CAPITAL REGION AIRPORT COMMISSION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended June 30, 2022 AND 2021

Richmond International Airport (RIC)

Richmond International Airport Virginia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended
June 30, 2022 and 2021

CAPITAL REGION AIRPORT COMMISSION
Richmond International Airport
Virginia

Prepared by:

Finance Department

Basil O. Dosunmu
Chief Financial Officer

Steven C. Owen
Director of Finance

RICHMOND
INTERNATIONAL AIRPORT

Capital Region Airport Commission
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Capital Region Airport Commission

MEMBERS OF THE COMMISSION AND EXECUTIVE TEAM

June 30, 2022

OFFICERS

Wayne T. Hazzard	Chairman
James M. Holland	Vice Chairman
Charles S. Macfarlane	Secretary
Tyrone E. Nelson	Treasurer

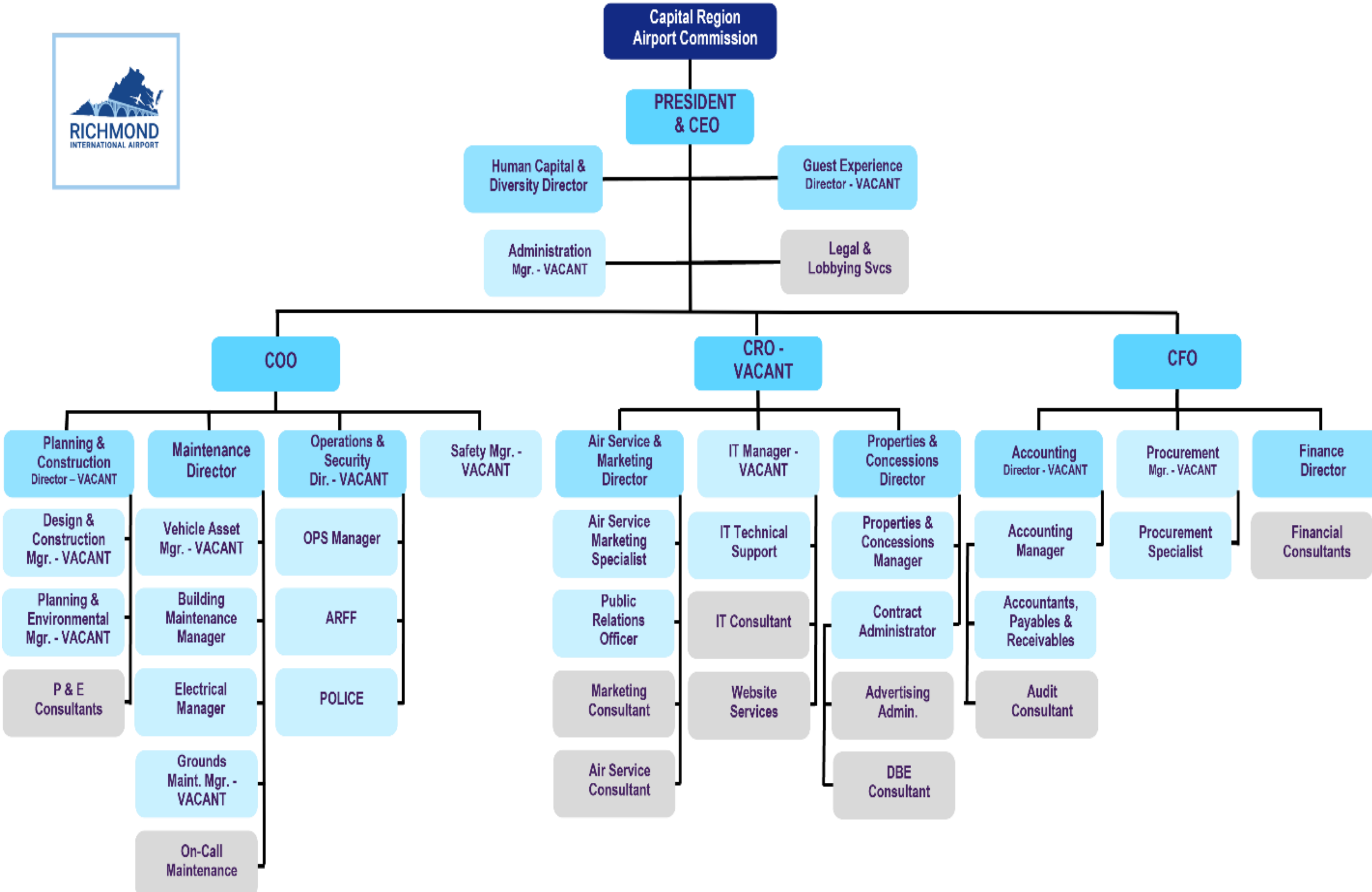
COMMISSIONERS

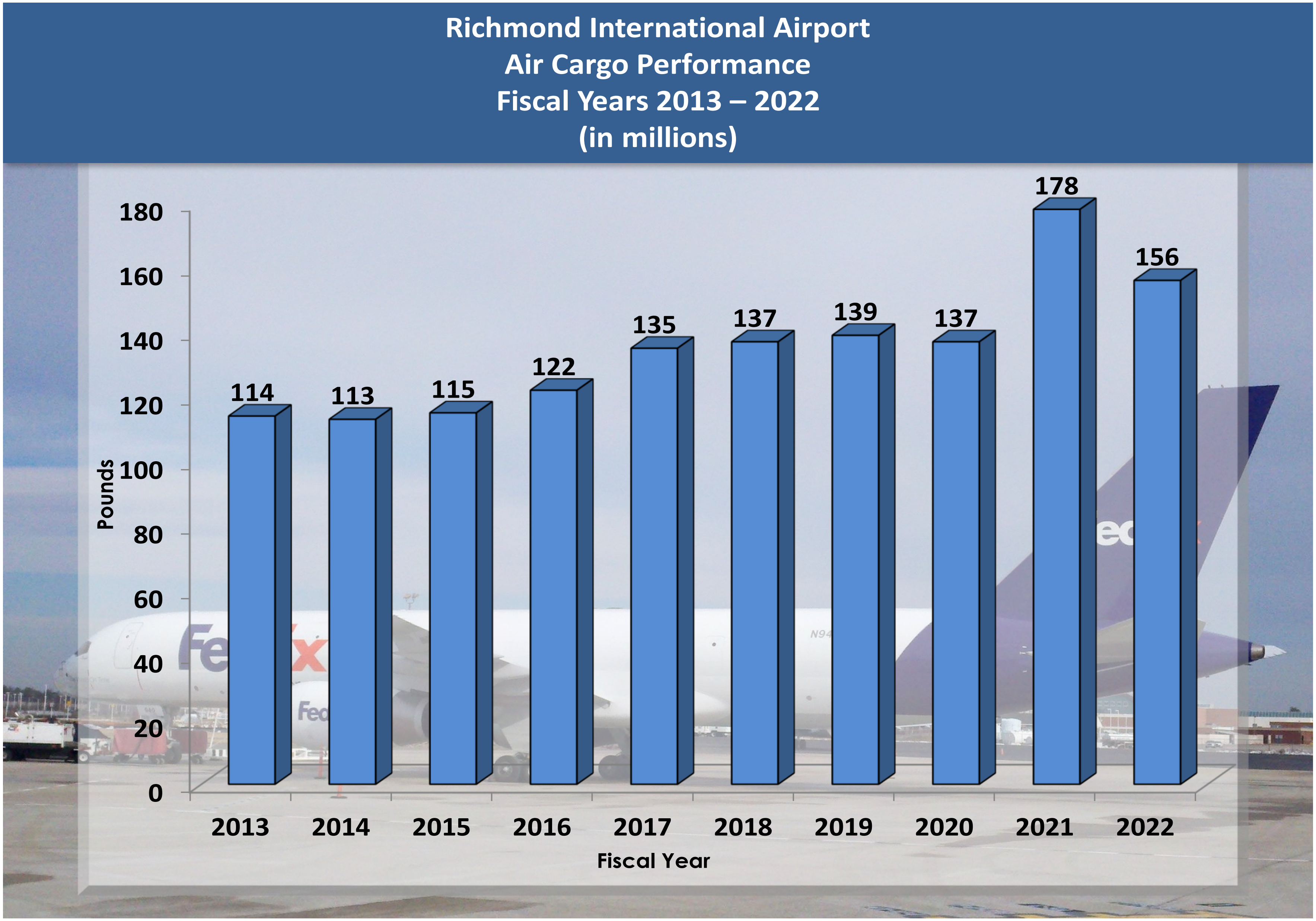
Grant J. Heston	City of Richmond
Charles S. Macfarlane	City of Richmond
Robert F. Norfleet, Jr.	City of Richmond
Reva M. Trammell	City of Richmond
Leslie Haley	County of Chesterfield
James M. Holland	County of Chesterfield
C. James Williams, III	County of Chesterfield
Christopher M. Winslow	County of Chesterfield
Susan P. Dibble	County of Hanover
Wayne T. Hazzard	County of Hanover
Harvey L. Hinson	County of Henrico
Tyrone E. Nelson	County of Henrico
Frank J. Thornton	County of Henrico
Robert S. Ukrop	County of Henrico

EXECUTIVE TEAM

Perry J. Miller, A.A.E., I.A.P.	President and Chief Executive Officer
John B. Rutledge, P.E, C.M.	Chief Operating Officer
Basil O. Dosunmu, C.P.A., C.I.A.,C.M.	Chief Financial Officer

Capital Region Airport Commission
ORGANIZATIONAL CHART




Richmond International Airport
Air Cargo Performance
Fiscal Years 2013 – 2022
(in millions)
Pounds
180
160
140
120
100
80
60
40
20
0
114
113
115
122
135
137
139
137
178
156
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Fiscal Year


Richmond International Airport
Enplaned Passenger Performance
Fiscal Years 2013 -2022
(in thousands)
Enplanements
2200
2000
1800
1600
1400
1200
1000
800
600
400
200
0
1587
1633
1719
1768
1804
1922
2143
1617
989
1950
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Fiscal Year

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Region Airport Commission
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

October 31, 2022

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, 2022 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. The Commissioners' responsibilities include approving capital and operating budgets, issuing bonds as needed, and administering, managing and directing the activities of the Commission.

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 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 currently is comprised of seven departments: Executive, Finance, Human Capital, 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 eight major airlines, twelve regional or commuter airlines and several scheduled passenger charter operations which serve the needs of the area's citizens with about 145 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 2022 was 1.95 million which was a 97.2% increase from the 2021 level of 989 thousand enplaned passengers. The increase in enplanements was due to the recovery from the worldwide pandemic and the related travel restrictions and shutdowns. The main contributor to the increase in enplanements came from leisure travel with business travel still lagging. The Airport is an economic engine with activity generating an impact of about $2.1 billion annually across the Richmond region according to the Virginia Department of Aviation as well as about 2,500 direct jobs at the facility.

ECONOMIC CONDITIONS

The Airport is conveniently located approximately six miles from the City's business district, providing air service to over 3.8 million passengers this fiscal year. The airport also had over 159 million pounds of cargo passing through the Airport this fiscal year. The Airport is geographically located within 750 miles of approximately 60% of the nation's population.

The 2022 FAA forecast calls for U.S. carrier domestic passenger growth over the next 20 years to average 4.7 percent per year. This average, however, includes double-digit growth years in 2022 and 2023, as activity climbs out from a very low base. Following the recovery period, trend rates resume with average growth through the end of the forecast of 2.6 percent. Domestic passengers are forecast to return, on an annual basis, to 2019 levels in 2023. The FAA expects U.S. carrier profitability to remain under pressure for several years due to lower demand and competitive fare pressures. As carriers return to levels of capacity consistent with their fixed costs, shed excess debt, and yields stabilize, consistent profitability should return. Over the long term, the FAA states that they see 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

In fiscal year 2022 the airport experienced a significant increase in passenger airline activity due to the economic recovery from the COVID-19 disruption. The following are some of the highlights, National Accolades and Economic news about Virginia, the Richmond International Airport and the Richmond Metropolitan Statistical Area (MSA):

- July 8, 2021: Breeze Airlines commenced service from Richmond with nonstop flights to Charleston, New Orleans, and Tampa. In February 2022, Breeze announced the addition of nonstop service from Richmond to Palm Beach, Florida. In March 2022, they announced five new routes from Richmond to Jacksonville, Florida; San Francisco, California; Hartford, Connecticut; Las Vegas, Nevada; and Providence, Rhode Island. The Commission's CEO and President Perry J. Miller, A.A.E., I.A.P. said "Great news like this presents tremendous opportunities to the communities we serve, including competitive fares, easy access to more destinations, and the ability to readily invite friends and loved ones to see all that the Richmond Region has to offer."

- The Capital Region Airport Commission earned the 2022 Great Place to Work Certification™: Capital Region Airport Commission is proud to be Certified™ by Great Place to Work® for 2022. 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.

- February 2022: The Airport unveiled the "Welcome to Richmond" mural created by local artists in Concourse A conveying a sense of place to Richmond Region Visitors. Visitors in Concourse A can now view the new "Welcome to Richmond" mural by Gate 11 and the Market on Broad store. Created by local artists, Paris Allen and Christian Kyle Harrell (aka "Humble"), the new mural spotlights an element of the local art scene and helps fuel curiosity about attractions across the Richmond region.

- April 2022: During the 9th annual Virginia Green Travel Conference held in Richmond, the Virginia Green Travel program recognized Richmond International Airport (RIC) along with 20 Virginia tourism businesses, and seven individuals for their outstanding efforts to protect the environment and support green tourism in Virginia. "Conserving natural resources, engaging customers, and working to increase sustainable tourism business in Virginia. The Virginia Green Travel Certification program works to support and promote those businesses that are committed to reducing the environmental impacts of their operation," says Tom Griffin, the Executive Director of the Virginia Green Travel Alliance. "The Virginia Green Travel Star Awards recognize the businesses and individuals that have demonstrated outstanding commitments to the environment in the past year. We are proud to recognize the Capital Region Airport Commission as a true partner in our efforts to promote sustainable tourism in Virginia!"

- The Greater Richmond area has benefited from population trends that are shifting across the nation as more individuals leave big cities for mid-sized, more affordable locations. According to recent data from CoStar, the Richmond MSA is the 16th fastest growing Metropolitan Statistical Area among MSAs with more than one million residents. The data points to an increase in both domestic and international migration to the Richmond MSA, meaning Richmond is attracting new members to the local workforce both near and far. According to data from CoStar, Richmond still ranks as one of the fastest growing markets nationally despite the slowing of population gains in metropolitan areas. The Richmond MSA added 8,323 net new residents, or a slight 0.6 percent increase between 2020 – 2021. Among the 56 MSAs with 1 million or more residents, Richmond's increase ranked the 16th highest annual growth rate across the nation. https://www.grpva.com/

- Greater Richmond is a mid-size market great for young professionals establishing their careers. In fact, WalletHub recently included the region among the top "25 Best Places to Start a Career" and the *Wall Street Journal* ranked Richmond in the top 20 cities where people can find a job. https://www.grpva.com/

- The Greater Richmond area was recently listed as one of the Top Ranked Locations for Corporate Headquarters according to Business Facilities magazine in its 2022 Rankings Report. Business Facilities is a leading provider of economic development and site selection news from around the world. This is the news outlet's 18th edition of its Rankings Report.

- Virginia was ranked number 3 by CNBC's 2022 "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/2022/07/13/americas-top-states-for-business-2022-the-full-rankings.html

- February 25, 2022: Gov. Glenn Youngkin announced that Walgreens, an integrated pharmacy, healthcare, and retail leader, will invest $34.2 million to establish a Micro-Fulfillment Center for high-value pharmaceuticals at the Atlee Station Logistics Center in Hanover County. The new state-of-the-art facility will have automated machinery to maximize efficiency and allow for a flexible operating model, transforming patient and customer pharmacy delivery services and experience when placing online orders. Virginia successfully competed with several other states for the project, which will create 249 new jobs.

- March 14, 2022: Gov. Glenn Youngkin announced that Thermo Fisher Scientific, Inc., the world leader in serving science, will invest $97 million to expand its bioanalytical laboratory operations into three new locations in the Greater Richmond region and expects to create more than 500 new jobs in the Commonwealth. In total, Thermo Fisher will be adding nearly 150,000 square feet to its Richmond area operations.

- May 3, 2022: CoStar Group, a leading provider of online real estate marketplaces, information, and analytics in the commercial and residential property markets, will expand it Richmond office footprint with the purchase of a Riverfront office building that is 5-stories and 117,448 square feet in the Manchester neighborhood for $20 million. CoStar also recently chose Greater Richmond for its $460 million plus corporate campus that will create 2,000 jobs throughout the region. The investment represents a recent business trend called the Hub & Spoke model which suggests companies benefit from operating satellite offices as opposed to one large corporate location. Companies operating under the Hub & Spoke model could have a homebase location for its corporate headquarters, a second headquarters in another location dubbed its HQ2 plus offices specializing in finance, research and development, legal, data centers and more. https://www.grpva.com/

- June 2022: International shipping and express mail company DHL expanded operations in Richmond with the opening of a new 39,000-square-foot facility near the Airport. The new shipping center is a $7 million investment for the German company, which previously operated a facility off East Parham Road. The new center, according to DHL, is 87 percent larger than the previous location.

- June 15, 2022: The LEGO Group announced plans to invest more than $1 billion to build a new factory in Chesterfield County, Virginia. Once completed, the 1.7 million square foot facility will employ more than 1,760 people. The factory will be designed to operate as a carbon-neutral facility. The facility will generate 100 percent of its day-to-day energy needs which will be matched by renewable energy generated by an onsite solar park. The site will also be designed to minimize energy consumption and use of non-renewable resources.

- June 28, 2022: Gov. Glenn Youngkin announced that EAB, the leading provider of education research, technology, and marketing and enrollment solutions, will invest at least $6 million and add more than 200 jobs in Henrico County over the next five years. To facilitate that growth, the firm also plans to relocate from two locations on East Parham Road and consolidate its Richmond-based operations into a 70,000-square-foot space at the SunTrust Building on West Broad Street. Virginia successfully competed with other existing EAB locations across the country for the project.

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 2022. The median household income for 2020 was $61,148 which is higher than the national average of $59,147.

The Richmond Metro area's unemployment rate was 4.2% in calendar year 2021 compared to 6.7% in 2020, higher than the state unemployment rate of 3.9% and below the national rate of 5.4%.

Eight Richmond Metropolitan area businesses are listed Fortune 500 companies:

Performance Food Group	*$30,398.9M*	*Altria Group*	*$21,111.0M*
CarMax	*$20,092.1M*	*Dominion Energy*	*$14,218.0M*
Markel	*$12,846.4M*	*Owens & Minor*	*$ 9,785.3M*
Genworth Financial	*$ 7,882.0M*	*Arko Corp.*	*$ 6,412.6M*

Three Richmond Metropolitan area businesses are listed Fortune 1000 companies:

Brink's	*$ 4,200.2M*
NewMarket	*$ 2,356.1M*
ASGN Inc.	*$ 433.8M*

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 2022, the Airport experienced a 97.2% increase in the number of passenger enplanements when compared to fiscal year 2021, resulting in total fiscal year 2022 enplanements of 1.95 million which was (9%) less than pre pandemic (fiscal year 2019) enplanement levels. The increase was primarily due to the recovery from the worldwide COVID–19 pandemic and the lifting of the related travel restrictions. The increase in passenger traffic had a positive effect on the Commission's parking and concession revenues.

In fiscal year 2022, the Commission applied for and was awarded $16.7 million in federal Airport Rescue Grant Program (ARPA) funds. The funds can be used for offsetting allowable operating and debt service expenses incurred by the Airport after March 11, 2021. The grant funds are available for up to four years and reimbursement requests must be submitted and approved prior to receiving reimbursement. In fiscal year 2022, the Commission submitted and received reimbursements of $835 thousand and plans to draw the remaining funds in fiscal year 2023.

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 $14.2 million of the 2016A (non-AMT) revenue bonds and $500 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.

The Commission implemented GASB 87, Leases, in fiscal year 2022. This standard requires recognition of lease assets and liabilities for fiscal years beginning after June 15, 2021. Although the Commission's ACFR reports comparative financial statements, it was not practicable to restate the 2021 amounts due to staffing and time constraints. Please refer to the notes to the financial statements for additional details.

The Commission adopted the fiscal year 2023 budget which includes $54.9 million in operating revenue a (0.2%) decrease compared to the FY 2022 actual revenues of $55.0 million. The Commission's budgeted operating expenses for fiscal year 2023 are $31.9 million a 24.6% increase when compared to fiscal year 2022 actual expenses of $25.6 million. The Commission continues to evaluate the impact that the current economic headwinds will have on the fiscal year 2023 passenger traffic and will adjust the fiscal year 2023 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, 2021. This was the thirty-second 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that 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, which includes the Commissioners for their continued support and guidance.

Respectfully submitted,

Perry J. Miller, A.A.E., I.A.P.	Basil O. Dosunmu, C.P.A., C.I.A, C.M.
President and Chief Executive Officer	Chief Financial Officer

FINANCIAL SECTION

This section contains the following subsections:

- Report of Independent Auditor
- Management's Discussion and Analysis
- Financial Statements
- Required Supplementary Information
- Supplemental Information

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities Capital Region Airport Commission, as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Capital Region Airport Commission, as of June 30, 2022 and 2021, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Capital Region Airport Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

As described in Note 19 to the financial statements, in 2022, the Commission adopted new accounting guidance, GASB Statement Nos. 87, *Leases, and* 92, *Omnibus 2020.* Our opinion is not modified with respect to this matter.

Change in Consistency

The net position allocation methodology was modified beginning with the 2021 financial statements. This resulted in a reclassification of items between the net investment in capital assets and restricted net position categories.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 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 accompanying supplemental information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, 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 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The intent of the MD&A is to provide the reader with an introduction and overview to the financial statement package.

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, 2022 and 2021. Information for the preceding fiscal year ended June 30, 2020 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

The Airport experienced a significant increase in passenger traffic in fiscal year 2022 when compared to fiscal year 2021. The number of enplaned passengers was 97.2% higher than in fiscal year 2021. The increase from fiscal year 2021 is primarily driven by an increase in leisure travel. Just as the COVID-19 pandemic affected health and safety guidelines, it also changed the mix of leisure and business travelers. The mix of leisure travel versus business travel was estimated to be 64% leisure and 36% business in fiscal year 2022 vs. pre-pandemic which was estimated to be 45% leisure and 55% business. The Commission also benefited in fiscal year 2022 from the addition of a new airline, Breeze, which inaugurated service here in July 2021 with flights to Charleston, New Orleans, and Tampa. Later in fiscal year 2022, Breeze added nonstops to San Francisco and Las Vegas, as well as seasonal flights to West Palm Beach, Providence, Hartford, and Jacksonville.

Passenger airline landed weights increased by 64.7% in fiscal year 2022 from the prior year; cargo airline landed weight increased 4.4% from the prior year. The increase in passenger landed weights is mainly attributed to the increase in leisure travel. FedEx and UPS continued to represent most of the cargo landed weights in fiscal year 2022. Aircraft operations represent landings and takeoffs for air carriers (passenger and cargo), air taxi and commuter, general aviation, and military operations. This activity increased 28.4% over the prior fiscal year primarily attributable to an increase in passenger airline activity due to the economic recovery from the COVID-19 disruption.

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 must be submitted and approved prior to receiving reimbursement. In fiscal year 2022, the Commission submitted and received reimbursement requests of $6.1 million ($4.7 million in debt service and $1.4 million in operating expenses).

In addition to the CRSSA Act funding, in fiscal year 2022, the Commission applied for and was awarded $16.7 million in federal Airport Rescue Grant Program (ARPA) funds. The funds can be used for offsetting allowable operating and debt service expenses incurred by the Airport after March 11, 2021. The grant funds are available for up to four years and reimbursement requests must be submitted and approved prior to receiving reimbursement. In fiscal year 2022, the Commission submitted and received reimbursements of $835 thousand and plans to draw the remaining funds in fiscal year 2023.

The Commission ended fiscal year 2022 with a 28.2% increase in revenues when compared to the 2022 approved budgeted revenues and an 69.8% increase when compared to fiscal year 2021 revenues. This was primarily due to a 55.7% increase in concession revenue when compared to the 2022 budgeted concession revenue and a 36.3% increase in parking revenue when compared to the 2022 budgeted parking revenue. Concession revenue increased 124.9% when compared fiscal year 2021 concession revenue, and parking revenue increased 126.0% when compared to fiscal year 2021 parking revenue. The increase in concession revenue is primarily due to rental car revenue and lease revenue RAC, after the GASB 87 entries, that increased a total of 89.4% when compared to budgeted rental car revenue along with a 17.4% increase in food and beverage revenue and a 35.6% increase in retail sales revenue when compared to fiscal year 2022 budgeted revenues. The increase in parking revenue is attributed to the 22.7% increase in enplanements when compared to the fiscal year 2022 approved budgeted enplanements.

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 was 162,533 in fiscal year 2022, 82,439 in fiscal year 2021, and 134,750 in fiscal year 2020. The increase in passengers, when compared to fiscal year 2021, had positive effects on the Commission's main revenue stream, parking, in fiscal year 2022.

Aircraft operations increased to 95 thousand a 28.4% increase when compared to fiscal year 2021 operations of 74 thousand which was a (17.8%) decrease when compared to FY 2020. Aircraft operations are comprised of air carrier, the military, air taxi, and general aviation.

Cargo landed weight in 1,000 pound units increased by 4.3% in fiscal year 2022 to 652 million pounds compared to fiscal year 2021 and increased 18.8% in fiscal year 2021 to 625 million pounds compared to fiscal year 2020 landed weight of 525 million pounds.

The Airport's parking revenue increased 126.0% in fiscal year 2022 when compared to fiscal year 2021 and decreased (43.5%) in fiscal year 2021 when compared to fiscal year 2020. Parking revenue increased because of enplanements that were significantly higher than budgeted enplanements. Parking revenue per enplaned passenger increased 14.6% when compared to fiscal year 2021 parking revenue per enplaned passenger. Parking rates were essentially the same as fiscal year 2021.

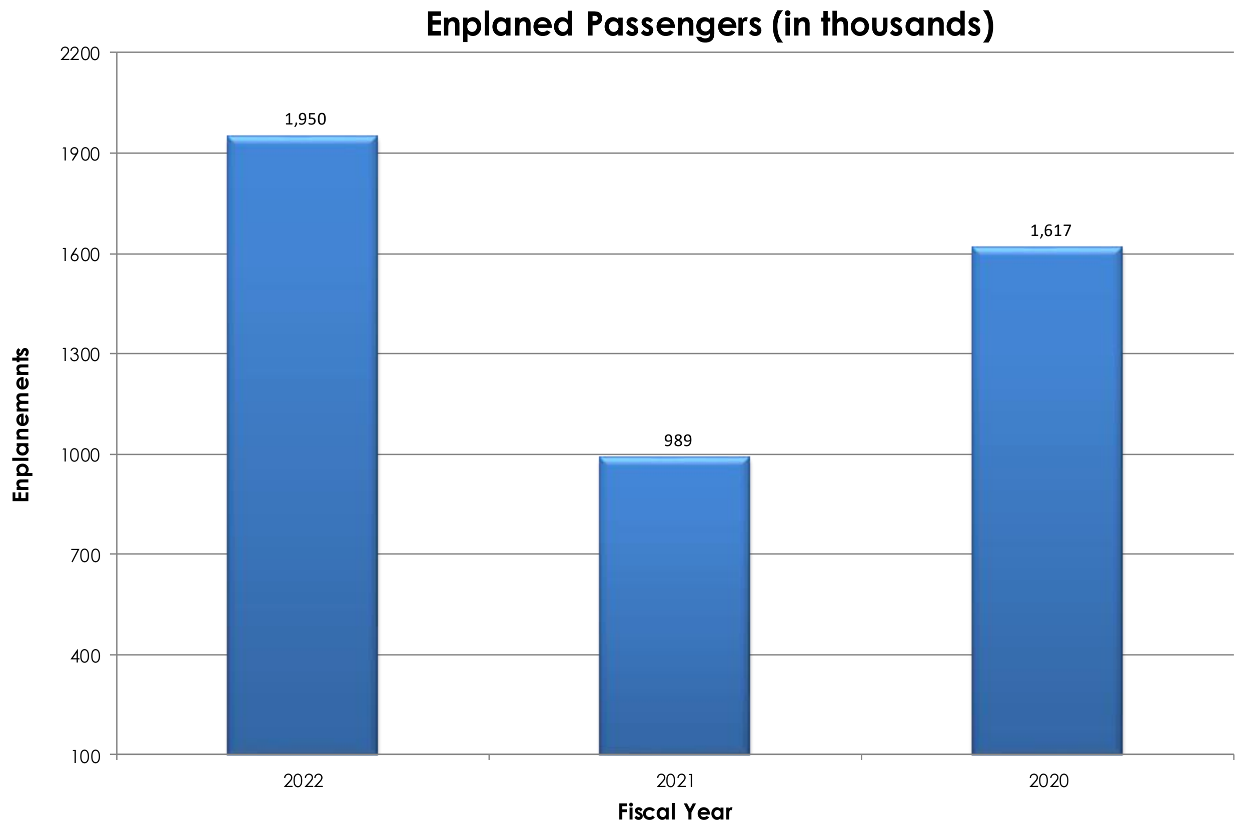
The parking revenue accounted for 40.8% of the Airport's operating revenue in fiscal year 2022 compared to 30.6% in fiscal year 2021 and 39.6% in fiscal year 2020.

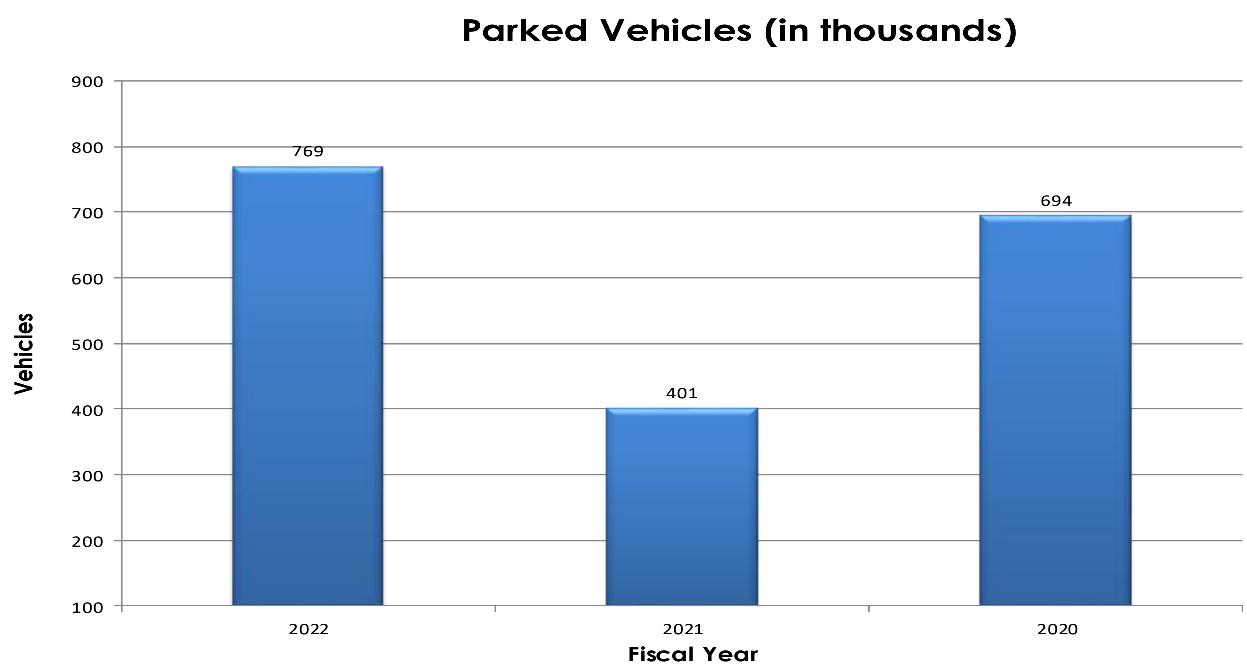
	2022	2021	2020
Parking Revenue per Enplanement	$11.51	$10.04	$10.86
Percent Increase (Decrease)	14.6%	(7.6%)	(0.1%)

As of June 30, 2022, the Airport is served by eight major airlines offering about 145 daily flights between Richmond and 27 nonstop destinations. Seeing the initial signs of passenger activity recovery from the COVID-19 pandemic, RIC served 3.9 million travelers in fiscal year 2022.

	FY 2022	FY 2021	FY 2020
Enplanements	1,950	989	1,617
% increase / (decrease)	97.2%	(38.8%)	(24.5%)
Aircraft Operations (total take-offs and landings)	95	74	90
% increase / (decrease)	28.4%	(17.8%)	(13.5%)
Airline's Landed Weight (1,000 pound units)	2,285	1,387	2,080
% increase / (decrease)	64.7%	(33.3%)	(18.7%)
Air Cargo Carrier Activity (pounds)	155,874	178,112	136,653
% increase / (decrease)	(12.5%)	30.3%	(1.4%)
Parked Vehicles	769	401	694
% increase / (decrease)	91.8%	(42.2%)	(23.7%)

Note: The numbers presented above are in thousands.


Enplaned Passengers (in thousands)
Enplanements
2200
1900
1600
1300
1000
700
400
100
1,950
989
1,617
2022
2021
2020
Fiscal Year


Parked Vehicles (in thousands)
Vehicles
900
800
700
600
500
400
300
200
100
769
401
694
2022
2021
2020
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, 2022, 2021, and 2020.

SELECTED FINANCIAL DATA
(in thousands)

	FY 2022	FY 2021	FY 2020
Assets			
Unrestricted current	$ 45,784	$ 31,299	$ 21,131
Restricted current	97,401	77,594	95,404
Other noncurrent assets	12,743	-	-
Capital assets, net	439,803	447,693	443,958
Total assets	595,731	556,586	560,493
Deferred outflows of resources	7,582	7,833	7,419
Liabilities			
Current unrestricted	2,783	5,227	4,385
Current restricted	13,355	12,750	18,609
Long-term debt, net of current maturities	50,778	55,447	66,999
Net Pension Liability	-	4,501	2,390
Net OPEB Liabilities	2,261	2,530	2,501
Total liabilities	69,177	80,455	94,884
Deferred inflows of resources	20,232	429	898
Net position			
Net investment in capital assets	386,427	390,992	381,713
Restricted	86,256	70,200	72,086
Unrestricted	41,219	22,343	18,331
Total net position	$ 513,902	$ 483,535	$ 472,130

The Commission experienced an increase in total assets of approximately $39.1 million or 7.0% during fiscal year 2022 when compared to fiscal year 2021 and a ($3.9) million or (0.7%) decrease during fiscal year 2021 when compared to fiscal year 2020. The increase in fiscal year 2022 can be attributed primarily to a $10.2 million increase in unrestricted cash and cash equivalents, a $14.3 increase in restricted cash and cash equivalents and restricted investments and a $6.0 million increase in due from state and federal government when compared to fiscal year 2021. The GASB 87 entries added an additional $15.0 million in lease and interest receivables. This was offset by a ($7.9) million decrease in property and equipment when compared to fiscal year 2021. The increase in both unrestricted and restricted cash and cash equivalents in fiscal year 2022 when compared to fiscal year 2021 is primarily attributed to the $22.6 million increase in operating revenue when compared to fiscal year 2021 operating revenue.

Total liabilities decreased ($11.3) million or (14.0%) in fiscal year 2022 when compared to fiscal year 2021 and decreased ($14.4) million or (15.2%) in fiscal year 2021 when compared to fiscal year 2020. In fiscal year 2022, this change is primarily attributable to a ($4.7) million decrease in long term debt, net of current maturities, when compared to fiscal year 2021 and a ($1.8) million decrease in current liabilities when compared to fiscal year 2021. The decrease in the current liabilities when compared to fiscal year 2021 current liabilities is attributed to the issuance of the refunding bonds that occurred in August 2021. (See Notes to Financial Statements).

The increase in net financial position for fiscal year 2022 was $30.4 million when compared to fiscal year 2021. Net financial position increased $11.4 million in fiscal year 2021 and increased $9.5 million in fiscal year 2020. Fiscal year 2022 resulted in a gain from operations of $1.2 million, which was an $18.3 million increase when compared to fiscal year 2021. The increase is primarily attributed to a $22.6 million increase in operating revenue when compared to fiscal year 2021 operating revenue offset by a $3.2 million increase in operating expenses when compared to fiscal year 2021 operating expenses. In fiscal year 2021, the loss from operations was ($17.1) million, which was a $7.2 million increase in loss from operations when compared to the fiscal year 2020 loss from operations of $9.9 million. Net nonoperating income for fiscal year 2022 reflected an increase in net revenues of $527 thousand when compared to fiscal year 2021. This is attributed to an increase of $3.4 million in PFC revenue and a $686 thousand increase in CFC revenue along with a $509 thousand increase in interest income, a $750 thousand decrease in interest expense and a $(1.8) million decrease in airline rates and charges expense when compared to fiscal year 2021 this was offset by a ($6.0) million decrease in state and federal grant revenue related to the COVID relief funds. The increase in both the PFC and CFC revenue was due to an increase in enplanements due to the recovery from the worldwide pandemic and the related increase in travel. Net nonoperating income for fiscal year 2021 reflected an increase in net revenues of $5.0 million when compared to fiscal year 2020.

Capital contributions increased to $13.7 million in fiscal year 2022, a $170 thousand or 1.3% slight increase when compared to fiscal year 2021. 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.

The below chart shows revenues, expenses and the change in net position for the three years ended June 30, 2022, 2021, and 2020.

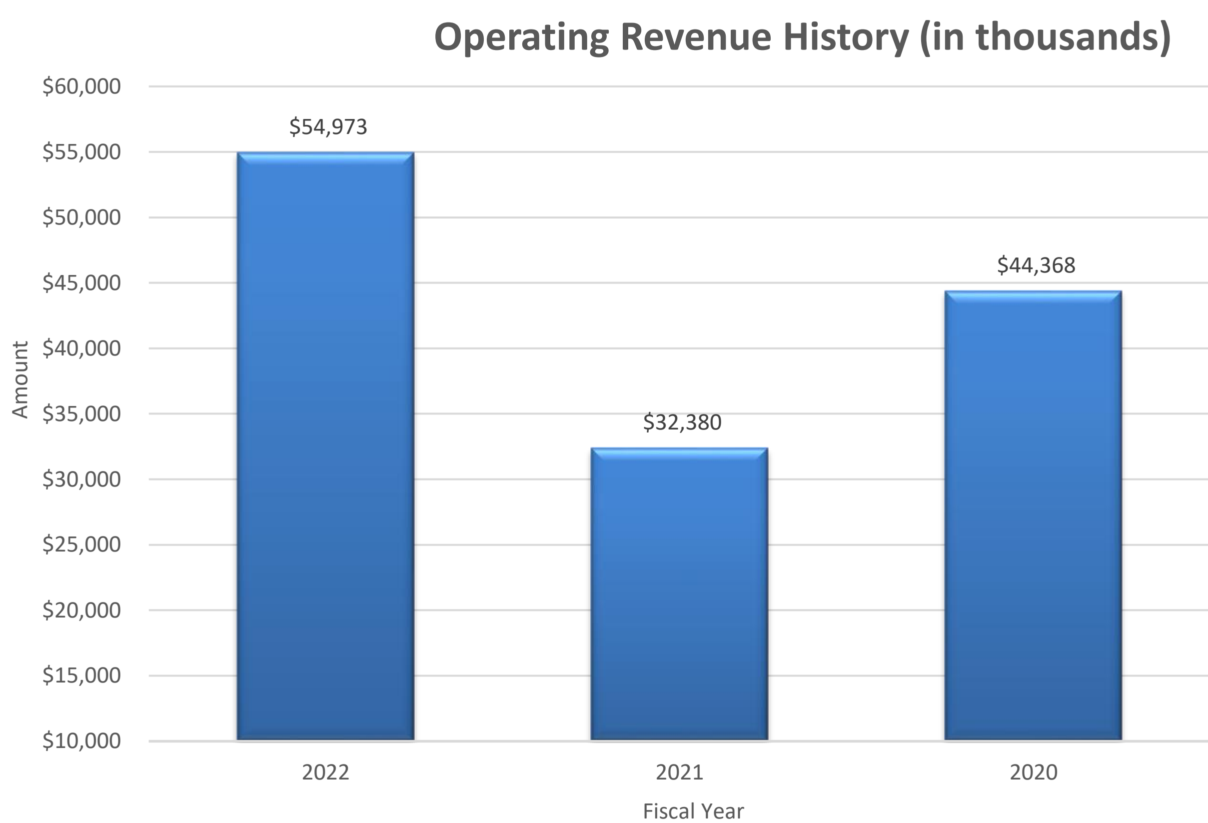
	FY 2022	FY 2021	FY 2020
Operating revenues	$ 54,972	$ 32,380	$ 44,368
Operating expenses	25,634	22,465	26,701
Operating income before depreciation	29,338	9,915	17,667
Depreciation	28,159	27,000	27,529
Operating income (loss)	1,179	(17,085)	(9,862)
Nonoperating income, net	15,496	14,969	9,951
Income (loss) before capital contributions	16,675	(2,116)	89
Capital contributions	13,692	13,521	9,841
Change in net position	30,367	11,405	9,930
Beginning net position	483,535	472,130	462,582
Effect of accounting change	-	-	(382)
Ending net position	$ 513,902	$ 483,535	$ 472,130

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 2022 increased by $19.4 million or 195.9% compared to fiscal year 2021, fiscal year 2021 operating income before depreciation decreased by ($7.8) million or (43.9%) compared to fiscal year 2020. Depreciation expense increased by 4.3% between fiscal year 2022 and 2021 and decreased by (1.9%) between fiscal year 2021 and 2020. The weighted average yield on investments was approximately 0.50% for fiscal year 2022, 0.25% for fiscal year 2021 and 0.60% for fiscal year 2020. The increase in depreciation expense in fiscal year 2022 when compared with fiscal year 2021 is primarily attributed to the completion of some larger paved facilities and buildings projects and the recognition of the associated first year of depreciation.

REVENUES

The following graphs illustrate the operating revenues for the three fiscal years ended June 30, 2022, 2021, and 2020 and main sources of revenues for the Airport and each source's percentage of total operating revenues for the fiscal year ended June 30, 2022.



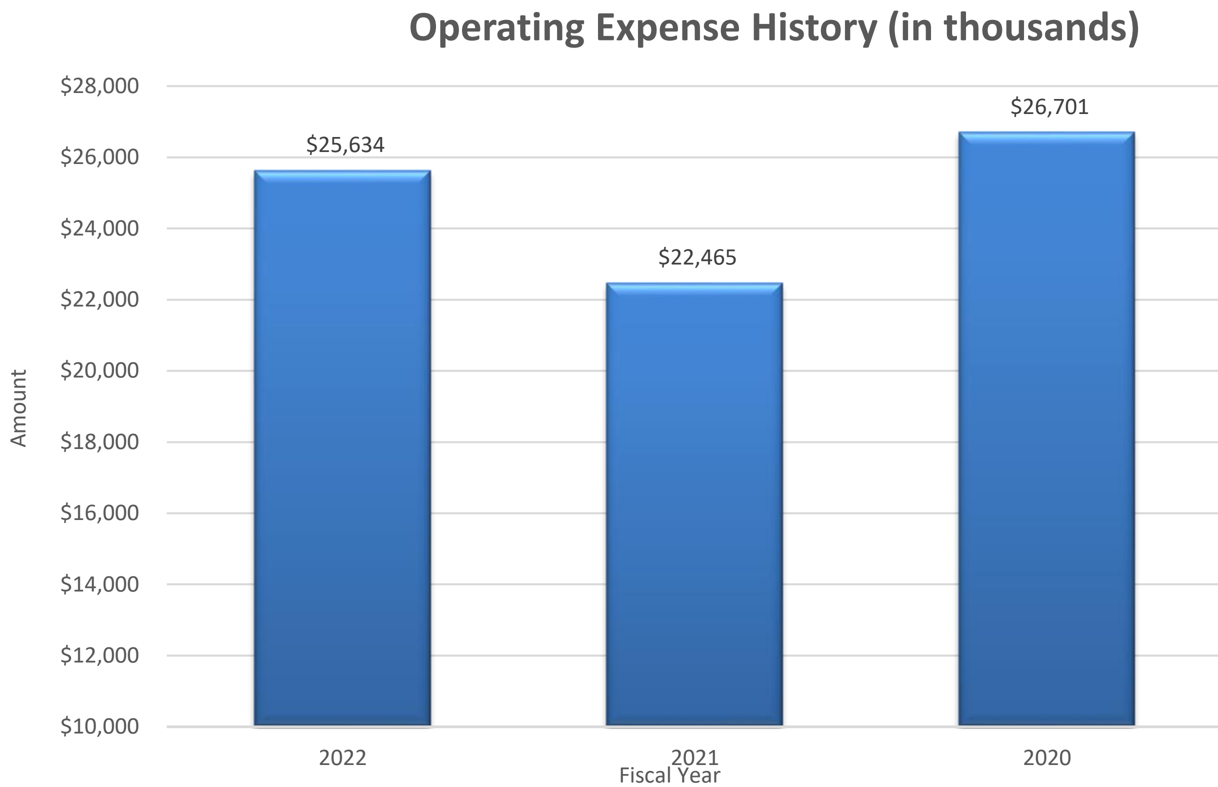
Parking revenues at the Airport for fiscal year 2022 were $22.4 million, which represented a 126.0% increase compared to fiscal year 2021; parking revenues for fiscal year 2021 were $9.9 million, which represented a (43.5%) decrease compared to fiscal year 2020. The increase in parking revenue in fiscal year 2022 is attributed to higher than budgeted enplaned passengers due to the recovery from the worldwide pandemic and the related increase travel. Concession revenues for fiscal year 2022 were $14.7 million which represents a 124.9% increase when compared to fiscal year 2021 concession revenue. Concession revenues for fiscal year 2021 were $6.5 million which represents a (35.7%) decrease when compared to fiscal year 2020 concession revenue.

Below is a summary of revenues and nonoperating income stated in thousands, for the three fiscal years ended June 30, 2022, 2021, and 2020:

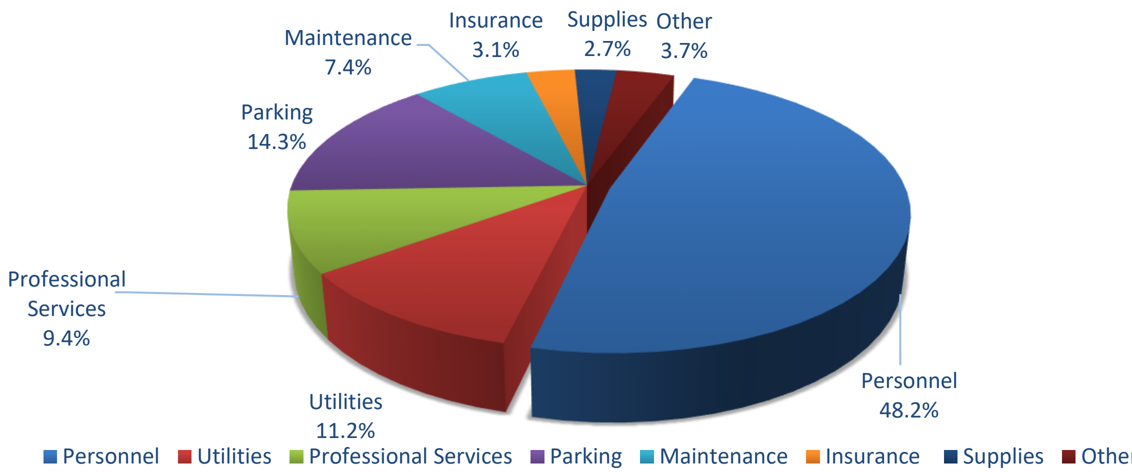
	FY 2022	FY 2021	FY 2020
Operating Revenues			
Parking	$ 22,437	$ 9,926	$ 17,561
Landing fees	4,950	3,262	4,067
Concession	14,706	6,539	10,165
Rental	12,059	11,624	11,473
Apron fees	464	505	756
Other	357	524	346
Total Operating	54,973	32,380	44,368
Nonoperating Income			
Interest income	632	123	1,284
State grant revenue	-	-	67
Federal grant revenue	7,460	13,481	5,432
Passenger Facility Charges	8,154	4,728	6,473
Customer Facility Charges	2,213	1,526	1,921
Total nonoperating	18,459	19,858	15,177
Total	$ 73,432	$ 52,238	$ 59,545

EXPENSES

The following graphs illustrate operating expenses for the three fiscal years ended June 30, 2022, 2021, and 2020 and main sources of expenses for the Airport and each source's percentage of total operating expense for the fiscal year ended June 30, 2022.



2022 Operating Expenses



Operating expenses, exclusive of depreciation, totaled $25.6 million for fiscal year 2022, $22.5 million for fiscal year 2021 and $26.7 million for fiscal year 2020. The largest expense category for fiscal year 2022 was personnel expense, which decreased by ($664) thousand when compared to fiscal year 2021. Fiscal year 2021 personnel expense decreased by $(839) thousand when compared to fiscal year 2020. Parking expense increase by $1.7 million or 87.6% when compared to fiscal year 2021 parking expense. Fiscal year 2021 parking expense decreased by ($2.0) million or (50.1%) when compared to fiscal year 2020 parking expense. The increase in parking expense in fiscal year 2022 was primarily due to the re-opening of the economy parking lot and the related shuttle service expense. Below is a summary of expenses stated in thousands, for the three fiscal years ended June 30, 2022, 2021, and 2020:

	FY 2022	FY 2021	FY 2020
Operating Expenses			
Personnel	$ 12,364	$ 13,028	$ 13,867
Utilities	2,874	2,470	2,717
Professional services	2,413	1,769	2,023
Parking	3,670	1,956	3,958
Maintenance	1,900	1,562	2,034
Insurance	791	751	756
Supplies	682	443	567
Other	940	486	779
Total Operating	25,634	22,465	26,701
Depreciation	28,160	27,000	27,529
Nonoperating Expense			
Interest expense	1,780	2,532	2,783
Other, net	714	120	8
Airline rates and charges adjustment	469	2,237	2,435
Total nonoperating	2,963	4,889	5,226
Total	$ 56,757	$ 54,354	$ 59,456

CASH FLOW ACTIVITIES

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

	FY 2022	FY 2021	FY 2020
Cash flows provided by operating activities	$ 25,700	$ 10,574	$ 16,830
Cash flows provided by investing activities	2,352	342	1,025
Cash flows provided by noncapital financing activities	6,982	17,272	67
Cash flows used in capital and related			
financing activities	(7,577)	(32,521)	(30,622)
Net (decrease) increase in cash and cash equivalents	27,457	(4,332)	(12,700)
Cash and cash equivalents			
Beginning of year	97,701	102,033	114,733
End of year	$ 125,158	$ 97,701	$ 102,033

Cash flow from operating activities for 2022 increased by $15.1 million or 143% compared to fiscal year 2021. Cash flow from operating activities for 2021 decreased by ($6.3) million or (37.2%) compared to fiscal year 2020. In fiscal year 2022 the change is primarily due to a $19.3 million increase in cash received from operations offset by a $3.2 million increase in cash paid to employees and a $964 thousand increase in cash paid to suppliers when compared to fiscal year 2021. Cash flow from noncapital financing activities for 2022 decreased by ($10.3) million or (59.6%) compared to fiscal year 2021.

Cash and cash equivalents for fiscal year 2022 amounted to $125.2 million representing a $27.5 million increase from fiscal year 2021. Cash and cash equivalents for fiscal year 2021 amounted to $97.7 million representing a ($4.3) million decrease when compared to fiscal year 2020. The increase cash and cash equivalents in fiscal year 2022 when compared to fiscal year 2021 is primarily attributed to the $22.6 million increase in operating revenue when compared to fiscal year 2021 operating revenue.

AIRLINE RATES AND CHARGES

The existing two-year extension of the airline operating and terminal building agreement between the Commission and certain airlines was effective on July 1, 2020 and expired on June 30, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. The Commission negotiated a new 5-year extension of the operating agreement and anticipates that the airlines will execute this extension in early fiscal year 2023. The Commission has a nonsignatory fee policy that adds a 15% surcharge to the signatory landing fee.

Rental fees increased from fiscal year 2021 to 2022 in the amount of $435 thousand and increased from fiscal year 2020 to 2021 in the amount of $151 thousand. The increase in fiscal year 2022 when compared to fiscal year 2021 is primarily attributed to a $164 thousand increase in ground rental income and a $397 thousand increase in cargo building rental income. The apron fees decreased ($41) thousand from fiscal year 2021 to 2022 and decreased ($251) thousand from fiscal year 2020 to 2021. Rates and charges for the signatory airlines were as follows:

Signatory Airline Rates and Charges	Rate Effective FY 2022	Rate Effective FY 2021	Rate Effective FY 2020
Apron fees (square foot)	$ 1.13	$ 1.15	$ 1.13
Landing fees (1,000 lb. unit)	1.57	1.52	1.52
Terminal rental (square foot)	36.92	37.77	37.72

Note: The rates and charges for 2022 are estimates.

PASSENGER FACILITY CHARGES

The Commission collects $4.50 per qualifying enplaned passenger. Passenger Facility Charges ("PFC") totaled $8.2 million for fiscal year 2022 which was an increase of 72.5% when compared to fiscal year 2021. PFC revenue for fiscal year 2021 decreased (27.0%) when compared to fiscal year 2020. The increase in PFC revenue was attributed to the significant increase in passenger traffic due to the recovery from the worldwide pandemic and the related increase in travel.

CUSTOMER FACILITY CHARGES

The CFC funds collected can be used to pay for the costs to construct and maintain the rental car ready/return garage and the office/administrative kiosks for each of the rental car companies as well as the construction and maintenance of other rental car facilities agreed to by the rental car companies that have entered into the on-airport car rental concession agreement. CFC charges remained at $2.00 for the fiscal year 2022. Collections for the year ended June 30, 2022 were $2.2 million, 45.0% greater than the year ended June 30, 2021 collections of $1.5 million. Total rental vehicle transaction days for fiscal year 2022 were 1.1 million compared to 783 thousand in fiscal year 2021.

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 $20.3 million for fiscal year 2022 when compared to fiscal year 2021 and increased $30.7 million for fiscal year 2021 from 2020. The increase in capital assets in fiscal year 2022 when compared to fiscal 2021 is primarily attributed to a $19.3 million increase in construction in progress. Depreciation expense for fiscal year 2022 was $28.2 million compared to $27.0 million in fiscal year 2021, and $27.5 million in fiscal year 2020.

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
- New ARFF Station

Long-Term Debt

As of June 30, 2022, the Commission had principal debt outstanding of $49,102 as follows (in thousands):

Airport Revenue Bonds	$ 49,102
Total	$ 49,102

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 $500 thousand of the 2013A (taxable) revenue bonds. The main purpose of issuing the refunding bonds was to reduce the interest rate of the existing bonds and to reduce the debt service requirements in fiscal years 2022 through 2033, with some front-loaded savings in fiscal year 2022. The Commission realized a gross cash flow savings of $2.1 million that will be realized from FY 2022 through FY 2033.

See Note 5 of Notes to Financial Statements.

ECONOMIC FACTORS AND FISCAL 2023 BUDGET

The U.S. airline industry saw a historic drop in travel demand caused by the global coronavirus pandemic. COVID-19 restrictions during fiscal year 2021 slowed the recovery process, however, with significant pent up leisure demand, many months in fiscal year 2022 came close to reaching the record setting 2019 levels of passenger traffic. U.S. airlines carried 674 million passengers in calendar year 2021, 82.5% more than in calendar year 2020. Total passenger volume increased 98.4% to 3.9 million passengers and passenger airlines landed weight increased 64.7% from fiscal year 2021. This activity increase is primarily attributed to an increase in passenger airline activity due to the economic recovery from the COVID-19 disruption. Overall cargo volume stayed strong in fiscal year 2022 at 77.9 thousand tons, which was a decrease of (12.5%) compared to the record setting level in fiscal year 2021, but significantly higher than fiscal year 2020 levels.

Campbell-Hill Aviation Group provided an enplanement forecast and outlook scenario for fiscal year 2023 and fiscal years 2024-2026. The forecast takes into consideration a number of factors including:

- RIC Enplanement Data
- Airline 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 took a conservative approach to the budgeting process. The forecast anticipates a continuing recovery in passenger traffic during fiscal year 2023. The low forecast projects that the enplanements for fiscal year 2023 would be 2.19 million which would be 12.3% higher than fiscal year 2022 actual enplanements.

The Commission took a conservative approach to the fiscal year 2023 budget which was based on 2.1 million enplanements, 4% below the Campbell-Hill low projection. The fiscal year 2023 budget which includes $54.9 million in operating revenue; a 0.1% decrease compared to the fiscal year 2022 actual revenues of $55.0 million. Parking, concession, and rental revenues are expected to provide the main source of income for fiscal year 2023. Operating expenses of $31.9 million are budgeted for fiscal year 2023; an increase of 24.6% compared to fiscal year 2022 actual expenses of $25.6 million. Most of the increase in operating expenses is attributed to an increase in personnel costs. The Commission's fiscal year 2023 approved capital budget allotted $7.1 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 Chief Financial Officer, 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.

FINANCIAL STATEMENTS

Capital Region Airport Commission
STATEMENTS OF NET POSITION
Years Ended June 30, 2022 and 2021

		2022	2021
ASSETS AND DEFFERED OUTFLOWS OF RESOURCES	CURRENT ASSETS		
	Unrestricted Current Assets:		
	Cash and cash equivalents	$ 39,490,363	$ 29,315,357
	Accounts receivable, less allowance for doubtful accounts (2022-$433,842 2021-$398,674)	2,090,852	1,710,558
	Leases receivable	3,490,628	-
	Interest receivable	41,952	-
	Other	669,721	273,457
	Total Unrestricted Current Assets	45,783,516	31,299,372
	Restricted Current Assets:		
	Cash and cash equivalents	85,667,338	68,385,467
	Investments	3,335,536	6,315,063
	Customer and Passenger Facility Charges receivable	925,630	1,421,272
	Due from federal and state governments	7,472,980	1,471,783
	Total Restricted Current Assets	97,401,484	77,593,585
	Total Current Assets	143,185,000	108,892,957
	NONCURRENT ASSETS		
	Net pension assets	1,251,038	-
	Net OPEB asset	5,003	-
	Leases receivable, net of current	11,486,743	-
	Capital assets		
	Depreciable assets, net	358,573,987	303,808,528
	Non-depreciable assets	81,229,135	143,884,758
	Net Capital Assets	439,803,122	447,693,286
	Total Noncurrent Assets	452,545,906	447,693,286
	Total Assets	595,730,906	556,586,243
	DEFERRED OUTFLOWS OF RESOURCES		
	Deferred loss on refunding	5,058,227	4,499,707
	Deferred outflows related to pension	1,659,937	2,397,717
	Deferred outflows related to OPEB	863,346	935,717
	Total Deferred Outflows of Resources	7,581,510	7,833,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	CURRENT LIABILITIES		
	Liabilities From Unrestricted Assets:		
	Accounts payable	632,300	282,060
	Accrued expenses	2,024,299	4,727,770
	Unearned revenue	126,716	217,479
	Total Liabilities From Unrestricted Assets	2,783,315	5,227,309
	Liabilities From Restricted Assets:		
	Accounts payable	7,846,452	6,533,380
	Accrued interest payable	769,771	1,074,546
	Current maturities of long-term debt	4,739,196	5,142,276
	Total Liabilities From Restricted Assets	13,355,419	12,750,202
	Total Current Liabilities	16,138,734	17,977,511
	NONCURRENT LIABILITIES		
	Net pension liability	-	4,500,775
	Net OPEB liabilities	2,261,929	2,529,872
	Noncurrent portion of long-term obligations (Note 5)	50,777,708	55,447,206
	Total Noncurrent Liabilities	53,039,637	57,977,078
	Total Liabilities	69,178,371	75,954,589
	DEFERRED INFLOWS OF RESOURCES		
	Deferred inflows related to pension	4,851,506	14,696
	Deferred inflows related to OPEB	676,973	414,077
	Deferred inflows related to Leases	14,703,600	-
	Total Deferred Inflows of Resources	20,232,079	428,773
	NET POSITION		
	Net investment in capital assets	386,427,352	390,992,054
	Restricted		
	Restricted for pension benefits	1,251,038	-
	Restricted for OPEB	5,003	-
	Debt service	76,509,767	64,515,022
	Customer and Passenger Facility Charges	5,827,540	2,916,175
	Entitlement funds	2,661,839	2,768,682
	Unrestricted	41,219,427	22,343,314
	Total Net Position	$ 513,901,966	$ 483,535,247

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Parking	$ 22,437,044	$ 9,925,840
Landing fees	4,950,066	3,261,978
Concession	14,705,455	6,538,528
Rental	12,059,359	11,624,361
Apron fees	463,575	504,597
Other	356,956	524,418
Total Operating Revenues	54,972,455	32,379,722
OPERATING EXPENSES		
Personnel	12,364,010	13,027,416
Utilities	2,873,864	2,470,274
Professional services	2,413,085	1,768,718
Parking	3,670,051	1,956,031
Maintenance	1,900,350	1,561,853
Insurance	791,155	751,456
Supplies	681,712	442,736
Other	939,933	486,167
Total Operating Expenses	25,634,160	22,464,651
Operating Income Before Depreciation	29,338,295	9,915,071
DEPRECIATION	28,159,512	27,000,322
Operating Income (Loss)	1,178,783	(17,085,251)
NONOPERATING INCOME (EXPENSES)		
Interest income	632,433	123,060
Interest expense	(1,779,663)	(2,531,805)
Other, net	(714,546)	(120,350)
Federal grant revenue	7,459,644	13,480,745
Airline rates and charges adjustment	(469,235)	(2,236,611)
Passenger Facility Charges	8,154,303	4,727,725
Customer Facility Charges	2,212,603	1,526,275
Total Nonoperating Income (Expenses), Net	15,495,539	14,969,039
Increase/(Decrease) in Net Position Before Capital Grants and Contributions	16,674,322	(2,116,212)
CAPITAL GRANTS AND CONTRIBUTIONS	13,692,397	13,521,578
CHANGE IN NET POSITION	30,366,719	11,405,366
NET POSITION, BEGINNING	483,535,247	472,129,881
TOTAL NET POSITION, ENDING	$ 513,901,966	$ 483,535,247

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receiv ed from operations	$ 51,353,915	$ 32,071,083
Cash paid to and for employees	(12,329,098)	(9,135,538)
Cash paid to suppliers	(13,325,006)	(12,361,275)
Cash used in operating activ ities	(25,654,104)	(21,496,813)
Net cash prov ided by operating activ ities	$ 25,699,811	$ 10,574,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of inv estments	2,743,813	2,618,226
Purchase of inv estments	(492,070)	(2,386,920)
Interest income receiv ed	100,299	110,370
Net cash prov ided by inv esting activ ities	2,352,042	341,676
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State and federal grant rev enue	7,450,812	18,912,418
Airlines rates and charges	(469,235)	(1,640,075)
Net cash prov ided by noncapital financing activ ities	6,981,577	17,272,343
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt, net of issuance cost	17,462,343	-
Refunding escrow deposit	(17,999,678)	-
Issuance costs	(492,665)	-
Payment of long-term debt	(5,142,276)	(11,967,640)
Payment of interest on long-term debt	(1,474,888)	(2,633,907)
Capital contributions receiv ed	7,691,200	12,734,178
Passenger Facility Charges collected	8,716,164	3,536,350
Customer Facility Charges collected	2,146,384	1,442,692
Additions to capital assets	(18,956,276)	(35,546,248)
Interest income on leased assets	510,609	-
Payments related to inv estments and bonds	(37,472)	(86,081)
Net cash used in capital and related financing activ ities	(7,576,555)	(32,520,656)
Net (decrease) increase in cash and cash equiv alents	27,456,877	(4,332,368)
CASH AND CASH EQUIVALENTS		
Balances - beginning of year	97,700,824	102,033,192
Balances - end of year	$ 125,157,701	$ 97,700,824
Current Assets	$ 39,490,363	$ 29,315,357
Restricted Assets	85,667,338	68,385,467
	$ 125,157,701	$ 97,700,824
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 1,178,783	$ (17,085,250)
Adjustments to reconcile operating income (loss) to net cash prov ided by operating activ ities		
Depreciation	28,159,512	27,000,322
Asset Forfeiture activ ity	(8,832)	(12,833)
Changes in assets and liabilities		
Decrease (increase) in accounts receiv able	(400,721)	(308,639)
Decrease (increase) in other current assets	(396,264)	(36,839)
Decrease (increase) in lease receiv able	(14,977,371)	-
Decrease (increase) in net pension asset	(1,251,038)	-
Decrease (increase) in net OPEB asset	(5,003)	-
Decrease (increase) in deferred outflows of resources - pension	737,780	(744,874)
Decrease (increase) in deferred outflows of resources - OPEB	72,371	(154,377)
Increase (decrease) in trade accounts payable	350,240	150,988
Increase (decrease) in accrued expenses	(2,703,471)	25,302
Increase (decrease) in net pension liability	(4,500,775)	2,111,062
Increase (decrease) in net OPEB liabilities	(267,943)	29,420
Increase (decrease) in deferred inflows of resources -pension	4,836,810	(683,376)
Increase (decrease) in deferred inflows of resources - OPEB	262,896	213,997
Increase (decrease) in deferred inflows of resources - leases	14,703,600	-
Increase (decrease) in unearned rev enue	(90,763)	69,368
Net cash prov ided by operating activ ities	$ 25,699,811	$ 10,574,270
Supplemental Cash Flow Information		
Non-cash inv esting, capital and financing activ ities		
Net increase (decrease) in fair v alue of inv estments	$ (267,093)	$ (66,771)
Non-cash capital contributions	$ 7,472,980	$ 1,471,783
Non-cash PFC and CFC collections	$ 925,630	$ 1,421,272
Capital assets included in accounts payable	$ 7,846,452	$ 6,533,381
Airline rates and charges adjustment	$ 177,726	$ 3,031,011

See Notes to Financial Statements.

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 includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has multiple items that qualify for reporting in this category. The accounting loss on debt refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt as a component of interest expense. The other items are comprised of certain items related to pension and other postemployment benefits (OPEB). For more detailed information on these items, reference the related notes.

Deferred Inflows of Resources
In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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 multiple items that qualify for reporting in this category. Certain items related to pension, OPEB, and leases 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.

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.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2022 were $2.2 million (2021 - $1.5 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 2022 were $8.1 million (2021 - $4.7 million) and aggregate collections and interest thereon from inception through June 30, 2022 were $164 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.

Restricted Net Position

The Commission reports restricted net position for net pension and OPEB benefits, certain required debt service funds, and for the CFC, PFC, and state entitlement 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 $930 thousand at June 30, 2022, and $881 thousand at June 30, 2021. The net increase for fiscal year 2022 amounted to $49 thousand; represented by payments of $668 thousand to vested employees and additional accrued vacation and sick leave of $717 thousand. For fiscal year 2021, the net increase amounted to $17 thousand.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

For purposes of measuring the net pension asset, 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 VRS related OPEB net asset, net 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.

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:

	2022	2021
Balance, beginning of period	$ 398,674	$ 402,281
Charged to costs and other write-offs	-	(3,607)
Bad debt expense	35,168	-
Balance, end of period	$ 433,842	$ 398,674

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Commission leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee

The Commission recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of $7,500, individually or in the aggregate. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lessor

The Commission recognizes leases receivable and deferred inflows of resources. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Key Estimates and Judgments

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

The Commission monitors changes in circumstances that would require a remeasurement or modification of its leases. The Commission will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Regulated Leases
The leases between the Commission and air carriers and other aeronautical users are subject to external laws, regulations, or legal rulings. The Commission recognizes inflows of resources (revenue) based on the payment provisions of the lease contract.

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/amortization 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:

	2022	2021
Petty cash	$ 432	$ 432
Deposits at financial institutions	47,053,681	33,578,509
Cash equivalents and investments	81,439,124	70,436,946
	$ 128,493,237	$ 104,015,887
Summary:		
Unrestricted assets	$ 39,490,363	$ 29,315,357
Restricted assets	89,002,874	74,700,530
	$ 128,493,237	$ 104,015,887

Deposits
At June 30, 2022, the carrying value of the Commission's deposits with banks was $47,053,681 with corresponding bank balances of $47,240,626. 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. 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 $78,103,587.

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, 2022, 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 2022

Investment Type	Fair Value	Less Than 12 months	Over 12 months	Moody's Quality Ratings
Federal National Mortgage Association	$ 411,822	$ -	$ 411,822	Aaa
Federal Home Loan Banks	722,761	-	722,761	Aaa
Federal Home Loan Mortgage Corp	1,840,296	-	1,840,296	Aaa
Federal Farm Credit Banks Funding Corp	360,657	-	360,657	Aaa
	$ 3,335,536	$ -	$ 3,335,536	

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	

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, 2022 and 2021:

		Fair Value Measurement Using		
Investment	**6/30/2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Federal National Mortgage Association		$ 411,882		
Federal Home Loan Banks		722,761		
Federal Home Loan Mortgage Corp		1,840,296		
Federal Farm Credit Banks Funding Corp		360,657		
BB &T Public Fund Money Rate Savings		15,355,449		
Money Market Mutual Funds		62,748,079		
		$ 81,439,124		

		Fair Value Measurement Using		
Investment	**6/30/2021**	**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		

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, 2022, all of the Commission's investment securities held by third parties were 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.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 4. CAPITAL ASSETS

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	$ 53,180,541	$ -	$ -	$ 3,339,772	$ 56,520,313
Construction in progress	90,704,217	19,337,940	-	(85,333,335)	24,708,822
Total Non Depreciable Capital Assets	143,884,758	19,337,940	-	(81,993,563)	81,229,135
Other capital assets:					
Land improvements	21,344,928	37,515	(2,186)	2,025,907	23,406,164
Buildings	337,041,886	228,811	(2,208,173)	44,227,969	379,290,493
Paved Facilities	273,326,867	79,135	(407,513)	28,265,518	301,264,007
Furniture and fixtures	4,103,933	33,231	(977,093)	-	3,160,071
Machinery and Equipment	43,135,672	552,716	(8,907,420)	7,474,169	42,255,137
Total Other Capital Assets	678,953,286	931,408	(12,502,385)	81,993,563	749,375,872
Total Capital Assets	822,838,044	20,269,348	(12,502,385)	-	830,605,007
Accumulated depreciation:					
Land improvements	(13,018,120)	(1,411,098)	2,186	-	(14,427,032)
Buildings	(171,195,829)	(11,545,445)	2,208,173	-	(180,533,101)
Paved Facilities	(160,997,791)	(11,548,022)	407,513	-	(172,138,300)
Furniture and fixtures	(2,955,316)	(206,909)	977,093	-	(2,185,132)
Machinery and Equipment	(26,977,702)	(3,448,038)	8,907,420	-	(21,518,320)
Total Accumulated Depreciation	(375,144,758)	(28,159,512)	12,502,385	-	(390,801,885)
Capital Assets, Net	$ 447,693,286	$ (7,890,164)	$ -	$ -	$ 439,803,122

	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

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

Changes in long-term obligations for the years ended June 30, 2022 and 2021 consist of:

	Balance 6/30/2021	Increase	Decrease	Balance 6/30/2022	Current Maturities
General obligation bonds					
Airport Revenue Bonds:					
Series 2013A Airport Refunding (b)	$11,710,000	$ -	$ (2,730,000)	$ 8,980,000	$ 1,710,000
Series 2016A Airport Refunding (c)	36,690,000	-	(15,570,000)	21,120,000	1,425,000
Series 2021A Airport Refunding (d)	-	13,615,000	-	13,615,000	45,000
Series 2021B Airport Refunding (d)	-	545,000	-	545,000	-
Total	48,400,000	14,160,000	(18,300,000)	44,260,000	3,180,000
Notes from direct borrowings and direct placements					
Airport Revenue Bonds:					
Series 2001A&B (a)	6,384,293	-	(1,542,276)	4,842,017	1,559,196
Total	6,384,293	-	(1,542,276)	4,842,017	1,559,196
Add: Bond premium paid, net	5,805,188	3,302,343	(2,692,644)	6,414,887	-
Total Long-Term Debt	$60,589,481	$17,462,343	$(22,534,920)	$55,516,904	$ 4,739,196

	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

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, 2022, is as follows:

Long-Term Debt

	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements			
Year	Revenue		Revenue		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 3,180,000	$ 1,714,156	$ 1,559,196	$ 28,279	$ 4,739,196	$ 1,742,435
2024	4,135,000	1,532,800	1,569,910	17,565	5,704,910	1,550,365
2025	4,175,000	1,339,369	1,580,698	6,777	5,755,698	1,346,146
2026	3,805,000	1,191,863	132,213	77	3,937,213	1,191,940
2027	3,470,000	1,109,300	-	-	3,470,000	1,109,300
2028-2032	9,965,000	4,313,713	-	-	9,965,000	4,313,713
2033-2037	9,895,000	2,295,838	-	-	9,895,000	2,295,838
2038-2039	5,635,000	227,700	-	-	5,635,000	227,700
Total	$ 44,260,000	$ 13,724,739	$ 4,842,017	$ 52,698	$ 49,102,017	$ 13,777,437

(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. On August 11, 2021, $500,000 of the 2013A bonds was refunded with the issuance of 2021B refunding bonds.

(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

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

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

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 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.

On August 11, 2021, $14,200,000 of the 2016A bonds was refunded with the issuance of 2021A refunding bonds. A proportionate share of the deferred loss and premiums on the 2016A bonds was written off as part of the refunding.

(d) Airport Revenue Refunding Bonds, Series 2021A (Non-AMT) and Series 2021B (Taxable)

On August 11, 2021, the Commission issued Airport Revenue Refunding Bonds Series 2021A in the amount of $13,615,000 and 2021B in the amount of $545,000. The net proceeds of the 2021A bonds combined with other available resources were placed in the existing debt service fund to current refund $14,200,000 of the 2016A Bonds maturing on July 1 in the years 2028 through 2034. The net proceeds of the 2021B bonds were placed in an irrevocable trust to effectively defease $500,000 of the outstanding principal amount of the 2013A Revenue Bonds maturing on July 1, 2022. Principal payments are due each year on July 1 starting in 2022 through 2033. Interest on the bonds is payable semi-annually each January 1 and July 1. The refunding will result in a cash savings of $1,058,182, resulting in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $1,172,361.

(e) Restricted Assets

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

	2022	2021
Cost of issuance	$ 134,168	$ 134,168
Debt service	11,838,826	12,986,570
Equipment and capital outlay	49,466,022	37,944,755
Operation and maintenance	20,000,108	19,371,453
	$ 81,439,124	$ 70,436,946

(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.

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. The Commission was in compliance with the covenant for the year ended June 30, 2022.

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

(f) Bond Covenants (continued)

At June 30, 2021, the Commission was not in compliance with the provisions of the revenue bond covenants debt coverage ratio. 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 engaged a consultant in accordance with the bond resolution requirement and refunded debt in fiscal year 2022.

(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, 2022 and June 30, 2021.

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 $2,858,787 (5.2%) and $2,369,840 (4.3%) for the year ended June 30, 2021, and $1,402,800 (4.3%) and $1,148,468 (3.5%) for the year ended June 30, 2021.

Note 7. LEASES

The Commission leases space within the terminal building, other buildings, and the rental of Airport land property to air carriers and other tenants under various leases, a majority of which are non-cancellable and terminate no later than January 2056. Lease provisions provide for fixed and variable rental payments, and all are generally designed to allow the Commission to meet its debt service requirements and recover certain operating and maintenance costs. In addition, concession income is derived from various concession agreements from food and beverage, retail sales and rental car companies. The agreements under which the Commission receives revenue from the operation of concessions provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. The Commission had rental and concession income of $26,764,814 and $18,162,889 in 2022 and 2021, respectively, which is included in operating revenues.

For the year ended June 30, 2022, the Commission recognized the following balances related to the non-cancellable leases:

	Fixed Payments
Rentals, Building, and Ground Area	$ 1,235,499
Concessions	$ 4,871,748
Interest Revenue	$ 510,609

Note 7. LEASES (continued)

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2022 are as follows:

Year	Principal	Interest	Total
2023	$ 3,490,628	$ 441,132	$ 3,931,760
2024	965,693	375,425	1,341,118
2025	745,821	360,292	1,106,113
2026	747,206	347,020	1,094,226
2027	635,624	337,958	973,582
2028-2032	3,087,747	1,510,429	4,598,176
2033-2037	2,153,267	803,000	2,956,267
2038-2042	1,381,767	211,719	1,593,486
2043-2047	948,748	166,364	1,115,112
2048-2052	820,870	34,895	855,765
Total	$ 14,977,371	$ 4,588,234	$ 19,565,605

Airport Use and Lease agreements (Regulated Leases)
The Commission has entered into regulated leases with its Signatory Air Carriers (American, Delta, JetBlue, Southwest, Spirit, and United) for usage of facilities for the purpose of conducting air transportation business. The existing two-year extension of the airline operating and terminal building agreement between the Commission and the signatory air carriers expired on June 30, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. In early fiscal year 2023, the Commission negotiated a new 5-year extension of the operating agreement, which has been signed by American, Delta, Southwest, Spirit, and United, with the final signature expected prior to year-end. These agreements are non-cancellable and will terminate no later than 2028, with option to negotiate an extension, or month-to-month and cancellable with 30 days' notice. Under the terms of these agreements, Signatory Air Carriers and affiliate airlines make monthly payments to the Commission based on the annual rental rates and charges schedule. Rate calculations are based on total estimates of costs and expenses, estimates of passengers and total landed weight per 1,000 lbs., and other factors. Following the end of each fiscal year, the Commission calculates the actual Signatory Airline Landing Fees based on actual costs and actual Total Landed Weight. Any overages or deficits are credited or recovered the following year. Non-signatory airlines are billed an additional 15% surcharge on the signatory landing fee.

Under the agreements with American, Delta, and United, each air carrier has exclusive and preferential use of certain space and facilities of the terminal preferential use of certain apron areas. Exclusive use is granted for ticket counter areas, ticket counter offices, concourse operations, and baggage service areas. Preferential use is granted for the hold room area, ramp service area, and outbound baggage area. Aircraft gates at the terminal building are assigned on a preferential use basis. Each Signatory Air Carrier has priority in using its gates, but the Commission may temporarily assign gates to other airlines under certain conditions. A Signatory Air Carrier's use of its gates is subject to the certain conditions. If the usage conditions are note met, the Commission may cancel the Signatory Air Carrier's right to use one or more of its gates. No other airlines have exclusive or preferential use of more than ten (10) percent of terminal space or other areas as of June 30, 2022.

Note 7. LEASES (continued)

Exclusive and preferential use of space are summarized as follows:

	American	Delta	United	Total
Terminal areas - airline space	15,877 sq. ft.	16,909 sq. ft.	9,918 sq. ft.	59,392 sq. ft.
Apron - airline space	180,405 sq. ft.	99,670 sq. ft.	105,735 sq. ft.	484,030 sq. ft.

For the year ended June 30, 2022, the Commission recognized the following balances related to Regulated Leases:

	Fixed Payments	Variable Payments
American	$ 699,301	$ 890,499
Delta	$ 764,396	$ 942,823
United	$ 485,653	$ 395,811
Other Signatory Air Carriers	$ 736,628	$ 831,704

Expected future minimum lease payments from Regulated Leases at June 30, 2022, (only known for one year, due to contract negotiations), are as follows:

Fiscal Year	Amount
2023	$ 6,346,388
	$ 6,346,388

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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, 2020 and June 30, 2019 actuarial valuations, the following employees were covered by the benefit terms of the pension plan:

	2020 Valuation	2019 Valuation
Inactive members or their beneficiaries currently receiving benefits	123	102
Inactive members:		
Vested inactive members	47	42
Non-vested inactive members	123	103
Inactive members active elsewhere in VRS	61	61
Total inactive members	231	206
Active members	157	189
Total covered employees	511	497

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 years ended June 30, 2022 and 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.

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 $665,239 and $682,944 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability (Asset)

The net pension liability (asset) (NPL(A)) 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, 2021 and June 30, 2020. The total pension liability used to calculate the net pension liability was determined by actuarial valuations performed as of June 30, 2020 and June 30, 2019, rolled forward to the measurement date of June 30, 2021 and June 30, 2020.

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, 2020 and 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, 2021 and June 30, 2020.

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

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:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount rate	No change

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, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Note 8. PENSION PLAN (continued)

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of 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)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, 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, 2021 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, 2020	$ 41,012,780	$ 36,512,005	$ 4,500,775
Changes for the year:			
Service cost	$ 919,009	$ -	$ 919,009
Interest	2,683,630	-	2,683,630
Assumption changes	1,549,853	-	1,549,853
Differences between expected and actual experience	(17,415)	-	(17,415)
Contributions - employer	-	682,971	(682,971)
Contributions - employee	-	434,039	(434,039)
Net investment income	-	9,793,990	(9,793,990)
Benefit payments, including refunds of employer contributions	(2,510,586)	(2,510,586)	-
Administrative expenses	-	(25,031)	25,031
Other changes	-	921	(921)
Net changes	$ 2,624,491	$ 8,376,304	$ (5,751,813)
Balances at June 30, 2021	$ 43,637,271	$ 44,888,309	$ (1,251,038)

	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

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	2021	$ 4,125,330	$ (1,251,038)	$ (5,720,743)
Net Pension Liability(Asset)	2020	9,412,075	4,500,775	387,478

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

For the year ended June 30, 2022, the Commission recognized pension expense of $488,043. At June 30, 2022, 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	$ 67,276	$ 10,421
Change in assumptions	927,422	-
Net difference between projected and actual earnings on pension plan investments	-	4,841,085
Employer contributions subsequent to the measurement date	665,239	-
Total	$ 1,659,937	$ 4,851,506

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, 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

$665,239 and $682,944 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, 2023 and June 30, 2022, 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	2022	Year ended June 30	2021
2023	$ (451,701)	2022	$ 572,064
2024	(804,468)	2023	408,317
2025	(1,125,182)	2024	369,423
2026	(1,475,457)	2025	350,273
2027	-	2026	-
Thereafter	-	Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/ Publications/2021-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, 2020 and June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	2020 Valuation	2019 Valuation
Inactive members or their beneficiaries currently receiving benefits	33	31
Inactive members:		
Vested inactive members	7	0
Total inactive members	40	31
Active members	157	189
Total covered employees	197	220

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, 2022 was .31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The Commission 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 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 $22,809 and $23,342 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately $2.5 million of additional employer contributions in FY 2021.

Net HIC OPEB Liability

The Commission net Health Insurance Credit OPEB liability was measured as of June 30, 2021 and June 30, 2020. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021 and June 30, 2020.

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, 2020 and 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 dates of June 30, 2021 and June 30, 2020.

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

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Actuarial Assumptions (continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Actuarial Assumptions (continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investement Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

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

Discount Rate

The discount rate used to measure the total 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, 2021, the rate contributed by the entity for the HIC OPEB 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, 2020	$ 307,070	$ 34,549	$ 272,521
Changes for the year:			
Service cost	$ 7,340	$ -	$ 7,340
Interest	20,026	-	20,026
Changes of assumptions	6,680	-	6,680
Difference between expected and actual experience	16,924	-	16,924
Contributions - employer	-	23,343	(23,343)
Net investment income	-	9,013	(9,013)
Benefit payments, including refunds of employee contributions	(20,793)	(20,793)	-
Administrative expenses	-	(118)	118
Net changes	$ 30,177	$ 11,445	$ 18,732
Balances at June 30, 2021	$ 337,247	$ 45,994	$ 291,253

	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

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	2021	$ 328,726	$ 291,253	$ 259,507
Net HIC OPEB Liability	2020	306,564	272,521	243,528

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, 2022, the Commission recognized HIC Plan OPEB expense of $47,387. At June 30, 2022, 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	$ 89,721	$ -
Changes of assumptions	9,709	3,807
Net difference between projected and actual earnings on HIC OPEB plan investments	-	4,289
Employer contributions subsequent to the measurement date	22,809	-
Total	$ 122,239	$ 8,096

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, 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

$22,809 and $23,342 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, 2023 and June 30, 2022. 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	2022	Year Ended June 30	2021
2023	$ 22,396	2022	$ 19,983
2024	22,439	2023	20,062
2025	22,716	2024	20,105
2026	17,963	2025	20,382
2027	4,140	2026	15,628
Thereafter	1,680	Thereafter	486

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications /2021-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, seatbelt 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 $8,722 as of July 30, 2022.

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% of covered employee compensation for 2022 and 2021. 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 the employer component was 0.54% (1.34% x 40%). 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, 2022 and June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the Commission were $39,948 and $40,772 for the years ended June 30, 2022 and June 30, 2021, 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, 2022 and June 30, 2021, the entity reported a liability of $425,774 and $724,108, respectively for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and June 30, 2020. 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 and June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the Commission's proportion was .03660% as compared to .04339% at June 30, 2020 and .04570% at June 30, 2019.

For the years ended June 30, 2022 and June 30, 2021, the Commission recognized GLI OPEB expense of $3,392 and $31,363, 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, 2022, 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	$ 48,561	$ 3,244
Net difference between projected and actual earnings on GLI OPEB plan investments	-	101,623
Change in assumptions	23,473	58,255
Changes in proportionate share	20,022	107,812
Employer contributions subsequent to the measurement date	39,948	-
Total	$ 132,004	$ 270,934

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

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)*

$39,948 and $40,772 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, 2023 and June 30, 2022. 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	2022	Year Ended June 30	2021
2023	$ (35,026)	2022	$ 14,657
2024	(31,041)	2023	20,799
2025	(35,475)	2024	25,666
2026	(53,490)	2025	21,271
2027	(23,846)	2026	454
Thereafter	-	Thereafter	(882)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020 and 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, 2021 and 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 - 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

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

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

Actuarial Assumptions: (continued)

Mortality Rates – Non-Largest Ten Locality Employers-General Employees (continued)

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

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

Actuarial Assumptions: (continued)

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

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	$	1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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

NET GLI OPEB Liability (continued)

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.

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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

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

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

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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, 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, 2021, 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.

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	2021	$ 622,071	$ 425,774	$ 267,255
Net OPEB Liability	2020	951,895	724,108	539,123

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/ 2021-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:

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. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the 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. 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.

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, 2022 and June 30, 2021 was $722.55 and $717.31, 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

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

Contributions (continued)

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 $26,540 and $33,714 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022 and June 30, 2021, the entity reported a liability of $1,079,856 and $1,000,508, respectively for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2021 and June 30, 2020. 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, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 and June 30, 2020 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2021, the entity's proportion was .24490% as compared to .23889% at June 30, 2020 and .25241% at June 30, 2019.

For the years ended June 30, 2022 and June 30, 2021, the entity recognized LODA OPEB expense of $101,214 and $91,600, 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, 2022, 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	$ 90,031	$ 163,500
Net difference between projected and actual earnings on LODA OPEB program investments	-	6,253
Change in assumptions	298,832	51,655
Change in proportionate share	100,294	77,267
Employer contributions subsequent to the measurement date	26,540	-
Total	$ 515,697	$ 298,675

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, 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

$26,540 and $33,714 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, 2023 and June 30, 2022, 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	2022	Year Ended June 30	2021
2023	$ 26,583	2022	$ 23,445
2024	26,870	2023	23,708
2025	26,955	2024	23,988
2026	27,045	2025	24,071
2027	33,870	2026	24,159
Thereafter	49,159	Thereafter	59,594

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, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. 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 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return	2.16%, including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. The assumed annual rate of return of 2.21% was used in the 2020 measurement since it approximated the risk-free rate of return.

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Actuarial Assumptions (continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

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, 2021, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

		LODA Program
Total LODA OPEB Liability	$	448,542
Plan Fiduciary Net Position		7,553
LODA Net OPEB Liability (Asset)	$	440,989
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability		1.68%

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.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2. 61% 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 2.16% 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, 2021.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.16% and 2.21% at 2021 and 2020, 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, 2021, 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 2.16%, 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 (1.16%) or one percentage point higher (3.16%) than the current rate. The 2019 share is presented using the discount rate of 2.21%, as well as the one percentage point decrease (1.21%) and one percentage point increase of 3.21%.

		Discount Rate		
		1% Decrease	**Current**	**1% Increase**
Commission's proportionate				
share of the LODA	2021	$ 1,242,231	$ 1,079,856	$ 950,837
Net OPEB Liability	2020	1,187,590	1,000,508	859,490

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.

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

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

		Health Care Trend Rates		
		1% Decrease	Current	1% Increase
Commission's proportionate				
share of the LODA	2021	$ 886,050	$ 1,079,856	$ 1,328,357
Net OPEB Liability	2020	826,953	1,000,508	1,227,516

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/ publications/2021-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.

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

Benefit Amounts (continued)

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.

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, 2022 and June 30, 2021 was 0.83% 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. 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 $17,215 and $16,479 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022 and June 30, 2021, the Commission reported a liability (asset) of ($5,003) and $5,228, respectively for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2021 and June 30, 2020, respectively. The total VLDP OPEB liability used to calculate the June 30, 2021 Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 and June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the Commission's proportion of the VLDP was 0.49424% as compared to 0.52367% at June 30, 2020 and 0.53970% at June 30, 2019.

For the years ended June 30, 2022 and June 30, 2021, the Commission recognized VLDP OPEB expense of $13,506 and $14,946, 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, 2022, 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	$ 2,972	$ 7,496
Net difference between projected and actual earnings on VLDP OPEB program investments	-	2,791
Change in assumptions	170	1,357
Changes in proportionate share	-	713
Employer contributions subsequent to the measurement date	17,215	-
Total	$ 20,357	$ 12,357

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

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)

$17,215 and $16,479 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, 2023 and June 30, 2022, 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	2022	Year Ended June 30	2021
2023	$ (1,355)	2022	$ 389
2024	(1,346)	2023	378
2025	(1,377)	2024	388
2026	(2,395)	2025	355
2027	(825)	2026	(729)
Thereafter	(1,917)	Thereafter	(2,757)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation	3.50%-5.35%
Investment rate of return	6.75%, net of program investment expenses, including inflation

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:
Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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 Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2021, 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	$	5,156
Plan Fiduciary Net Position		6,166
Political Subdivision VLDP net OPEB Liability (Asset)	$	(1,010)
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability		119.59%

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.

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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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

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

Discount Rate

The discount rate used to measure the total VLDP OPEB 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, 2021, 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, 2021 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	2021 $	(2,680) $	(5,003) $	(7,018)
VLDP Net OPEB Liability	2020	7,011	5,228	3,674

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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/ publications/2021-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, 2022 and 2021 (measurement date), the following employees were covered by the benefit terms:

	2022 Valuation	2021 Valuation
Total active employees with coverage	133	133
Total retirees with coverage	5	5
Total spouses of retirees with coverage	3	3
Total	141	141

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, 2022 and June 30, 2021. 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, 2022 and June 30, 202. 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 actuarial valuation 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, 2022 2.50% per year as of June 30, 2021
Salary Increases	5.35% for 1 year gradually declining to 3.50% for 20 or more years of service for both 2021 and 2022
Discount Rate	3.54% as of June 30, 2022 2.16% as of June 30, 2021

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 3.54% as of June 30, 2022 and 2.16% as of June 30, 2021.

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

	2022	2021
Balances at July 1	$ 527,507	$ 581,755
Changes for the year:		
Service cost	30,998	28,769
Interest	11,500	12,984
Difference between expected and actual experience	-	(70,418)
Changes in assumptions	(52,337)	20,698
Benefit payments	(52,622)	(46,281)
Net changes	(62,461)	(54,248)
Balances at June 30	$ 465,046	$ 527,507

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 (2.54%) or one percentage point higher (4.54%) than the current discount rate (3.54%). The 2021 discount rate was 2.16%:

	Rate		
	1% Decrease	**Current Discount**	**1% Increase**
Total OPEB Liability			
2022	$ 502,290	$ 465,046	$ 431,265
2021	568,197	527,507	490,226

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 2021 healthcare cost trend rates were (8.90% decreasing to an ultimate rate of 4.00%).

	Rates		
	1% Decrease	**Healthcare Cost Trend**	**1% Increase**
Total OPEB Liability			
2022	$ 413,529	$ 465,046	$ 526,348
2021	472,501	527,507	593,252

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

For the year ended June 30, 2022, the Commission recognized OPEB expense in the amount of $55,757. At June 30, 2022, 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	$ 43,953	$ 45,710
Changes in assumptions	29,096	41,201
Total	$ 73,049	$ 86,911

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, 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

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	2022	Year Ended June 30	2021
2023	$ 13,259	2022	$ 24,395
2024	6,635	2023	24,395
2025	(19,859)	2024	17,771
2026	(13,898)	2025	(8,723)
2027	-	2026	(6,105)
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:

2022		OPEB Asset		Deferred Outflows		Deferred Inflows		OPEB Liabilities		OPEB Expense
VRS OPEB Plans:										
Health Insurance Credit Program (Note 9)	$	-	$	122,239	$	(8,096)	$	(291,253)	$	47,387
Group Life Insurance Plan (Note 10)		-		132,004		(270,934)		(425,774)		3,392
Line of Duty Act Program (Note 11)		-		515,697		(298,675)		(1,079,856)		101,214
Virginia Local Disability Program (Note 12)		5,003		20,357		(12,357)		-		13,506
Retiree Medical Plan (Note 13)		-		73,049		(86,911)		(465,046)		55,757
Totals at June 30, 2022	$	5,003	$	863,346	$	(676,973)	$	(2,261,929)	$	221,256

2021		OPEB Asset		Deferred Outflows		Deferred Inflows		OPEB Liabilities		OPEB Expense
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

2022		Beginning Balance		Increase		Decrease		Ending Balance
VRS OPEB Plans:								
Health Insurance Credit Program (Note 9)	$	272,521	$	152,149	$	(133,417)	$	291,253
Group Life Insurance Program (Note10)		724,108		146,546		(444,880)		425,774
Line of Duty Act Program (Note11)		1,000,508		883,137		(803,789)		1,079,856
Virginia Local Disability Program (Note 12)		5,228		23,656		(33,887)		(5,003)
Retiree Medical Plan (Note 13)		527,507		42,498		(104,959)		465,046
Totals at June 30, 2022	$	2,529,872	$	1,247,986	$	(1,520,932)	$	2,256,926

2021		Beginning Balance		Increase		Decrease		Ending Balance
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

Note 15. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2022 and 2021, 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 $20,500 for the year 2022; with participants age 50 and older allowed to defer a maximum of $27,000. 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, 2022, the Commission had construction commitments of approximately $14.6 million, of which approximately $13.1 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 2022 operations and financial results including, but not limited to, loss of revenue and shortages of personnel. The Commission experienced a significant rebound in enplaned passengers in fiscal year 2022 when compared to fiscal year 2021. Fiscal year 2022 enplanements were at 91.0% of fiscal year 2019 levels compared to fiscal year 2021 which was 46.2% of fiscal year 2019 levels. The COVID-19 pandemic's dynamic nature leads to uncertainties related to the pandemic's local and global economic impact on the demand for air travel and on the airlines and concessionaires serving airports. Despite it, the Commission anticipates a steady recovery in fiscal year 2023 and exceeding fiscal year 2019 passenger enplanement levels by fiscal year 2024.

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Note 19. ADOPTION OF ACCOUNITNG PRINCIPLES

The Commission implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. There was no restatement of beginning net position as a result of this implementation as it was not practicable to restate the 2021 amounts due to staffing and time constraints. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the leases:

Leases receivable	$ 19,368,626
Deferred inflows of resources - leases	$ 19,368,626

Note 20. 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 event was noted:

The existing two-year extension of the airline operating and terminal building agreement between the Commission and certain airlines was effective on July 1, 2020 and expired on June 30, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. The Commission negotiated a new 5-year extension of the operating agreement. As of October 31, 2022, American, Delta, Southwest, Spirit, and United have signed the extension, leaving one signatory airline to sign. The Commission anticipates all the signatory airlines will sign the new 5-year extension.

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, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 919,009	$ 1,108,776	$ 1,027,458	$ 951,396
Interest	2,683,630	2,569,899	2,440,776	2,360,261
Changes in benefit terms	-	-	-	402,011
Differences between expected and actual experience	(17,415)	210,416	352,766	(1,116,875)
Changes in assumptions	1,549,853	-	1,086,066	-
Benefit payments	(2,510,586)	(1,897,777)	(1,507,664)	(1,385,500)
Net change in total pension liability	$ 2,624,491	$ 1,991,314	$ 3,399,402	$ 1,211,293
Total pension liability - beginning	41,012,780	39,021,466	35,622,064	34,410,771
Total pension liability - ending (a)	$ 43,637,271	$ 41,012,780	$ 39,021,466	$ 35,622,064
Plan fiduciary net position				
Contributions - employer	$ 682,971	$ 684,049	$ 695,507	$ 820,043
Contributions - employee	434,039	424,956	427,764	410,902
Net investment income	9,793,990	693,824	2,320,346	2,409,834
Benefit payments	(2,510,586)	(1,897,777)	(1,507,664)	(1,385,500)
Administrative expense	(25,031)	(23,977)	(22,798)	(20,544)
Other	921	(823)	(1,462)	(2,155)
Net change in plan fiduciary net position	$ 8,376,304	$ (119,748)	$ 1,911,693	$ 2,232,580
Plan fiduciary net position - beginning	36,512,005	36,631,753	34,720,060	32,487,480
Plan fiduciary net position - ending (b)	$ 44,888,309	$ 36,512,005	$ 36,631,753	$ 34,720,060
Commission's net pension liability (asset) - ending (a) - (b)	$ (1,251,038)	$ 4,500,775	$ 2,389,713	$ 902,004
Plan fiduciary net position as a percentage of the total pension liability	102.87%	89.03%	93.88%	97.47%
Covered payroll	$ 7,502,119	$ 8,889,384	$ 8,888,823	$ 8,509,044
Commission's net pension liability (asset) as a percentage of covered payroll	-16.68%	50.63%	26.88%	10.60%

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, 2021
(Continued)

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 914,853	$ 947,517	$ 867,611	$ 870,607
Interest	2,289,579	2,166,414	2,103,636	1,980,695
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(470,663)	139,420	(733,014)	-
Changes in assumptions	(313,362)	-	-	-
Benefit payments	(1,435,808)	(1,551,901)	(1,130,913)	(1,059,085)
Net change in total pension liability	$ 984,599	$ 1,701,450	$ 1,107,320	$ 1,792,217
Total pension liability - beginning	33,426,172	31,724,722	30,617,402	28,825,185
Total pension liability - ending (a)	$ 34,410,771	$ 33,426,172	$ 31,724,722	$ 30,617,402
Plan fiduciary net position				
Contributions - employer	$ 725,003	$ 823,513	$ 818,481	$ 831,532
Contributions - employee	379,833	387,582	378,639	366,404
Net investment income	3,564,329	508,986	1,284,659	3,798,506
Benefit payments	(1,435,808)	(1,551,901)	(1,130,913)	(1,059,085)
Administrative expense	(20,502)	(18,229)	(17,267)	(20,146)
Other	(3,175)	(215)	(271)	200
Net change in plan fiduciary net position	$ 3,209,680	$ 149,736	$ 1,333,328	$ 3,917,411
Plan fiduciary net position - beginning	29,277,800	29,128,064	27,794,736	23,877,325
Plan fiduciary net position - ending (b)	$ 32,487,480	$ 29,277,800	$ 29,128,064	$ 27,794,736
Commission's net pension liability (asset) - ending (a) - (b)	$ 1,923,291	$ 4,148,372	$ 2,596,658	$ 2,822,666
Plan fiduciary net position as a percentage of the total pension liability	94.41%	87.59%	91.82%	90.78%
Covered payroll	$ 7,819,559	$ 7,318,266	$ 7,739,286	$ 7,327,589
Commission's net pension liability (asset) as a percentage of covered payroll	24.60%	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
For the Years Ended June 30, 2013 through June 30, 2022

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)
2022	$ 665,239	$ 665,239	$ -	$ 7,335,023	9.07%
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%

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

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

Changes of Assumptions
The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2021

	2021	2020	2019	2018	2017
Total HIC OPEB Liability					
Service cost	$ 7,340	$ 8,701	$ 8,076	$ 7,363	$ 7,515
Interest	20,026	19,114	10,103	9,655	9,551
Differences between expected and actual experience	16,924	5,418	128,810	533	-
Changes in assumptions	6,680	-	7,333	-	(10,627)
Benefit payments	(20,793)	(18,680)	(12,265)	(10,044)	117
Net change in total HIC OPEB liability	$ 30,177	$ 14,553	$ 142,057	$ 7,507	$ 6,556
Total HIC OPEB Liability - beginning	307,070	292,517	150,460	142,953	136,397
Total HIC OPEB Liability - ending (a)	$ 337,247	$ 307,070	$ 292,517	$ 150,460	$ 142,953
Plan fiduciary net position					
Contributions - employer	$ 23,343	$ 18,667	$ 18,732	$ 17,946	$ 15,147
Net investment income	9,013	603	1,982	1,611	928
Benefit payments	(20,793)	(18,680)	(12,265)	(10,044)	117
Administrative expense	(118)	(67)	(45)	(46)	(35)
Other	-	-	(2)	-	-
Net change in plan fiduciary net position	$ 11,445	$ 523	$ 8,402	$ 9,467	$ 16,157
Plan fiduciary net position - beginning	34,549	34,026	25,624	16,157	-
Plan fiduciary net position - ending (b)	$ 45,994	$ 34,549	$ 34,026	$ 25,624	$ 16,157
Commission's net HIC OPEB liability - ending (a) - (b)	$ 291,253	$ 272,521	$ 258,491	$ 124,836	$ 126,796
Plan fiduciary net position as a percentage of the total HIC OPEB liability	13.64%	11.25%	11.63%	17.03%	11.30%
Covered payroll	$ 7,529,919	$ 8,889,384	$ 8,920,207	$ 8,545,428	$ 7,196,592
Commission's net HIC OPEB liability as a percentage of covered payroll	3.87%	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 (ASSET)
VRS COST SHARING PLANS
Measurement Dates of June 30, 2017 through June 30, 2021

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					
2021	0.03660%	$ 425,774	$ 7,550,347	5.64%	67.45%
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					
2021	0.24490%	$ 1,079,856	$ 1,895,001	56.98%	1.68%
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

Date (1)	(2)	(3)	(4)	(5)	(6)
Virginia Local Disability Program (VLDP)					
2021	0.49424%	$ (5,003)	$ 1,985,479	-0.25%	119.59%
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, 2013 through June 30, 2022

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					
2022	$ 22,809	$ 22,809	$ -	$ 7,357,824	0.31%
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					
2022	$ 39,948	$ 39,948	$ -	$ 7,398,204	0.54%
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%
Line of Duty Act (LODA) Program					
2022	$ 26,540	$ 26,540	$ -	$ 2,003,289	1.32%
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%

* 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)					
2022	$ 17,215	$ 17,215	$ -	$ 2,080,455	0.83%
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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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 Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

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, 2022

	2022	2021	2020
Total OPEB liability			
Service cost	$ 30,998	$ 28,769	$ 26,651
Interest	11,500	12,984	14,297
Differences between expected and actual experience	-	(70,418)	117,207
Changes in assumptions	(52,337)	20,698	41,759
Benefit payments	(52,622)	(46,281)	-
Net change in total OPEB liability	$ (62,461)	$ (54,248)	$ 199,914
Total OPEB liability - beginning	527,507	581,755	381,841
Total OPEB liability - ending	$ 465,046	$ 527,507	$ 581,755
Covered-employee payroll	$ 6,849,298	$ 6,849,298	$ 8,780,176
Commission's total OPEB liability (asset) as a percentage of covered-employee payroll	6.79%	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, 2022

Valuation Date:	1/1/2021
Measurement Date:	6/30/2022

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	2.16% as of June 30, 2021; 3.54% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2021; 2.50% per year as of June 30, 2022
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.

SUPPLEMENTAL INFORMATION

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES
Years Ended June 30, 2022 and 2021

	2022	2021
Parking Income		
Terminal	$ 20,631,113	$ 9,784,309
Economy and shuttle	1,410,085	1,653
Valet	383,060	131,868
Parking meter and violations	12,786	8,010
	22,437,044	9,925,840
Landing Fees		
Major	2,274,129	1,435,982
Regional	1,582,725	843,967
Scheduled freighter	882,932	786,859
Other	210,280	195,170
	4,950,066	3,261,978
Concession Income		
Rental car	4,615,925	3,576,204
Food and Beverage	1,399,492	632,530
Ground Transportation Fees	870,662	253,611
In-flight catering, etc.	9,410	606
Retail sales	1,595,105	1,118,855
Off Airport Concession Fees	57,896	29,155
Terminal Building Advertising	1,079,876	761,584
Fuel Flowage Fee	153,544	132,910
Lease Revenue-RAC	4,871,748	-
Other	51,797	33,074
	14,705,455	6,538,528
Rental Income		
Airline terminal	6,389,858	7,071,752
Land	980,224	1,485,176
Lease Revenue	1,235,499	-
Other building	3,453,777	3,067,432
	12,059,359	11,624,361
Apron Fees Direct Charges	463,575	504,597
Other		
Utilities	41,834	102,531
Other	315,122	421,888
	356,956	524,418
Total	$ 54,972,455	$ 32,379,722

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES
Years Ended June 30, 2022 and 2021

	2022	2021
Personnel		
Salaries		
Regular	$ 8,443,683	$ 8,644,115
Overtime	949,273	516,725
Fringe benefits		
Payroll taxes	681,856	672,498
Group insurance, life and health	1,630,565	1,676,219
Retirement & disability	548,557	1,425,638
Other	110,076	92,221
	12,364,010	13,027,416
Utilities		
Electricity	2,231,119	1,944,950
Heating fuel	197,630	155,429
Telephone	138,714	123,539
Water and sewer	306,401	246,356
	2,873,864	2,470,274
Professional Services		
Legal and accounting	881,622	866,816
Consulting services	501,178	529,183
Marketing and promotion	1,030,285	372,719
	2,413,085	1,768,718
Parking		
Terminal	2,677,576	1,933,037
Economy and shuttle	992,475	22,994
	3,670,051	1,956,031
Maintenance		
Building	620,688	503,853
Equipment	679,028	647,193
Other	600,636	410,807
	1,900,350	1,561,853
Insurance	791,155	751,456
Supplies	681,712	442,736
Other		
Conference and travel	117,185	39,036
Snow removal	205,145	103,192
Other	617,603	343,939
	939,933	486,167
Total	$ 25,634,160	$ 22,464,651

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance with Budget Positive (Negative)
Parking Income			
Terminal	$ 12,993,740	$ 20,631,113	$ 7,637,373
Economy and shuttle	3,032,820	1,410,085	(1,622,735)
Valet	417,330	383,060	(34,270)
Parking meter and violations	14,810	12,786	(2,024)
	16,458,700	22,437,044	5,978,344
Landing Fees			
Major	1,910,882	2,274,129	363,247
Regional	1,473,183	1,582,725	109,542
Scheduled freighter	978,276	882,932	(95,344)
Other	156,695	210,280	53,585
	4,519,036	4,950,066	431,030
Concession			
Rental car	5,008,500	4,615,925	(392,575)
Food and beverage	1,192,500	1,399,492	206,992
Ground transportation fees	715,500	870,662	155,162
In-flight catering, etc.	15,900	9,410	(6,490)
Retail sales	1,176,600	1,595,105	418,505
Off airport concession fees	63,600	57,896	(5,704)
Terminal advertising	1,100,000	1,079,876	(20,124)
Fuel flowage fees	143,100	153,544	10,444
Lease Revenue-RAC	-	4,871,748	4,871,748
Other	31,800	51,797	19,997
	9,447,500	14,705,455	5,257,955
Rental Income			
Airline terminal	7,101,034	6,389,858	(711,176)
Land	1,502,004	980,224	(521,780)
Lease Revenue	-	1,235,499	1,235,499
Other building	2,999,246	3,453,777	454,531
	11,602,284	12,059,359	457,074
Apron Fees	546,456	463,575	(82,881)
Other			
Utilities	129,000	41,834	(87,166)
Other	190,000	315,123	125,123
	319,000	356,956	37,956
Total	$ 42,892,976	$ 54,972,455	$ 12,079,478

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budget	Actual	Variance with Budget Positive (Negative)
Personnel			
Salaries			
Regular	$ 9,347,837	$ 8,443,683	$ 904,154
Overtime	327,000	949,273	(622,273)
Fringe benefits			
Payroll taxes	731,346	681,856	49,490
Group insurance, life and health	1,770,725	1,583,175	187,550
Retirement & disability	745,741	595,947	149,794
Other personnel expense	140,500	110,076	30,424
	13,063,149	12,364,010	699,139
Utilities			
Electricity	2,122,500	2,231,119	(108,619)
Heating fuel	148,000	197,630	(49,630)
Telephone	138,640	138,714	(74)
Water and sewer	280,000	306,401	(26,401)
	2,689,140	2,873,864	(184,724)
Professional Services			
Legal and accounting	736,500	881,622	(145,122)
Consulting services	593,000	501,178	91,822
Marketing and promotion	758,000	1,027,944	(269,944)
	2,087,500	2,413,085	(323,244)
Parking			
Terminal	2,491,200	2,677,576	(186,376)
Economy and shuttle	1,960,000	992,475	967,525
	4,451,200	3,670,051	781,149
Maintenance			
Building	765,400	620,688	144,712
Equipment	577,049	679,028	(101,979)
Other	860,563	600,636	259,927
	2,203,012	1,900,350	302,660
Insurance	850,000	791,155	58,845
Supplies	666,970	681,712	(14,742)
Other			
Conference and travel	201,195	117,185	84,010
Snow removal	75,000	205,145	(130,145)
Other	1,025,255	617,603	407,652
	1,301,450	939,933	361,517
Total	$ 27,312,421	$ 25,634,160	$ 1,680,600

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Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2022

	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	$ -	$ 5,927,240	$ 37,944,755	$ 10,685,352	$ 2,479,181	$ 67,057	$ 3,755,084
RECEIPTS							
Deposits from Commission	56,773,029	-	-	-	-	-	-
Deposits from Commission-collections	-	-	-	-	-	-	-
Gain (loss) on sale of investments	-	-	-	-	-	-	-
Interest earned	-	7	-	-	15,000	-	1,615
	56,773,029	7	-	-	15,000	-	1,615
DISBURSEMENTS							
Disbursements to Commission	-	-	-	23,598,713	-	-	-
Principal curtailment on long-term debt	-	-	-	-	-	-	-
Interest payments on long-term debt	-	-	-	-	-	-	-
Disbursements to others	-	7,984,396	-	-	-	-	-
	-	7,984,396	-	23,598,713	-	-	-
TRANSFERS							
Transfer of interest earned to revenue account	-	-	-	-	-	-	-
Transfer of deposited revenue to designated accounts per resolution	(56,773,029)	8,096,246	11,521,267	26,672,402	-	-	800,337
Discount (premium) amortized on bonds held as an investment	-	-	-	-	11,537	-	-
	(56,773,029)	8,096,246	11,521,267	26,672,402	11,537	-	800,337
ENDING BALANCE	$ -	$ 6,039,097	$ 49,466,022	$ 13,759,041	$ 2,505,718	$ 67,057	$ 4,557,036

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 $81,769,096 is reflected as restricted assets.

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2022

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
$ 2,733,013	$ 3,188,909	$ 134,168	$ 1,133,229	$ 16,892,272	$ 84,940,261
-	-	-	-	-	56,773,029
-	-	-	-	965,700	965,700
(5,613)	(44,228)	-	-	-	(49,840)
13,116	49,553	-	57	5,393	84,742
7,503	5,326	-	57	971,093	57,773,631
-	1,030,000	-	-	245,614	23,844,327
-	-	-	-	-	1,030,000
-	-	-	-	-	-
-	-	-	-	-	7,984,396
-	1,030,000	-	-	245,614	32,858,723
-	-	-	-	-	-
-	-	-	-	(123,362)	(9,806,138)
5,759	18,846	-	-	-	36,142
5,759	18,846	-	-	(123,362)	(9,769,996)
$ 2,746,275	$ 2,183,082	$ 134,168	$ 1,133,287	$ 17,494,389	$ 100,085,173

Capital Region Airport Commission
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2022

Account	Description	Interest Rate	Cash, Cash Equivalents and Investments
2016 Bonds			
Bond account-debt service	Money market fund	0.0	$ 6,039,097
Equipment and capital outlay	Money market fund	0.0	49,466,022
Operation and maintenance account	Cash deposits	1.0	13,759,041
Operation and maintenance reserve	Money market fund	0.0	2,505,718
Subordinated indebtedness	Money market fund	1.0	67,057
Surplus, issuer discretionary	Cash deposits	1.0	4,557,036
			76,393,971
2013 Rev Bonds			
Debt service reserve	Federal obligations	1.0	2,252,119
Debt service reserve	Money Market Fund	1.0	314,479
			2,566,598
2016 Rev Bonds			
Debt service reserve	Federal obligations	2.0	1,083,417
Debt service reserve	Money Market Fund	0.0	949,369
Cost of Issuance	Money Market Fund	0.0	134,168
			2,166,954
PFC Bonds			
General purpose fund	Money market fund	0.0	1,133,287
			1,133,287
CFC Bonds			
General purpose fund	Money market fund	0.0	17,494,389
			17,494,389
			$ 99,755,200

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	$ 18,316,077
Restricted assets:	
Cash and cash equivalents	78,103,587
Investments	3,335,536
	$ 99,755,200

Note: Includes fair market value adjustment of ($329,973).

Capital Region Airport Commission
SCHEDULE OF STATE ENTITLEMENT FUNDS
Year Ended June 30, 2022

State Entitlement Funding For Open Projects Prior Periods	$ 9,851,847	
Less: Prior Period Expenditures	7,083,168	
Begining Balance Open Projects Prior Periods		2,768,679
FY 2022 Project Funding	2,001,136	
Less: FY 2022 Expenditures	2,107,975	
State Entitlement Funds Balance 6/30/2022		$ 2,661,840

STATISTICAL SECTION

Statistical Information differs from financial statements because it usually covers more than one fiscal year and may present non-accounting data.

Available financial trend data is presented to assist the reader in understanding the Commission's primary business activities and to identify emerging financial trends. Operational data further supports this.

Special attention is placed on operating revenues, operating expenses and related indicators. Readers may be interested in the Commission's debt burden as it provides some insight as to the ability of the Commission to finance major capital projects.

Finally, demographic, economic, and operating information is presented to further explain the and 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.

Capital Region Airport Commission
Statistical Section

Contents **Page**

✈ Financial Trends

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

✈ 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.

✈ 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.

✈ 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.

Capital Region Airport Commission
NET POSITION AND CHANGES IN NET POSITION
Ten Years Ended June 30, 2022
(dollars in thousands)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues										
Apron fees	$ 464	$ 505	$ 756	$ 759	$ 648	$ 558	$ 562	$ 574	$ 601	$ 588
Concession	14,706	6,539	10,165	12,916	11,105	10,478	9,518	9,254	8,264	7,956
Landing fees	4,950	3,262	4,067	4,667	4,023	3,462	3,338	3,218	2,885	2,855
Other	357	524	346	391	315	284	317	268	315	258
Parking	22,437	9,926	17,561	23,288	20,821	20,292	20,009	19,617	18,424	17,799
Rental	12,059	11,624	11,473	11,071	10,892	10,244	10,119	10,151	10,034	9,936
Total operating revenues	54,973	32,380	44,368	53,092	47,804	45,318	43,863	43,082	40,523	39,392
Nonoperating revenues										
Customer Facility Charges	2,213	1,526	1,921	2,508	2,324	2,326	3,975	3,314	525	975
Interest income	632	123	1,284	1,523	626	206	143	128	187	136
State grant revenue	-	-	67	-	-	-	-	-	-	-
Federal grant revenue	7,460	13,481	5,432	-	-	-	-	-	-	-
Passenger Facility Charges	8,154	4,728	6,473	8,940	7,876	7,518	7,022	7,063	6,790	6,589
Total nonoperating revenues	18,459	19,858	15,177	12,971	10,826	10,050	11,140	10,505	7,502	7,700
Total Revenues	73,432	52,238	59,545	66,063	58,630	55,368	55,003	53,587	48,025	47,092
Operating expenses										
Depreciation	28,160	27,000	27,529	27,036	24,426	23,400	24,063	22,825	22,195	21,222
Insurance	791	751	756	764	747	710	745	849	844	848
Maintenance	1,900	1,562	2,034	1,976	1,677	1,726	1,527	1,556	1,541	1,651
Other	940	486	779	730	633	619	445	543	573	408
Parking	3,670	1,956	3,958	4,158	3,949	3,291	3,044	3,034	2,876	2,912
Personnel	12,364	13,028	13,867	13,009	12,457	11,293	10,470	10,534	10,224	10,279
Professional services	2,413	1,769	2,023	1,749	1,672	1,752	1,615	1,748	1,450	1,223
Supplies	682	443	567	597	602	588	590	724	692	763
Utilities	2,874	2,470	2,717	2,910	2,774	2,602	2,503	2,586	2,524	2,537
Total operating expenses	53,794	49,465	54,230	52,929	48,937	45,981	45,002	44,399	42,919	41,843
Nonoperating expenses										
Interest expense	1,780	2,532	2,783	3,033	2,564	2,758	2,625	4,065	3,556	4,557
Other, net	714	120	8	(136)	95	478	599	488	682	992
Airline rates and charges adjustment	469	2,237	2,435	-	-	-	-	-	-	-
Total nonoperating expenses	2,963	4,889	5,226	2,897	2,659	3,236	3,224	4,553	4,238	5,549
Total Expenses	56,757	54,354	59,456	55,826	51,596	49,217	48,226	48,952	47,157	47,392
Capital grants and contributions	13,692	13,521	9,841	8,785	6,681	11,136	16,295	14,830	13,439	12,660
Increase (decrease) in Net Position	$ 30,367	$ 11,405	$ 9,930	$ 19,022	$ 13,715	$ 17,287	$ 23,072	$ 19,465	$ 14,307	$ 12,360
Net Position at Year-End										
Net Investment in capital assets	$ 386,427	$ 390,992	$ 381,713	$ 356,384	$ 349,515	$ 345,759	$ 328,487	$ 297,177	$ 284,350	$ 282,629
Restricted	86,256	70,200	72,086	88,258	75,610	73,773	72,742	83,867	74,244	66,011
Unrestricted	41,219	22,343	18,331	17,940	18,434	11,777	12,794	9,908	17,010	12,658
Total Net Position	$ 513,902	$ 483,535	$ 472,130	$ 462,582	$ 443,559	$ 431,309	$ 414,023	$ 390,952	$ 375,604	$ 361,298

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, 2022
(dollars in thousands)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Airline revenues										
Landing fees	$ 4,950	$ 3,262	$ 4,067	$ 4,667	$ 4,023	$ 3,462	$ 3,338	$ 3,218	$ 2,885	$ 2,855
Apron fees	464	505	756	759	648	558	562	574	601	588
Total airline revenues	5,414	3,767	4,823	5,426	4,671	4,020	3,900	3,792	3,486	3,443
Percentage of total revenues	7.4%	7.2%	8.1%	8.2%	8.0%	7.3%	7.1%	7.1%	7.3%	7.3%
Nonairline revenues										
Parking	22,437	9,926	17,561	23,288	20,821	20,292	20,009	19,617	18,424	17,799
Rental	12,059	11,624	11,473	11,071	10,892	10,244	10,119	10,151	10,034	9,936
Concession	14,706	6,539	10,165	12,916	11,105	10,478	9,518	9,254	8,264	7,956
Other	357	524	346	391	315	284	317	268	315	258
Total nonairline revenues	49,559	28,613	39,545	47,666	43,133	41,298	39,963	39,290	37,037	35,949
Percentage of total revenues	67.5%	54.8%	66.4%	72.2%	73.6%	74.6%	72.7%	73.3%	77.1%	76.3%
Nonoperating revenues										
Passenger Facility Charges	8,154	4,728	6,473	8,940	7,876	7,518	7,022	7,063	6,790	6,589
Customer Facility Charges	2,213	1,526	1,921	2,508	2,324	2,325	3,975	3,314	525	975
Interest Income	632	123	1,284	1,523	626	206	143	128	187	136
State grant revenue	-	-	67	-	-	-	-	-	-	-
Federal grant revenue	7,460	13,481	5,432	-	-	-	-	-	-	-
Total nonoperating revenues	18,459	19,858	15,177	12,971	10,826	10,049	11,140	10,505	7,502	7,700
Percentage of total revenues	25.1%	38.0%	25.5%	19.6%	18.5%	18.1%	20.3%	19.6%	15.6%	16.4%
Total revenues	$ 73,432	$ 52,238	$ 59,545	$ 66,063	$ 58,630	$ 55,367	$ 55,003	$ 53,587	$ 48,025	$ 47,092
Enplaned passengers (excluding charters)	1,944,942	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
Total revenue per enplaned passengers	$ 37.76	$ 54.88	$ 37.92	$ 31.60	$ 31.07	$ 31.39	$ 31.53	$ 31.41	$ 29.51	$ 29.78

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.
Fiscal year 2022 federal grant revenue represents the $7.5 million CRRSA and ARPA funding.

Capital Region Airport Commission
LARGEST OWN-SOURCE REVENUE
Ten Years Ended June 30, 2022

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Parking:										
Terminal	$ 20,631,113	$ 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
Economy and shuttle	1,410,085	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
Valet	383,060	131,868	459,065	633,290	584,400	581,778	576,964	572,467	549,864	525,664
Parking meter and violations	12,786	8,010	19,646	28,545	14,559	29,194	9,443	4,454	4,824	5,596
	$ 22,437,044	$ 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

LARGEST OWN-SOURCE REVENUE RATES
Ten Years Ended June 30, 2022

	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
	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	2	7	1	7
Economy B	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	1	7
Economy C	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	1	7
Valet	N/A	21	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

Note: Rates are subject to change during year. Public parking is the only source of parking revenue.

REVENUE RATES
Ten Years Ended June 30, 2022

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Apron fees (per square foot)	$1.13	$1.15	$1.13	$1.17	$1.14	$1.10	$1.11	$1.16	$1.23	$1.23
Landing Fees (per 1,000 lbs unit)	1.57	1.52	1.52	1.38	1.34	1.32	1.32	1.26	1.26	1.23
Terminal Rental (square foot)	36.92	37.77	37.72	37.12	35.10	32.81	32.48	36.11	35.84	35.12

Capital Region Airport Commission
REVENUE BOND COVERAGE
Ten Years Ended June 30, 2022

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 2023 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.

						Coverage	
Fiscal Year	Revenue	Expense	Net Revenue Available	Debt Service on Bonds	Debt Service	Debt Service on Bonds	Debt Service
2022	$ 53,611,346	$ 27,987,391	$ 25,623,955	$ 6,453,330	$ 11,574,271	3.97	2.21
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

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, 2022
(dollars in thousands)

	Fiscal Year									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Airport Revenue Bonds:										
Series 2001 A&B	$ 4,842	$ 6,384	$ 14,877	$ 17,409	$ 19,861	$ 22,236	$ 24,537	$ 26,767	$ 28,926	$ 31,018
Series 2004 A	-	-	-	-	-	-	-	-	2,130	4,155
Series 2005 A	-	-	-	-	-	-	-	1,680	2,195	2,695
Series 2008 A	-	-	-	-	1,245	2,445	3,590	46,405	47,455	48,470
Series 2013 A	8,980	11,710	13,855	15,935	17,955	19,940	21,780	21,825	21,870	21,870
Series 2016 A	21,120	36,690	38,020	39,305	39,305	39,305	39,305	-	-	-
PFC Revenue Bonds:										
Series 2005 A	-	-	-	-	-	-	-	13,475	14,220	14,935
Series 2005 B	-	-	-	-	-	-	-	15,435	18,410	19,005
Series 2016 A	-	-	-	1,826	3,629	5,408	7,165	-	-	-
Series 2016 B	-	-	-	1,513	3,006	4,480	5,935	-	-	-
2021A Revenue Refunding Bonds	13,615	-	-	-	-	-	-	-	-	-
2021B Revenue Refunding Bonds	545	-	-	-	-	-	-	-	-	-
Car Rental Garage Revenue Bond	-	-	-	-	-	-	-	1,230	2,380	2,380
Line of Credit	-	-	-	-	-	-	-	339	-	-
	49,102	54,784	66,752	75,988	85,001	93,814	102,312	127,156	137,586	144,528
Add: Bond premium, net	6,415	5,805	6,336	6,866	7,397	7,928	8,328	2,585	2,711	3,049
Total Long-Term Debt	$ 55,517	$ 60,589	$ 73,088	$ 82,854	$ 92,398	$ 101,742	$ 110,640	$ 129,741	$ 140,297	$ 147,577
Enplaned passengers (excluding charters)	1,945	989	1,570	2,090	1,887	1,764	1,744	1,706	1,627	1,581
Total Long-Term Debt per enplaned passenger	$28.54	$61.26	$46.55	$39.64	$48.97	$57.68	$63.44	$76.05	$86.23	$93.34

Capital Region Airport Commission
ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year Ending June-30	Series 2001A Bonds	Unrefunded Series 2013A Bonds	Unrefunded Series 2016A Bonds	Refunding 2021A Bonds	Refunding 2021B Bonds	Total Debt Service Requirements
2023	1,587,475	2,048,450	2,245,625	544,600	55,481	6,481,631
2024	1,587,475	2,830,700	2,237,750	544,600	54,750	7,255,275
2025	1,587,475	2,674,500	2,241,250	544,600	54,019	7,101,844
2026	132,289	2,141,650	2,252,325	544,600	58,288	5,129,152
2027	-	-	2,252,225	2,269,600	57,475	4,579,300
2028	-	-	531,800	2,265,600	56,663	2,854,063
2029	-	-	531,800	2,274,000	55,850	2,861,650
2030	-	-	531,800	2,269,200	54,725	2,855,725
2031	-	-	531,800	2,266,600	53,600	2,852,000
2032	-	-	531,800	2,266,000	57,475	2,855,275
2033	-	-	531,800	2,267,200	56,238	2,855,238
2034	-	-	531,800	-	-	531,800
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	$ 4,894,714	$ 9,695,300	$ 29,618,275	$ 18,056,600	$ 614,564	$ 62,879,453

Capital Region Airport Commission
MAJOR CUSTOMERS

Year Ended June 30, 2022

Company	Revenue	Percent of Operating Revenue
Federal Bureau of Investigations	$ 2,858,787	5.2%
American Airlines, Inc.	2,369,840	4.3
Delta Airlines, Inc.	1,957,065	3.6
Avis Rent A Car	1,846,375	3.4
Budget Rent A Car	1,800,474	3.3

Year Ended June 30, 2013

Company	Revenue	Percent of Operating Revenue
Delta Airlines, Inc.	$ 2,100,487	5.3%
US Airways, Inc.	1,433,604	3.6
The Hertz Corporation	1,348,810	3.4
Federal Bureau of Investigations	1,078,510	2.7
National / Alamo Rent A Car, Inc.	974,512	2.5

Capital Region Airport Commission
MONTHLY ENPLANEMENTS
Ten Years Ended June 30, 2022

	Fiscal Year									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Jul	177,713	60,471	193,669	186,836	166,912	163,638	162,883	158,596	145,703	145,249
Aug	162,928	60,949	198,447	190,449	168,796	161,392	159,785	151,559	146,037	144,167
Sep	147,425	59,780	175,991	161,303	149,983	151,361	145,123	138,280	128,908	127,141
Oct	175,933	68,784	197,072	190,655	171,575	161,353	159,592	151,790	140,101	134,479
Nov	172,221	68,459	187,766	187,158	159,079	150,802	145,242	134,882	129,104	132,114
Dec	168,598	70,978	196,302	173,899	148,317	145,024	143,795	140,575	136,869	125,209
Jan	108,601	53,350	159,587	146,841	129,270	126,410	114,382	117,814	110,016	112,488
Feb	121,703	52,626	156,776	145,695	127,391	120,049	119,898	112,825	104,656	107,716
Mar	167,197	85,878	87,351	184,664	163,464	149,179	145,590	144,029	135,208	134,329
Apr	174,297	106,197	7,279	183,667	168,917	147,993	146,857	151,370	144,457	133,484
May	186,835	139,862	17,664	197,056	179,402	158,486	161,045	157,332	156,427	144,255
Jun	186,939	161,936	39,097	194,617	189,322	168,558	163,332	159,659	155,550	146,578
Total	1,950,390	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

Capital Region Airport Commission
ENPLANEMENT TRENDS
RICHMOND,SMALL HUBS, UNITED STATES
Ten Years Ended June 30, 2022

	Annual Percent Change in Enplanements		
Year	Richmond	Small Hubs	United States
2022	97.2%	N/A	80.4%
2021	(38.8)	15.8%	(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

Notes: Fiscal year data except for 2022, which is calendar 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 (RTA), TranStats, Airport Records
N/A: Not available

Capital Region Airport Commission
ENPLANED PASSENGERS
Ten Years Ended June 30, 2022

	2022	Share of Total 2022	2021	Share of Total 2021	2020	2019	2018	2017	2016	2015	2014	2013
Major Airlines												
American Airlines	375,304	19.2	189,017	19.11	247,585	332,083	252,754	272,104	277,391	247,856	307,704	286,797
Delta Airlines	371,069	19.0	185,641	18.8	327,700	438,633	414,231	410,604	401,455	370,744	344,697	337,549
JetBlue Airways	149,755	7.7	90,038	9.1	160,897	237,812	230,124	207,612	187,185	171,310	136,659	124,539
Southwest Airlines	160,832	8.3	83,800	8.5	102,178	120,796	122,807	125,335	151,463	167,187	155,199	155,937
Spirit Airlines	89,492	4.6	60,388	6.1	68,314	93,206	24,262	-	-	-	-	-
United Airlines	95,706	4.9	31,383	3.2	39,120	62,261	70,026	43,740	39,778	38,130	38,153	33,371
Total Major Airlines	1,242,158	63.7	640,267	64.8	945,794	1,284,791	1,114,204	1,059,395	1,057,272	995,227	982,412	938,193
Regional Airlines												
Air Canada	-	-	-	-	-	-	-	-	-	-	-	4,927
Air Wisconsin	11,928	0.6	3,346	0.3	23,267	27,364	34,161	21,604	66,503	121,014	105,583	81,501
Allegiant Air	45,396	2.3	-	-	-	-	-	-	-	-	-	-
Breeze Airways	42,106	2.2	-	-	-	-	-	-	-	-	-	-
Chautauqua	-	-	-	-	-	-	-	-	-	26,477	57,868	62,224
ComAir/Delta Connection	-	-	-	-	-	-	-	-	-	-	-	3,771
CommutAir	8,923	0.5	9,198	0.9	43,403	51,759	43,385	23,705	35,082	13,726	-	-
Endeavor Airlines	147,796	7.5	35,339	3.6	61,309	98,072	54,254	28,123	5,098	16,833	42,411	83,652
Envoy Air	18,763	1.0	10,646	1.1	69,669	85,037	72,643	70,052	71,254	60,180	-	-
Express Jet	-	-	-	-	48,263	76,470	242,721	267,564	262,672	256,926	262,836	208,385
GoJet	100,673	5.2	30,799	3.1	18,788	46,012	15,774	9,256	8,453	30,595	26,971	39,594
Mesa	27,165	1.4	7,710	0.8	30,989	40,485	7,775	12,660	743	56,278	82,056	74,682
Piedmont	78,594	4.0	58,960	6.0	56,418	80,154	66,394	63,006	31,007	13,512	17,502	33,126
PSA	51,857	2.6	57,264	5.8	58,173	69,917	110,510	74,469	71,017	44,100	7,571	23,800
Republic	105,795	5.4	73,105	7.2	86,143	59,943	69,375	38,029	36,604	15,183	1,556	2,926
Shuttle America	-	-	-	-	-	-	150	8,389	39,822	16,023	2,063	2,981
SkyWest	63,788	3.3	25,187	2.6	127,951	165,860	39,929	39,273	17,723	-	62	88
Trans States	-	-	50	-	150	4,566	15,955	48,414	41,188	40,198	38,578	21,498
Total Regional Airlines	702,784	36.0	311,604	31.4	624,523	805,639	773,026	704,544	687,166	711,045	645,057	643,155
Charters	5,448	0.3	37,399	3.8	46,684	52,410	35,198	40,306	23,086	12,439	5,567	5,861
Totals	1,950,390	100.0%	989,270	100.0%	1,617,001	2,142,840	1,922,428	1,804,245	1,767,524	1,718,711	1,633,036	1,587,209

Note: Based on airline mergers, American Airlines includes American Eagle and US Airways and Southwest Airlines includes AirTran Airways.

Capital Region Airport Commission
AIRLINE MARKET SHARES
Ten Years Ended June 30, 2022
Landed Weight (1,000 Pound Units)

	2022	Share of Total 2022	2021	Share of Total 2021	2020	2019	2018	2017	2016	2015	2014	2013
Major Airlines												
American Airlines	416,214	18.2	226,740	16.3	320,696	383,848	301,507	328,171	336,932	295,380	370,548	341,521
Delta Airlines	395,376	17.3	289,488	20.9	373,038	475,892	452,206	444,476	430,890	409,299	392,582	398,489
JetBlue Airways	186,974	8.2	139,067	10.0	217,475	300,362	276,795	235,580	216,026	194,685	163,062	145,116
Southwest Airlines	193,184	8.5	129,352	9.3	144,400	136,102	138,757	136,222	166,260	181,112	178,366	181,656
Spirit Airlines	90,897	4.0	65,067	4.7	81,035	102,976	29,728	-	-	-	-	-
United Airlines	113,714	5.0	48,474	3.5	52,999	79,427	80,874	47,746	47,261	51,035	53,118	47,791
Total Major Airlines	1,396,359	61.2	898,188	64.7	1,189,643	1,478,607	1,279,867	1,192,195	1,197,369	1,131,511	1,157,676	1,114,573
Regional Airlines												
Aero Mexico	-	-	-	-	-	-	-	-	-	864	968	-
Air Canada	-	-	-	-	-	-	-	-	-	-	-	8,516
Air Wisconsin	14,053	0.6	3,807	0.3	27,495	29,751	38,681	29,610	109,745	152,092	128,968	97,854
Allegiant Airlines	50,701	2.2	51,025	3.7	48,477	47,646	29,750	35,993	20,955	6,559	279	1,850
Bahamair	-	-	-	-	-	-	-	-	-	992	1,488	2,736
Breeze	58,309	2.6	-	-	-	-	-	-	-	-	-	-
Chautauqua	-	-	-	-	-	-	-	-	-	30,167	71,845	76,163
ComAir/Delta Connection	-	-	-	-	-	-	-	-	-	-	-	4,376
CommutAir	9,196	0.4	9,812	0.7	47,916	51,392	51,080	28,344	39,652	16,113	-	-
Endeavor Air	224,921	9.7	58,076	4.2	95,491	141,379	72,562	37,884	7,128	27,736	-	-
Envoy Air	21,858	1.0	13,667	1.0	93,490	118,528	94,466	83,990	71,730	66,104	-	-
Express Jet	-	-	44	0.1	59,649	90,133	310,580	354,876	345,343	333,068	332,115	240,983
GoJet Airlines	151,646	6.6	48,556	3.5	28,766	60,054	19,519	10,734	10,275	50,920	45,359	60,300
Interjet Vacation Express	-	-	-	-	-	-	-	-	852	1,846	-	-
Mesa Airlines	34,200	1.5	12,645	0.9	36,563	50,403	9,703	22,565	7,217	61,380	90,807	82,489
OneJet	-	-	-	-	-	-	3,095	1,870	-	-	-	-
Piedmont Airlines	83,590	3.7	71,368	5.1	70,233	91,359	73,808	75,303	43,986	16,524	21,545	39,585
Pinnacle Airlines	-	-	-	-	-	-	-	-	-	-	58,568	108,779
PSA Airlines	56,322	2.5	68,672	4.9	70,253	86,384	127,768	85,437	102,572	51,981	9,461	26,661
Republic Airlines	101,208	4.4	113,981	8.2	151,171	87,893	98,799	46,440	65,928	19,207	3,326	3,292
Shuttle America	-	-	-	-	-	-	364	10,998	49,746	20,697	4,906	5,998
SkyWest Airlines	82,856	3.6	37,474	2.7	161,036	221,202	46,619	42,465	19,953	181	134	94
Trans States Airlines	-	-	-	-	298	4,730	18,574	54,985	188,926	43,545	44,934	27,375
Total Regional Airlines	888,860	38.8	489,127	35.3	890,838	1,080,854	995,368	921,494	1,084,008	899,976	814,703	787,051
Total Airline Weight	2,285,219	100.0%	1,387,315	100.0%	2,080,481	2,559,461	2,275,235	2,113,689	2,281,377	2,031,487	1,972,379	1,901,624

Note: Based on airline mergers, American Airlines includes American Eagle and US Airways and Southwest Airlines includes AirTran Airways.

Capital Region Airport Commission
AIRLINE MARKET SHARES-CARGO
Ten Years Ended June 30, 2022
Landed Weight (1,000 Pound Units)

	2022	Share of Total 2022	2021	Share of Total 2021	2020	2019	2018	2017	2016	2015	2014	2013
Cargo Carriers												
ABX Air	3,095,000	0.5	566,000	0.1	283,000	-	849,000	-	-	-	-	-
Air Transport International	310,000	0.1	2,880,000	0.5	-	-	-	-	-	-	-	-
AirNet Systems	-	-	-	-	-	-	-	-	-	662,300	3,303,100	3,131,300
Ameriflight	-	-	46,500	-	-	-	620,300	2,261,600	2,913,276	4,019,194	4,091,288	876,794
Atlas Air	12,176,300	1.8	-	-	-	-	-	-	-	-	-	-
DHL Express	58,342,400	9.0	62,441,600	10.0	82,048,000	66,912,000	71,536,000	43,248,000	-	-	-	-
Federal Express	256,377,400	39.3	225,861,000	36.0	215,817,400	221,335,000	227,030,800	228,513,000	231,232,500	224,045,300	217,493,600	200,056,200
Mountain Air Cargo	-	-	-	-	-	-	-	-	47,068	-	47,068	8,500
Sun Country	77,246,400	11.8	104,897,100	16.8	1,901,900	-	-	-	-	-	-	-
UPS	244,562,260	37.5	228,761,040	36.6	225,374,720	221,722,240	217,636,800	198,852,800	184,282,160	179,381,040	176,286,160	174,765,520
Total Cargo Weight	652,109,760	100.0%	625,453,240	100.0%	525,425,020	509,969,240	517,672,900	472,875,400	418,475,004	408,107,834	401,221,216	378,838,314
Total Landed Weight	654,394,979		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

Capital Region Airport Commission
PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS
Calendar Years 2021 and 2020

2021

Rank	Market	Trip Length	O&D Passengers	Market Share
1	Atlanta	SH	226,547	11.3%
2	Orlando	MH	197,883	9.9%
3	Fort Lauderdale	MH	152,886	7.7%
4	Boston	SH	134,893	6.8%
5	Chicago	MH	120,169	6.0%
6	New York	SH	104,683	5.2%
7	Dallas/Fort Worth	MH	100,682	5.0%
8	Las Vegas	LH	99,450	5.0%
9	Denver	MH	95,567	4.8%
10	Los Angeles	LH	90,834	4.5%
11	Tampa	MH	75,192	3.8%
12	Miami	MH	70,503	3.5%
13	Houston	MH	63,702	3.2%
14	Nashville	SH	59,647	3.0%
15	Phoenix	LH	45,160	2.3%
16	New Orleans	MH	44,045	2.2%
17	Newark	SH	42,795	2.1%
18	Detroit	MH	38,292	1.9%
19	Austin	MH	37,440	1.9%
20	Seattle	LH	35,229	1.8%
21	San Diego	LH	34,536	1.7%
22	Minneapolis/St Paul	MH	34,224	1.7%
23	San Francisco	LH	32,827	1.6%
24	Salt Lake City	LH	30,915	1.5%
25	Sarasota/Bradenton	MH	29,823	1.5%
	Total		1,997,924	100%

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%

SH- Short Haul
MH-Medium Haul
LH-Long Haul

Capital Region Airport Commission
POPULATION IN THE AIR TRADE AREA
Calendar Years 2018-2021

Primary Trade Area	CALENDAR YEAR 2021	2020	2019	2018	Percentage Change 2020 2021	2019 2020	2018 2019
United States	331,893,745	331,449,281	328,239,523	327,167,434	0.1	1.0	0.3
Virginia total	8,642,274	8,631,393	8,535,519	8,517,685	0.1	1.1	0.2
Richmond MSA*	1,403,923	1,392,592	1,370,148	1,359,801	0.8	1.7	0.8
Richmond-Petersburg MSA	1,275,198	1,265,922	1,243,423	1,234,211	0.7	1.8	0.7
Richmond City	226,604	226,610	230,436	228,783	0.0	(1.7)	0.7
Henrico County	333,554	334,389	330,818	329,261	(0.3)	1.1	0.5
Chesterfield County	370,688	364,548	352,802	348,556	1.7	3.4	1.2
Hanover County	111,603	109,979	107,766	107,239	1.5	2.1	0.5
Petersburg City	33,429	33,458	31,346	31,567	(0.1)	6.7	(0.7)
Hopewell City	23,140	23,033	22,529	22,596	0.5	2.2	(0.3)
Colonial Heights City	18,273	18,170	17,370	17,833	0.6	4.5	(2.6)
Charles City County	6,594	6,773	6,963	6,941	(2.6)	(2.7)	0.3
Dinwiddie County	27,912	27,947	28,544	28,529	(0.1)	(2.1)	0.1
Goochland County	25,488	24,727	23,753	23,244	3.2	4.2	2.2
New Kent County	23,897	22,945	23,091	22,391	4.1	(0.7)	3.1
Powhatan County	31,136	30,333	29,652	29,189	2.7	2.3	1.6
Prince George County	42,880	43,010	38,353	38,082	(0.3)	12.2	0.7
Amelia County	13,268	13,265	13,145	13,013	0.0	0.9	1.0
Caroline County	31,332	30,887	30,725	30,772	1.4	0.5	(0.2)
Cumberland County	9,681	9,675	9,932	9,809	0.1	(2.6)	1.3
King and Queen County	6,662	6,608	7,025	7,042	0.8	(5.9)	(0.2)
King William County	18,171	17,810	17,148	16,939	2.1	3.9	1.2
Louisa County	38,848	37,596	37,591	36,778	3.3	0.0	2.2
Sussex County	10,763	10,829	11,159	11,237	(0.6)	(2.9)	(0.7)

Sources: Estimates by Census Bureau, July 1, 2021
*February 2013 Office of Management and Budget (OMB) metropolitan definition

Capital Region Airport Commission
PERSONAL INCOME (in millions)
Calendar Years 2011-2020

Millions of Dollars	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
United States	$ 19,607,447	$ 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
Virginia	532,256	509,201	492,313	466,743	445,462	436,350	419,185	403,425	396,005	373,312
Richmond-Petersburg MSA	79,704	75,742	73,485	70,660	66,245	64,152	59,326	57,452	55,678	54,641
Annual growth rate	5.2%	3.5%	4.7%	6.7%	2.3%	5.1%	3.6%	1.9%	4.1%	5.8%

Note: 2020 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 29, 2022

PER CAPITA INCOME
Calendar Years 2011-2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
United States	$ 59,147	$ 56,474	$ 54,526	$ 51,869	$ 49,204	$ 48,190	$ 46,049	$ 44,765	$ 43,735	$41,560
Virginia	61,661	59,509	57,910	55,137	52,941	52,148	50,345	48,838	48,377	46,107
Richmond-Petersburg MSA	61,148	58,628	57,301	51,475	51,685	50,460	47,083	46,118	45,194	43,046
Percent of national average	103.4%	103.8%	105.1%	99.2%	105.0%	104.7%	102.2%	103.0%	103.3%	103.6%

Note: 2020 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 29, 2022

Capital Region Airport Commission
EMPLOYMENT DATA WITHIN VIRGINIA

Major Public Employers	Average Number of Employees
Local Governments	53,200
Commonwealth of Virginia	37,800
Federal Government	17,800

Source: Virginia Employment Commission, Current Employment Statistics Program, 2021 Annual Averages

EMPLOYMENT BY INDUSTRY (Non-Agricultural)

	Annual Average		Percent Change	Percent Total	
	2021	2011	2011	2021	2011
Total Employment	665,100	600,100	10.8%	100.0%	100.0%
By Industry:					
Government	108,800	110,700	(1.7)	16.4	18.4
Wholesale and retail trade	92,200	90,900	1.6	13.8	15.2
Manufacturing	30,900	30,700	0.7	4.6	5.1
Financial activities	52,600	43,600	20.6	7.9	7.3
Construction and mining	41,300	31,800	29.9	6.2	5.3
Transportation and utilities	31,000	18,400	68.5	4.7	3.1
Information	6,100	9,000	(32.2)	0.9	1.5
Professional and business services	116,800	96,300	21.3	17.6	16.0
Educational and health services	97,300	86,100	13.0	14.6	14.3
Leisure and hospitality services	58,600	54,600	7.3	8.8	9.1
Other services	29,700	28,000	6.1	4.5	4.7

Source: Virginia Employment Commission, Current Employment Statistics Program

UNEMPLOYMENT RATES
Calendar Years 2012-2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
United States	5.4%	8.1%	3.7%	3.9%	4.4%	4.9%	5.3%	6.2%	7.4%	8.1%
Virginia	3.9	6.2	2.8	3.0	3.8	4.0	4.4	5.2	5.5	5.9
Richmond-Petersburg MSA	4.2	6.7	2.9	3.2	3.9	4.1	4.6	5.5	5.9	6.4

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

Capital Region Airport Commission
COMMISSION EMPLOYEES
Ten Years Ended June 30, 2022

	Full Time Equivalent Employees									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Police	21	22	29	32	29	27	27	27	25	27
Communications/ Operations	14	13	16	20	21	20	15	12	12	12
Aircraft Rescues & Fire Fighting	14	14	15	18	17	18	15	17	16	18
Building Services	34	36	41	48	47	48	45	46	45	47
Utilities/Ground Maintenance	9	14	13	18	18	16	15	14	15	15
Equipment/Automotive Maintenance	5	5	5	6	6	6	6	6	6	5
Building Maintenance	2	2	2	2	2	2	2	2	2	2
Electronic Systems	1	2	3	5	5	5	4	4	4	4
HVAC	2	3	3	3	3	3	3	3	3	3
Electrical Maintenance	2	3	3	3	3	2	2	2	2	2
Finance and Administrative Services	7	8	9	9	8	9	9	9	7	8
Ground Transportation	2	1	1	1	1	1	1	1	1	1
Information Systems	3	3	3	3	3	3	3	3	3	3
Executive/Marketing	8	7	7	9	9	9	9	9	9	9
Baggage Handling System	8	9	9	11	11	11	11	11	11	11
Human Capital	2	-	-	-	-	-	-	-	-	-
Total Employees	134	142	159	188	183	180	167	166	161	167

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, 2022

	Pounds of Cargo									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Cargo Carrier:										
Air Net Systems	-	-	-	-	-	6,750,000	-	129,870	613,886	552,764
AmeriFlight	-	-	-	440,000	420,255	480,772	149,181	750,667	1,386,840	226,225
Atlas Air	2,245,888	-	-	-	-	-	-	-	-	-
DHL	7,439,740	9,069,327	7,523,013	7,890,000	7,890,000	-	-	-	-	-
Federal Express	75,110,938	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
Sun Country	21,754,435	32,683,051	695,505	-	-	-	-	-	-	-
UPS	49,322,556	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
Total	155,873,557	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
Percentage change	(12.5%)	30.3%	(1.4%)	1.5%	0.8%	11.5%	5.8%	2.0%	(1.2%)	13.5%

TAKEOFF AND LANDING OPERATIONS SUMMARY
Ten Years Ended June 30, 2022

Fiscal Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total
2022	48,938	12,459	26,920	6,446	94,763
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
Average Annual Change	7.9%	(8.8%)	1.1%	1.3%	0.4%

Capital Region Airport Commission
INSURANCE COVERAGE
Year Ended June 30, 2022

Type/Carrier	Coverage	Limit
Airport liability/ACE/ Lloyd's	Public liability including aircraft products/completed operations	$100,000,000
Automobile liability/VACorp	Bodily injury or property damage resulting from ownership maintenanc or use of any automobile	$2,000,000 combined single limit bodily injury and property damage
Lloyd's	Excess auto liability(off premises)	$50,000,000
Cyber/VACorp	Cyber liability	$10,000,000
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	$521,280,107 blanket real and personal property including EDP, mobile radios and valuable papers $35,000,000 business income
Equipment/Federal Insurance Company	Scheduled equipment	$3,088,774 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, 2022

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		165,458 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:		557,723 SF	
Ramp:	Leased:		25,351 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			

COMPLIANCE SECTION

Capital Region Airport Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

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	3-51-0043-66	$ 34,114
Airport Improvement Program	20.106	3-51-0043-68	2,107,125
Airport Improvement Program	20.106	3-51-0043-69	631,707
COVID-19 Airport Improvement Program	20.106	3-51-0043-70	6,146,987
COVID-19 Airport Improvement Program	20.106	3-51-0043-71	469,235
COVID-19 Airport Improvement Program	20.106	3-51-0043-73	834,590
Total Airport Improvement Program			$ 10,223,758
Department of Justice:			
Equitable Sharing Agreement Asset Forfeiture Program	16.922	OMB Number 1123-0011	8,832
Total Expenditures of Federal Awards			$ 10,232,590

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, 2022. 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.

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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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 the business-type activities of Capital Region Airport Commission as of and for the year ended June 30, 2022, 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 31, 2022.

Report on 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 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 Capital Region Airport 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson Farmer Cox Associates

Charlottesville, Virginia
October 31, 2022

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

Opinion on Each Major Federal Program

We have audited Capital Region Airport Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Capital Region Airport Commission's major federal programs for the year ended June 30, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Capital Region Airport Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Capital Region Airport Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Capital Region Airport Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Capital Region Airport Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Capital Region Airport Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Capital Region Airport Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Capital Region Airport Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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

Robinson Farmer Cox Associates

Charlottesville, Virginia
October 31, 2022

CAPITAL REGION AIRPORT COMMISSION

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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	$750,000
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.




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