8	-
Food Lion	9	6
U.S. Department of Homeland Defense	10	10
U.S. Postal Services	12	7
County of Fairfax	14	8
HCA Virginia Health System	15	9

(1) Final quarter data for most recent calendar year (2023 and 2014).
(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)
2015	8,333,578	$ 414,710,100	$ 49,764	1,280,370	4.50%
2016	8,389,864	433,088,200	51,620	1,284,114	3.80%
2017	8,444,688	444,691,400	52,659	1,288,033	3.70%
2018	8,502,578	462,372,200	54,380	1,292,706	3.10%
2019	8,547,016	479,766,600	56,133	1,290,513	2.70%
2020	8,597,339	501,811,600	58,368	1,298,083	2.40%
2021	8,637,193	530,920,400	61,469	1,252,752	4.50%
2022	8,657,348	578,639,700	66,838	1,251,970	2.70%
2023	8,679,099	599,042,000	69,021	1,263,342	2.50%
2024	8,715,698	634,984,900	72,855	1,261,962	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

Table 9 – Operating Indicators, Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Virginia Pooled Financing Program										
Projects	44	39	24	24	20	41	40	32	7	15
Lending	$458,215,000	$396,200,000	$321,620,000	$223,025,000	$191,370,000	$516,760,000	$319,210,000	$249,060,000	$ 82,180,000	$204,630,000
Clean Water Revolving Loan Fund										
Projects	12	13	14	18	10	15	28	30	12	11
Closed loans	$112,279,105	$ 37,029,027	$ 30,952,582	$115,555,569	$69,252,668	$201,678,861	$246,924,926	$298,125,243	$ 61,510,264	$111,007,561
AgBMP Program										
Projects	-	-	-	-	-	11	37	42	46	82
Closed loans	$ -	$ -	$ -	$ -	$ -	$ 2,655,268	$ 4,853,184	$ 5,273,968	$ 6,230,026	$ 11,877,137
Drinking Water Revolving Fund										
Projects	20	24	19	24	34	20	18	13	14	25
Closed loans	$ 16,262,052	$ 16,912,070	$ 17,157,567	$ 27,088,449	$ 19,256,987	$ 12,142,839	$ 88,118,143	$ 11,856,898	$ 20,584,189	$ 22,018,981
Virginia Airports Revolving Fund										
Projects	1	-	1	1	1	2	4	2	-	2
Closed loans	$ 1,612,000	$ -	$ 2,010,000	$ 1,846,000	$ 2,400,000	$ 3,212,473	$ 4,239,031	$ 8,020,000	$ -	$ 9,100,000
Dam Safety and Flood Prevention										
Projects	65	70	40	45	39	21	30	57	200	85
Closed grants	$ 824,860	$ 326,916	$ 1,041,301	$ 1,347,437	$ 473,179	$ 423,772	$ 1,582,491	$ 726,039	$ 1,586,051	$ 481,154
Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund										
Projects	2	12	16	18	18	18	29	26	21	27
Closed grants	$ 70,200	$ 445,585	$ 833,434	$ 997,770	$ 1,288,352	$ 835,130	$ 1,892,163	$ 2,123,218	$ 2,111,351	$ 2,529,276
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	48	1
Closed grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,289,788	$ 57,888,627	$ 7,500,000
VAHELPS Conduit Loan Program										
Projects	-	-	-	-	-	-	-	1	-	-
Closed loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,015,000	$ -	$ -
Local Gov. Direct Loan Program										
Projects	-	-	-	-	-	-	-	-	-	2
Closed loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 765,280
Total new projects	144	160	117	132	123	130	186	252	348	250
Total entities served	101	104	88	93	77	107	148	160	182	200
Total new financings	$589,263,217	$462,918,193	$389,999,871	$376,912,369	$285,141,186	$739,108,343	$666,819,938	$623,490,154	$232,090,508	$369,909,389

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Executive Director	1	1	1	1	1	1	1	1	1	1
Financial Services	4	4	4	4	4	4	4	3	2	3
Finance and Administration	5	6	5	5	5	5	5	5	5	5
Program Management	3	3	3	3	3	3	3	3	3	3
Policy and Compliance	2	2	2	3	4	4	4	2	3	3
Total	15	16	15	16	17	17	17	14	14	15

(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, the financial statements of the Virginia Resources Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Virginia Resources Authority's basic financial statements, and have issued our report thereon dated September 6, 2024.

Report on Internal Control Over Financial Reporting

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

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
September 6, 2024

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

The Honorable Members of 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 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 Virginia Resources Authority's major federal programs for the year ended June 30, 2024. Virginia Resources 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, Virginia Resources 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, 2024.

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 Virginia Resources 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 Virginia Resources 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 Virginia Resources 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 Virginia Resources 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 Virginia Resources 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 Virginia Resources 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 Virginia Resources 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 Virginia Resources 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
September 6, 2024

Virginia Resources Authority
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

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	90322, 90323, 97011	$ 54,945,530
Department of Health			
Capitalization Grants for Drinking Water State Revolving Funds (VWSRF) Cluster	66.468	122754, 122759, 122760	12,363,609
Total Expenditures of Federal Awards			$ 67,309,139

See notes to the Schedule of Expenditures of Federal Awards

Virginia Resources Authority
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

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 $301,503,590 from the VWFRF and $92,277,819 from the VWSRF as of June 30, 2024.

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	$ 80,726,479	$13,966,102	$227,758,195	$322,450,776
Total Governmental Revenues				
Less amounts not related to federal financial assistances	(25,780,949)	(1,602,493)	(227,758,195)	(255,141,638)
Schedule of Expenditures of Federal Awards	$ 54,945,530	$ 12,363,609	$ -	$ 67,309,139

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, 2024

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**
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: $2,019,274

Auditee qualified as low-risk auditee? __x__ yes ______ no

Section II – Financial Statement Audit

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Major Federal Award Program Audit

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).