ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended
June 30, 2021 and 2020

CAPITAL REGION AIRPORT COMMISSION
Richmond International Airport
Virginia

Prepared by:

Finance Department

Steven C. Owen
Director of Finance

RICHMOND
INTERNATIONAL AIRPORT

RICHMOND
INTERNATIONAL AIRPORT

Capital Region Airport Commission

TABLE OF CONTENTS

Years Ended June 30, 2021 and 2020

INTRODUCTORY SECTION

MEMBERS OF THE COMMISSION i
ORGANIZATIONAL CHART ii
AIR CARGO PERFORMANCE GRAPH iii
ENPLANED PASSENGER PERFORMANCE GRAPH iv
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING v
LETTER OF TRANSMITTAL vi

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR 1

MANAGEMENT'S DISCUSSION AND ANALYSIS 3

FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION 17
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION 18
STATEMENTS OF CASH FLOWS 19
NOTES TO FINANCIAL STATEMENTS 20

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS 82
SCHEDULE OF EMPLOYER CONTRIBUTIONS-VRS PENSION PLAN 84
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-VRS PENSION PLAN 85
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS-VRS HEALTH INSURANCE CREDIT (HIC) PROGRAM 86
SCHEDULE OF COMMISSION'S SHARE OF NET OPEB LIABILITY-VRS COST SHARING PLANS 87
SCHEDULE OF EMPLOYER CONTRIBUTIONS-VRS OPEB PLANS 88
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-VRS OPEB PLANS 89
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (ASSET) AND RELATED RATIOS-PRE 65 MEDICAL PLAN FOR RETIREES 90
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PRE 65 MEDICAL PLAN FOR RETIREES 91

SUPPLEMENTAL INFORMATION

SCHEDULE OF OPERATING REVENUES 92
SCHEDULE OF OPERATING EXPENSES 93
SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL 94
SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL 95
SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS 96
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS IN ACCOUNTS CREATED BY BOND RESOLUTIONS 98
SCHEDULE OF STATE ENTITLEMENT FUNDS 99

RICHMOND
INTERNATIONAL AIRPORT

Capital Region Airport Commission
TABLE OF CONTENTS
Years Ended June 30, 2021 and 2020

STATISTICAL SECTION

NET POSITION AND CHANGES IN NET POSITION 100
PRINCIPAL REVENUE SOURCES AND REVENUES PER ENPLANED PASSENGER 101
LARGEST OWN-SOURCE REVENUE 102
LARGEST OWN-SOURCE REVENUE RATES 102
REVENUE RATES 102
REVENUE BOND COVERAGE 103
OUTSTANDING DEBT 104
ANNUAL DEBT SERVICE REQUIREMENTS 105
MAJOR CUSTOMERS 106
ENPLANEMENT TRENDS 106
MONTHLY ENPLANEMENTS 107
ENPLANED PASSENGERS 108
AIRLINE MARKET SHARES 109
AIRLINE MARKET SHARES-CARGO 110
PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS 111
POPULATION IN THE AIR TRADE AREA 112
PERSONAL INCOME 113
PER CAPITA INCOME 113
EMPLOYMENT DATA 114
COMMISSION EMPLOYEES 115
CARGO CARRIER 116
TAKEOFF AND LANDING OPERATIONS SUMMARY 116
INSURANCE COVERAGE 117
CAPITAL ASSET INFORMATION 118

COMPLIANCE SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 119

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS 120

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 122

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 124

RICHMOND
INTERNATIONAL AIRPORT

INTRODUCTORY SECTION

Capital Region Airport Commission

MEMBERS OF THE COMMISSION

June 30, 2021

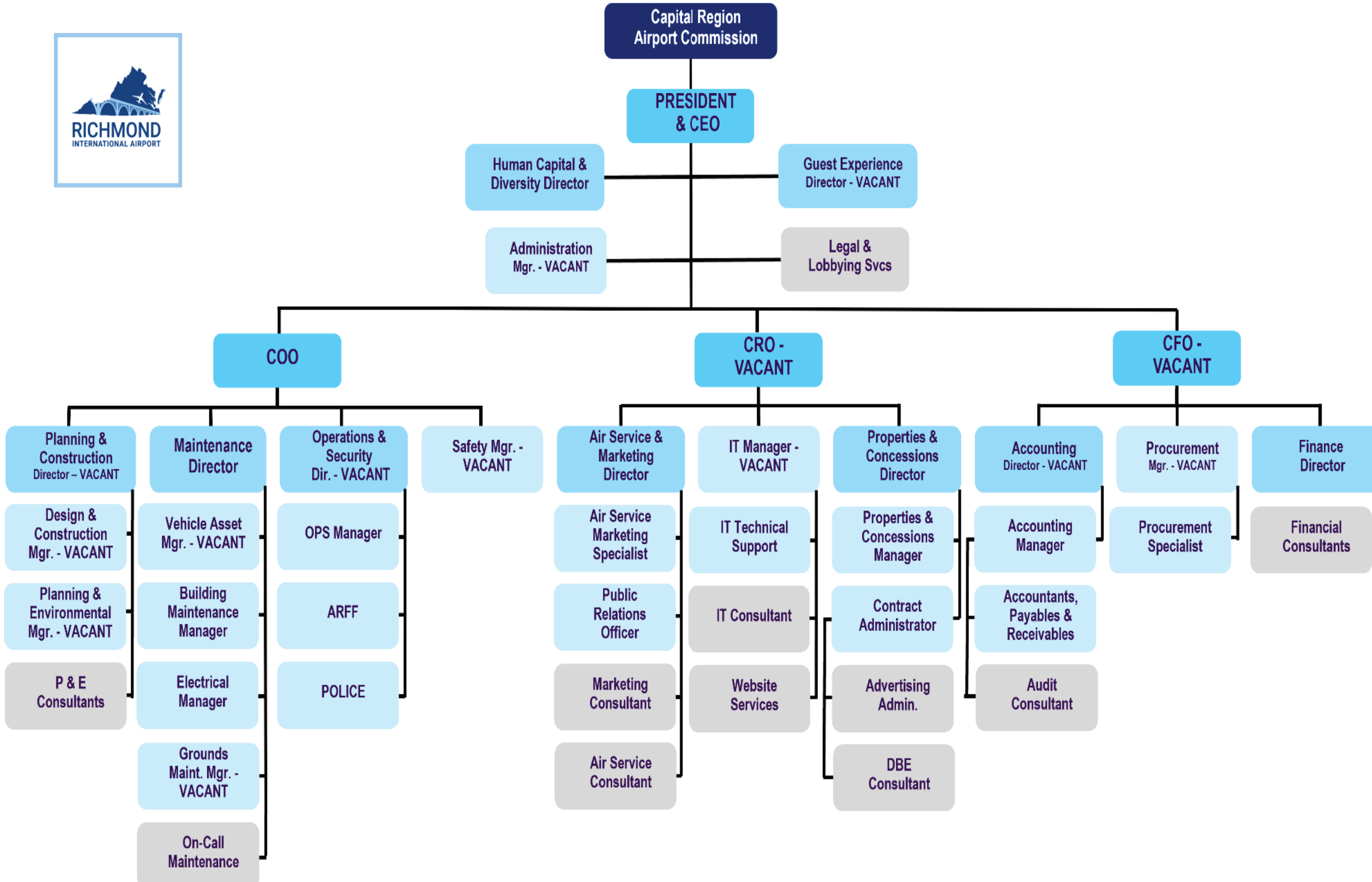
OFFICERS

Patricia S. O'Bannon	Chairman
Wayne T. Hazzard	Vice Chairman
Leslie Haley	Secretary
Robert F. Norfleet, Jr.	Treasurer

COMMISSIONERS

Open	City of Richmond
Charles S. Macfarlane	City of Richmond
Robert F. Norfleet, Jr.	City of Richmond
Reva M. Trammell	City of Richmond
Leslie Haley	County of Chesterfield
James M. Holland	County of Chesterfield
C. James Williams, III	County of Chesterfield
Christopher M. Winslow	County of Chesterfield
Wayne T. Hazzard	County of Hanover
Aubrey M. Stanley	County of Hanover
Harvey L. Hinson	County of Henrico
Tyrone E. Nelson	County of Henrico
Patricia S. O'Bannon	County of Henrico
Frank J. Thornton	County of Henrico

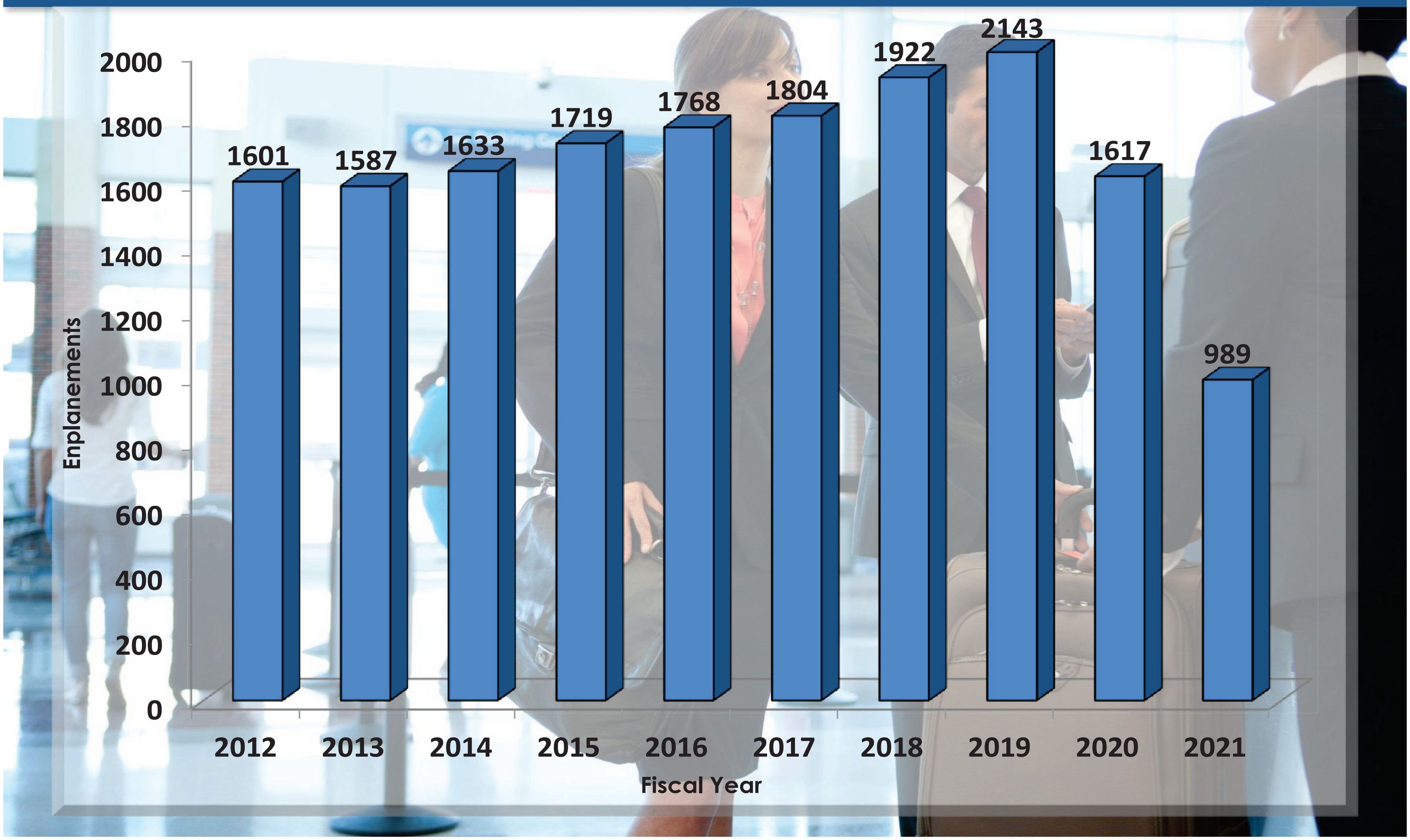
Capital Region Airport Commission
ORGANIZATIONAL CHART



Note: The organizational structure was approved by the Commission, but management made a decision to implement a hiring freeze in response to the COVID-19 pandemic/economic crisis.


Richmond International Airport
Air Cargo Performance
Fiscal Years 2012 – 2021
(in millions)
180
160
140
120
100
80
60
40
20
0
Pounds
100
114
113
115
122
135
137
139
137
178
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Fiscal Year

Richmond International Airport
Enplaned Passenger Performance
Fiscal Years 2012-2021
(in thousands)



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Region Airport Commission
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

RICHMOND INTERNATIONAL AIRPORT

October 29, 2021

The Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

Members of the Commission:

We are pleased to submit for your information the Annual Comprehensive Financial Report of the Capital Region Airport Commission (the "Commission"), for the fiscal year ended June 30, 2021 prepared by the Commission's Finance Department. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material respects; that it is reported in a manner designed to fairly set forth the financial position and results of the operations of the Commission and that all disclosures necessary to enable the reader to gain an understanding of the Commission's financial affairs have been included.

Management has provided a narrative introduction, overview and analysis to accompany the financial statements which is included in the Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A which can be found in the Financial Section of this report.

ORGANIZATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Commission applies the Government Finance Officers Association (GFOA) recommended presentation in financial reporting.

THE COMMISSION

The Commission was created in 1975 as a political subdivision of the Commonwealth of Virginia by an Act of the Virginia General Assembly (the "Act") allowing the Commission to own and operate one or more airports to serve the Richmond metropolitan area. Under the Act, any of the City of Richmond (the "City") and the Counties of Henrico, Charles City, Chesterfield, Goochland, Hanover, New Kent, Powhatan and the Town of Ashland may join the Commission as a "participating political subdivision" subject to making a satisfactory capital contribution to the Commission. On January 1, 1976, the Commission assumed ownership and control of Richmond International Airport (the "Airport") from the City. The City and the County of Henrico became the first political subdivisions to participate in the Commission. Subsequently, the County of Chesterfield and the County of Hanover also became participants in the Commission. The current political subdivisions are the four most populous jurisdictions in the metropolitan area of Richmond.

According to the Act, the City and the Counties of Chesterfield and Henrico may appoint four Commissioners to the Commission and the County of Hanover may appoint two Commissioners. The governing body of each jurisdiction appoints Commissioners to four-year terms; however, the governing bodies retain the right to remove a Commissioner at any time and appoint a successor.

Capital Region Airport Commission • 1 Richard E. Byrd Terminal Drive • Richmond International Airport, VA 23250-2400
(T) 804-226-3000 • (F) 804-652-2610 • flyrichmond.com

The Commissioners' responsibilities include approving capital and operating budgets, issuing bonds as needed, and administering, managing and directing the activities of the Commission.

THE REPORTING ENTITY

Capital Region Airport Commission is an independent political subdivision where all fourteen board members are appointed by local governmental jurisdictions and is comprised of the City, and the counties of Chesterfield, Hanover and Henrico.

The Commission manages all business activities of the Airport and produces the financial statements as well as being responsible for the Airport's capital improvements. The Commission is comprised of six departments: Executive, Finance, Marketing & Air Service Development, Planning & Engineering, Public Safety and Real Estate.

AIRPORT OPERATIONS

On October 15, 1927, Richard E. Byrd Airport, named after the Virginia explorer-aviator, Admiral Richard Evelyn Byrd, was dedicated. Present at the opening ceremony was Col. Charles Lindbergh and his famous aircraft, The Spirit of St. Louis. The Airport's construction was initiated earlier as the City purchased 100 acres of land for $30,000 and leased 300 more. Presently the Airport owns 3,078 acres.

Today the Airport is called Richmond International Airport. The Airport has evolved into one of the most modern and well-equipped airports in the eastern United States. The Airport is currently served by seven major airlines, eleven regional or commuter airlines and several scheduled passenger charter operations which serves the needs of the area's citizens with about 120 daily flights. The Airport's cargo needs are met by three all-cargo carriers; two fixed base operators on the grounds offer fuel and maintenance services for corporate aircraft and the Airport has a Foreign Trade Zone. The total enplaned passengers in fiscal year 2021 was 989 thousand which was a (38.8%) decrease from the 2020 level of 1.62 million enplaned passengers. The decrease in enplanements was due to the worldwide pandemic and the related travel restrictions and shutdowns. The Airport is an economic engine for the Richmond region, generating an estimated $2.1 billion annually. The Airport also provides jobs for 3,000 plus local residents.

ECONOMIC CONDITIONS

The Airport is conveniently located approximately six miles from the City's business district, providing air service to over 3 million passengers pre-pandemic, with approximately 178 million pounds of cargo passing through the Airport this year. The Airport is geographically located within 750 miles of approximately 60% of the nation's population.

In March of 2020, President Trump proclaimed a national emergency in the United States due to the COVID-19 outbreak. As a result of the spread of the coronavirus, economic uncertainties have arisen which negatively impacted the Fiscal Year 2020 financial results. The impact from the COVID-19 outbreak continued to negatively impact the Fiscal Year 2021 financial results. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. The MDA and the Notes to the Financial Statements will discuss in further detail the impact that the COVID-19 pandemic has had on passenger traffic and the overall financial position of the Commission.

The 2021 FAA forecast calls for U.S. carrier domestic passenger growth over the next 20 years to average 4.9 percent per year. This average, however, includes three double-digit growth years during the recovery from a very low base in 2021. Following the recovery period, trend rates resume with average growth through the end of the forecast of 2.3 percent. Domestic passengers are forecast to return, on an annual basis, to 2019 levels in early 2024.

The FAA expects U.S. carrier profitability to remain under pressure for several years due to depressed demand and competitive fare pressures. As carriers return to levels of capacity consistent with their fixed costs, shed excess debt, and see rising yields, profitability should gradually return. Over the long term, FAA anticipates a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than overall inflation, reflecting growing U.S. and global economies.
https://www.faa.gov/data_research/aviation/aerospace_forecasts/media/FY2021-41_FAA_Aerospace_Forecast.pdf

National Accolades and Economic news about Virginia, the Richmond International Airport and the Richmond Metropolitan Statistical Area (MSA):

- The Capital Region Airport Commission Earned the 2021 Great Place to Work Certification™: Capital Region Airport Commission is proud to be Certified™ by Great Place to Work® for 2021. This prestigious award is based entirely on what current employees say about their experience working at Capital Region Airport Commission. Great Place to Work® is the global authority on workplace culture, employee experience, and the leadership behaviors proven to deliver market-leading revenue, employee retention and increased innovation.

  "Great Place to Work Certification™ isn't something that comes easily – it takes ongoing dedication to the employee experience," said Sarah Lewis-Kulin, vice president of global recognition at Great Place to Work. "It's the only official recognition determined by employees' real-time reports of their company culture. Earing this designation means that Capital Region Airport Commission is one of the best companies to work for in the country."

- March 2021: Richmond International Airport (RIC) announced that it achieved Global Biorisk Advisory Council® (GBAC) STAR™ accreditation, the gold standard for prepared facilities. Under the guidance of GBAC, a Division of ISSA, the worldwide cleaning industry association, RIC has implemented the most stringent protocols for cleaning, disinfection, and infectious disease prevention in its facilities.

  "The GBAC STAR™ Facility accreditation program provides third-party validation of our Building Services team's cleaning, disinfection, and infection prevention protocols and procedures," said Perry J. Miller, A.A.E., I.A.P., President and CEO of the Capital Region Airport Commission. "While we are happy to be a leader among Virginia facilities, becoming the first and only airport in the Commonwealth to earn such accreditation was not our aim. Our single motivation for achieving this certification was to do all we could to ensure passenger safety. We want people to know that it is safe to fly out of RIC."

- Virginia was ranked number 1 by CNBC's 2021 "America's Top States for Doing Business" annual rankings. CNBC scored all 50 states on 85 metrics in 10 broad categories of competitiveness.https://www.cnbc.com/2021/07/13/americas-top-states-for-business.html

- Richmond was named one of the Top 30 "Most Affordable Downtowns to Live in Across America".https://www.msn.com/en-us/money/realestate/the-30-most-affordable-downtowns-to-live-in-across-america/ss-AABG6V3

- Richmond was ranked number 11 in FDI Intelligence's Top 25 Americas Cities of the Future 2021/22 rankings. https://www.fdiintelligence.com/article/79913

- February 9, 2021: Gov. Ralph Northam announced that Vytal Studios, a technology-based education and training content developer and producer, will invest $6.8 million to relocate its corporate headquarters from Austin, Texas, to the City of Richmond. The company will renovate the facility at 1802 Semmes Avenue to include studio space for filming content and office space for development and post-production functions. Virginia successfully competed with Florida and North Carolina for the project, which will create 155 new jobs. https://www.grpva.com

- April 2021: Gov. Ralph Northam announced that Amazon continues to invest in Virginia with the launch of a new, state-of-the-art robotics fulfillment center on 119 acres of ancillary land at Richmond Raceway in Henrico County. The company will construct a multi-story, 650,000-square-foot facility with innovative robotics technology, adding over 1,000 new jobs. https://www.grpva.com

- April 2021: Carvana announced plans to build a $25.5 million facility in Chesterfield County. The project will create 400 new jobs. https://www.grpva.com

- March 2021: Lowe's Companies, Inc. announced plans to build a $50.0 million facility in Hanover County. The project will add 100 new jobs. https://www.grpva.com

DEMOGRAPHICS AND EMPLOYMENT

The population of the Richmond MSA is estimated to be 1.4 million and is projected to remain at 1.4 million through 2021. The median household income for 2019 was $58,628 which is higher than the national average of $56,474.

The Richmond Metro area's unemployment rate was 6.7% in calendar year 2020 compared to 2.9% in 2019, higher than the state unemployment rate of 6.2% and below the national rate of 8.1%.

Seven Richmond Metropolitan area businesses are listed Fortune 500 companies:

Dominion Energy
Genworth Financial
Altria Group
Performance Food Group
CarMax
Owens & Minor
Markel

Five Richmond Metropolitan area businesses are listed Fortune 1000 companies:

Brink's *Universal* *NewMarket* *ASGN* *Arko Corp.*

COMMISSION WEBSITE

The Commission has a website that offers a wide variety of current information to users, including financial information and operational statistics. Users have the capability to access the airlines serving the Airport, flight arrival and departure information, and download flight schedules directly onto their smart phones along with information about ground transportation, parking and maps. The Commission's Annual Comprehensive Financial Report (ACFR) is posted on the web site. The web address is www.flyrichmond.com.

FINANCIAL INFORMATION

The Commission's management is responsible for establishing and maintaining internal controls sufficient to ensure safeguarding of Commission assets. In developing and evaluating the Commission's accounting system, consideration is given to the adequacy of internal controls.

Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Commission's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

In addition to the internal controls described above, budgetary controls are also established to ensure compliance with annual operating and capital budgets approved by the Commission. Monthly reports containing comparisons between actual and budget and current and prior year amounts are prepared and presented to the Commission. The Commission approves significant capital budget adjustments.

FINANCIAL HIGHLIGHTS

In fiscal year 2021, the Airport experienced a (38.8%) decrease in the number of passenger enplanements when compared to fiscal year 2020, resulting in total fiscal year 2021 enplanements of 989 thousand. The Airport experienced a (24.5%) decrease in the number of passenger enplanements in 2020 when compared to fiscal year 2019. The decrease was due to the travel restrictions related to the worldwide COVID–19 pandemic.

In May 2020, the Commission was awarded $18.8 million in federal CARES Act grant funding. The funds can be used for offsetting allowable operating and debt service expenses incurred by the airport after January 27, 2020. The grant funds are available for up to four years and reimbursement requests need to be submitted and approved prior to receiving reimbursement. The CARES Act grant funding is discussed in further detail in the MDA section of the financials. The Commission received the entire $18.8 million in available funds, $11.2 million in operating expense reimbursement and $7.6 million in debt service expense reimbursement, in fiscal year 2021.

In May 2021, the Commission was awarded $6.1 million in federal Airport Coronavirus Response Grant Program funding. The funds can be used for offsetting allowable operating and debt service expenses incurred by the airport after January 27, 2020. The grant funds are available for up to four years and reimbursement requests need to be submitted and approved prior to receiving reimbursement.

In June 2021, the Commission exercised the option to prepay in full the Capital Region Airport Commission, Series 2001B (VARF-01-01b). The amount of the payoff was $5,891,466.46. The Commission used funds from the Equipment and Capital Outlay fund, that were allocated to low priority projects, for the payoff. The payoff reduced the Commissions annual debt service by $1.4 million for fiscal years 2022 – 2025.

The Commission continued to work with Campbell Hill Aviation Group to do an enplanement forecast and outlook scenario for fiscal years 2022-2026. The Commission incorporated the medium forecast from the Campbell Hill forecast into the budgeting process.

The Commission adopted the fiscal year 2022 budget which includes $42.9 million in operating revenue a 32.5% increase compared to the FY 2021 actual revenues of $32.4 million. The Commission's budgeted operating expenses for fiscal year 2022 are $27.2 million a 21.0% increase when compared to fiscal year 2020 actual expenses. The Commission continues to evaluate the impact that the worldwide COVID–19 pandemic will have on fiscal year 2022 passenger traffic and will make adjustments to the fiscal year 2022 budget plan as required.

INDEPENDENT AUDIT

The Commission's enabling legislation requires an annual audit of its financial statements by independent certified public accountants that are selected by the Commission. This requirement has been met and the auditors' opinion is included in the Financial Section of this report. In addition, the annual audit complied with the requirements of the U.S. Office of Management and Budget Uniform Guidance and the applicable reports are included in the Compliance Section.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capital Region Airport Commission for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the thirty-first consecutive year that the Commission has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Annual Comprehensive financial report on a timely and efficient basis is achieved by the efficient and dedicated services contributed by the entire Finance department staff. We wish to express our appreciation for their continuing efforts in maintaining the highest standards for managing the financial operations of the Commission. We would also like to express our appreciation to all the members of the Commission for their continued support and guidance.

Respectfully submitted,

President and Chief Executive Officer

Director of Finance

RICHMOND
INTERNATIONAL AIRPORT

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
CPAs | CONSULTANTS

Independent Auditors' Report

To the Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Capital Region Airport Commission as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Region Airport Commission, as of June 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 3-16 and 82-91 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Capital Region Airport Commission's basic financial statements. The introductory section, supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the supplemental information 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of Capital Region Airport Commission'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 Capital Region Airport Commission'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 Capital Region Airport Commission's internal control over financial reporting and compliance.

Robinson Farmer Cox Associates

Charlottesville, Virginia
October 29, 2021

Capital Region Airport Commission
Management's Discussion and Analysis
June 30, 2021 and 2020

The Capital Region Airport Commission's ("Commission") Management's Discussion and Analysis ("MD&A") section provides a review of the key financial events and items impacting Richmond International Airport's (the "Airport") operations and financial statements. This discussion and analysis provides an overall view of how the Airport deals with both current and future conditions.

The preparation of this report was performed by the Commission's management team and we recommend that the Management Discussion and Analysis be read in conjunction with the Commission's financial statements and the supplemental schedules included in the financial report. Following this MD&A are the basic financial statements of the Commission together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

The Commission's financial statements are prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (the "GASB"). The financial statements are prepared on the accrual basis, recognizing revenue when earned and expenses when incurred, and include all the business activities of the Airport. Assets are designated as restricted and unrestricted in accordance with indentures and other agreements. See notes to financial statements for a summary of significant accounting policies.

The Commission's operations are self-supported using aircraft apron fees, landing fees, fees from the terminal and other rental as well as revenues from concession and non-aviation revenues such as parking and food establishments to fund operating expenses. The Commission is not taxpayer funded. The capital program is funded by bonds, federal and state grants, customer and passenger facility charges and net remaining revenue after operating and debt service costs.

The Commission's fiscal year is from July 1 to June 30. The following MD&A of the Commission's financial performance is for the years ended June 30, 2021 and 2020. Information for the preceding fiscal year ended June 30, 2019 has been included to provide a better insight into the overall financial performance of the Commission. All dollar amounts are provided in thousands.

COMMISSION ACTIVITIES & HIGHLIGHTS

In March 2020, the Commission started to experience a significant reduction in passenger traffic due to the travel restrictions related to the worldwide COVID–19 pandemic. The COVID related reduction in passenger traffic continued for most of fiscal year 2021. Total enplanements for the months of July 2020 through March 2021 were (46%) less than budgeted enplanements. In the last quarter of the fiscal year (March – June 2021) enplanement activity increased to a level that was (29%) less than budget. The total passengers enplaned for fiscal year 2021 were 989 thousand, which was (38.8%) lower than fiscal year 2020 enplanements of 1.62 million and (40.1%) lower than the fiscal year 2021 budgeted enplaned passengers. Fiscal year 2020 enplanements were lower than fiscal year 2019 enplanements of 2.14 million.

Due to the worldwide pandemic and the related travel restrictions and shutdowns that started in March of 2020 and continued through most of fiscal year 2021, the Commission experienced a significant decrease in revenues. Parking revenue and concession revenue saw the largest reductions. In fiscal year 2021, to offset the reduction in operating revenues, the Commission continued the cost cutting measures implemented in the last quarter of fiscal year 2020. Some of the actions taken were, implementation of a hiring freeze, closing of the economy parking lot, elimination of shuttle operations and related staffing, and staff reductions through early retirement for eligible Commission staff. The Commission also initiated an internal spending freeze at the start of the fiscal year.

In January 2021, the Commission initiated a formal expense review process along with the continuation of the internal spending freeze. Operating expenses for the remaining six months of the fiscal year were held to the same level as the first six months of the year. Formal reviews with management staff were held, by the accounting manager, on a monthly basis. This resulted in a reduction of $3.3 million in operating expense when compared to fiscal year 2021 budgeted operating expense and a $4.2 million reduction of operating expense when compared to fiscal year 2020 actual operating expense.

In May 2020, the Commission was awarded $18.8 million in federal CARES Act grant funding. The funds were used for offsetting allowable operating and debt service expenses incurred by the airport after January 27, 2020. The grant funds were available for up to four years and reimbursement requests were submitted and approved prior to receiving reimbursement. During fiscal year 2020, the Commission submitted reimbursement requests for $5.4 million in allowable operating expenses. The Commission submitted reimbursement requests for the remaining $13.4 million in fiscal year 2021 ($7.6 million debt service, $5.8 million operating expenses).

In addition to the CARES Act funding, in fiscal year 2021 the Commission applied for and was awarded $6.1 million in federal Airport Coronavirus Response Grant Program (CRRSA). The funds can be used for offsetting allowable operating and debt service expenses incurred by the Airport after January 27, 2020. The grant funds are available for up to four years and reimbursement requests need to be submitted and approved prior to receiving reimbursement.

The Commission ended fiscal year 2021 with a (26.1%) decrease in revenues when compared to the 2021 budgeted revenues and an (27.05%) decrease when compared to fiscal year 2020 revenues. This was primarily due to a (31.7%) decrease in concession revenue when compared to the 2021 budgeted concession revenue and a (44.3%) decrease in parking revenue when compared to the 2021 budgeted parking revenue. Concession revenue decreased (35.7%) when compared fiscal year 2020 concession revenue and parking revenue decreased (43.5%) when compared to fiscal year 2020 parking revenue. The decrease in concession revenue is primarily due to a (26.5%) decrease in rental car revenue along with a (53.4%) decrease in food and beverage revenue and a (70.5%) decrease in ground transportation fees when compared to fiscal year 2021 budgeted revenues. The decrease in parking revenue is attributed to the (40.1%) decrease in enplanements when compared to the fiscal year 2021 budgeted enplanements due to the worldwide pandemic and the related travel restrictions and shutdowns.

The Commission's revenues are derived primarily from airline rates and charges for the use of the Airport's facilities in the form of landing fees, terminal rents, and apron fees received from airlines using the airport; concession fees from the vendors serving the passengers including food, retail and rental cars; public parking fees including surface and garage parking; and fixed based operator activities from general aviation activities. The average monthly enplaned passengers decreased from 178,570 in fiscal year 2019 to 134,750 in fiscal year 2020 and then decreased to 82,439 in fiscal year 2021. The decrease in passengers, when compared to fiscal year 2020, had negative effects on the Commission's main revenue stream, parking, in fiscal year 2021.

Aircraft operations decreased to 74 thousand a (17.8%) decrease when compared to fiscal year 2020 operations of 90 thousand which was a (13.5%) decrease when compared to FY 2019. Aircraft operations are comprised of air carrier, the military, air taxi, and general aviation.

Cargo landed weight in 1,000 pound units increased by 18.8% in fiscal year 2021 to 627 million pounds compared to fiscal year 2020 and increased 2.9% in fiscal year 2020 to 528 million pounds compared to fiscal year 2019 landed weight of 513 million pounds.

The Airport's parking revenue decreased (43.5%) in fiscal year 2021 when compared to fiscal year 2020 and decreased (24.6%) in fiscal year 2020 when compared to fiscal year 2019. Parking revenue decreased due to the effect of lower than budgeted enplanements. Parking revenue per enplaned passenger decreased (7.6%) when compared to fiscal year 2020 parking revenue per enplaned passenger. Parking rates were essentially the same as fiscal year 2020.

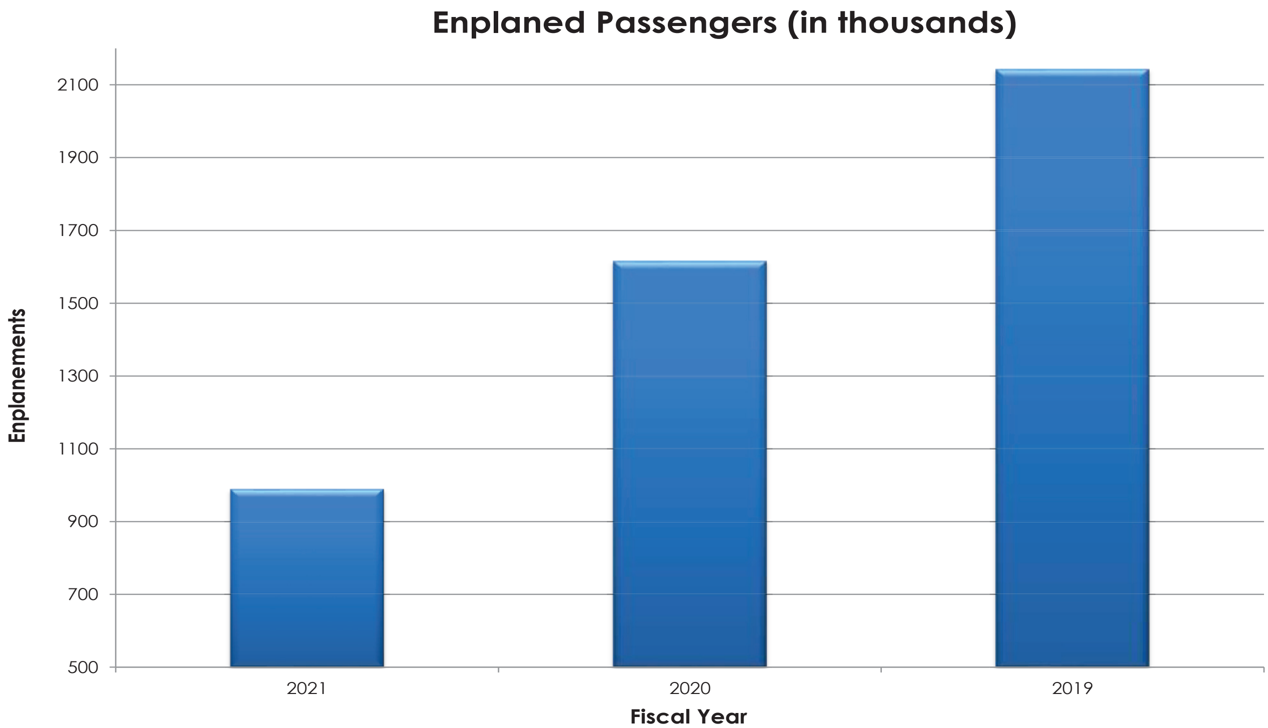
The parking revenue accounted for 30.6% of the Airport's operating revenue in fiscal year 2021 compared to 39.6% in fiscal year 2020 and 43.9% in fiscal year 2019.

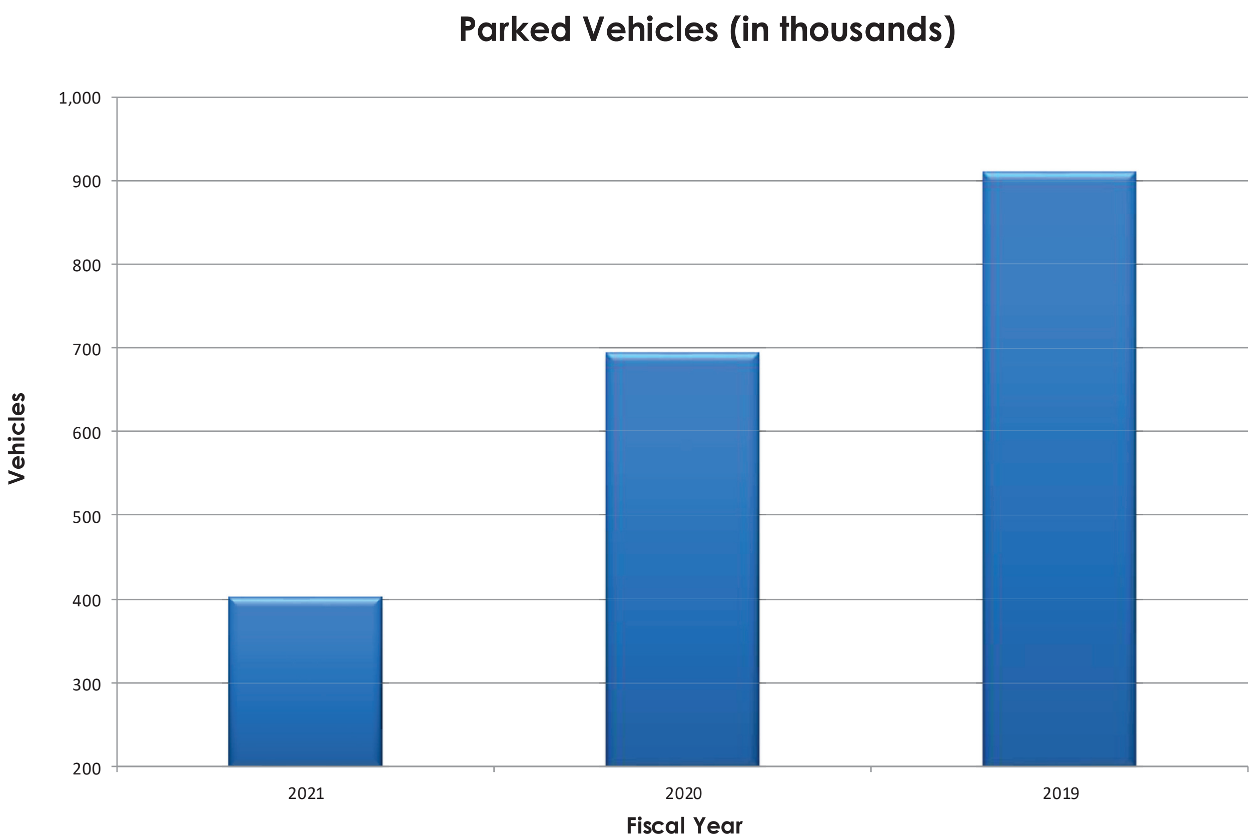
	2021	2020	2019
Parking Revenue per Enplanement	$10.04	$10.86	$10.87
Percent Increase (Decrease)	(7.6%)	(0.1%)	0.4%

As of June 30, 2021, the Airport is served by seven major airlines offering about 120 daily flights between Richmond and 25 nonstop destinations. Seeing the initial signs of passenger activity recovery from the COVID-19 pandemic, RIC served 1.96 million travelers in fiscal year 2021.

	FY 2021	FY 2020	FY 2019
Enplanements	989	1,617	2,143
% increase / (decrease)	(38.8%)	(24.5%)	11.5%
Aircraft Operations (total take-offs and landings)	74	90	104
% increase / (decrease)	(17.8%)	(13.5%)	5.1%
Airline's Landed Weight (1,000 pound units)	1,387	2,080	2,559
% increase / (decrease)	(33.3%)	(18.7%)	12.5%
Air Cargo Carrier Activity (pounds)	178,112	136,653	138,654
% increase / (decrease)	30.3%	(1.4%)	1.5%
Parked Vehicles	401	694	910
% increase / (decrease)	(42.2%)	(23.7%)	9.8%

Note: The numbers presented above are in thousands.


Enplaned Passengers (in thousands)
Enplanements
2100
1900
1700
1500
1300
1100
900
700
500
2021
2020
2019
Fiscal Year


Parked Vehicles (in thousands)
Vehicles
1,000
900
800
700
600
500
400
300
200
2021
2020
2019
Fiscal Year

The below selected financial data comparison represents the Commission's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2021, 2020, and 2019.

SELECTED FINANCIAL DATA
(in thousands)

	2021	2020	2019
Assets			
Unrestricted current	$ 31,299	$ 21,131	$ 25,061
Restricted current	77,594	95,404	99,868
Capital assets, net	447,693	443,958	428,001
Total assets	556,586	560,493	552,930
Deferred outflows of resources	7,833	7,419	6,568
Liabilities			
Current unrestricted	5,227	4,385	3,194
Current restricted	12,750	18,609	16,124
Long-term debt, net of current maturities	55,447	66,999	73,618
Net Pension Liability	4,501	2,390	902
Net OPEB Liabilities	2,530	2,501	1,554
Total liabilities	80,455	94,884	95,392
Deferred inflows of resources	429	898	1,524
Net position			
Net investment in capital assets	397,525	381,713	356,384
Restricted	63,667	72,086	88,258
Unrestricted	22,343	18,331	17,940
Total net position	$ 483,535	$ 472,130	$ 462,582

The Commission experienced a decrease in total assets of approximately ($3.9) million or (0.7%) during fiscal year 2021 when compared to fiscal year 2020 and a $7.6 million or 1.4% increase during fiscal year 2020 when compared to fiscal year 2019. The decrease in fiscal year 2021 can be attributed primarily to a ($14.2) million decrease in restricted cash and cash equivalents when compared to fiscal year 2020, this was offset by a $9.8 million increase in unrestricted cash and cash equivalents when compared to fiscal year 2020.

Total liabilities decreased ($14.4) million or (15.2%) in fiscal year 2021 when compared to fiscal year 2020 and decreased ($508) thousand or (0.5%) in fiscal year 2020 when compared to fiscal year 2019. In fiscal year 2021 this change is primarily attributable to a ($11.6) million decrease in long term debt, net of current maturities, when compared to fiscal year 2020 and a ($4.7) million decrease in accounts payable when compared to fiscal year 2020.

The increase in net financial position for fiscal year 2021 was $11.4 million when compared to fiscal year 2020. Net financial position increased $9.5 million in fiscal year 2020 and increased $19.0 million in fiscal year 2019. Fiscal year 2021 resulted in a loss from operations of ($17.1) million, which was a $7.2 million increase in loss from operations when compared to fiscal year 2020. The increase in loss from operations is primarily attributed to a ($12.0) million decrease in operating revenue when compared to fiscal year 2020 operating revenue offset by a ($4.2) million decrease in operating expenses when compared to fiscal year 2020 operating expenses. In fiscal year 2020, the loss from operations was ($9.9) million, which was a ($9.7) million decrease in income from operations when compared to the fiscal year 2019 gain from operations of $163 thousand. Net nonoperating income for fiscal year 2021 reflected an increase in net revenues of $5.0 million when compared to fiscal year 2020. This is attributed to a net increase of $8.0 million in CARES Act grant revenue offset by a ($1.7) million decrease in PFC revenue and a ($395) thousand decrease in CFC revenue when compared to fiscal year 2020. The decrease in both the PFC and CFC revenue was due to a decrease in enplanements due to the worldwide pandemic and the related travel restrictions and shutdowns. Net nonoperating income for fiscal year 2020 reflected a decrease in net revenues of ($123) thousand when compared to fiscal year 2019.

Capital contributions increased to $13.5 million in fiscal year 2021, a $3.7 million or 37.4% increase when compared to fiscal year 2020. This is primarily due to the runway 7/25 conversion to taxiway and the concourse B security checkpoint widening projects that are currently ongoing grant funded projects. Capital contributions increased to $9.8 million in fiscal year 2020, a $1.1 million or 12.0% increase when compared to fiscal year 2019.

The below chart shows operating revenues and expenses for the three years ended June 30, 2021, 2020, and 2019.

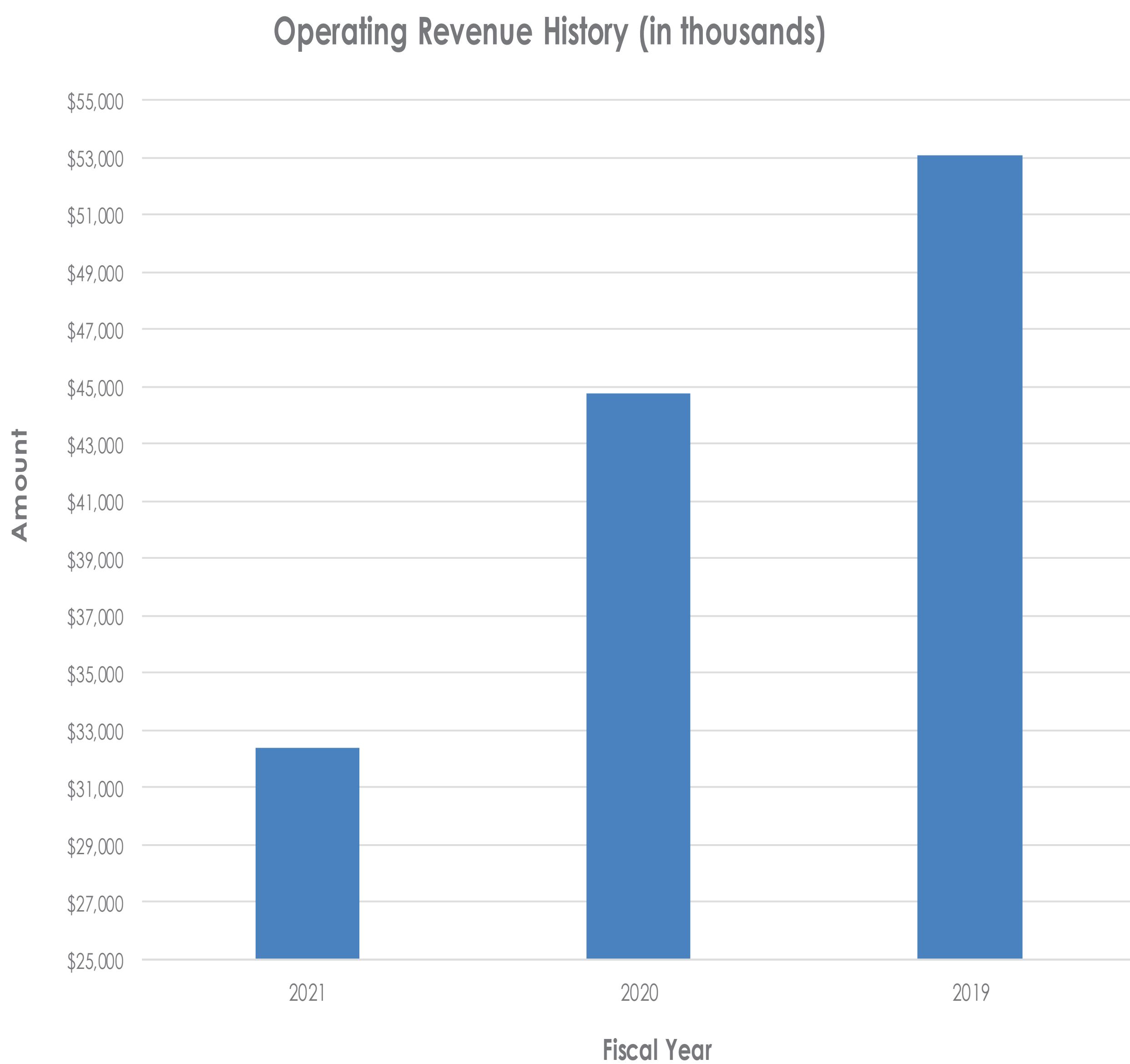
	2021	2020	2019
Operating revenues	$ 32,380	$ 44,368	$ 53,092
Operating expenses	22,465	26,701	25,893
Operating income before depreciation	9,915	17,667	27,199
Depreciation	27,000	27,529	27,036
Operating income (loss)	(17,085)	(9,862)	163
Nonoperating income, net	14,969	9,951	10,074
Income (loss) before capital contributions	(2,116)	89	10,237
Capital contributions	13,521	9,841	8,785
Change in net position	11,405	9,930	19,023
Beginning net position	472,130	462,582	443,559
Effect of accounting change	-	(382)	-
Ending net position	$ 483,535	$ 472,130	$ 462,582

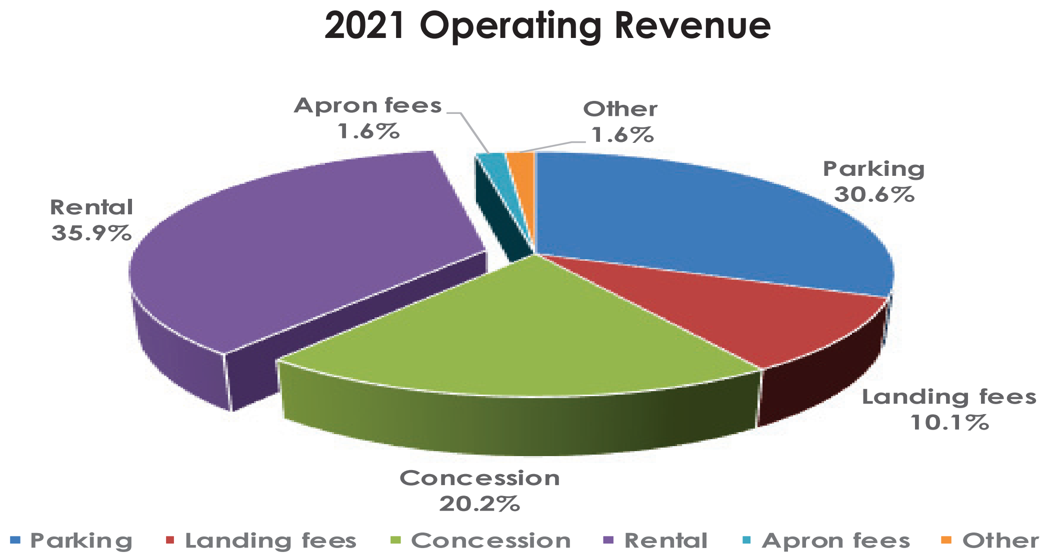
Note: Effect of accounting change is related to the implementation of GASB 75. In 2020, an additional OPEB benefit was implemented.

Operating income before depreciation for fiscal year 2021 decreased by ($7.8) million or (43.9%) compared to fiscal year 2020, fiscal year 2020 operating income before depreciation decreased by ($9.5) million or (35.0%) compared to fiscal year 2019. Depreciation expense decreased by (1.9%) between fiscal year 2021 and 2020 and increased by 1.8% between fiscal year 2020 and 2019. The weighted average yield on investments was approximately 0.25% for fiscal year 2021, 0.60% for fiscal year 2020 and 0.80% for fiscal year 2019.

REVENUES

The following graphs illustrate the operating revenues for the three fiscal years ended June 30, 2021, 2020, and 2019 and main sources of revenues for the Airport and each source's percentage of total operating revenues for the fiscal year ended June 30, 2021.





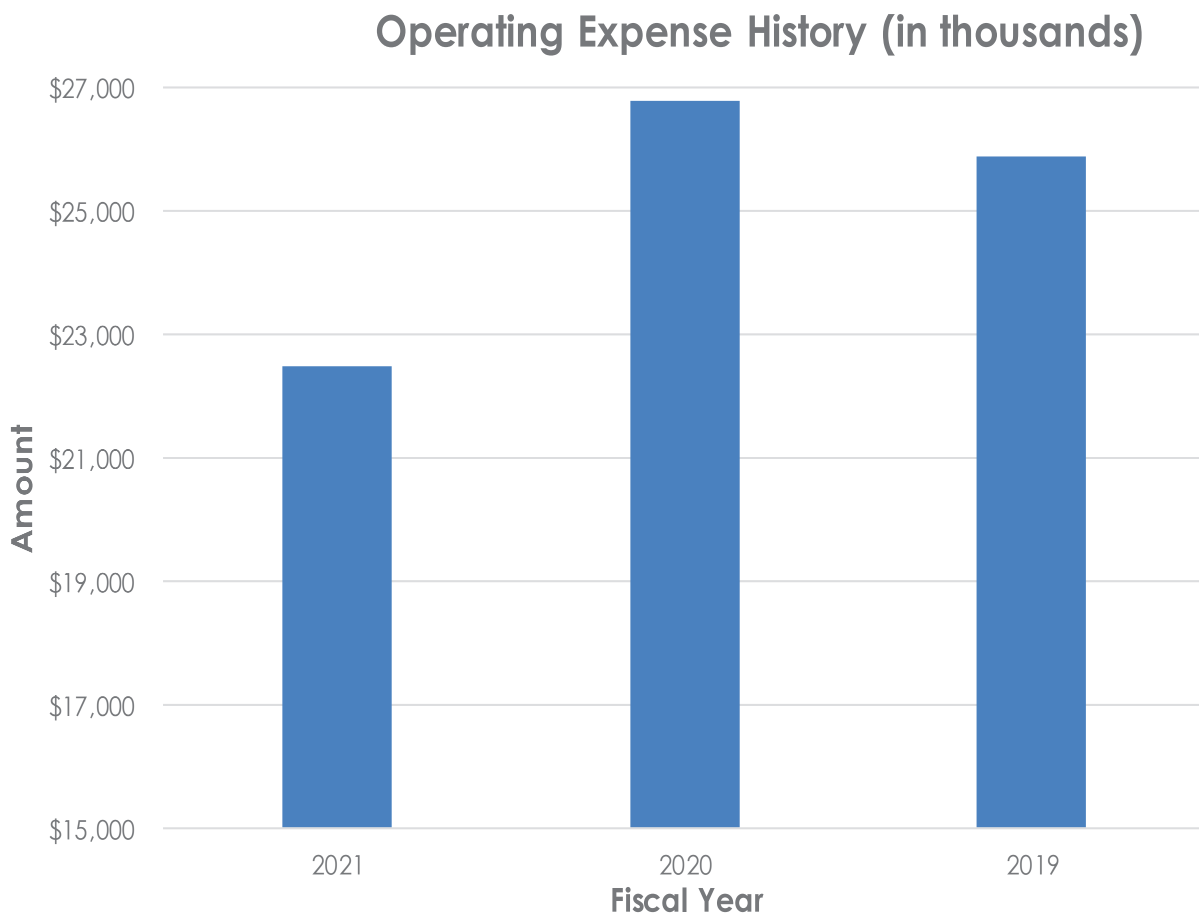
Parking revenues at the Airport for fiscal year 2021 were $9.9 million, which represented a (43.5%) decrease compared to fiscal year 2020; parking revenues for fiscal year 2020 were $17.6 million, which represented a (24.6%) decrease compared to fiscal year 2019. The decrease in parking revenue in fiscal year 2021 is attributed to lower than budgeted enplaned passengers due to the worldwide pandemic and the related travel restrictions and shutdowns. Concession revenues for fiscal year 2021 were $6.5 million which represents a (35.7%) decrease when compared to fiscal year 2020 concession revenue. Concession revenues for fiscal year 2020 were $10.2 million which represents a (21.3%) decrease when compared to fiscal year 2019 concession revenue.

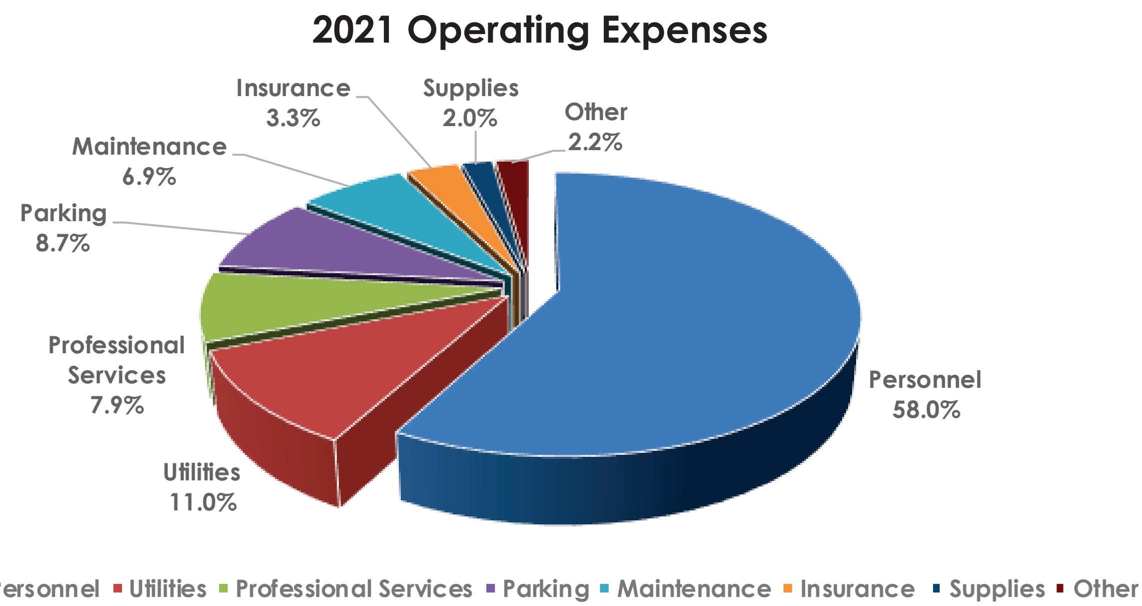
Below is a summary of revenues and nonoperating income stated in thousands, for the three fiscal years ended June 30, 2021, 2020, and 2019:

	2021	2020	2019
Operating Revenues			
Parking	$ 9,926	$ 17,561	$ 23,288
Landing fees	3,262	4,067	4,667
Concession	6,539	10,165	12,916
Rental	11,624	11,473	11,071
Apron fees	505	756	759
Other	524	346	391
Total Operating	32,380	44,368	53,092
Nonoperating Income			
Interest income	123	1,284	1,523
State grant revenue		67	-
Federal grant revenue	13,481	5,432	-
Passenger Facility Charges	4,728	6,473	8,940
Customer Facility Charges	1,526	1,921	2,508
Total nonoperating	19,858	15,177	12,971
Total	$ 52,238	$ 59,545	$ 66,063

EXPENSES

The following graphs illustrate operating expenses for the three fiscal years ended June 30, 2021, 2020, and 2019 and main sources of expenses for the Airport and each source's percentage of total operating expense for the fiscal year ended June 30, 2021.





Operating expenses, exclusive of depreciation, totaled $22.5 million for fiscal year 2021, $26.7 million for fiscal year 2020 and $25.9 million for fiscal year 2019. Personnel expense decreased by ($839) thousand when compared to fiscal year 2020. Fiscal year 2020 personnel expense increased by $858 thousand when compared to fiscal year 2019. Below is a summary of expenses stated in thousands, for the three fiscal years ended June 30, 2021, 2020, and 2019:

	2021	2020	2019
Operating Expenses			
Personnel	$ 13,028	$ 13,867	$ 13,009
Utilities	2,470	2,717	2,910
Professional services	1,769	2,023	1,749
Parking	1,956	3,958	4,158
Maintenance	1,562	2,034	1,976
Insurance	751	756	764
Supplies	443	567	597
Other	486	779	730
Total Operating	22,465	26,701	25,893
Depreciation	27,000	27,529	27,036
Nonoperating Expense			
Interest expense	2,532	2,783	3,033
Other, net	120	8	(136)
Airline rates and charges adjustment	2,237	2,435	-
Total nonoperating	4,889	5,226	2,897
Total	$ 54,354	$ 59,456	$ 55,826

CASH FLOW ACTIVITIES

A summary of the major sources and uses of cash and cash equivalents are as follows:

	2021	2020	2019
Cash flows provided by operating activities	$ 10,574	$ 16,830	$ 27,619
Cash flows provided by investing activities	342	1,025	1,434
Cash flows provided by noncapital financing activities	17,272	67	-
Cash flows used in capital and related financing activities	(32,521)	(30,622)	(13,783)
Net (decrease) increase in cash and cash equivalents	(4,332)	(12,700)	15,270
Cash and cash equivalents			
Beginning of year	102,033	114,733	99,463
End of year	$ 97,701	$ 102,033	$ 114,733

Cash flow from operating activities for 2021 decreased by ($6.3) million or (37.2%) compared to fiscal year 2020. Cash flow from operating activities for 2020 decreased by ($10.8) million or (39.1%) compared to fiscal year 2019. In fiscal year 2021 the change is primarily due to a ($12.9) million decrease in cash received from operations along with a ($5.1) million decrease in cash paid to suppliers. Cash flow from noncapital financing activities for 2021 increased by $17.2 million or 256.8% compared to fiscal year 2020 primarily due to $13.4 million received from the CARES Act.

Cash and cash equivalents for fiscal year 2021 amounted to $97.7 million representing a ($4.3) million decrease from fiscal year 2020. Cash and cash equivalents for fiscal year 2020 amounted to $102.0 million representing a ($12.7) million decrease when compared to fiscal year 2019.

AIRLINE RATES AND CHARGES

The Commission negotiated a two-year extension of the existing airline operating and terminal building agreement between the Commission and certain airlines that expired on June 30, 2020. The extension was effective on July 1, 2020 and expires on June 30, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. The Commission has a nonsignatory fee policy that adds a 15% surcharge to the signatory landing fee.

Rental fees increased from fiscal year 2020 to 2021 in the amount of $151 thousand and increased from fiscal year 2019 to 2020 in the amount of $403 thousand. The increase in fiscal year 2021 is primarily attributed to a $263 thousand increase in ground rental income. The apron fees decreased ($251) thousand from fiscal year 2020 to 2021 and decreased slightly ($3) thousand from fiscal year 2019 to 2020. Rates and charges for the signatory airlines were as follows:

Signatory Airline Rates and Charges	Rate Effective for 2021	Rate Effective for 2020	Rate Effective for 2019
Apron fees (square foot)	$ 1.15	$ 1.13	$ 1.17
Landing fees (1,000 lb. unit)	1.52	1.52	1.38
Terminal rental (square foot)	37.77	37.72	37.12

Note: The rates and charges for 2021 are estimates.

PASSENGER FACILITY CHARGES

The Commission collects $4.50 per qualifying enplaned passenger. Passenger Facility Charges ("PFC") totaled $4.7 million for fiscal year 2021 which was a decrease of (27.0%) when compared to fiscal year 2020. PFC revenue for fiscal year 2020 decreased (27.6%) when compared to fiscal year 2019. The decrease in PFC revenue was attributed the decrease in passenger traffic due to the worldwide pandemic and the related travel restrictions and shutdowns.

CUSTOMER FACILITY CHARGES

The Commission increased Customer Facility Charges ("CFC") to $3.00 on July 1, 2014 and then reduced it to $2.00 on June 1, 2016 CFC charges remained at $2.00 for fiscal year 2021. Collections for the year ended June 30, 2021 were $1.5 million, (20.5%) less than the year ended June 30, 2020 collections of $1.9 million. The CFC rate was initially increased to fund the expansion of the existing rental car parking deck or the construction of a new rental car parking deck. The rate was decreased when the project was put on hold. Total rental vehicle transaction days for fiscal year 2021 were 783 thousand compared to 1.1 million in fiscal year 2020.

CAPITAL AND DEBT ACTIVITY

Capital Assets

Investments in capital assets include land, land improvements, buildings, construction in progress, furniture and fixtures, machinery and equipment and paved facilities. Capital assets, before accumulated depreciation and retirements, increased $30.7 million for fiscal year 2021 when compared to fiscal year 2020 and increased $43.5 million for fiscal year 2020 from 2019. Depreciation expense for fiscal year 2021 was $27.0 million compared to $27.5 million in fiscal year 2020, and $27.0 million in fiscal year 2019.

See Note 4 of Notes to Financial Statements.

Major capital projects that have started or are planned to begin in the next 5 years include:

- Rental Car Counter Relocation
- Rental Car Garage Connector
- Concourse B Apron De-icing pad
- Taxiway U Rehabilitation
- Federal Inspection Services – Customs Facility

Long-Term Debt

As of June 30, 2021, the Commission had principal debt outstanding of $54,784 as follows (in thousands):

Airport Revenue Bonds	$ 54,784
Total	$ 54,784

See Note 5 of Notes to Financial Statements.

ECONOMIC FACTORS AND FISCAL 2022 BUDGET

As noted earlier, the airport experienced a (38.8%) decrease in the number of passenger enplanements over last year, resulting in total 2021 enplanements of 989 thousand. This level of enplanements has not been seen since 1993. A suffering economy and a significant drop in business and leisure travel due to the COVID19 disruption caused this drop in traffic.

The Commission hired Campbell-Hill Aviation Group to do an enplanement forecast and outlook scenario for fiscal year 2022 and fiscal years 2023-2026. The forecast takes into consideration a number of factors including:

- RIC Enplanement Data
- Airport Cancellation Trends
- Historical U.S. Department of Transportation, T-100 Data
- Historical, Current, and Future monthly schedule data
- Campbell-Hill assessment of the evolving service patterns and information from airlines
- Past recoveries (especially Post 9-11 and Post natural disasters).
- The key statistic estimated is enplaned passengers. They also estimated monthly onboard passengers (both directions combined) and flights operated by scheduled passenger carriers.

The Commission incorporated the Campbell-Hill medium forecast into the budgeting process. The medium forecast anticipates a continuing recovery in passenger traffic during fiscal year 2022. The medium forecast also projects that the enplanements for fiscal year 2022 would be 69.0% higher than fiscal year 2021 enplanements. The forecast indicates a continued rebound in enplanements in fiscal year 2023.

The Commission took a conservative approach to the fiscal year 2022 budget which was based on 1.59 million enplanements, (5.5%) below the Campbell-Hill medium projection. The fiscal year 2022 budget which includes $42.9 million in operating revenue; an 32.5% increase compared to the FY 2021 actual revenues of $32.4 million. Parking, concession, and rental revenues are expected to provide the main source of income for fiscal year 2022. Operating expenses of $27.2 million are budgeted for fiscal year 2022; an increase of 21.0% compared to fiscal year 2021 actual expenses of $22.5 million. The Commission's fiscal year 2022 approved capital budget allotted $5.1 million for new projects, equipment, and studies.

REQUEST FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the Commission's finances. Should you have any questions about this report or need additional information, please contact the Director of Finance, 1 Richard E. Byrd Terminal Drive, Richmond International Airport, VA 23250-2400. Also, interested parties wishing to obtain updated information at Richmond International Airport can visit on our website at www.flyrichmond.com.

Capital Region Airport Commission
STATEMENTS OF NET POSITION
June 30, 2021 and 2020

			2021		2020
ASSETS AND DEFFERED OUTFLOWS OF RESOURCES	CURRENT ASSETS				
	Unrestricted Current Assets:				
	Cash and cash equivalents	$	29,315,357	$	19,492,255
	Accounts receivable, less allowance for doubtful accounts (2021-$398,674; 2020-$402,281)		1,710,558		1,401,919
	Other		273,457		236,616
	Total Unrestricted Current Assets		31,299,372		21,130,790
	Restricted Current Assets:				
	Cash and cash equivalents		68,385,467		82,540,937
	Investments		6,315,063		6,600,451
	Customer and Passenger Facility Charges receivable		1,421,272		146,315
	Due from federal and state governments		1,471,783		6,116,055
	Total Restricted Current Assets		77,593,585		95,403,758
	Total Current Assets		108,892,957		116,534,548
	NONCURRENT ASSETS				
	Depreciable assets, net		303,808,528		316,154,323
	Non-depreciable assets		143,884,758		127,803,612
	Total Noncurrent Assets		447,693,286		443,957,935
	Total Assets		556,586,243		560,492,483
	DEFERRED OUTFLOWS OF RESOURCES				
	Deferred loss on refunding		4,499,707		4,984,987
	Deferred outflows related to pension		2,397,717		1,652,843
	Deferred outflows related to OPEB		935,717		781,340
	Total Deferred Outflows of Resources		7,833,141		7,419,170
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	CURRENT LIABILITIES				
	Liabilities From Unrestricted Assets:				
	Accounts payable		282,060		131,074
	Accrued expenses		4,727,770		4,105,933
	Unearned revenue		217,479		148,111
	Total Liabilities From Unrestricted Assets		5,227,309		4,385,118
	Liabilities From Restricted Assets:				
	Accounts payable		6,533,380		11,343,955
	Accrued interest payable		1,074,546		1,176,648
	Current maturities of long-term debt		5,142,276		6,088,493
	Total Liabilities From Restricted Assets		12,750,202		18,609,096
	Total Current Liabilities		17,977,511		22,994,214
	NONCURRENT LIABILITIES				
	Net Pension Liability		4,500,775		2,389,713
	Net OPEB Liabilities		2,529,872		2,500,452
	Noncurrent portion of long-term obligations (Note 5)		55,447,206		66,999,243
	Total Noncurrent Liabilities		62,477,853		71,889,408
	Total Liabilities		80,455,364		94,883,622
	DEFERRED INFLOWS OF RESOURCES				
	Deferred inflows related to pension		14,696		698,072
	Deferred inflows related to OPEB		414,077		200,080
	Total Deferred Inflows of Resources		428,773		898,152
	NET POSITION				
	Net investment in capital assets		397,525,434		381,712,964
	Restricted				
	Debt service		60,750,324		71,886,858
	Customer and Passenger Facility Charges		2,916,175		199,111
	Unrestricted		22,343,314		18,330,948
	Total Net Position	$	483,535,247	$	472,129,881

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Parking	$ 9,925,840	$ 17,560,787
Landing fees	3,261,978	4,067,183
Concession	6,538,528	10,164,781
Rental	11,624,361	11,473,100
Apron fees	504,597	756,057
Other	524,418	346,479
Total Operating Revenues	32,379,722	44,368,387
OPERATING EXPENSES		
Personnel	13,027,416	13,866,810
Utilities	2,470,274	2,716,920
Professional services	1,768,718	2,022,738
Parking	1,956,031	3,958,290
Maintenance	1,561,853	2,034,131
Insurance	751,456	755,919
Supplies	442,736	567,275
Other	486,167	778,900
Total Operating Expenses	22,464,651	26,700,983
Operating Income Before Depreciation	9,915,071	17,667,404
DEPRECIATION	27,000,322	27,529,391
Operating Income (Loss)	(17,085,251)	(9,861,987)
NONOPERATING INCOME (EXPENSES)		
Interest income	123,060	1,283,925
Interest expense	(2,531,805)	(2,782,525)
Other, net	(120,350)	(8,594)
State grant revenue	-	67,200
Federal grant revenue	13,480,745	5,431,672
Airline rates and charges adjustment	(2,236,611)	(2,434,475)
Passenger Facility Charges	4,727,725	6,473,252
Customer Facility Charges	1,526,275	1,921,004
Total Nonoperating Income (Expenses), Net	14,969,039	9,951,459
Increase/(Decrease) in Net Position Before Capital Grants and Contributions	(2,116,212)	89,472
CAPITAL GRANTS AND CONTRIBUTIONS	13,521,578	9,840,547
CHANGE IN NET POSITION	11,405,366	9,930,019
NET POSITION, BEGINNING	472,129,881	462,581,703
RESTATEMENT	-	(381,842)
TOTAL NET POSITION, ENDING	$ 483,535,247	$ 472,129,881

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations	$ 32,071,083	$ 44,994,485
Cash paid to employees	(9,135,538)	(10,710,870)
Cash paid to suppliers	(12,361,275)	(17,453,930)
Cash used in operating activities	(21,496,813)	(28,164,800)
Net cash provided by operating activities	$ 10,574,270	$ 16,829,685
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	2,618,226	3,367,759
Purchase of investments	(2,386,920)	(3,630,365)
Interest income received	110,370	1,287,746
Net cash provided by investing activities	341,676	1,025,140
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State and federl grant revenue	18,912,418	67,200
Airlines rates and charges	(1,640,075)	-
Net cash provided by noncapital financing activities	17,272,343	67,200
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment of long-term debt	(11,967,640)	(9,235,253)
Payment of interest on long-term debt	(2,633,907)	(2,850,533)
Capital contributions received	12,734,178	9,382,389
Passenger Facility Charges collected	3,536,350	7,778,581
Customer Facility Charges collected	1,442,692	2,112,144
Additions to capital assets	(35,546,248)	(37,786,201)
Payments related to investments and bonds	(86,081)	(23,343)
Net cash used in capital and related financing activities	(32,520,656)	(30,622,216)
Net (decrease) increase in cash and cash equivalents	(4,332,368)	(12,700,191)
CASH AND CASH EQUIVALENTS		
Balances - beginning of year	102,033,192	114,733,385
Balances - end of year	$ 97,700,824	$ 102,033,192
Current Assets	$ 29,315,357	$ 19,492,255
Restricted Assets	68,385,467	82,540,937
	$ 97,700,824	$ 102,033,192
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (17,085,250)	$ (9,861,987)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	27,000,322	27,529,391
Asset Forfeiture activity	(12,833)	-
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	(308,639)	477,987
Decrease (increase) in other current assets	(36,839)	(135,278)
Decrease (increase) in deferred outflows of resources - pension	(744,874)	(948,605)
Decrease (increase) in deferred outflows of resources - OPEB	(154,377)	(414,670)
Increase (decrease) in trade accounts payable	150,988	(1,124,809)
Increase (decrease) in accrued expenses	25,302	(267,091)
Increase (decrease) in net pension liability	2,111,062	1,487,709
Increase (decrease) in net OPEB liabilities	29,420	565,021
Increase (decrease) in deferred inflows of resources -pension	(683,376)	(590,677)
Increase (decrease) in deferred inflows of resources - OPEB	213,997	(35,417)
Increase (decrease) in unearned revenue	69,368	148,111
Net cash provided by operating activities	$ 10,574,270	$ 16,829,685
Supplemental Cash Flow Information		
Non-cash investing, capital and financing activities		
Net increase (decrease) in fair value of investments	$ (66,771)	$ (3,610)
Non-cash capital contributions	$ 1,471,783	$ 684,383
Non-cash PFC and CFC collections	$ 1,421,272	$ 146,315
Capital assets included in accounts payable	$ 6,533,381	$ 11,343,956
Nonoperating federal grant	$ -	$ 5,431,672
Airline rates and charges adjustment	$ 3,031,011	$ 2,434,475

See Notes to Financial Statements.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Capital Region Airport Commission ("Commission") is a political subdivision of the Commonwealth of Virginia. Commissioners are appointed by participating subdivisions, which currently include the City of Richmond, Virginia and the Counties of Chesterfield, Hanover and Henrico, Virginia. The Commissioners are responsible for addressing broad policy matters and approving the operating and capital budgets. The financial statements of the Commission are presented in the fund of a single enterprise fund; which includes all business activities of the Richmond International Airport (the "Airport"), which the Commission oversees. The Commission, as the owner and operator of the Airport, maintains and enhances facilities to better serve the air transportation needs of Central Virginia. Major functional areas include Executive, Finance, Marketing & Air Service Development, Planning & Engineering, Public Safety and Real Estate. The Airport is currently served by seven major airlines and twelve regional airlines.

The financial statements presented for the Commission are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to governmental units as prescribed by the Governmental Accounting Standards Board ("GASB").

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented on the accrual basis of accounting, recognizing revenue when it is earned and expenses when they are incurred.

Estimates

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

Cash and Cash Equivalents

The Commission considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Investments

Investments, principally money market accounts, and certificates of deposit, are carried at amortized cost. Federal and municipal obligations and money market funds are reported at fair value. Fair values of investments are based on quoted market prices at year end. All investment income, including changes in the fair value of investments, is reported in the Statements of Revenues, Expenses, and Changes in Net Position.

Debt Issuance Costs and Original Issuance Premiums

Debt issuance costs are expensed when they are incurred. Original issuance premiums are amortized using the effective interest method and included on the Statements of Net Position as a reduction or addition to long-term debt.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has three items that qualify for reporting in this category: accounting loss on debt refunding, pension related items, and other postemployment benefits (OPEB) related items. These items include contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liabilities measurement date, which will be recognized as a reduction of the related liabilities next fiscal year. Certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred outflows of resources. For more detailed information on these items, reference the related notes. The accounting loss on debt refunding is recognized as a component of interest expense over the shorter of the life of the old debt or new debt.

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 statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two items that qualify for reporting in this category. Certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

Capital Assets
Capital assets acquired by the Commission, including assets purchased with designated contributions, are recorded at cost. Contributed capital assets are recorded at acquisition value at the date of contribution.

Depreciation is determined using the straight-line method applied over the following estimated useful lives:

Category	Years
Land improvements	5-20
Buildings	40
Paved facilities	20
Furniture and fixtures	5-20
Machinery and equipment	3-15

The cost of maintenance and repairs is charged to expense as incurred. Expenses, that significantly increase property lives, are capitalized. Capital assets having a cost in excess of $7,500 and a useful life greater than one year are capitalized.

Revenue Recognition
Revenue is recognized when earned. Parking revenue is recognized when the customer vehicle exits the parking facility. Landing and apron fees are recognized as revenue when the Airport facilities are utilized. Concession revenue is recognized based on reported concessionaire revenue. Rental revenue is recognized over the life of the respective leases. All other revenue is recognized when earned.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Expense Classifications

Revenues from airlines, concessions, rental cars and parking are reported as operating revenues. Transactions, which are financing or investing related and customer and passenger facility charges, are reported as nonoperating revenues.

All expenses related to operating the Commission are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

Customer Facility Charges

As of December 1, 2000, the Commission entered into a Rental Car Customer Facility Charge Agreement with the on-site airport rental car companies. In accordance with the bond indenture for the rental car garage facility, the Commission determines the amount of the Customer Facility Charge ("CFC") for each rental vehicle transaction day to be collected by the rental car companies. The amount collected is remitted directly to the Commission for deposit in trust accounts restricted for use in connection with the rental car garage facility. Beginning February 1, 2001, the CFC was set at $2 per day. The rate fluctuated downward over the years to a low of $.40 on May 1, 2014, but increased to $3.00 during fiscal year 2015. On June 1, 2016 the rate was changed to $2.00. Collections during fiscal year 2021 were $1.5 million (2020 - $1.9 million).

Passenger Facility Charges

The Federal Aviation Administration (the "FAA") authorized the Commission Passenger Facility Charges ("PFC") rate of $4.50 per qualifying enplaned passenger, effective January 1, 2005, with the net receipts restricted to use on FAA approved projects. The Commission has been authorized to collect PFC plus interest thereon in the aggregate amount of $224.1 million. Collections during fiscal year 2021 were $4.7 million (2020 - $6.5 million) and aggregate collections and interest thereon from inception through June 30, 2021 were $156 million. Net position related to PFC is restricted for projects that are approved by the FAA.

Federal and State Grants

The Commission receives grants for airport projects funded through the Airport Improvement Program ("AIP") of the FAA and Federal Emergency Management Agency ("FEMA") with certain matching funds and other funds provided by the Commonwealth of Virginia. Capital grants are reported in the statements of revenues, expenses and changes in net position as capital grants and contributions.

State Entitlement Funds

The Commission receives annual entitlement fund allocations from the Virginia Department of Aviation which are required to be maintained in a separate, interest-bearing account. The use of the funds is restricted for purposes established by the Virginia Aviation Board. In addition, the Commission is allowed to apply for PFC Funds that are reimbursements of State Entitlement Funds. Once the application is approved, the funds collected are considered State Entitlement Funds and are restricted for purposes established by the Virginia Aviation Board.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Net Position

The Commission restricts net position for certain required debt service funds and for the CFC and PFC programs. When both restricted and unrestricted assets are available for use, the Commission applies restricted assets first and then applies unrestricted assets as needed.

Salaries and Wages

Accrued salaries and wages include regular salaries and wages and accumulated vacation and sick leave. Vacation and sick leave are accumulated based on formulas applied to months of service during a calendar year. Vacation carryover beyond fiscal year end is limited to two times the annual vacation accrual with a maximum of 336 hours per employee. Sick leave accumulates indefinitely; however, the Commission is obligated to pay only 25% of the accumulated liability upon retirement or termination up to a maximum of $5,000 per employee. Vested vacation and sick leave unpaid at year end is included in accrued expenses and amounted to $881 thousand at June 30, 2021, and $864 thousand at June 30, 2020. The net increase for fiscal year 2021 amounted to $17 thousand; represented by payments of $620 thousand to vested employees and additional accrued vacation and sick leave of $637 thousand. For fiscal year 2020, the net decrease amounted to $127 thousand.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Retirement Plan and the additions to/deductions from the Commission's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For 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 Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, LODA, and VLDP OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net 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.

Budgets

Operating and capital budgets are adopted annually by the Commission and are amended as necessary during the fiscal year. The accrual basis of accounting is applied to the development of these budgets.

Risk Management

The Commission carries commercial insurance for risks of loss including property, workers' compensation, theft, auto liability, general liability and construction insurance. The Commission also carries coverage for public officials and employer's liability under the Virginia State Police Officials' Self-Insurance Pool. There have been no significant reductions in insurance coverage in comparison to coverage in prior years and settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the three past fiscal years.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the accounts receivable balance. The allowance is determined based on known troubled accounts, historical experience, and other currently available evidence. The allowance activity in the allowance for doubtful accounts was as follows:

	2021	2020
Balance, beginning of period	$ 402,281	$ 177,965
Charged to costs and other write-offs	(3,607)	373
Bad debt expense	-	223,943
Balance, end of period	$ 398,674	$ 402,281

Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Note 2. FORMATION OF THE COMMISSION

As of January 1, 1976, under an agreement among the City of Richmond, Virginia (the "City"), the County of Henrico, Virginia and the Commission; the City transferred to the Commission the property then constituting the Airport. Consideration for the transfer was $3,000,000 plus the Commission's agreement to reimburse the City $7,484,954 for the portion of the City's debt service related to the Airport property (City has been fully reimbursed). The Commission valued the property at $64,924,072, based on independent appraisals, and recorded the property on its books at this amount. The $54,439,118 difference between the recorded amount and the consideration was treated as a contribution of assets.

Note 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consisted of the following:

	2021	2020
Petty cash	$ 432	$ 432
Deposits at financial institutions	33,578,509	22,472,603
Cash equivalents and investments	70,436,946	86,160,608
	$ 104,015,887	$ 108,633,643
Summary:		
Unrestricted assets	$ 29,315,357	$ 19,492,255
Restricted assets	74,700,530	89,141,388
	$ 104,015,887	$ 108,633,643

Deposits

At June 30, 2021, the carrying value of the Commission's deposits with banks was $33,578,509 with corresponding bank balances of $34,080,194. At June 30, 2020, the carrying value of the Commission's deposits with banks was $22,472,603 with corresponding bank balances of $23,528,512. Bank balances are covered by Federal Depository Insurance Corporation ("FDIC") in accordance with the Virginia Security for Public Deposits Act.

The remainder of money markets and cash deposits maintained by trustees is $64,121,883.

Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Deposits are considered insured as the State Treasury Board has the ability to assess additional collateral of the participating banks, if necessary. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan associations.

Credit Risks

The Commission's policy is to follow the statutes of the Commonwealth of Virginia and invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) and Asian Development Bank, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool ("LGIP") and the Commonwealth of Virginia State Non-Arbitrage Program ("SNAP").

Note 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Interest and credit risk: Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission currently has no formal policy relating to interest rate risk. The Commission's cash equivalents and investments at June 30, 2021, except for those relating to money market funds, are categorized below to give an indication of the level of risk assumed by the Commission at year-end:

Investment Maturities and Ratings for 2021

Investment Type	Fair Value	Less Than 12 months	Over 12 months	Moody's Quality Ratings
Atlanta GA Development Authority Revenue	$ 751,748	$ 751,748	$ -	WR
Federal National Mortgage Association	439,617	-	439,617	Aaa
Federal Home Loan Banks	1,350,118	-	1,350,118	Aaa
Federal Home Loan Mortgage Corp	1,965,696	-	1,965,696	Aaa
Federal Farm Credit Banks	1,807,884	932,748	875,136	Aaa
	$ 6,315,063	$ 1,684,496	$ 4,630,567	

Investment Maturities and Ratings for 2020

Investment Type	Fair Value	Less Than 12 months	Over 12 months	Moody's Quality Ratings
Atlanta GA Development Authority Revenue	$ 751,650	$ -	$ 751,650	WR
Federal National Mortgage Association	3,041,270	2,597,706	443,564	Aaa
Federal Home Loan Banks	977,732	-	977,732	Aaa
Federal Farm Credit Banks	1,829,799	-	1,829,799	Aaa
	$ 6,600,451	$ 2,597,706	$ 4,002,745	

Fair Value Measurements:
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Commission maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date.
- Level 2 are directly or indirectly observable inputs for the asset or liability other than quoted prices.
- Level 3 are unobservable inputs that are supported by little or no market activity for the asset or liability.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

Note 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Fair Value Measurements: (continued)

The Commission has the following recurring fair value measurements as of June 30, 2021 and 2020:

Investment	6/30/2021	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Atlanta GA Development Authority Revenue		$ 751,748		
Federal National Mortgage Association		439,617		
Federal Home Loan Banks		1,350,118		
Federal Home Loan Mortgage Corp		1,965,696		
Federal Farm Credit Banks		1,807,884		
BB &T Public Fund Money Rate Savings		15,347,563		
Money Market Mutual Funds		48,774,319		
		$ 70,436,945		

Investment	6/30/2020	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Atlanta GA Development Authority Revenue		$ 751,650		
Federal National Mortgage Association		3,041,270		
Federal Home Loan Banks		977,732		
Federal Farm Credit Banks		1,829,799		
BB &T Public Fund Money Rate Savings		15,331,159		
Money Market Mutual Funds		64,228,997		
		$ 86,160,607		

Custodial credit risk: The risk that in the event of the failure of the counter party, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission's investment policy requires the use of a third-party custodial safekeeping agreement for all purchased securities and requires that securities be held in the name of the Commission. As of June 30, 2021, all of the Commission's investment securities held by third parties are in the name of the Commission.

Concentration of credit risk: The Commission places no limit on the amount that may be invested in any one issuer.

Note 4. CAPITAL ASSETS

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	$ 53,180,541	$ -	$ -	$ -	$ 53,180,541
Construction in progress	74,623,071	29,559,668	-	(13,478,522)	90,704,217
Total Non Depreciable Capital Assets	127,803,612	29,559,668	-	(13,478,522)	143,884,758
Other capital assets:					
Land improvements	20,593,846	43,378	-	707,704	21,344,928
Buildings	335,840,594	77,585	-	1,123,707	337,041,886
Paved Facilities	265,670,526	169,254	-	7,487,087	273,326,867
Furniture and fixtures	4,047,434	56,499	-	-	4,103,933
Machinery and Equipment	38,146,359	829,289	-	4,160,024	43,135,672
Total Other Capital Assets	664,298,759	1,176,005	-	13,478,522	678,953,286
Total Capital Assets	792,102,371	30,735,673	-	-	822,838,044
Accumulated depreciation:					
Land improvements	(11,650,394)	(1,367,726)	-	-	(13,018,120)
Buildings	(160,465,144)	(10,730,685)	-	-	(171,195,829)
Paved Facilities	(149,656,494)	(11,341,297)	-	-	(160,997,791)
Furniture and fixtures	(2,679,452)	(275,864)	-	-	(2,955,316)
Machinery and Equipment	(23,692,952)	(3,284,750)	-	-	(26,977,702)
Total Accumulated Depreciation	(348,144,436)	(27,000,322)	-	-	(375,144,758)
Capital Assets, Net	$ 443,957,935	$ 3,735,351	$ -	$ -	$ 447,693,286

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Land	$ 53,180,541	$ -	$ -	$ -	$ 53,180,541
Construction in progress	58,873,095	42,171,722	-	(26,421,746)	74,623,071
Total Non Depreciable Capital Assets	112,053,636	42,171,722	-	(26,421,746)	127,803,612
Other capital assets:					
Land improvements	20,593,846	-	-	-	20,593,846
Buildings	324,435,523	239,359	-	11,165,712	335,840,594
Paved Facilities	252,653,249	84,223	-	12,933,054	265,670,526
Furniture and fixtures	3,300,099	18,812	-	728,523	4,047,434
Machinery and Equipment	35,580,032	971,870	-	1,594,457	38,146,359
Total Other Capital Assets	636,562,749	1,314,264	-	26,421,746	664,298,759
Total Capital Assets	748,616,385	43,485,986	-	-	792,102,371
Accumulated depreciation:					
Land improvements	(10,240,170)	(1,410,224)	-	-	(11,650,394)
Buildings	(149,797,417)	(10,667,727)	-	-	(160,465,144)
Paved Facilities	(137,639,492)	(12,017,002)	-	-	(149,656,494)
Furniture and fixtures	(2,411,307)	(268,145)	-	-	(2,679,452)
Machinery and Equipment	(20,526,659)	(3,166,293)	-	-	(23,692,952)
Total Accumulated Depreciation	(320,615,045)	(27,529,391)	-	-	(348,144,436)
Capital Assets, Net	$ 428,001,340	$ 15,956,595	$ -	$ -	$ 443,957,935

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS

Changes in long-term obligations for the years ended June 30, 2021 and 2020 consist of:

	Balance 6/30/2020	Increase	Decrease	Balance 6/30/2021	Current Maturities
General obligation bonds					
Airport Revenue Bonds:					
Series 2013A Airport Refunding (b)	$ 13,855,000	$ -	$ (2,145,000)	$ 11,710,000	$ 2,230,000
Series 2016A Airport Refunding (c)	38,020,000	-	(1,330,000)	36,690,000	1,370,000
Total	51,875,000	-	(3,475,000)	48,400,000	3,600,000
Notes from direct borrowings and direct placements					
Airport Revenue Bonds:					
Series 2001A&B (a)	14,876,933	-	(8,492,640)	6,384,293	1,542,276
Total	14,876,933	-	(8,492,640)	6,384,293	1,542,276
Add: Bond premium paid, net	6,335,803	-	(530,615)	5,805,188	-
Total Long-Term Debt	$ 73,087,736	$ -	$ (12,498,255)	$ 60,589,481	$ 5,142,276

	Balance 6/30/2019	Increase	Decrease	Balance 6/30/2020	Current Maturities
General obligation bonds					
Airport Revenue Bonds:					
Series 2013A Airport Refunding (b)	$ 15,935,000	$ -	$ (2,080,000)	$ 13,855,000	$ 2,145,000
Series 2016A Airport Refunding (c)	39,305,000	-	(1,285,000)	38,020,000	1,330,000
Total	55,240,000	-	(3,365,000)	51,875,000	3,475,000
Notes from direct borrowings and direct placements					
Airport Revenue Bonds:					
Series 2001A&B (a)	17,408,581	-	(2,531,648)	14,876,933	2,613,493
PFC Revenue Bonds:					
Series 2016A (d)	1,826,040	-	(1,826,040)	-	-
Series 2016B (d)	1,512,567	-	(1,512,567)	-	-
Total	20,747,188	-	(5,870,255)	14,876,933	2,613,493
Add: Bond premium paid, net	6,866,418	-	(530,615)	6,335,803	-
Total Long-Term Debt	$ 82,853,606	$ -	$ (9,765,870)	$ 73,087,736	$ 6,088,493

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

The aggregate amount of debt service on long-term debt following June 30, 2021, is as follows:

Long-Term Debt

Year	General Obligation Bonds Revenue		Notes from Direct Borrowings and Direct Placements Revenue		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 3,600,000	$ 2,047,238	$ 1,542,276	$ 48,807	$ 5,142,276	$ 2,096,045
2023	3,635,000	1,881,575	1,559,196	28,279	5,194,196	1,909,854
2024	4,090,000	1,688,450	1,569,910	17,565	5,659,910	1,706,015
2025	4,130,000	1,495,750	1,580,698	6,777	5,710,698	1,502,527
2026	3,755,000	1,348,975	132,213	73	3,887,213	1,349,048
2027-2031	9,215,000	5,505,425	-	-	9,215,000	5,505,425
2032-2036	11,685,000	2,972,450	-	-	11,685,000	2,972,450
2037-2039	8,290,000	506,200	-	-	8,290,000	506,200
Total	$ 48,400,000	$ 17,446,063	$ 6,384,293	$ 101,501	$ 54,784,293	$ 17,547,564

(a) *Airport Revenue Bonds*, Series 2001A (Non-AMT) and Series 2001B (AMT)

On January 30, 2001, the Commission adopted the Sixth Supplemental Bond Resolution Authorizing Airport Revenue Bonds $26,995,000, Series 2001A (Non-AMT) and $22,065,000 Airport Revenue Bond, Series 2001B (AMT). The bonds were issued on February 8, 2001 to the Virginia Resources Authority (the “VRA”), which is organized and exists as a public body corporate and a political subdivision of the Commonwealth of Virginia. The VRA has been designated by the Commonwealth of Virginia to direct the distribution of loans from the Virginia Airports Revolving Fund to certain local governments to finance airport infrastructure projects at government-owned facilities.

The proceeds of the bonds were used along with other money to finance the construction of a new 1900 space public parking garage, a concourse extension, the refurbishment of the existing terminal and concourses as well as refinance the purchase of 12 acres of land for satellite public parking. Through February 29, 2004, proceeds from the bonds were requisitioned from VRA to reimburse the Commission for the above projects. Beginning March 1, 2004, VRA allowed the remaining 2001A and B proceeds ($611,756 and $4,440,957, respectively) to be transferred to SNAP project funds. All of the 2001A and B SNAP project funds have been used as of April 2005. The bonds are dated the date of delivery to the account of VRA and mature on January 1, 2027. The Series 2001A bear interest at 4.36% (Series 2001B at 4.53%) on the unpaid principal from the date of each advance until payment of the entire principal amount.

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

(a) *Airport Revenue Bonds*, Series 2001A (Non-AMT) and Series 2001B (AMT) (continued)

In November 2010, the Commission approved a resolution for the interest rate reduction agreement of the 2001A and the 2001B Series Bonds issued through the VRA. The bonds were refinanced effective August 23, 2011. The 2001A Series Bonds bear interest at 3.11% and the 2001B Series Bonds bear interest at 3.28%. Total savings in interest over the remaining life of the bonds will be approximately $2.8 million. The monthly principal and interest payments on the Series 2001A and Series 2001B are respectively $138,908 and $115,275.

In March 2021, the Commission approved a resolution for the interest rate reduction agreement of the 2001A and the redemption of the 2001B Series Bonds issued through the VRA. The 2001A Series bonds were refinanced effective June 24, 2021. The bonds bear interest at 0.685%. Total savings in interest over the remaining life of the 2001A Series bonds will be approximately $321 thousand. The monthly principal and interest payments on the Series 2001A bonds are $132,290. On June 24, 2021, the Series 2001B bonds were paid off with a payment of $5,891,466 ($5,879,146 principal and $12,320 interest). Total savings in interest is $461,000.

(b) *Revenue Refunding Bonds, Series 2013A*

On April 24, 2013, the Commission issued Airport Revenue Refunding Bonds Series 2013A in the amount of $21,870,000, secured by an Airport Revenue Bond Resolution adopted by the Commission November 21, 1984, as amended and supplemented, including a Twelfth Supplemental Bond Resolution adopted by the Commission on February 26, 2013. The net proceeds of the bonds were combined with other available resources to establish an irrevocable trust to effectively defease the outstanding principal amount of the 2005A Revenue Bonds maturing on July 1 in the years 2016 through 2025 totaling $22,955,000. Principal payments are due each year on July 1 starting in 2014 through 2025. Interest on the bonds is payable semi- annually each January 1 and July 1. The estimated net present value savings is $1,929,000. As a result of the refunding, total debt service payments decreased by $2,181,934 resulting in an economic gain of $1,929,376.

(c) *Airport Revenue Bonds, Series 2016A*

The Commission issued Airport Revenue Refunding Bond Series 2016A on June 1, 2016, in the amount of $39,305,000. The bonds were issued under and secured by the Airport Revenue Bond Resolution adopted by the Commission on November 2l, l984 (the "Master Resolution"), as amended and supplemented from time to time, including a Thirteenth Supplemental Bond Resolution adopted by the Commission on April 26, 2016 (the "Thirteenth Supplemental Resolution," and together with the Master Resolution, the "Bond Resolution"). The Commission used the net proceeds of the Series 2016A Bonds, together with other funds of the Commission, to refund a portion of its Airport Revenue Bonds, Series 2008A, to fund a debt service reserve subaccount for the Series 2016A Bonds, and to pay certain costs of their issuance. The Series 2016A Bonds bear a variable interest rate from 3% to 5%. Interest is payable on each January 1 and July 1 until maturity or earlier redemption. Principal payments began on July 1, 2019. The Series 2016A Bonds were issued in fully registered form and in denominations of $5,000 or integral multiples thereof. The reacquisition price exceeded the net carrying amount

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

(c) Airport Revenue Bonds, Series 2016A (continued)

of the old debt by $4,329,914. This amount is reported as the deferred charge on refunding and amortized over the remaining life of the refunded debt. The refunding will reduce total debt service payments over 22 years by $7,192,885, resulting in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $5,358,514.

(d) Passenger Facility Charge Revenue Bonds, Series 2016A (AMT) and Series 2016B (Non-AMT)

On June 1, 2016, the Commission issued Passenger Facility Charge Revenue Bonds, Series 2016A (AMT) and Series 2016B (Non-AMT) in the amounts of $7,165,000 and $5,935,000, respectively. The Bonds were issued pursuant to Chapter 537 of the Virginia Acts of Assembly of 1975, as continued by Chapter 380 of the Virginia Acts of Assembly of 1980. The Bonds were issued under and are equally and ratably secured by a Master Indenture of Trust dated as of March 1, 2005, as previously supplemented and amended, and as further supplemented by a Second Supplemental Indenture of Trust dated as of May 16, 2016. The Commission has refunded in whole and redeemed in full its Passenger Facility Charge Revenue Bonds, 2005 Series. The purposes of the refunding was to finance or refinance the costs of certain facilities at the Airport. Monthly principal and interest payments on the Series 2016A in the amount of $153,235 and Series 2016B in the amount of $126,930 were made July 1, 2016 to June 1, 2020, when the bond matured. The interest on the bonds was at a fixed rate of 1.29%.

(e) Restricted Assets

Certain cash and investments are restricted by bond resolutions for the following purposes:

	2021	2020
Cost of issuance	$ 134,168	$ 134,168
Debt service	12,986,570	12,927,000
Equipment and capital outlay	37,944,755	54,184,418
Operation and maintenance	19,371,453	18,915,021
	$ 70,436,946	$ 86,160,607

(f) Bond Covenants

The bond resolutions contain restrictive covenants with respect to incurring additional indebtedness, sale, lease, or encumbrance of property, maintenance of facility, agreements with airlines and other matters common to such bond issues.

At June 30, 2021, the Commission was not in compliance with the provisions of the revenue bond covenants debt coverage ratio. The covenants require that net revenues shall at all times not be less than the greater of 1.0 times the sum of the aggregate debt service and 1.25 times the aggregate debt service on bonds. CARES Act funds are not permitted to be included in the net revenues calculation.

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

(f) Bond Covenants (continued)

The Commission's debt service coverage was .79 on the aggregate debt service and 1.11 on the aggregate debt services on bonds for the year ended June 30, 2021. The indenture requires that the commission cannot be in default of this requirement for two consecutive fiscal years. As a result, the Commission has engaged a consultant in accordance with the bond resolution requirement. The fiscal year 2022 budget provides for net revenues that exceed 1.0 times the sum of the aggregate debt service and 1.25 times the aggregate debt service on bonds.

(g) Arbitrage

The Commission is subject to arbitrage rebate liability in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended, and the Final U.S. Treasury Regulations 1.148-1 through 1.148-11 issued on June 19, 1993 and amended on May 9, 1997. There was no accrued arbitrage liability for the years ended June 30, 2021 and June 30, 2020.

Note 6. MAJOR CUSTOMERS

Due to the nature of the Commission's operations, the majority of its operating revenues are from several large customers. The operating revenues from two major customers were $1,402,800 (4.3%) and $1,148,468 (3.5%) for the year ended June 30, 2021, and $2,703,961 (5.1%) and $2,337,846 (4.4%) for the year ended June 30, 2020.

Note 7. FUTURE RENTAL AND CONCESSION INCOME UNDER OPERATING LEASES

The following is a schedule by years of minimum future rental and concession income under non-cancelable operating leases with tenants and concessionaires as of June 30, 2021:

Fiscal Year	Amount
2022	$ 11,612,222
2023	4,077,602
2024	2,774,208
2025	2,437,380
2026	1,695,983
2027-2031	4,428,811
2032-2036	2,021,013
	$ 29,047,219

The Commission had rental and concession income of $18,162,889 and $21,637,881 in 2021 and 2020, respectively, which is included in operating revenues. Rental income is derived from various lease space within the terminal building, other buildings, and the rental of Airport land property. Concession income is derived from various concession agreements from food and beverage, retail sales and rental car companies.

Note 8. PENSION PLAN

Plan Description

All full-time, salaried permanent employees of the Commission are automatically covered by a VRS Retirement Plan upon employment. This plan is an agent multiple-employer plan administered by the Virginia Retirement System (the 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 pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as 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.

Benefit Structures

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, as detailed below.

a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 8. PENSION PLAN (continued)

Average Final compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier 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.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2019 and June 30, 2018 actuarial valuations, the following employees were covered by the benefit terms of the pension plan:

	2019 Valuation	2018 Valuation
Inactive members or their beneficiaries currently receiving benefits	102	95
Inactive members:		
Vested inactive members	42	42
Non-vested inactive members	103	96
Inactive members active elsewhere in VRS	61	63
Total inactive members	206	201
Active members	189	187
Total covered employees	497	483

Note 8. PENSION PLAN (continued)

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 5.0% of their compensation toward their retirement.

The Commission's contractually required employer contribution rate for the year ended June 30, 2021 was 9.72% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The Commission's contractually required employer contribution rate for the year ended June 30, 2020 was 8.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, 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 to the pension plan from the Commission were $682,944 and $693,622 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Commission's net pension liability was measured as of June 30, 2020 and June 30, 2019. The total pension liability used to calculate the net pension liability was determined by actuarial valuations performed as of June 30, 2019 and June 30, 2018, rolled forward to the measurement date of June 30, 2020 and June 30, 2019.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on actuarial valuations as of June 30, 2019 and June 30, 2018, 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, 2020 and June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Note 8. PENSION PLAN (continued)

Actuarial Assumptions – General Employees

Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount rate	Decreased rate from 7.00% to 6.75%

Note 8. PENSION PLAN (continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Commission's Retirement Plan was based on actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

Note 8. PENSION PLAN (continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

This space intentionally left blank.

Note 8. PENSION PLAN (continued)

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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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

Note 8. PENSION PLAN (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	$ 39,021,466	$ 36,631,753	$ 2,389,713
Changes for the year:			
Service cost	$ 1,108,776	$ -	$ 1,108,776
Interest	2,569,899	-	2,569,899
Differences between expected and actual experience	210,416	-	210,416
Contributions - employer	-	684,049	(684,049)
Contributions - employee	-	424,956	(424,956)
Net investment income	-	693,824	(693,824)
Benefit payments, including refunds of employer contributions	(1,897,777)	(1,897,777)	-
Administrative expenses	-	(23,977)	23,977
Other changes	-	(823)	823
Net changes	$ 1,991,314	$ (119,748)	$ 2,111,062
Balances at June 30, 2020	$ 41,012,780	$ 36,512,005	$ 4,500,775

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2018	$ 35,622,064	$ 34,720,060	$ 902,004
Changes for the year:			
Service cost	$ 1,027,458	$ -	$ 1,027,458
Interest	2,440,776	-	2,440,776
Assumption changes	1,086,066	-	1,086,066
Differences between expected and actual experience	352,766	-	352,766
Contributions - employer	-	695,507	(695,507)
Contributions - employee	-	427,764	(427,764)
Net investment income	-	2,320,346	(2,320,346)
Benefit payments, including refunds of employer contributions	(1,507,664)	(1,507,664)	-
Administrative expenses	-	(22,798)	22,798
Other changes	-	(1,462)	1,462
Net changes	$ 3,399,402	$ 1,911,693	$ 1,487,709
Balances at June 30, 2019	$ 39,021,466	$ 36,631,753	$ 2,389,713

Note 8. PENSION PLAN (continued)

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

The following presents the net pension liability of the Commission using the discount rate of 6.75%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	Current Discount	1% Increase
Capital Region Airport Commissio	2020	$ 9,412,075	$ 4,500,775	$ 387,478
Net Pension Liability(Asset)	2019	7,235,731	2,389,713	(1,489,670)

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

For the year ended June 30, 2021, the Commission recognized pension expense of $1,356,183. At June 30, 2021, the Commission 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	$ 256,434	$ 14,696
Change in assumptions	362,022	-
Net difference between projected and actual earnings on pension plan investments	1,096,317	-
Employer contributions subsequent to the measurement date	682,944	-
Total	$ 2,397,717	$ 14,696

Note 8. PENSION PLAN (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2020, the Commission recognized pension expense of $642,031. At June 30, 2020, the Commission 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	$ 235,177	$ 382,089
Change in assumptions	724,044	-
Net difference between projected and actual earnings on pension plan investments	-	315,983
Employer contributions subsequent to the measurement date	693,622	-
Total	$ 1,652,843	$ 698,072

$682,944 and $693,622 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal years ended June 30, 2022 and June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	2021	Year ended June 30	2020
2022	$ 572,064	2021	$ 101,007
2023	408,317	2022	150,222
2024	369,423	2023	(9,231)
2025	350,273	2024	19,151
2026	-	2025	-
Thereafter	-	Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Employees Covered by Benefit Terms

As of the June 30, 2019 and June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	2019 Valuation	2018 Valuation
Inactive members or their beneficiaries currently receiving benefits	31	27
Active members	189	187
Total covered employees	220	214

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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 Commission's contractually required employer contribution rate for the year ended June 30, 2021 was .31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The Commission contractually required employer contribution rate for the year ended June 30, 2020 was .21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 Commission to the HIC Plan were $23,342 and $18,667 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net HIC OPEB Liability

The Commission net Health Insurance Credit OPEB liability was measured as of June 30, 2020 and June 30, 2019. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2019 and June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020 and June 30, 2019.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019 and June 30, 2018, 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 dates of June 30, 2020 and June 30, 2019.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

This space intentionally left blank.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investement Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the total HIC 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 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, 2020, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	$ 292,517	$ 34,026	$ 258,491
Changes for the year:			
Service cost	$ 8,701	$ -	$ 8,701
Interest	19,114	-	19,114
Difference between expected and actual experience	5,418	-	5,418
Contributions - employer	-	18,667	(18,667)
Net investment income	-	603	(603)
Benefit payments, including refunds of employee contributions	(18,680)	(18,680)	-
Administrative expenses	-	(67)	67
Net changes	$ 14,553	$ 523	$ 14,030
Balances at June 30, 2020	$ 307,070	$ 34,549	$ 272,521

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2018	$ 150,460	$ 25,624	$ 124,836
Changes for the year:			
Service cost	$ 8,076	$ -	$ 8,076
Interest	10,103	-	10,103
Changes of assumptions	7,333	-	7,333
Difference between expected and actual experience	128,810	-	128,810
Contributions - employer	-	18,732	(18,732)
Net investment income	-	1,982	(1,982)
Benefit payments, including refunds of employee contributions	(12,265)	(12,265)	-
Administrative expenses	-	(45)	45
Other changes	-	(2)	2
Net changes	$ 142,057	$ 8,402	$ 133,655
Balances at June 30, 2019	$ 292,517	$ 34,026	$ 258,491

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Sensitivity of the Commission's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the Commission's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Commission's net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	**Current Discount**	**1% Increase**
Commission's	2020	$ 306,564	$ 272,521	$ 243,528
Net HIC OPEB Liability	2019	291,017	258,491	230,832

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2021, the Commission recognized HIC Plan OPEB expense of $45,571. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Commission's HIC Plan from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 95,449	$ -
Changes of assumptions	5,123	5,141
Net difference between projected and actual earnings on HIC OPEB plan investments	1,215	-
Employer contributions subsequent to the measurement date	23,342	-
Total	$ 125,129	$ 5,141

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (continued)

For the year ended June 30, 2020, the Commission recognized HIC Plan OPEB expense of $35,030. At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Commission's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 110,063	$ -
Changes of assumptions	6,243	6,535
Net difference between projected and actual earnings on HIC OPEB plan investments	-	251
Employer contributions subsequent to the measurement date	18,667	-
Total	$ 134,973	$ 6,786

$23,342 and $18,667 reported as deferred outflows of resources related to the HIC OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal years ending June 30, 2022 and June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	2021	Year Ended June 30	2020
2022	$ 19,983	2021	$ 18,823
2023	20,062	2022	18,823
2024	20,105	2023	18,902
2025	20,382	2024	18,945
2026	15,628	2025	19,221
Thereafter	486	Thereafter	14,806

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN)

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts 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. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,616 as of July 30, 2021.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Contributions

The contribution requirements for the GLI Plan 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 provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% and 1.31% of covered employee compensation for 2020 and 2019, respectively. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and 0.79% (1.31% x 60%) and the employer component was 0.54% (1.34% x 40%) and 0.52% (1.31% x 40%) for 2020 and 2019, respectively. 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 years ended June 30, 2021 and June 30, 2020 was 0.54% and 0.52% of covered employee compensation, respectively. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and June 30, 2017, respectively. 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 GLI Plan from the Commission were $40,772 and $46,504 for the years ended June 30, 2021 and June 30, 2020, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2021 and June 30, 2020, the entity reported a liability of $724,108 and $743,661, respectively for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and June 30, 2019. The total GLI OPEB liability used to calculate the June 30, 2021 Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The Commission's proportion of the Net GLI OPEB Liability was based on the Commission's actuarially determined employer contributions to the GLI Plan for the years ended June 30, 2020 and June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the Commission's proportion was .04339% as compared to .04570% at June 30, 2019 and .04539% at June 30, 2018.

For the years ended June 30, 2021 and June 30, 2020, the Commission recognized GLI OPEB expense of $31,363 and $25,848, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)

At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,445	$ 6,504
Net difference between projected and actual earnings on GLI OPEB plan investments	21,752	-
Change in assumptions	36,214	15,120
Changes in proportionate share	28,652	29,474
Employer contributions subsequent to the measurement date	40,772	-
Total	$ 173,835	$ 51,098

At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,458	$ 9,645
Net difference between projected and actual earnings on GLI OPEB plan investments	-	15,275
Change in assumptions	46,950	22,425
Changes in proportionate share	37,282	-
Employer contributions subsequent to the measurement date	46,504	-
Total	$ 180,194	$ 47,345

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB *(continued)*

$40,772 and $46,504 reported as deferred outflows of resources related to the GLI OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal years ending June 30, 2022 and June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	2021	Year Ended June 30	2020
2022	$ 14,657	2021	$ 11,294
2023	20,799	2022	11,295
2024	25,666	2023	17,764
2025	21,271	2024	22,929
2026	454	2025	18,547
Thereafter	(882)	Thereafter	4,516

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019 and June 30, 2018, 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, 2020 and June 30, 2019. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Actuarial Assumptions: (continued)

Mortality Rates – Non-Largest Ten Locality Employers-General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Actuarial Assumptions: (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI 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.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the total GLI 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 ended June 30, 2020, the rate contributed by the Commission for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the Commission's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	Current Discount	1% Increase
Commission's proportionate				
share of the GLI Plan	2020	$ 951,895	$ 724,108	$ 539,123
Net OPEB Liability	2019	976,965	743,661	554,458

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for LODA OPEB, including eligibility, coverage and benefits is described below:

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the LODA.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2021 and June 30, 2020 was $717.31 and $705.77, respectively per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and June 30, 2017, respectively and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were $33,714 and $32,465 for the years ended June 30, 2021 and June 30, 2020, respectively.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB

At June 30, 2021 and June 30, 2020, the entity reported a liability of $1,000,508 and $905,612, respectively for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2020 and June 30, 2019. The total LODA OPEB liability used to calculate the June 30, 2021 Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the years ended June 30, 2020 and June 30, 2019 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2020, the entity's proportion was .23889% as compared to .25241% at June 30, 2019 and .23438% at June 30, 2018.

For the years ended June 30, 2021 and June 30, 2020, the entity recognized LODA OPEB expense of $91,600 and $80,309, respectively. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 106,206	$ 136,403
Net difference between projected and actual earnings on LODA OPEB program investments	-	1,423
Change in assumptions	267,844	62,347
Change in proportionate share	97,681	92,593
Employer contributions subsequent to the measurement date	33,714	-
Total	$ 505,445	$ 292,766

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB (continued)

At June 30, 2020, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 131,630	$ -
Net difference between projected and actual earnings on LODA OPEB program investments	-	1,793
Change in assumptions	42,492	78,506
Change in proportionate share	113,873	64,437
Employer contributions subsequent to the measurement date	32,465	-
Total	$ 320,460	$ 144,736

$33,714 and $32,465 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2022 and June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30	2021	Year Ended June 30	2020
2022	$ 23,445	2021	$ 17,067
2023	23,708	2022	17,070
2024	23,988	2023	17,348
2025	24,071	2024	17,643
2026	24,159	2025	17,730
Thereafter	59,594	Thereafter	56,401

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	2.21%, including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return. The assumed annual rate of return of 3.50% was used in the 2019 measurement since it approximated the risk-free rate of return.

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

Net LODA OPEB Liability

The net OPEB liability (NOL) for the Line of Duty Act Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of measurement date of June 30, 2020, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	$ 423,147
Plan Fiduciary Net Position	4,333
LODA Net OPEB Liability (Asset)	$ 418,814
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.02%

The total LODA OPEB liability is calculated by the System's actuary, and each 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.21% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of the measurement date of June 30, 2020.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.21% and 3.50% at 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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 ended June 30, 2019, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the Commission's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net LODA OPEB liability using the 2020 discount rate of 2.21%, as well as what the Commission's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate. The 2019 share is presented using the discount rate of 3.50%, as well as the one percentage point decrease (2.50%) and one percentage point increase of 4.50%.

			Discount Rate	
		1% Decrease	**Current**	**1% Increase**
Commission's proportionate				
share of the LODA	2020	$ 1,187,590	$ 1,000,508	$ 859,490
Net OPEB Liability	2019	1,050,575	905,612	790,956

Sensitivity of the Commission's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the Commission's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the Commission's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate. The 2019 share is presented using the health care trend rate of 7.75% decreasing to 4.75% as well as the one percentage point decrease and one percentage point increase.

			Health Care Trend Rates	
		1% Decrease	**Current**	**1% Increase**
Commission's proportionate				
share of the LODA	2020	$ 826,953	$ 1,000,508	$ 1,227,516
Net OPEB Liability	2019	765,686	905,612	1,082,073

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP)

Plan Description

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 plan employees either through a local plan or through the Virginia Local Disability Program (VLDP). This is a multiple-employer, cost-sharing plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia.

The specific information for the VLDP OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

The Political Subdivision VLDP was implemented January 1, 2014 to provide benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision VLDP.

Benefit Amounts

The VLDP provides a short-term disability benefit 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.

The VLDP provides a long-term disability benefit 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.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP 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 active hybrid plan employees is governed by §51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the years ended June 30, 2021 and June 30, 2020 was 0.83% and 0.72%, respectively of covered employee compensation for employees in the VRS Political Subdivision Employee VDLP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and June 30, 2017, respectively. 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 Commission to the VRS Political Subdivision Employee VDLP were $16,479 and $14,031 for the years ended June 30, 2021 and June 30, 2020, respectively.

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB

At June 30, 2021 and June 30, 2020, the Commission reported a liability of $5,228 and $10,933, respectively for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2020 and June 30, 2019, respectively. The total VLDP OPEB liability used to calculate the June 30, 2020 Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The Commission's proportion of the Net VLDP OPEB Liability was based on the Commission's actuarially determined employer contributions to the VLDP OPEB plan for the years ended June 30, 2020 and June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the Commission's proportion of the VLDP was 0.52367% as compared to 0. 53970% at June 30, 2019 and 0. 59935% at June 30, 2018.

For the years ended June 30, 2021 and June 30, 2020, the Commission recognized VLDP OPEB expense of $14,946 and $12,756, respectively. Since there was a change in proportionate share between measurement dates a portion of the VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB: (continued)

At June 30, 2021, the Commission 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	$ 4,235	$ 6,137
Net difference between projected and actual earnings on VLDP OPEB program investments	555	-
Change in assumptions	242	349
Changes in proportionate share	-	522
Employer contributions subsequent to the measurement date	16,479	-
Total	$ 21,511	$ 7,008

At June 30, 2020, the Commission 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	$ 5,484	$ 336
Net difference between projected and actual earnings on VLDP OPEB program investments	37	-
Change in assumptions	313	418
Changes in proportionate share	-	459
Employer contributions subsequent to the measurement date	14,031	-
Total	$ 19,865	$ 1,213

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB: (continued)

$16,479 and $14,031 reported as deferred outflows of resources related to the VLDP OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net VLDP OPEB Liability in the fiscal year ending June 30, 2022 and June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Year Ended June 30	2021	Year Ended June 30	2020
2022	$ 389	2021	$ 961
2023	378	2022	954
2024	388	2023	948
2025	355	2024	960
2026	(729)	2025	923
Thereafter	(2,757)	Thereafter	(125)

Actuarial Assumptions

The total VLDP OPEB liability for the VLDP was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50%-5.95%
Investment rate of return	6.75%, net of program investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB: (continued)

Actuarial Assumptions (continued)

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Net VLDP OPEB Liability

The net OPEB liability (NOL) for the Political Subdivision Employee 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, 2020, NOL amounts for the VRS Political Subdivision Employee VLDP is as follows (amounts expressed in thousands):

		Political Subdivision VLDP OPEB Plan
Total Political Subdivision VLDP OPEB Liability	$	4,317
Plan Fiduciary Net Position		3,317
Political Subdivision VLDP net OPEB Liability (Asset)	$	1,000
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability		76.84%

The total Political Subdivision Employee VLDP 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 Political Subdivision Employee VLDP 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.

This space intentionally left blank.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS 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 VRS 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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the total VLDP OPEB 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 at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2020, the rate contributed by the Commission for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VLDP OPEB 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 VLDP OPEB liability.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Sensitivity of the Commission's Proportionate Share of the VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net VLDP OPEB liability using the discount rate of 6.75%, as well as what the Commission's proportionate share of the net VLDP OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate. The 2018 share is presented using the discount rate of 7.00% as well as the one percentage point decrease (6.00%) and one percentage point increase of 8.00%.

		Rate		
		1% Decrease	**Current Discount**	**1% Increase**
Commission's				
proportionate share of the	2020	$ 7,011	$ 5,228	$ 3,674
VLDP Net OPEB Liability	2019	12,573	10,933	9,499

Political Subdivision Employee VLDP OPEB Fiduciary Net Position

Detailed information about the VRS Political Subdivision Employee Virginia Local Disability Program's Fiduciary Net Position is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/ publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES

Plan Description

In addition to the benefits provided through VRS, the Commission administers a single-employer defined benefit healthcare plan, The Capital Region Airport Commission Pre-65 Medical Plan for Retirees. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Commission's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits provided to eligible retirees include medical, dental, and vision coverage. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the Commission with a minimum of 15 years of continuous service that retire on or after July 1, 2019, are eligible to enroll in Commission sponsored medical plan at full cost of medical plan premiums until retiree reaches age 65. Retirees who have at least 15 years of service credit in VRS and who are participating in an acceptable health insurance plan are eligible for a health insurance credit to assist with the cost of their health insurance premiums. Disabled retirees are eligible for the full credit regardless of their length of service. The health insurance credit payment cannot exceed the amount of the health insurance premium for the retiree-only coverage. The plan does not include a pre-retirement death benefit.

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES

Plan Membership

At June 30, 2021 and 2020 (measurement date), the following employees were covered by the benefit terms:

	2021 Valuation	2020 Valuation
Total active employees with coverage	$ 133	$ 180
Total retirees with coverage	5	-
Total spouses of retirees with coverage	3	-
Total	$ 141	$ 180

Contributions

The Commission does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Commission. There is no amount paid by the Commission for OPEB as 100% of premiums are paid directly by retirees.

Total OPEB Liability

The Commission's total OPEB liability was measured as of June 30, 2021 and June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of the valuation date, using updated actuarial assumptions, applied to all periods included in the measurement and projected forward to the measurement dates of June 30, 2021 and June 30, 2020. Any significant changes during this period have been reflected as prescribed by GASB 74 and GASB 75.

Actuarial Assumptions

The total OPEB liability in the January 1, 2021 and January 1, 2019 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2021 2.50% per year as of June 30, 2020
Salary Increases	5.35% for 1 year gradually declining to 3.50% for 20 or more years of service for both 2020 and 2021
Discount Rate	2.16% as of June 30, 2021 2.21% as of June 30, 2020

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES: (continued)

Actuarial Assumptions (continued)

Mortality rates for Active employees and healthy retirees were based on a RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 while mortality rates for disabled retirees were based on a RPH-2015 Disabled Mortality Table fully generational using scale MP-15. The RPH-2015 table is calculated based on a RPH-2014 table with 8 years of MP-2014 mortality improvement backed out and projected to 2015 using scale MP-2015.

The date of the most recent actuarial experience study for which significant assumptions were based covered the period from July 1, 2012 to June 30, 2016. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 26, 2017.

The Long-Term Expected Rate of Return on OPEB Plan investments is 2.16% as of June 30, 2021 and 2.21% as of June 30, 2020.

Discount Rate

The discount rates are based on the Bond Buyer General Obligation 20-Bond Municipal Index as of their respective measurement dates.

Changes in Total OPEB Liability

	2021	2020
Balances at July 1	$ 581,755	$ 381,841
Changes for the year:		
Service cost	28,769	26,651
Interest	12,984	14,297
Difference between expected and actual experience	(70,418)	117,207
Changes in assumptions	20,698	41,759
Benefit payments	(46,281)	-
Net changes	(54,248)	199,914
Balances at June 30	$ 527,507	$ 581,755

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES: (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate (2.16%). The 2020 discount rate was 2.21%:

	Rate		
	1% Decrease	Current Discount	1% Increase
Total OPEB Liability			
2021	$ 568,197	$ 527,507	$ 490,226
2020	626,547	581,755	540,578

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates (8.90% decreasing to an ultimate rate of 4.00%) that are one percentage point lower (7.90% decreasing to an ultimate rate of 3.00%) or one percentage point higher (9.90% decreasing to an ultimate rate of 5.00%) than the current healthcare cost trend rates. The 2020 healthcare cost trend rates were (7.90% decreasing to an ultimate rate of 4.00%).

	Rates		
	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB Liability			
2021	$ 472,501	$ 527,507	$ 593,252
2020	517,298	581,755	658,604

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the Commission recognized OPEB expense in the amount of $66,148. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ 68,371	$ 58,064
Changes in assumptions	41,426	-
Total	$ 109,797	$ 58,064

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES: (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

For the year ended June 30, 2020, the Commission recognized OPEB expense in the amount of $74,066. At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ 92,789	$ -
Changes in assumptions	33,059	-
Total	$ 125,848	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30	2021	Year Ended June 30	2020
2022	$ 24,395	2021	$ 33,118
2023	24,395	2022	33,118
2024	17,771	2023	33,118
2025	(8,723)	2024	26,494
2026	(6,105)	2025	-
Thereafter	-	Thereafter	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

Note 14. OPEB PLANS SUMMARY

The below tables summarize the OPEB plans aggregate totals of net OPEB liabilities, deferred outflows of resources, deferred inflows of resources, OPEB expense, and changes in the liability:

	Deferred Outflows	Deferred Inflows	Total/Net OPEB Liabilities	OPEB Expense
2021				
VRS OPEB Plans:				
Health Insurance Credit Program (Note 9)	$ 125,129	$ (5,141)	$ (272,521)	$ 45,571
Group Life Insurance Plan (Note 10)	173,835	(51,098)	(724,108)	31,363
Line of Duty Act Program (Note 11)	505,445	(292,766)	(1,000,508)	91,600
Virginia Local Disability Program (Note 12)	21,511	(7,008)	(5,228)	14,946
Retiree Medical Plan (Note 13)	109,797	(58,064)	(527,507)	66,148
Totals at June 30, 2021	$ 935,717	$ (414,077)	$ (2,529,872)	$ 249,628
2020				
VRS OPEB Plans:				
Health Insurance Credit Program (Note 9)	$ 134,973	$ (6,786)	$ (258,491)	$ 35,030
Group Life Insurance Plan (Note 10)	180,194	(47,345)	(743,661)	25,848
Line of Duty Act Program (Note 11)	320,460	(144,736)	(905,612)	80,309
Virginia Local Disability Program (Note 12)	19,865	(1,213)	(10,933)	12,756
Retiree Medical Plan (Note 13)	125,848	-	(581,755)	74,066
Totals at June 30, 2020	$ 781,340	$ (200,080)	$ (2,500,452)	$ 228,009

	Beginning Balance	Increase	Decrease	Ending Balance
2021				
VRS OPEB Plans:				
Health Insurance Credit Program (Note 9)	$ 258,491	$ 33,300	$ (19,270)	$ 272,521
Group Life Insurance Program (Note10)	743,661	211,771	(231,324)	724,108
Line of Duty Act Program (Note11)	905,612	708,067	(613,171)	1,000,508
Virginia Local Disability Program (Note 12)	10,933	21,191	(26,896)	5,228
Retiree Medical Plan (Note 13)	581,755	62,451	(116,699)	527,507
Totals at June 30, 2021	$ 2,500,452	$ 1,036,780	$ (1,007,360)	$ 2,529,872
2020				
VRS OPEB Plans:				
Health Insurance Credit Program (Note 9)	$ 124,836	$ 154,369	$ (20,714)	$ 258,491
Group Life Insurance Program (Note10)	689,000	223,538	(168,877)	743,661
Line of Duty Act Program (Note11)	735,000	530,304	(359,692)	905,612
Virginia Local Disability Program (Note 12)	5,000	19,590	(13,657)	10,933
Retiree Medical Plan (Note 13)	381,841	199,914	-	581,755
Totals at June 30, 2020	$ 1,935,677	$ 1,127,715	$ (562,940)	$ 2,500,452

Note 15. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, the Commission entered into various recurring transactions with certain municipalities relating primarily to water and sewer fees, other utilities, roadway maintenance and advertising contracts.

Note 16. DEFERRED COMPENSATION PLAN

The Commission offers an approved deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All Commission employees are eligible to participate and may defer their gross income not to exceed a maximum of $19,500 for the year 2021; with participants age 50 and older allowed to defer a maximum of $26,000. The compensation deferred is not available to employees until termination, retirement, death or an unforeseeable emergency. All plan assets are held in a custodial account for the exclusive benefit of participants and beneficiaries under the Plan. Accordingly, the related assets and liabilities associated with the plan are not reported as part of the Commission's financial information.

Note 17. COMMITMENTS AND CONTINGENCIES

In the normal course of its operations, the Commission has commitments, contingent liabilities, lawsuits and claims. Commission management does not expect that any amount it may have to pay in connection with any of these matters would have a material adverse effect on the financial position of the Commission. As of June 30, 2021, the Commission had construction commitments of approximately $5.6 million, of which approximately $3.5 million will be paid from federal and state grants.

Note 18. COVID-19 PANDEMIC

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the Commission, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, loss of revenue and shortages of personnel. Federal relief has been received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act ($18.8 million) and the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) in a newly established Airport Coronavirus Response Grant program ($6.1 million) to assist with responding to the impact of COVID-19. The grants were used to fund operating costs (including the purchase of PPE, sanitizing supplies, and other items to curb the spread and return to operations), and pay annual debt service.

The Commission continued with the cost cutting measures at the beginning of the fiscal year to offset the reduction in operating revenues associated with the loss of passenger traffic. The Commission continued the hiring freeze and the economy lots remain closed, eliminating the expense for shuttle operations and related staffing. In January 2021, a monthly review process with management staff was introduced to assist with monitoring the internal spending freeze implemented. The decrease in passenger traffic continued to trigger the MAG adjustment provisions within concession agreements with rental car and food and beverage and retail sales vendors. The Commission issued $2.6 million in credits in the fiscal year.

Note 18. COVID-19 PANDEMIC: (continued)

Management believes the Commission is taking appropriate actions to mitigate the negative impact. Measures include contracting Campbell Hill Aviation Group to forecast enplanements, which are used to adjust the budget throughout the fiscal year based on real time statistics. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

Note 19. SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through the date the financial statements were available to be issued in connection with the preparation of these financial statements. The following events were noted:

CRRSAA Funding

The Commission has received the full award of $6.1 million in federal CRRSAA grant funding reimbursements for operating and debt service expenses.

Debt Refunding

On August 11, 2021, the Commission closed on its 2021 General Airport Revenue Refunding Bonds in the amount of $14.2 million. The bonds refunded $13.6 million of the 2016A (non-AMT) revenue bonds and $545 thousand of the 2013A (taxable) revenue bonds. Gross cash flow savings are $2.1 million and will be realized from FY 2022 through FY 2033. Present value savings are $1.2 million or 7.98% of the bonds refunded.

ARPA Funding

On August 31, 2021, the Commission was awarded $16.7 million in funding from the FAA's Airport Rescue Grant program (ARPA). The funds can be drawn over a 4-year period and used by the Commission to reimburse allowable operating and debt service expenses.

RICHMOND
INTERNATIONAL AIRPORT

REQUIRED SUPPLEMENTARY INFORMATION

Capital Region Airport Commission
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
VRS PENSION PLAN
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017
Total pension liability				
Service cost	$ 1,108,776	$ 1,027,458	$ 951,396	$ 914,853
Interest	2,569,899	2,440,776	2,360,261	2,289,579
Changes in benefit terms	-	-	402,011	-
Differences between expected and actual experience	210,416	352,766	(1,116,875)	(470,663)
Changes in assumptions	-	1,086,066	-	(313,362)
Benefit payments	(1,897,777)	(1,507,664)	(1,385,500)	(1,435,808)
Net change in total pension liability	$ 1,991,314	$ 3,399,402	$ 1,211,293	$ 984,599
Total pension liability - beginning	39,021,466	35,622,064	34,410,771	33,426,172
Total pension liability - ending (a)	$ 41,012,780	$ 39,021,466	$ 35,622,064	$ 34,410,771
Plan fiduciary net position				
Contributions - employer	$ 684,049	$ 695,507	$ 820,043	$ 725,003
Contributions - employee	424,956	427,764	410,902	379,833
Net investment income	693,824	2,320,346	2,409,834	3,564,329
Benefit payments	(1,897,777)	(1,507,664)	(1,385,500)	(1,435,808)
Administrative expense	(23,977)	(22,798)	(20,544)	(20,502)
Other	(823)	(1,462)	(2,155)	(3,175)
Net change in plan fiduciary net position	$ (119,748)	$ 1,911,693	$ 2,232,580	$ 3,209,680
Plan fiduciary net position - beginning	36,631,753	34,720,060	32,487,480	29,277,800
Plan fiduciary net position - ending (b)	$ 36,512,005	$ 36,631,753	$ 34,720,060	$ 32,487,480
Commission's net pension liability (asset) - ending (a) - (b)	$ 4,500,775	$ 2,389,713	$ 902,004	$ 1,923,291
Plan fiduciary net position as a percentage of the total pension liability	89.03%	93.88%	97.47%	94.41%
Covered payroll	$ 8,889,384	$ 8,888,823	$ 8,509,044	$ 7,819,559
Commission's net pension liability (asset) as a percentage of covered payroll	50.63%	26.88%	10.60%	24.60%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
VRS PENSION PLAN
For the Measurement Dates of June 30, 2014 through June 30, 2020
(Continued)

	2016	2015	2014
Total pension liability			
Service cost	$ 947,517	$ 867,611	$ 870,607
Interest	2,166,414	2,103,636	1,980,695
Changes in benefit terms	-	-	-
Differences between expected and actual experience	139,420	(733,014)	-
Changes in assumptions	-	-	-
Benefit payments	(1,551,901)	(1,130,913)	(1,059,085)
Net change in total pension liability	$ 1,701,450	$ 1,107,320	$ 1,792,217
Total pension liability - beginning	31,724,722	30,617,402	28,825,185
Total pension liability - ending (a)	$ 33,426,172	$ 31,724,722	$ 30,617,402
Plan fiduciary net position			
Contributions - employer	$ 823,513	$ 818,481	$ 831,532
Contributions - employee	387,582	378,639	366,404
Net investment income	508,986	1,284,659	3,798,506
Benefit payments	(1,551,901)	(1,130,913)	(1,059,085)
Administrative expense	(18,229)	(17,267)	(20,146)
Other	(215)	(271)	200
Net change in plan fiduciary net position	$ 149,736	$ 1,333,328	$ 3,917,411
Plan fiduciary net position - beginning	29,128,064	27,794,736	23,877,325
Plan fiduciary net position - ending (b)	$ 29,277,800	$ 29,128,064	$ 27,794,736
Commission's net pension liability (asset) - ending (a) - (b)	$ 4,148,372	$ 2,596,658	$ 2,822,666
Plan fiduciary net position as a percentage of the total pension liability	87.59%	91.82%	90.78%
Covered payroll	$ 7,318,266	$ 7,739,286	$ 7,327,589
Commission's net pension liability (asset) as a percentage of covered payroll	56.69%	33.55%	38.52%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VRS PENSION PLAN
Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 682,944	$ 682,944	$ -	$ 7,502,119	9.10%
2020	693,622	693,622	-	8,889,384	7.80%
2019	695,525	695,525	-	8,888,823	7.82%
2018	837,690	837,690	-	8,509,044	9.84%
2017	740,837	740,837	-	7,819,559	9.47%
2016	810,132	810,132	-	7,318,266	11.07%
2015	856,739	856,739	-	7,739,286	11.07%
2014	831,381	831,681	-	7,327,589	11.35%
2013	805,152	805,152	-	7,093,850	11.35%
2012	533,974	533,974	-	6,759,167	7.90%

Capital Region Airport Commission
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
VRS PENSION PLAN
Year Ended June 30, 2021

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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Capital Region Airport Commission
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE CREDIT (HIC) PROGRAM
Measurement Dates of June 30, 2017 through June 30, 2020

	2020	2019	2018	2017
Total HIC OPEB Liability				
Service cost	$ 8,701	$ 8,076	$ 7,363	$ 7,515
Interest	19,114	10,103	9,655	9,551
Differences between expected and actual experience	5,418	128,810	533	-
Changes in assumptions	-	7,333	-	(10,627)
Benefit payments	(18,680)	(12,265)	(10,044)	117
Net change in total HIC OPEB liability	$ 14,553	$ 142,057	$ 7,507	$ 6,556
Total HIC OPEB Liability - beginning	292,517	150,460	142,953	136,397
Total HIC OPEB Liability - ending (a)	$ 307,070	$ 292,517	$ 150,460	$ 142,953
Plan fiduciary net position				
Contributions - employer	$ 18,667	$ 18,732	$ 17,946	$ 15,147
Net investment income	603	1,982	1,611	928
Benefit payments	(18,680)	(12,265)	(10,044)	117
Administrative expense	(67)	(45)	(46)	(35)
Other	-	(2)	-	-
Net change in plan fiduciary net position	$ 523	$ 8,402	$ 9,467	$ 16,157
Plan fiduciary net position - beginning	34,026	25,624	16,157	-
Plan fiduciary net position - ending (b)	$ 34,549	$ 34,026	$ 25,624	$ 16,157
Commission's net HIC OPEB liability - ending (a) - (b)	$ 272,521	$ 258,491	$ 124,836	$ 126,796
Plan fiduciary net position as a percentage of the total HIC OPEB liability	11.25%	11.63%	17.03%	11.30%
Covered payroll	$ 8,889,384	$ 8,920,207	$ 8,545,428	$ 7,196,592
Commission's net HIC OPEB liability as a percentage of covered payroll	3.07%	2.90%	1.46%	1.76%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF COMMISSION'S SHARE OF NET OPEB LIABILITY
VRS COST SHARING PLANS
Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net OPEB Liability (Asset) (3)	Employer's Covered Payroll* (4)	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll* (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (6)
Group Life Insurance (GLI) Plan					
2020	0.04339%	$ 724,108	$ 8,930,161	8.11%	52.64%
2019	0.04570%	743,661	8,959,555	8.30%	52.00%
2018	0.04539%	689,000	8,637,145	7.98%	51.22%
2017	0.04295%	647,000	7,921,717	8.17%	48.86%
Line of Duty Act (LODA) Program					
2020	0.23889%	$ 1,000,508	$ 2,590,710	38.62%	1.02%
2019	0.25241%	905,612	2,667,315	33.95%	0.79%
2018	0.23438%	735,000	2,446,312	84.69%	0.60%
2017	0.20517%	539,000	2,136,055	62.08%	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB

Date (1)	(2)	(3)	(4)	(5)	(6)
Virginia Local Disability Program (VLDP)					
2020	0.52367%	$ 5,228	$ 1,951,422	0.27%	76.84%
2019	0.53970%	10,933	1,667,813	0.66%	49.19%
2018	0.59935%	5,000	1,455,262	0.34%	51.39%
2017	0.58804%	3,000	1,094,433	0.27%	38.40%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VRS OPEB PLANS
Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll* (4)	Contributions as a % of Covered Payroll* (5)
Health Insurance Credit (HIC) Plan					
2021	$ 23,342	$ 23,342	$ -	$ 7,529,919	0.31%
2020	18,667	18,667	-	8,889,384	0.21%
2019	18,732	18,732	-	8,920,207	0.21%
2018	17,946	17,946	-	8,545,428	0.21%
2017	15,147	15,147	-	7,196,592	0.21%

Schedule is intended to show information for 10 years. HIC participation was effective August 1, 2016 therefore no prior information. However, additional years will be included as they become available.

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll* (4)	Contributions as a % of Covered Payroll* (5)
Group Life Insurance (GLI) Plan					
2021	$ 40,772	$ 40,772	$ -	$ 7,550,347	0.54%
2020	46,504	46,504	-	8,930,161	0.52%
2019	46,590	46,590	-	8,959,555	0.52%
2018	44,885	44,885	-	8,637,145	0.52%
2017	41,192	41,192	-	7,921,717	0.52%
2016	36,527	36,527	-	7,605,435	0.48%
2015	35,963	35,963	-	7,484,696	0.48%
2014	35,464	35,464	-	7,386,518	0.48%
2013	37,597	37,597	-	7,093,850	0.53%
2012	18,926	18,926	-	6,759,167	0.28%
Line of Duty Act (LODA) Program					
2021	$ 33,714	$ 33,714	$ -	$ 1,895,001	1.78%
2020	32,465	32,465	-	2,590,710	1.25%
2019	33,877	33,877	-	2,677,315	1.27%
2018	24,964	24,964	-	2,446,312	1.02%
2017	22,000	22,000	-	2,136,055	1.03%
2016	23,348	23,348	-	1,845,002	1.27%
2015	20,754	20,754	-	2,233,608	0.93%
2014	22,445	22,445	-	2,005,827	1.12%
2013	18,966	18,966	-	2,013,820	0.94%
2012	10,057	10,057	-	1,808,133	0.56%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll* (4)	Contributions as a % of Covered Payroll* (5)
Virginia Local Disability Program (VLDP)					
2021	$ 16,479	$ 16,479	$ -	$ 1,985,479	0.83%
2020	14,031	14,031	-	1,951,422	0.72%
2019	12,008	12,008	-	1,667,813	0.72%
2018	8,732	8,732	-	1,455,262	0.60%
2017	6,570	6,570	-	1,094,433	0.60%
2016	4,019	4,019	-	669,772	0.60%
2015	1,944	1,944	-	323,953	0.60%
2014	88	88	-	14,635	0.60%

Schedule is intended to show information for 10 years. The Commission did not participate in the program until the new hybrid retirement plan in 2014.

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, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Health Insurance Credit (HIC), Group Life Insurance (GLI), and Virginia Local Disability Program (VLDP) Plans

Non-Largest Ten Locality Employers - General Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Line of Duty Act (LODA) Program

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

Capital Region Airport Commission
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (ASSET) AND RELATED RATIOS
PRE-65 MEDICAL PLAN FOR RETIREES
Measurement Date of June 30, 2020 through June 30, 2021

	2021	2020
Total OPEB liability		
Service cost	$ 28,769	$ 26,651
Interest	12,984	14,297
Differences between expected and actual experience	(70,418)	117,207
Changes in assumptions	20,698	41,759
Benefit payments	(46,281)	-
Net change in total OPEB liability	$ (54,248)	$ 199,914
Total OPEB liability - beginning	581,755	381,841
Total OPEB liability - ending	$ 527,507	$ 581,755
Covered-employee payroll	$ 6,849,298	$ 8,780,176
Commission's total OPEB liability (asset) as a percentage of covered-employee payroll	7.70%	6.63%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Capital Region Airport Commission
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PRE-65 MEDICAL PLAN FOR RETIREES
Year Ended June 30, 2021

Valuation Date:	1/1/2021
Measurement Date:	6/30/2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.21% as of June 30, 2020; 2.16% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2020; 2.50% per year as of June 30, 2021
Healthcare Trend Rate	The healthcare trend rate assumption starts at 8.90% in 2021 and gradually declines to 4.00% by the year 2073.
Salary Increase Rates	The salary increase rate starts at 5.35% and 4.75% salary increase for 1 year of service for general and public safety employees, respectively and gradually declines to 3.50% salary increase for 20 or more years of service.
Disability Rates	25% of disability cases are assumed to be service related for general employees and 35% for public safety employees.
Mortality Rates - General Employees	Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related. Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85. Post-Disablement Mortality Rates: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.
Mortality Rates - Public Safety Employees	Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year. 35% of deaths are assumed to be service related. Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years. Post-Disablement Mortality Rates: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males set forward 2 years; unisex using 100% male.

RICHMOND
INTERNATIONAL AIRPORT

SUPPLEMENTAL INFORMATION

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES
Years Ended June 30, 2021 and 2020

	2021	2020
Parking Income		
Terminal	$ 9,784,309	$ 13,727,337
Economy and shuttle	1,653	3,354,739
Valet	131,868	459,065
Parking meter and violations	8,010	19,646
	9,925,840	17,560,787
Landing Fees		
Major	1,435,982	1,974,548
Regional	843,967	1,192,810
Scheduled freighter	786,859	795,755
Other	195,170	104,070
	3,261,978	4,067,183
Concession Income		
Rental car	3,576,204	4,934,892
Food and Beverage	632,530	1,464,316
Ground Transportation Fees	253,611	862,295
In-flight catering, etc.	606	9,408
Retail sales	1,118,855	1,455,232
Off Airport Concession Fees	29,155	52,021
Terminal Building Advertising	761,584	1,221,351
Fuel Flowage Fee	132,910	134,630
Other	33,074	30,636
	6,538,528	10,164,781
Rental Income		
Airline terminal	7,071,752	7,266,742
Land	1,485,176	1,222,157
Other building	3,067,432	2,984,202
	11,624,361	11,473,101
Apron Fees Direct Charges	504,597	756,057
Other		
Utilities	102,531	129,437
Other	421,888	217,042
	524,418	346,479
Total	$ 32,379,722	$ 44,368,388

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES
Years Ended June 30, 2021 and 2020

	2021	2020
Personnel		
Salaries		
Regular	$ 8,644,115	$ 9,968,694
Overtime	516,725	364,051
Fringe benefits		
Payroll taxes	672,498	764,199
Group insurance, life and health	1,676,219	1,883,900
Retirement & disability	1,425,638	705,013
Other	92,221	180,953
	13,027,416	13,866,810
Utilities		
Electricity	1,944,950	2,196,158
Heating fuel	155,429	132,303
Telephone	123,539	117,818
Water and sewer	246,356	270,641
	2,470,274	2,716,920
Professional Services		
Legal and accounting	866,816	805,258
Consulting services	529,183	495,185
Marketing and promotion	372,719	722,294
	1,768,718	2,022,737
Parking		
Terminal	1,933,037	2,126,000
Economy and shuttle	22,994	1,832,291
	1,956,031	3,958,291
Maintenance		
Building	503,853	807,993
Equipment	647,193	607,765
Other	410,807	618,375
	1,561,853	2,034,133
Insurance	751,456	755,919
Supplies	442,736	567,275
Other		
Conference and travel	39,036	67,966
Snow removal	103,192	6,751
Other	343,939	704,183
	486,167	778,900
Total	$ 22,464,651	$ 26,700,985

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budget	Actual	Variance with Budget Positive (Negative)
Parking Income			
Terminal	$ 13,936,390	$ 9,784,309	$ (4,152,081)
Economy and shuttle	3,373,340	1,653	(3,371,687)
Valet	462,410	131,868	(330,542)
Parking meter and violations	18,330	8,010	(10,320)
	17,790,470	9,925,840	(7,864,630)
Landing Fees			
Major	1,646,896	1,435,982	(210,914)
Regional	1,269,374	843,967	(425,407)
Scheduled freighter	782,081	786,859	4,778
Other	154,905	195,170	40,265
	3,853,256	3,261,978	(591,278)
Concession			
Rental car	4,863,400	3,576,204	(1,287,196)
Food and beverage	1,356,700	632,530	(724,170)
Ground transportation fees	860,600	253,611	(606,989)
In-flight catering, etc.	15,900	606	(15,294)
Retail sales	1,165,200	1,118,855	(46,345)
Off airport concession fees	54,000	29,155	(24,845)
Terminal advertising	1,100,000	761,584	(338,416)
Fuel flowage fees	123,200	132,910	9,710
Other	38,100	33,074	(5,026)
	9,577,100	6,538,528	(3,038,571)
Rental Income			
Airline terminal	7,250,826	7,071,752	(179,074)
Land	1,284,908	1,485,176	200,268
Other building	3,080,491	3,067,432	(13,059)
	11,616,225	11,624,361	8,135
Apron Fees	639,099	504,597	(134,502)
Other			
Utilities	138,500	102,531	(35,969)
Other	219,500	421,888	202,388
	358,000	524,418	166,418
Total	$ 43,834,150	$ 32,379,722	$ (11,454,428)

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budget	Actual	Variance with Budget Positive (Negative)
Personnel			
Salaries			
Regular	$ 9,394,865	$ 8,644,115	$ 750,750
Overtime	407,500	516,725	(109,225)
Fringe benefits			
Payroll taxes	722,733	672,498	50,235
Group insurance, life and health	1,662,578	1,676,219	(13,641)
Retirement & disability	759,184	1,425,638	(666,454)
Other personnel expense	90,900	92,221	(1,321)
	13,037,760	13,027,416	10,344
Utilities			
Electricity	2,241,000	1,944,950	296,050
Heating fuel	168,000	155,429	12,571
Telephone	119,750	123,539	(3,789)
Water and sewer	310,000	246,356	63,644
	2,838,750	2,470,274	368,476
Professional Services			
Legal and accounting	612,000	866,816	(254,816)
Consulting services	522,000	529,183	(7,183)
Marketing and promotion	692,750	372,719	320,031
	1,826,750	1,768,718	58,032
Parking			
Terminal	2,150,000	1,933,037	216,963
Economy and shuttle	1,835,000	22,994	1,812,006
	3,985,000	1,956,031	2,028,969
Maintenance			
Building	710,000	503,853	206,147
Equipment	639,350	647,193	(7,843)
Other	585,900	410,807	175,093
	1,935,250	1,561,853	373,397
Insurance	800,000	751,456	48,544
Supplies	634,050	442,736	191,314
Other			
Conference and travel	113,300	39,036	74,264
Snow removal	75,000	103,192	(28,192)
Other	511,920	343,939	167,981
	700,220	486,167	214,053
Total	$ 25,757,780	$ 22,464,651	$ 3,293,129

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2021

	2016 Bonds						
	Revenue Account	Debt Service	Equipment and Capital Outlay Account	Operation and Maintenance Account	Operation and Maintenance Reserve Account	Subordinated Indebtedness Fund	Surplus Account
BEGINNING BALANCE	$ -	$ 5,865,103	$ 54,184,417	$ 8,314,286	$ 2,449,607	$ 67,057	$ 3,750,653
RECEIPTS							
Deposits from Commission	38,490,510	-	-	-	-	-	-
Deposits from Commission-collections	-	-	-	-	-	-	-
Gain (loss) on sale of investments	-	-	-	-	-	-	-
Interest earned	-	1	-	-	30,000	-	4,432
	38,490,510	1	-	-	30,000	-	4,432
DISBURSEMENTS							
Disbursements to Commission	-	-	-	23,095,492	-	-	-
Principal curtailment on long-term debt	-	-	-	-	-	-	-
Interest payments on long-term debt	-	-	-	-	-	-	-
Disbursements to others	-	8,710,080	22,138,212	-	-	-	-
	-	8,710,080	22,138,212	23,095,492	-	-	-
TRANSFERS							
Transfer of interest earned to revenue account	-	-	-	-	-	-	-
Transfer of deposited revenue to designated accounts per resolution	(38,490,510)	8,772,216	5,898,550	25,466,558	-	-	-
Discount (premium) amortized on bonds held as an investment	-	-	-	-	(426)	-	-
	(38,490,510)	8,772,216	5,898,550	25,466,558	(426)	-	-
ENDING BALANCE	$ -	$ 5,927,240	$ 37,944,755	$ 10,685,352	$ 2,479,181	$ 67,057	$ 3,755,084

Note: The Operation and Maintenance Account for the 2016 Bonds is available to support operations and is included in unrestricted assets. The Surplus Account may be used for any legal purpose of the Commission and is also included in unrestricted assets. The remaining $70,499,825 is reflected as restricted assets.

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2021

2013 Rev Bonds	2016 Rev Bonds		PFC Bonds	CFC Bonds	
Debt Service Reserve	Debt Service Reserve	Cost of Issuance	General Purpose Fund	General Purpose Fund	Total
$ 2,719,511	$ 3,138,268	$ 134,168	$ 1,133,170	$ 16,465,414	$ 98,221,655
-	-	-	-	-	38,490,510
-	-	-	-	1,430,366	1,430,366
(27,528)	(18,169)	-	-	-	(45,697)
32,747	63,979	-	59	1,024	132,242
5,219	45,810	-	59	1,431,390	40,007,421
-	-	-	-	883,602	23,979,094
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,848,292
-	-	-	-	883,602	54,827,386
-	-	-	-	-	-
-	-	-	-	(120,931)	1,525,882
8,284	4,832	-	-	-	12,690
8,284	4,832	-	-	(120,931)	1,538,572
$ 2,733,014	$ 3,188,909	$ 134,168	$ 1,133,229	$ 16,892,271	$ 84,940,261

Capital Region Airport Commission
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2021

Account	Description	Interest Rate	Cash, Cash Equivalents and Investments
2016 Bonds			
Bond account-debt service	Money market fund	0.0	$ 5,927,240
Equipment and capital outlay	Money market fund	0.0	37,944,755
Operation and maintenance account	Cash deposits	1.0	10,685,352
Operation and maintenance reserve	Money market fund	0.0	1,728,968
Operation and maintenance reserve	Municipal obligation	4.0	751,748
Subordinated indebtedness	Money market fund	1.0	67,057
Surplus, issuer discretionary	Cash deposits	1.0	3,755,084
			60,860,203
2013 Rev Bonds			
Debt service reserve	Federal obligations	1.0	2,705,586
Debt service reserve	Money Market Fund	1.0	1,361
			2,706,947
2016 Rev Bonds			
Debt service reserve	Federal obligations	2.0	2,857,729
Debt service reserve	Money Market Fund	0.0	292,832
Cost of Issuance	Money Market Fund	0.0	134,168
			3,284,729
PFC Bonds			
General purpose fund	Money market fund	0.0	1,133,229
			1,133,229
CFC Bonds			
General purpose fund	Money market fund	0.0	16,892,272
			16,892,272
			$ 84,877,380

Summary of cash, cash equivalents and investments created by bond resolution are included in the statements of net position as follows:

Current assets:	
Cash and cash equivalents	$ 14,440,436
Restricted assets:	
Cash and cash equivalents	64,121,883
Investments	6,315,063
	$ 84,877,381

Note: Includes fair market value adjustment of ($62,880).

Capital Region Airport Commission
SCHEDULE OF STATE ENTITLEMENT FUNDS
Year Ended June 30, 2021

State Entitlement Funding For Open Projects Prior Periods	$ 7,847,862	
Less: Prior Period Expenditures	4,919,600	
Begining Balance Open Projects Prior Periods		2,927,984
FY 2021 Project Funding	2,004,266	
Less: FY 2021 Expenditures	2,163,569	
State Entitlement Funds Balance 6/30/2021		$ 2,768,681

RICHMOND
INTERNATIONAL AIRPORT

STATISTICAL SECTION

Capital Region Airport Commission
Statistical Section

Contents | **Page**

Financial Trends
This schedule includes information for an understanding of the Airport's financial position.

Net Position and Changes in Net Position 100

Revenue Capacity
These schedules contain information to help the reader understand the significant revenue trends for the Airport. If the source is not referenced, the data comes directly from the Airport.

Principal Revenue Sources and Revenues per Enplaned Passenger 101
Largest Own-Source Revenue 102
Largest Own-Source Revenue Rates 102
Revenue Rates 102

Debt Capacity
These schedules present information to help the reader understand the Airport's current level of debt. If the source is not referenced, the data comes directly from the Airport.

Revenue Bond Coverage 103
Outstanding Debt 104
Annual Debt Service Requirements 105

Demographic and Economic Information
These schedules offer indicators to help the reader understand the environment in which financial activities take place. If the source is not referenced; the data comes directly from the Airport.

Major Customers 106
Enplanement Trends 106
Monthly Enplanements 107
Enplaned Passengers 108
Airline Market Shares 109
Airline Market Shares-Cargo 110
Primary Origin and Destinations Passenger Markets 111
Population in the Air Trade Area 112
Personal Income 113
Per Capita Income 113
Employment Data 114
Commission Employees 115
Cargo Carrier 116
Takeoff and Landing Operations Summary 115
Insurance Coverage 117
Capital Asset Information 118

RICHMOND
INTERNATIONAL AIRPORT

Capital Region Airport Commission
NET POSITION AND CHANGES IN NET POSITION
Ten Years Ended June 30, 2021
(dollars in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating revenues										
Apron fees	$ 505	$ 756	$ 759	$ 648	$ 558	$ 562	$ 574	$ 601	$ 588	$ 638
Concession	6,539	10,165	12,916	11,105	10,478	9,518	9,254	8,264	7,956	7,863
Landing fees	3,262	4,067	4,667	4,023	3,462	3,338	3,218	2,885	2,855	3,007
Other	524	346	391	315	284	317	268	315	258	181
Parking	9,926	17,561	23,288	20,821	20,292	20,009	19,617	18,424	17,799	17,959
Rental	11,624	11,473	11,071	10,892	10,244	10,119	10,151	10,034	9,936	9,476
Total operating revenues	32,380	44,368	53,092	47,804	45,318	43,863	43,082	40,523	39,392	39,124
Nonoperating revenues										
Customer Facility Charges	1,526	1,921	2,508	2,324	2,326	3,975	3,314	525	975	1,716
Interest income	123	1,284	1,523	626	206	143	128	187	136	198
State grant revenue	-	67	-	-	-	-	-	-	-	-
Federal grant revenue	13,481	5,432	-	-	-	-	-	-	-	-
Passenger Facility Charges	4,728	6,473	8,940	7,876	7,518	7,022	7,063	6,790	6,589	6,571
Total nonoperating revenues	19,858	15,177	12,971	10,826	10,050	11,140	10,505	7,502	7,700	8,485
Total Revenues	52,238	59,545	66,063	58,630	55,368	55,003	53,587	48,025	47,092	47,609
Operating expenses										
Depreciation	27,000	27,529	27,036	24,426	23,400	24,063	22,825	22,195	21,222	20,609
Insurance	751	756	764	747	710	745	849	844	848	669
Maintenance	1,562	2,034	1,976	1,677	1,726	1,527	1,556	1,541	1,651	1,464
Other	486	779	730	633	619	445	543	573	408	369
Parking	1,956	3,958	4,158	3,949	3,291	3,044	3,034	2,876	2,912	3,052
Personnel	13,028	13,867	13,009	12,457	11,293	10,470	10,534	10,224	10,279	9,484
Professional services	1,769	2,023	1,749	1,672	1,752	1,615	1,748	1,450	1,223	1,384
Supplies	443	567	597	602	588	590	724	692	763	806
Utilities	2,470	2,717	2,910	2,774	2,602	2,503	2,586	2,524	2,537	2,509
Total operating expenses	49,465	54,230	52,929	48,937	45,981	45,002	44,399	42,919	41,843	40,346
Nonoperating expenses										
Interest expense	2,532	2,783	3,033	2,564	2,758	2,625	4,065	3,556	4,557	5,193
Other, net	120	8	(136)	95	478	599	488	682	992	3,170
Airline rates and charges adjustment	2,237	2,435	-	-	-	-	-	-	-	-
Total nonoperating expenses	4,889	5,226	2,897	2,659	3,236	3,224	4,553	4,238	5,549	8,363
Total Expenses	54,354	59,456	55,826	51,596	49,217	48,226	48,952	47,157	47,392	48,709
Capital grants and contributions	13,521	9,841	8,785	6,681	11,136	16,295	14,830	13,439	12,660	9,825
Increase (decrease) in Net Position	$ 11,405	$ 9,930	$ 19,022	$ 13,715	$ 17,287	$ 23,072	$ 19,465	$ 14,307	$ 12,360	$ 8,725
Net Position at Year-End										
Net Investment in capital assets	$ 397,525	$ 381,713	$ 356,384	$ 349,515	$ 345,759	$ 328,487	$ 297,177	$ 284,350	$ 282,629	$ 272,217
Restricted	63,667	72,086	88,258	75,610	73,773	72,742	83,867	74,244	66,011	60,776
Unrestricted	22,343	18,331	17,940	18,434	11,777	12,794	9,908	17,010	12,658	15,945
Total Net Position	$ 483,535	$ 472,130	$ 462,582	$ 443,559	$ 431,309	$ 414,023	$ 390,952	$ 375,604	$ 361,298	$ 348,938

Fiscal year 2013 balances have been restated to reflect the requirements of a change in GAAP.
Fiscal year 2014 balances were not restated to reflect GASB 68 implementation in FY2015.
Fiscal year 2017 SCASDP funds not included in this schedule. The Commission was the administrator for this Federal Grant program and no Commission funds were used.
Fiscal year 2017 balances were not restated to reflect GASB 75 implementation in FY2018.
Fiscal year 2019 balances were not restated to reflect the new retiree medical plan valued in FY2020.

Capital Region Airport Commission
PRINCIPAL REVENUE SOURCES AND REVENUES PER ENPLANED PASSENGER
Ten Years Ended June 30, 2021
(dollars in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airline revenues										
Landing fees	$ 3,262	$ 4,067	$ 4,667	$ 4,023	$ 3,462	$ 3,338	$ 3,218	$ 2,885	$ 2,855	$ 3,007
Apron fees	505	756	759	648	558	562	574	601	588	638
Total airline revenues	3,767	4,823	5,426	4,671	4,020	3,900	3,792	3,486	3,443	3,645
Percentage of total revenues	7.2%	8.1%	8.2%	8.0%	7.3%	7.1%	7.1%	7.3%	7.3%	7.7%
Nonairline revenues										
Parking	9,926	17,561	23,288	20,821	20,292	20,009	19,617	18,424	17,799	17,959
Rental	11,624	11,473	11,071	10,892	10,244	10,119	10,151	10,034	9,936	9,476
Concession	6,539	10,165	12,916	11,105	10,478	9,518	9,254	8,264	7,956	7,863
Other	524	346	391	315	284	317	268	315	258	181
Total nonairline revenues	28,613	39,545	47,666	43,133	41,298	39,963	39,290	37,037	35,949	35,479
Percentage of total revenues	54.8%	66.4%	72.2%	73.6%	74.6%	72.7%	73.3%	77.1%	76.3%	74.5%
Nonoperating revenues										
Passenger Facility Charges	4,728	6,473	8,940	7,876	7,518	7,022	7,063	6,790	6,589	6,571
Customer Facility Charges	1,526	1,921	2,508	2,324	2,325	3,975	3,314	525	975	1,716
Interest Income	123	1,284	1,523	626	206	143	128	187	136	198
State grant revenue	-	67	-	-	-	-	-	-	-	-
Federal grant revenue	13,481	5,432	-	-	-	-	-	-	-	-
Total nonoperating revenues	19,858	15,177	12,971	10,826	10,049	11,140	10,505	7,502	7,700	8,485
Percentage of total revenues	38.0%	25.5%	19.6%	18.5%	18.1%	20.3%	19.6%	15.6%	16.4%	17.8%
Total revenues	$ 52,238	$ 59,545	$ 66,063	$ 58,630	$ 55,367	$ 55,003	$ 53,587	$ 48,025	$ 47,092	$ 47,609
Enplaned passengers (excluding charters)	951,871	1,570,317	2,090,430	1,887,230	1,763,939	1,744,438	1,706,272	1,627,469	1,581,348	1,595,180
Total revenue per enplaned passengers	$ 54.88	$ 37.92	$ 31.60	$ 31.07	$ 31.39	$ 31.53	$ 31.41	$ 29.51	$ 29.78	$ 29.85

Note: Fiscal year 2017 SCASDP funds not included in this schedule. The Commission was the administrator for this Federal Grant program and no Commission funds were used.
Fiscal year 2020 federal grant revenue represents the $5.4 million CARES Act funding.
Fiscal year 2021 federal grant revenue represents the $13.4 million CARES Act funding.

Capital Region Airport Commission
LARGEST OWN-SOURCE REVENUE
Ten Years Ended June 30, 2021

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Parking:										
Terminal	$ 9,784,309	$ 13,727,337	$ 18,054,134	$ 16,142,803	$ 15,781,372	$ 15,559,847	$ 15,194,814	$ 14,258,972	$ 13,785,664	$ 13,931,741
Economy and shuttle	1,653	3,354,740	4,572,154	4,078,927	3,899,428	3,862,348	3,845,567	3,610,259	3,481,463	3,474,623
Valet	131,868	459,065	633,290	584,400	581,778	576,964	572,467	549,864	525,664	546,265
Parking meter and violations	8,010	19,646	28,545	14,559	29,194	9,443	4,454	4,824	5,596	6,311
	$ 9,925,840	$ 17,560,787	$ 23,288,122	$ 20,820,688	$ 20,291,772	$ 20,008,602	$ 19,617,302	$ 18,423,919	$ 17,798,387	$ 17,958,940

LARGEST OWN-SOURCE REVENUE RATES
Ten Years Ended June 30, 2021

	2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
	Maximum		Maximum		Maximum		Maximum		Maximum		Maximum		Maximum		Maximum		Maximum		Maximum	
	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day	Hourly	Per Day
Lot:																				
Garage/long-term	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12	$ 3	$ 12
Short-term hourly	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24
Economy A	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	1	7	2	7
Economy B	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	1	7	2	7
Economy C	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	1	7	2	7
Valet	N/A	21	N/A	21	N/A	21	N/A	20	N/A	20	N/A	20	N/A	20	N/A	20	N/A	20	N/A	20

Note: Rates are subject to change during year. Public parking is the only source of parking rev enue.
In April 2020 the rate was reduced to $10.

REVENUE RATES
Ten Years Ended June 30, 2021

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Apron fees (per square foot)	$1.15	$1.13	$1.17	$1.14	$1.10	$1.11	$1.16	$1.23	$1.23	$1.21
Landing Fees (per 1,000 lbs unit)	1.52	1.52	1.38	1.34	1.32	1.32	1.26	1.26	1.23	1.24
Terminal Rental (square foot)	37.77	37.72	37.12	35.10	32.81	32.48	36.11	35.84	35.12	34.19

Capital Region Airport Commission
REVENUE BOND COVERAGE
Ten Years Ended June 30, 2021

Per the rate covenant in the bond indenture net revenues shall at all times not be less than the greater of 1.0 times the sum of the aggregated debt service and 1.25 times the aggregate debt service on bonds. The indenture states that the commission cannot be in default of this requirement for two consecutive fiscal years.

The fiscal year 2022 budget provides for net revenues that exceed 1.0 times the sum of the aggregated debt service and 1.25 times the aggregate debt service on bonds.

Fiscal Year	Revenue	Expense	Net Revenue Available	Debt Service on Bonds	Debt Service	Coverage: Debt Service on Bonds	Coverage: Debt Service
2021	$ 31,411,524	$ 21,691,828	$ 9,719,696	$ 8,772,230	$ 12,312,480	1.11	0.79
2020	45,027,780	25,658,407	19,369,373	8,772,929	14,130,059	2.21	1.37
2019	54,238,186	25,489,367	28,748,819	8,784,679	15,028,679	3.27	1.91
2018	47,107,174	26,684,371	20,422,803	8,815,280	16,401,780	2.32	1.25
2017	44,393,303	23,725,872	20,667,431	8,842,830	16,429,330	2.34	1.26
2016	44,388,482	19,387,414	25,001,068	9,107,280	15,159,280	2.75	1.65
2015	41,520,397	21,164,337	20,356,060	8,997,379	13,489,704	2.26	1.51
2014	40,671,411	20,203,214	20,468,197	10,176,079	14,165,679	2.01	1.44
2013	37,911,029	20,871,776	17,039,253	10,036,138	13,831,834	1.70	1.23
2012	38,501,617	18,978,548	19,523,070	10,393,706	14,400,706	1.88	1.36

Note: The amounts above are determined in accordance with applicable provisions of the Commission's Master Revenue Bond Resolution (the "Resolution"). Revenue and expense as reported in the statements of revenues, expenses and net position have been adjusted as required by the Resolution. Pursuant to the Resolution, debt service on bonds include only debt service on airport revenue bonds increased by a multiple of 1.00 times, whereas, debt service includes debt service on all debt and certain deposits required to be made by the Resolution.

Capital Region Airport Commission
OUTSTANDING DEBT
Ten Years Ended June 30, 2021
(dollars in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airport Revenue Bonds:										
Series 2001 A&B	$ 6,384	$ 14,877	$ 17,409	$ 19,861	$ 22,236	$ 24,537	$ 26,767	$ 28,926	$ 31,018	$ 33,044
Series 2004 A	-	-	-	-	-	-	-	2,130	4,155	6,085
Series 2005 A	-	-	-	-	-	-	1,680	2,195	2,695	26,130
Series 2008 A	-	-	-	1,245	2,445	3,590	46,405	47,455	48,470	49,450
Series 2013 A	11,710	13,855	15,935	17,955	19,940	21,780	21,825	21,870	21,870	-
Series 2016 A	36,690	38,020	39,305	39,305	39,305	39,305	-	-	-	-
PFC Revenue Bonds:										
Series 2005 A	-	-	-	-	-	-	13,475	14,220	14,935	15,625
Series 2005 B	-	-	-	-	-	-	15,435	18,410	19,005	19,580
Series 2016 A	-	-	1,826	3,629	5,408	7,165	-	-	-	-
Series 2016 B	-	-	1,513	3,006	4,480	5,935	-	-	-	-
Car Rental Garage Revenue Bond	-	-	-	-	-	-	1,230	2,380	2,380	2,380
Line of Credit	-	-	-	-	-	-	339	-	-	-
	54,784	66,752	75,988	85,001	93,814	102,312	127,156	137,586	144,528	152,294
Add: Bond premium, net	5,805	6,336	6,866	7,397	7,928	8,328	2,585	2,711	3,049	866
Total Long-Term Debt	$ 60,589	$ 73,088	$ 82,854	$ 92,398	$ 101,742	$ 110,640	$ 129,741	$ 140,297	$ 147,577	$ 153,160
Enplaned passengers (excluding charters)	989	1,570	2,090	1,887	1,764	1,744	1,706	1,627	1,581	1,595
Total Long-Term Debt per enplaned passenger	$61.26	$46.55	$39.64	$48.97	$57.68	$63.44	$76.05	$86.23	$93.34	$96.03

Capital Region Airport Commission
ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year Ending June-30	Series 2001A Bonds	Unrefunded Series 2013A Bonds	Unrefunded Series 2016A Bonds	Total Debt Service Requirements
2022	$ 1,591,083	$ 2,683,588	$ 2,963,650	$ 7,238,321
2023	1,587,475	2,560,950	2,955,625	7,104,050
2024	1,587,475	2,830,700	2,947,750	7,365,925
2025	1,587,475	2,674,500	2,951,250	7,213,225
2026	132,290	2,141,650	2,962,325	5,236,265
2027			2,962,225	2,962,225
2028			2,943,175	2,943,175
2029			2,938,800	2,938,800
2030			2,939,925	2,939,925
2031			2,936,300	2,936,300
2032			2,932,800	2,932,800
2033			2,929,175	2,929,175
2034			2,925,175	2,925,175
2035			2,937,700	2,937,700
2036			2,932,600	2,932,600
2037			2,933,500	2,933,500
2038			2,930,200	2,930,200
2039			2,932,500	2,932,500
Total	$ 6,485,798	$ 12,891,388	$ 52,954,675	$ 72,331,861

Capital Region Airport Commission
MAJOR CUSTOMERS

Year Ended June 30, 2021		
Company	Revenue	Percent of Operating Revenue
Federal Bureau of Investigations	$ 1,402,800	4.3%
The Hudson Group	1,148,468	3.5
Delta Airlines, Inc.	858,171	2.7
American Airlines, Inc.	840,847	2.6
Delaware North Company	729,270	2.3

Year Ended June 30, 2012		
Company	Revenue	Percent of Operating Revenue
Delta Airlines, Inc.	$ 2,009,467	5.1%
US Airways, Inc.	1,439,102	3.7
The Hertz Corporation	1,408,617	3.6
Federal Bureau of Investigations	1,038,861	2.7
National / Alamo Rent A Car, Inc.	1,009,799	2.6

ENPLANEMENT TRENDS
RICHMOND, SMALL HUBS, UNITED STATES
Ten Years Ended June 30, 2021

	Annual Percent Change in Enplanements		
Year	Richmond	Small Hubs	United States
2021	(38.8%)	N/A	(33.6%)
2020	(24.5)	(58.1%)	(24.4)
2019	11.5	8.0	4.6
2018	6.6	7.3	4.1
2017	2.1	4.6	2.7
2016	2.8	3.3	5.3
2015	5.2	1.1	3.7
2014	2.9	5.8	2.7
2013	(0.9)	0.9	0.5
2012	(2.6)	6.3	0.6

Notes: Calendar year data except for 2021, which is fiscal year data.
As defined by the FAA, a small hub enplanes .05 to .249 percent of the total U.S. passengers.

Sources: Bureau of Transportation Statistics, Research and Innovative Technology Administration (RITA), TranStats, Airport Records

N/A: Not available

Capital Region Airport Commission
MONTHLY ENPLANEMENTS
Ten Years Ended June 30, 2021

	Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Jul	60,471	193,669	186,836	166,912	163,638	162,883	158,596	145,703	145,249	147,186
Aug	60,949	198,447	190,449	168,796	161,392	159,785	151,559	146,037	144,167	140,684
Sep	59,780	175,991	161,303	149,983	151,361	145,123	138,280	128,908	127,141	130,322
Oct	68,784	197,072	190,655	171,575	161,353	159,592	151,790	140,101	134,479	140,837
Nov	68,459	187,766	187,158	159,079	150,802	145,242	134,882	129,104	132,114	132,469
Dec	70,978	196,302	173,899	148,317	145,024	143,795	140,575	136,869	125,209	128,450
Jan	53,350	159,587	146,841	129,270	126,410	114,382	117,814	110,016	112,488	106,632
Feb	52,626	156,776	145,695	127,391	120,049	119,898	112,825	104,656	107,716	109,108
Mar	85,878	87,351	184,664	163,464	149,179	145,590	144,029	135,208	134,329	132,095
Apr	106,197	7,279	183,667	168,917	147,993	146,857	151,370	144,457	133,484	138,926
May	139,862	17,664	197,056	179,402	158,486	161,045	157,332	156,427	144,255	144,734
Jun	161,936	39,097	194,617	189,322	168,558	163,332	159,659	155,550	146,578	149,873
Total	989,270	1,617,001	2,142,840	1,922,428	1,804,245	1,767,524	1,718,711	1,633,036	1,587,209	1,601,316

Capital Region Airport Commission
ENPLANED PASSENGERS
Ten Years Ended June 30, 2021

	2021	Share of Total 2021	2020	Share of Total 2020	2019	2018	2017	2016	2015	2014	2013	2012
Major Airlines												
AirTran Airways	-	-	-	-	-	-	-	-	-	155,199	155,937	151,031
American Airlines	189,017	19.11	247,585	15.3	332,083	252,754	272,104	219,704	108,253	117,787	111,183	118,303
American Eagle Airlines	-	-	-	-	-	-	-	-	-	58,949	72,417	79,021
Continental Airlines	-	-	-	-	-	-	-	-	-	-	-	79,032
Delta Airlines	185,641	18.8	327,700	20.3	438,633	414,231	410,604	401,455	370,744	344,697	337,549	324,690
JetBlue Airways	90,038	9.1	160,897	10.0	237,812	230,124	207,612	187,185	171,310	136,659	124,539	116,545
Southwest Airlines	83,800	8.5	102,178	6.3	120,796	122,807	125,335	151,463	167,187	-	-	-
Spirit Airlines	60,388	6.1	68,314	4.2	93,206	24,262	-	-	-	-	-	-
United Airlines	31,383	3.2	39,120	2.4	62,261	70,026	43,740	39,778	38,130	38,153	33,371	32,079
US Airways	-	-	-	-	-	-	-	57,687	139,603	130,968	103,197	95,599
Total Major Airlines	640,267	64.8	945,794	58.5	1,284,791	1,114,204	1,059,395	1,057,272	995,227	982,412	938,193	996,300
Regional Airlines												
Air Canada	-	-	-	-	-	-	-	-	-	-	4,927	6,157
Air Wisconsin	3,346	0.3	23,267	1.4	27,364	34,161	21,604	66,503	121,014	105,583	81,501	144,638
Atlantic Southeast	-	-	-	-	-	-	-	-	-	-	-	934
Chautauqua	-	-	-	-	-	-	-	-	26,477	57,868	62,224	35,495
ComAir/Delta Connection	-	-	-	-	-	-	-	-	-	-	3,771	24,032
CommutAir	9,198	0.9	43,403	2.7	51,759	43,385	23,705	35,082	13,726	-	-	-
Compass	-	-	-	-	-	-	-	-	-	-	-	7,215
Endeavor Airlines	35,339	3.6	61,309	3.8	98,072	54,254	28,123	5,098	16,833	42,411	83,652	81,623
Envoy Air	10,646	1.1	69,669	4.3	85,037	72,643	70,052	71,254	60,180	-	-	-
Express Jet	-	-	48,263	3.0	76,470	242,721	267,564	262,672	256,926	262,836	208,385	121,025
GoJet	30,799	3.1	18,788	1.2	46,012	15,774	9,256	8,453	30,595	26,971	39,594	29,123
Mesa	7,710	0.8	30,989	1.9	40,485	7,775	12,660	743	56,278	82,056	74,682	54,432
Mesaba	-	-	-	-	-	-	-	-	-	-	-	7,514
Piedmont	58,960	6.0	56,418	3.5	80,154	66,394	63,006	31,007	13,512	17,502	33,126	6,652
PSA	57,264	5.8	58,173	3.6	69,917	110,510	74,469	71,017	44,100	7,571	23,800	23,556
Republic	73,105	7.2	86,143	5.3	59,943	69,375	38,029	36,604	15,183	1,556	2,926	26,983
Shuttle America	-	-	-	-	-	150	8,389	39,822	16,023	2,063	2,981	62
SkyWest	25,187	2.6	127,951	7.9	165,860	39,929	39,273	17,723	-	62	88	653
Trans States	50	-	150	0.0	4,566	15,955	48,414	41,188	40,198	38,578	21,498	28,786
Total Regional Airlines	311,604	31.4	624,523	38.6	805,639	773,026	704,544	687,166	711,045	645,057	643,155	598,880
Charters	37,399	3.8	46,684	2.9	52,410	35,198	40,306	23,086	12,439	5,567	5,861	6,136
Totals	989,270	100.0%	1,617,001	100.0%	2,142,840	1,922,428	1,804,245	1,767,524	1,718,711	1,633,036	1,587,209	1,601,316

Capital Region Airport Commission
AIRLINE MARKET SHARES
Ten Years Ended June 30, 2021
Landed Weight (1,000 Pound Units)

	2021	Share of Total 2021	2020	Share of Total 2020	2019	2018	2017	2016	2015	2014	2013	2012
Major Airlines												
AirTran Airways	-	-	-	-	-	-	-	-	15,704	148,664	181,656	184,792
American Airlines	226,740	16.3	320,696	15.4	383,848	301,507	328,171	259,580	114,970	130,534	128,100	135,298
American Eagle Airlines	-	-	-	-	-	-	-	-	-	69,609	76,148	83,748
Continental Airlines	-	-	-	-	-	-	-	-	-	-	-	1,667
Delta Airlines	289,488	20.9	373,038	17.9	475,892	452,206	444,476	430,890	409,299	392,582	398,489	405,770
JetBlue Airways	139,067	10.0	217,475	10.5	300,362	276,795	235,580	216,026	194,685	163,062	145,116	136,127
Southwest Airlines	129,352	9.3	144,400	6.9	136,102	138,757	136,222	166,260	165,408	29,702	-	-
Spirit Airlines	65,067	4.7	81,035	3.9	102,976	29,728	-	-	-	-	-	-
United Airlines	48,474	3.5	52,999	2.5	79,427	80,874	47,746	47,261	51,035	53,118	47,791	48,130
US Airways	-	-	-	-	-	-	-	77,352	180,410	170,405	137,273	143,046
Total Major Airlines	898,188	64.7	1,189,643	57.1	1,478,607	1,279,867	1,192,195	1,197,369	1,131,511	1,157,676	1,114,573	1,138,578
Regional Airlines												
Aero Mexico	-	-	-	-	-	-	-	-	864	968	-	-
Air Canada	-	-	-	-	-	-	-	-	-	-	8,516	9,562
Air Wisconsin	3,807	0.3	27,495	1.3	29,751	38,681	29,610	109,745	152,092	128,968	97,854	197,400
Allegiant Airlines	51,025	3.7	48,477	2.3	47,646	29,750	35,993	20,955	6,559	279	1,850	2,503
Atlantic Southeast	-	-	-	-	-	-	-	-	-	-	-	1,513
Bahamair	-	-	-	-	-	-	-	-	992	1,488	2,736	1,872
Chautauqua	-	-	-	-	-	-	-	-	30,167	71,845	76,163	43,783
ComAir/Delta Connection	-	-	-	-	-	-	-	-	-	-	4,376	29,061
CommutAir	9,812	0.7	47,916	2.3	51,392	51,080	28,344	39,652	16,113	-	-	-
Endeavor Air	58,076	4.2	95,491	4.6	141,379	72,562	37,884	7,128	27,736	-	-	-
Envoy Air	13,667	1.0	93,490	4.5	118,528	94,466	83,990	71,730	66,104	-	-	-
Express Jet	44	0.1	59,649	2.9	90,133	310,580	354,876	345,343	333,068	332,115	240,983	235,324
GoJet Airlines	48,556	3.5	28,766	1.4	60,054	19,519	10,734	10,275	50,920	45,359	60,300	39,463
Interjet Vacation Express	-	-	-	-	-	-	-	852	1,846	-	-	-
Mesa Airlines	12,645	0.9	36,563	1.8	50,403	9,703	22,565	7,217	61,380	90,807	82,489	60,772
Mesaba Airlines	-	-	-	-	-	-	-	-	-	-	-	9,008
OneJet	-	-	-	-	-	3,095	1,870	-	-	-	-	-
Piedmont Airlines	71,368	5.1	70,233	3.4	91,359	73,808	75,303	43,986	16,524	21,545	39,585	9,144
Pinnacle Airlines	-	-	-	-	-	-	-	-	-	58,568	108,779	111,078
PSA Airlines	68,672	4.9	70,253	3.4	86,384	127,768	85,437	102,572	51,981	9,461	26,661	26,119
Republic Airlines	113,981	8.2	151,171	7.3	87,893	98,799	46,440	65,928	19,207	3,326	3,292	33,453
Shuttle America	-	-	-	-	-	364	10,998	49,746	20,697	4,906	5,998	220
SkyWest Airlines	37,474	2.7	161,036	7.7	221,202	46,619	42,465	19,953	181	134	94	913
Trans States Airlines	-	-	298	-	4,730	18,574	54,985	188,926	43,545	44,934	27,375	45,259
Vision Airlines	-	-	-	-	-	-	-	-	-	-	-	932
Total Regional Airlines	489,127	35.3	890,838	42.9	1,080,854	995,368	921,494	1,084,008	899,976	814,703	787,051	857,379
Total Airline Weight	1,387,315	100.0%	2,080,481	100.0%	2,559,461	2,275,235	2,113,689	2,281,377	2,031,487	1,972,379	1,901,624	1,995,957

Capital Region Airport Commission
AIRLINE MARKET SHARES-CARGO
Ten Years Ended June 30, 2021
Landed Weight (1,000 Pound Units)

	2021	Share of Total 2021	2020	Share of Total 2020	2019	2018	2017	2016	2015	2014	2013	2012
Cargo Carriers												
ABX Air	566,000	0.1	283,000	0.1	-	849,000	-	-	-	-	-	-
Air Transport International	2,880,000	0.5	-	-	-	-	-	-	-	-	-	-
AirNet Systems	-	-	-	-	-	-	-	-	662,300	3,303,100	3,131,300	2,995,000
Ameriflight	46,500	-	-	-	-	620,300	2,261,600	2,913,276	4,019,194	4,091,288	876,794	806,000
DHL Express	62,441,600	10.0	82,048,000	15.6	66,912,000	71,536,000	43,248,000	-	-	-	-	-
Federal Express	225,861,000	36.0	215,817,400	41.1	221,335,000	227,030,800	228,513,000	231,232,500	224,045,300	217,493,600	200,056,200	175,671,800
Mountain Air Cargo	-	-	-	-	-	-	-	47,068	-	47,068	8,500	17,000
Sun Country	104,897,100	16.8	1,901,900	0.3	-	-	-	-	-	-	-	-
UPS	228,761,040	36.6	225,374,720	42.9	221,722,240	217,636,800	198,852,800	184,282,160	179,381,040	176,286,160	174,765,520	178,608,000
Total Cargo Weight	625,453,240	100.0%	525,425,020	100.0%	509,969,240	517,672,900	472,875,400	418,475,004	408,107,834	401,221,216	378,838,314	358,097,800
Total Landed Weight	626,840,555		527,505,501		512,528,701	519,948,135	474,989,089	420,756,381	410,139,321	403,193,595	380,739,938	360,093,757

Capital Region Airport Commission
PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS
Calendar Years 2020 and 2019

2020

Rank	Market	Trip Length	O&D Passengers	Market Share
1	Atlanta	SH	126,227	12.3%
2	Orlando	MH	115,463	11.2%
3	Fort Lauderdale	MH	95,466	9.3%
4	Boston	SH	60,910	5.9%
5	Dallas/Fort Worth	MH	54,886	5.3%
6	Chicago	MH	54,003	5.2%
7	Miami	MH	42,497	4.1%
8	New York	SH	39,571	3.8%
9	Los Angeles	LH	37,740	3.7%
10	Denver	MH	37,171	3.6%
11	Tampa	MH	36,061	3.5%
12	Las Vegas	LH	34,954	3.4%
13	Houston	MH	32,474	3.2%
14	Nashville	SH	29,144	2.8%
15	Phoenix	LH	28,389	2.8%
16	Newark	SH	27,150	2.6%
17	Austin	MH	21,171	2.1%
18	New Orleans	MH	21,043	2.0%
19	San Diego	LH	20,976	2.0%
20	Charlotte	SH	20,798	2.0%
21	San Francisco	LH	19,946	1.9%
22	Seattle	LH	19,472	1.9%
23	Salt Lake City	LH	18,330	1.8%
24	Minneapolis/St Paul	MH	18,239	1.8%
25	San Antonio	MH	17,412	1.7%
	Total		1,029,493	100%

2019

Rank	Market	Trip Length	O&D Passengers	Market Share
1	New York/Newark	SH	293,072	10.4%
2	Orlando	MH	291,297	10.3%
3	Atlanta	SH	285,488	10.1%
4	Boston	SH	283,881	10.0%
5	Fort Lauderdale	MH	195,429	6.9%
6	Chicago	MH	171,001	6.1%
7	Dallas/Fort Worth	MH	132,683	4.7%
8	Tampa	MH	96,051	3.4%
9	Denver	MH	94,433	3.3%
10	Houston	MH	82,987	2.9%
11	Los Angeles	LH	81,841	2.9%
12	Nashville	SH	79,797	2.8%
13	Las Vegas	LH	76,332	2.7%
14	Miami	MH	70,144	2.5%
15	San Francisco	LH	68,383	2.4%
16	Minneapolis/St Paul	MH	63,430	2.2%
17	Phoenix	LH	60,678	2.1%
18	Detroit	MH	56,639	2.0%
19	Charlotte	SH	55,742	2.0%
20	New Orleans	MH	52,503	1.9%
21	Seattle/Tacoma	LH	51,575	1.8%
22	Austin	MH	50,540	1.8%
23	San Diego	LH	49,720	1.8%
24	San Antonio	MH	43,576	1.5%
25	Salt Lake City	LH	37,748	1.3%
	Total		2,824,970	100%

Capital Region Airport Commission
POPULATION IN THE AIR TRADE AREA
Calendar Years 2017-2020

	CALENDAR YEAR				Percentage Change		
Primary Trade Area	2020	2019	2018	2017	2019 2020	2018 2019	2017 2018
United States	331,449,281	328,239,523	327,167,434	325,719,178	1.0	0.3	0.4
Virginia total	8,631,393	8,535,519	8,517,685	8,470,020	1.1	0.2	0.6
Richmond MSA*	1,392,592	1,370,148	1,359,801	1,346,878	1.7	0.8	1.0
Richmond-Petersburg MSA	1,265,922	1,243,423	1,234,211	1,222,642	1.8	0.7	0.9
Richmond City	226,610	230,436	228,783	227,032	(1.7)	0.7	0.8
Henrico County	334,389	330,818	329,261	327,898	1.1	0.5	0.4
Chesterfield County	364,548	352,802	348,556	343,599	3.4	1.2	1.4
Hanover County	109,979	107,766	107,239	105,923	2.1	0.5	1.2
Petersburg City	33,458	31,346	31,567	31,750	6.7	(0.7)	(0.6)
Hopewell City	23,033	22,529	22,596	22,621	2.2	(0.3)	(0.1)
Colonial Heights City	18,170	17,370	17,833	17,830	4.5	(2.6)	0.0
Charles City County	6,773	6,963	6,941	7,004	(2.7)	0.3	(0.9)
Dinwiddie County	27,947	28,544	28,529	28,208	(2.1)	0.1	1.1
Goochland County	24,727	23,753	23,244	22,685	4.2	2.2	2.5
New Kent County	22,945	23,091	22,391	21,682	(0.7)	3.1	3.3
Powhatan County	30,333	29,652	29,189	28,601	2.3	1.6	2.1
Prince George County	43,010	38,353	38,082	37,809	12.2	0.7	0.7
Amelia County	13,265	13,145	13,013	13,020	0.9	1.0	(0.1)
Caroline County	30,887	30,725	30,772	30,461	0.5	(0.2)	1.0
Cumberland County	9,675	9,932	9,809	9,811	(2.6)	1.3	0.0
King and Queen County	6,608	7,025	7,042	7,003	(5.9)	(0.2)	0.6
King William County	17,810	17,148	16,939	16,708	3.9	1.2	1.4
Louisa County	37,596	37,591	36,778	35,860	0.0	2.2	2.6
Sussex County	10,829	11,159	11,237	11,373	(2.9)	(0.7)	(1.2)

Sources: Estimates by Census Bureau, April 2021
*February 2013 Office of Management and Budget (OMB) metropolitan definition

Capital Region Airport Commission
PERSONAL INCOME
Calendar Years 2010-2019

Millions of Dollars	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
United States	$ 18,542,262	$ 17,813,035	$ 16,878,800	$ 15,912,777	$ 15,463,981	$ 14,683,147	$ 14,151,427	$ 13,729,063	$ 12,949,905	$ 12,353,577
Virginia	509,201	492,313	466,743	445,462	436,350	419,185	403,425	396,005	373,312	355,193
Richmond-Petersburg MSA	75,742	73,485	70,660	66,245	64,152	59,326	57,452	55,678	54,641	52,004
Annual growth rate	3.5%	4.7%	6.7%	2.3%	5.1%	3.6%	1.9%	4.1%	5.8%	3.0%

Note: 2019 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, March 24, 2021

PER CAPITA INCOME
Calendar Years 2010-2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
United States	$ 56,474	$ 54,526	$ 51,869	$ 49,204	$ 48,190	$ 46,049	$ 44,765	$ 43,735	$ 41,560	$ 39,937
Virginia	59,509	57,910	55,137	52,941	52,148	50,345	48,838	48,377	46,107	44,267
Richmond-Petersburg MSA	58,628	57,301	51,475	51,685	50,460	47,083	46,118	45,194	43,046	41,260
Percent of national average	103.8%	105.1%	99.2%	105.0%	104.7%	102.2%	103.0%	103.3%	103.6%	103.3%

Note: 2019 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, March 24, 2021

Capital Region Airport Commission
EMPLOYMENT DATA WITHIN VIRGINIA

Major Public Employers	Average Number of Employees
Local Governments	53,200
Commonwealth of Virginia	38,200
Federal Government	17,800

Source: Virginia Employment Commission, Current Employment Statistics Program, 2020 Annual Averages

EMPLOYMENT BY INDUSTRY
(Non-Agricultural)

	Annual Average		Percent Change	Percent Total	
	2020	2010	2010	2020	2010
Total Employment	651,600	591,700	10.1%	100.0%	100.0%
By Industry:					
Government	109,200	111,100	(1.7)	16.8	18.8
Wholesale and retail trade	89,600	89,800	0.8	13.8	15.2
Manufacturing	30,700	31,500	(2.5)	4.7	5.3
Financial activities	53,300	42,200	26.3	8.2	7.1
Construction and mining	39,700	32,400	22.5	6.1	5.5
Transportation and utilities	30,600	17,500	74.9	4.7	3.0
Information	6,400	9,500	(32.6)	1.0	1.6
Professional and business services	114,100	92,600	23.2	17.5	15.6
Educational and health services	97,100	84,500	14.9	14.9	14.3
Leisure and hospitality services	52,600	52,500	0.2	8.1	8.9
Other services	28,300	28,100	0.7	4.3	4.7

Source: Virginia Employment Commission, Current Employment Statistics Program

UNEMPLOYMENT RATES
Calendar Years 2011-2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
United States	8.1%	3.7%	3.9%	4.4%	4.9%	5.3%	6.2%	7.4%	8.1%	8.9%
Virginia	6.2	2.8	3.0	3.8	4.0	4.4	5.2	5.5	5.9	6.2
Richmond-Petersburg MSA	6.7	2.9	3.2	3.9	4.1	4.6	5.5	5.9	6.4	6.9

Source: Virginia Employment Commission, Local Area Unemployment Statistics Program.

Capital Region Airport Commission
COMMISSION EMPLOYEES
Ten Years Ended June 30, 2021

	Full Time Equivalent Employees									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Police	22	29	32	29	27	27	27	25	27	23
Communications/ Operations	13	16	20	21	20	15	12	12	12	12
Aircraft Rescues & Fire Fighting	14	15	18	17	18	15	17	16	18	18
Building Services	36	41	48	47	48	45	46	45	47	45
Utilities/Ground Maintenance	14	13	18	18	16	15	14	15	15	16
Equipment/Automotive Maintenance	5	5	6	6	6	6	6	6	5	5
Building Maintenance	2	2	2	2	2	2	2	2	2	2
Electronic Systems	2	3	5	5	5	4	4	4	4	4
HVAC	3	3	3	3	3	3	3	3	3	3
Electrical Maintenance	3	3	3	3	2	2	2	2	2	2
Finance and Administrative Services	8	9	9	8	9	9	9	7	8	8
Ground Transportation	1	1	1	1	1	1	1	1	1	1
Information Systems	3	3	3	3	3	3	3	3	3	3
Executive/Marketing	7	7	9	9	9	9	9	9	9	9
Baggage Handling System	9	9	11	11	11	11	11	11	11	11
Total Employees	142	159	188	183	180	167	166	161	167	162

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Capital Region Airport Commission
CARGO CARRIER
Ten Years Ended June 30, 2021

	Pounds of Cargo									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cargo Carrier:										
Air Net Systems	-	-	-	-	6,750,000	-	129,870	613,886	552,764	656,162
AmeriFlight	-	-	440,000	420,255	480,772	149,181	750,667	1,386,840	226,225	212,165
DHL	9,069,327	7,523,013	7,890,000	7,890,000	-	-	-	-	-	-
Federal Express	81,222,509	75,012,020	80,914,220	79,247,203	82,317,990	74,625,547	68,943,364	67,509,310	71,588,803	59,848,214
Sun Country	32,683,051	695,505	-	-	-	-	-	-	-	-
UPS	55,137,162	53,422,006	49,409,333	49,024,371	45,916,736	46,726,830	44,995,819	43,024,627	41,578,577	39,683,396
Total	178,112,049	136,652,544	138,653,553	136,581,829	135,465,498	121,501,558	114,819,720	112,534,663	113,946,369	100,399,937
Percentage change	30.3%	(1.4%)	1.5%	0.8%	11.5%	5.8%	2.0%	(1.2%)	13.5%	18.8%

TAKEOFF AND LANDING OPERATIONS SUMMARY
Ten Years Ended June 30, 2021

Fiscal Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total
2021	29,827	9,823	27,839	6,672	74,161
2020	38,411	18,327	28,547	4,712	89,997
2019	45,671	23,090	30,556	4,786	104,103
2018	41,729	22,935	28,729	5,923	99,316
2017	36,942	24,922	26,380	5,327	93,571
2016	34,998	27,478	28,418	6,433	97,327
2015	34,671	30,013	30,298	7,351	102,333
2014	31,530	34,078	24,586	5,579	95,773
2013	27,551	38,219	24,976	6,747	97,493
2012	24,557	43,032	26,092	6,276	99,957
Average Annual Change	2.7%	(12.6%)	1.0%	2.4%	(2.6%)

Capital Region Airport Commission
INSURANCE COVERAGE
Year Ended June 30, 2021

Type/Carrier	Coverage	Limit
Airport liability/ACE/ Lloyd's	Public liability including aircraft products/completed operations	$100,000,000
Automobile liability/Great Northern Insurance Company	Bodily injury or property damage resulting from ownership maintenance or use of any automobile	$1,000,000 combined single limit bodily injury and property damage
Lloyd's	Excess auto liability(off premises)	$50,000,000
Workers' compensation and employer's liability/Amtrust	Worker's compensation	Statutory and $1,000,000 employer's liability
	Excess employees liability (excluding disease)	$100,000,000
Public officials and employer's liability/Virginia State Public Officials self-insurance pool	Civil claims for wrongful acts	$1,000,000 each loss unlimited aggregate $3,500 deductible
Property/Great Northern Insurance Co.	Blanket real and personal property including business income and personal property of others	$494,280,107 blanket real and personal property including EDP, mobile radios and valuable papers $35,000,000 business income
Equipment/Federal Insurance Company	Scheduled equipment	$2,921,667 scheduled equipment $300,000 miscellaneous equipment $100,000 unscheduled equipment $100,000 leased/rental equipment $100,000 newly acquired equipment
Blanket crime/Federal Insurance Company	Employee dishonesty Employee Theft ERISA Forgery & Alteration Inside Outside Computer Fraud	$1,000,000 limit/$2,500 deductible

Note: The insurance coverage was provided by USI Insurance Services, with exception of Public Officials policy.

Capital Region Airport Commission
CAPITAL ASSET INFORMATION
As of June 30, 2021

Richmond International Airport

Location:	6 miles east of downtown Richmond, the capital of Virginia		
Elevation:	168 ft.		
Airport Code:	RIC		
Runways:	16/34	North/South	9,000 x 150 HIRL/CL/TDZ/VOR
	2/20	North/South	6,600 x 150 HIRL
	7/25	East/West	5,300 x 100 HIRL
Terminal:	Airlines		194,082 SF
	Tenants		46,579 SF
	Public/common		259,281 SF
	Mechanical		40,060 SF
	Other		137,057 SF
	Number of passenger gates		28
	Number of loading bridges		28
	Number of concessionaires in terminal		2
	Number of rental car agencies in terminal		7
Apron:	Leased:		609,739 SF
Ramp:	Leased:		29,697 SF
Parking:	Spaces assigned:	Garage	6,548
		Short-term	280
		Long-term	0
		Economy	3,640
		Rental cars	490
		Employees	600
International:	Customs/Immigration Federal Inspection Service Facility		
Tower:	TRACON 24/7-365		
FBOs	MillionAir, Richmond Jet Center		

RICHMOND
INTERNATIONAL AIRPORT

COMPLIANCE SECTION

Capital Region Airport Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/CFDA Grantor's Program Title	Federal CFDA Number	Project Number	Total Federal Expenditures
Department of Transportation:			
FAA Direct Payments:			
Airport Improvement Program	20.106	3-51-0043-64	$ 535,371
Airport Improvement Program	20.106	3-51-0043-66	5,955,442
COVID-19 Airport Improvement Program	20.106	3-51-0043-67	18,814,584
Total Airport Improvement Program			$ 25,305,397
Department of Justice:			
Equitable Sharing Agreement Asset Forfeiture Program	16.922	OMB Number 1123-0011	12,833
Total Expenditures of Federal Awards			$ 25,318,230

Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Commission under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting not the accrual basis as the Commission's financial statements. The Commission uses the cash basis of accounting, wherein revenues are recognized when cash is received, and expenses are recognized when paid. The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Commission's portion, may be more than shown.

The Commission has not elected to use the 10% de minimis indirect cost rate.

Contingent Liabilities-Grants

The Commission received grant funds, from the Federal Government, for construction projects, operating, and debt service expenditures. Expenditures from these grants are subject to audit by the grantor, and the Commission is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the Commission, no material refunds will be required as a result of expenditures disallowed by the grantors.

Subrecipients

No awards were passed through to subrecipients.

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*

To the Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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 Capital Region Airport Commission as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Capital Region Airport Commission's basic financial statements and have issued our report thereon dated October 29, 2021.

Internal Control over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Region Airport Commission's financial statements are free of 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.

Robinson Farmer Cox Associates

Charlottesville, Virginia
October 29, 2021

Robinson, Farmer, Cox Associates, PLLC

Certified Public Accountants

CPAs | Consultants

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

Report on Compliance for Each Major Federal Program

We have audited Capital Region Airport Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Capital Region Airport Commission's major federal programs for the year ended June 30, 2021. Capital Region Airport Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Capital Region Airport Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Capital Region Airport Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Capital Region Airport Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Capital Region Airport Commission complied, in all material respects, with the types of 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, 2021.

Report on Internal Control over Compliance

Management of Capital Region Airport Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Capital Region Airport Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Robinson Farmer Cox Associates

Charlottesville, Virginia
October 29, 2021

CAPITAL REGION AIRPORT COMMISSION

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs	$759,547
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings and Questioned Costs

There were no prior year findings reported.