A Year of Extraordinary Heights 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEARS ENDING JUNE 30, 2023, AND 2022

CAPITAL REGION AIRPORT COMMISSION

RICHMOND INTERNATIONAL AIRPORT

VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended
June 30, 2023 and 2022

CAPITAL REGION AIRPORT COMMISSION
Richmond International Airport
Virginia

Prepared by:

Finance Department

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Chief Financial Officer

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Interim Director of Finance

RICHMOND
INTERNATIONAL AIRPORT

Capital Region Airport Commission
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Introduction

This section introduces members of the Commission and the executive team, an organizational chart, graphs charting air cargo performance and enplanements performance, the GFOA Certificate of Achievement, and the letter of transmittal.

Along the way to delivering exceptional experiences, Richmond International Airport was recognized for a variety of distinctions.

Capital Region Airport Commission

MEMBERS OF THE COMMISSION AND EXECUTIVE TEAM

June 30, 2023

OFFICERS

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

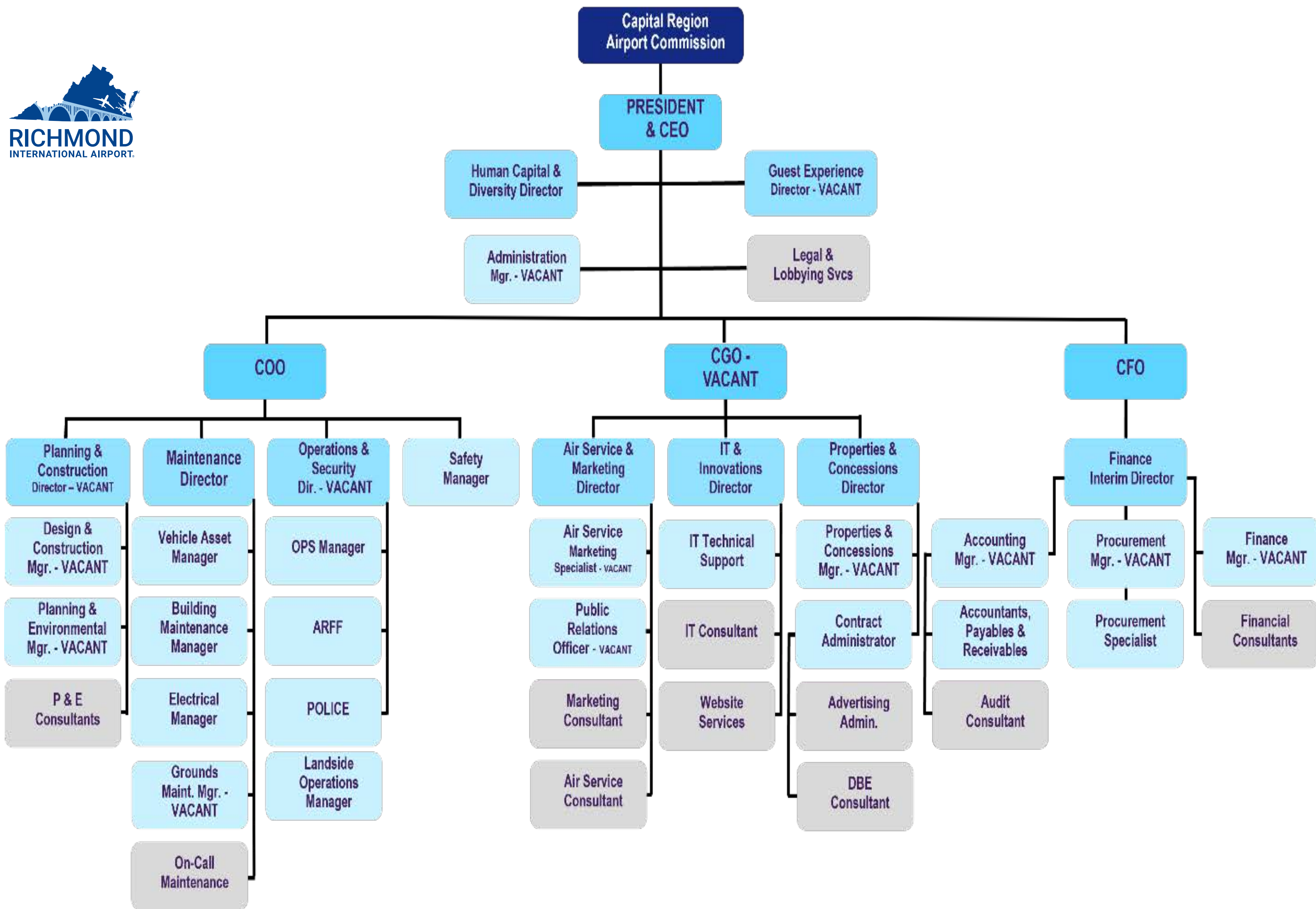
COMMISSIONERS

BK Fulton	City of Richmond
Grant J. Heston	City of Richmond
Charles S. Macfarlane	City of Richmond
Reva M. Trammell	City of Richmond
Kevin P. Carroll	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

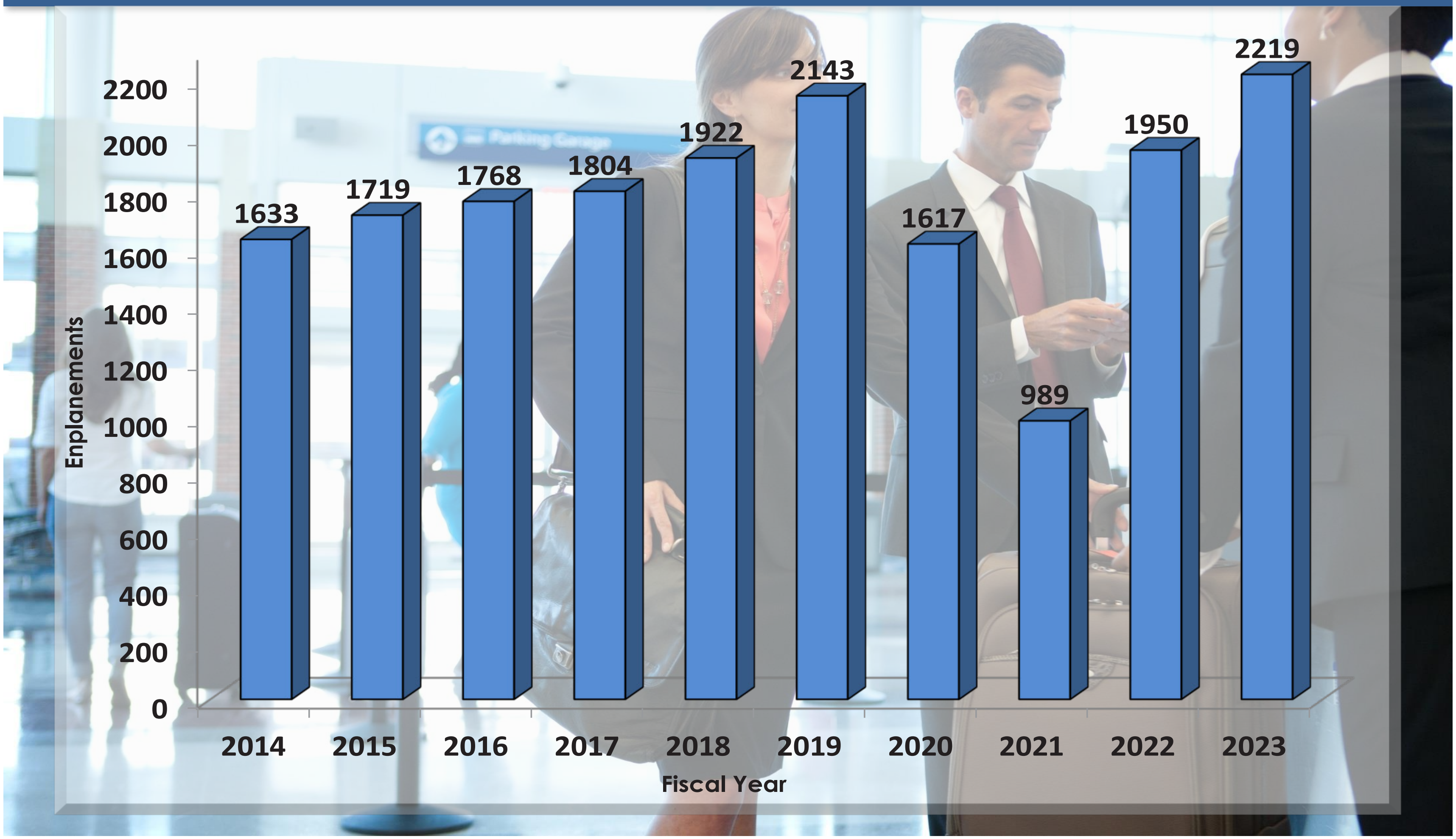
Perry J. Miller, A.A.E., I.A.P.	President and Chief Executive Officer
John B. Rutledge, P.E, C.M.	Chief Operating Officer
Basil O. Dosunmu, C.P.A., C.I.A., A.A.E.	Chief Financial Officer

Capital Region Airport Commission
ORGANIZATIONAL CHART



Richmond International Airport
Air Cargo Performance
Fiscal Years 2014 – 2023
(in millions)

Richmond International Airport
Enplaned Passenger Performance
Fiscal Years 2014-2023
(in thousands)



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, 2022

Christopher P. Morrill

Executive Director/CEO

January 24, 2024

The Commissioners and Customers
Capital Region Airport Commission
Richmond International Airport, Virginia

Members of the Commission and Customers:

We are pleased to submit for your information the Annual Comprehensive Financial Report (ACFR) of the Capital Region Airport Commission (the "Commission"), for the fiscal year ended June 30, 2023, 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 are 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 counties of Chesterfield and 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 the 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 eight departments: Executive, Finance, Information Technology & Innovation, Human Capital, Marketing & Air Service Development, Planning & Engineering, Public Safety and Concessions & Properties.

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 nine major airlines, ten regional carriers, and occasional charter operations which serve the needs of the area's citizens with about 160 daily flights. The community's air cargo needs are met by four all-cargo carriers; two fixed base operators on the grounds offer fuel and maintenance services for corporate aircraft and the Airport has been designated as a Foreign-Trade Zone (#207) with the Commission serving as grantee. The total enplaned passengers in fiscal year 2023 was 2.22 million which was a 13.8% increase from the fiscal year 2022 level of 1.95 million enplanements. The increase in enplanements was due to the recovery from the worldwide pandemic including a rebound in business travel and new routes and destinations offered by the Airport's air carriers. According to the most recent evaluation by the Virginia Department of Aviation, the Airport is an economic engine with activity generating an impact of about $2.1 billion annually and approximately 16,000 jobs across the Richmond region, including about 2,500 direct jobs at the facility.

ECONOMIC CONDITIONS

The Airport is conveniently located approximately seven miles from the City's central business district, providing air service to over 4.4 million passengers this fiscal year. The Airport also handled over 190 million pounds of cargo, an annual record for RIC. The Airport is geographically located within 750 miles of approximately 60% of the nation's population.

The 2023 FAA forecast calls for U.S. carrier domestic passenger growth over the next 20 years to average 2.7 percent per year. This average, however, includes robust growth in 2023, as activity returns to pre-pandemic levels. Following the recovery period, trend rates resume with average growth through the end of the forecast of 2.8 percent. Domestic passengers are forecast to be within 1 percent, on an annual basis, of 2019 levels in 2023. The FAA expects U.S. carriers to remain profitable over the next few years as rising demand – despite higher fares – more than offsets higher costs for labor and fuel. As yields stabilize and carriers return to levels of capacity consistent with their fixed costs and shed excess debt, consistent profitability should continue. 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 2023 (FY23), the Airport experienced a significant increase in passenger airline activity due to the economic recovery from the COVID-19 pandemic and the inauguration of several new year-round and seasonal routes by airlines at RIC. The following are some of the FY23 highlights for the Airport, as well as significant economic news and accolades for the Richmond Metropolitan Statistical Area (MSA) and the Commonwealth of Virginia:

- FY23 passenger traffic increased, in part, due to several new routes started by Breeze at the end of FY22, including Richmond to Hartford, CT; Las Vegas, NV; and Providence, RI. The following February, Breeze launched new service from Richmond to Phoenix, AZ, and, in May 2023, added Los Angeles, CA; Islip, NY; and Cincinnati, OH, and restarted service to Jacksonville, FL.

- Minneapolis, MN, reappeared on the Airport's route map with newcomer Sun Country and market leader Delta providing service between Richmond and the Twin Cities.

- Richmond International Airport (RIC) earned the Most Efficient Airport in North America (under three million passengers) award from the Air Transport Research Society (ATRS). The honor took place at the organization's 26th World Conference in Kobe, Japan. The award is granted based on performance indicators like productivity, operating and management efficiency, airport charge comparisons, and more.

- For the third consecutive year, the Capital Region Airport Commission earned Great Place to Work Certification™. 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 leadership behaviors proven to deliver market-leading revenue, employee retention and increased innovation. In 2023, 89 percent of Commission employees said Richmond International Airport (RIC) was a great place to work.

- Also, for the third consecutive year, the Airport earned GBAC® STAR Facility accreditation from the Global biorisk advisory Council. GBAC® STAR is an important indicator of a facility's thoroughness with cleaning, disinfection, and prevention, demonstrating a commitment to maintaining a safe and healthy environment. In 2021, RIC was the first airport in Virginia to earn GBAC® STAR accreditation and one of the first 30 in the U.S. to be accredited.

- During the 10th annual Virginia Green Travel Conference held in Richmond, the Airport was among ten organizations recognized with a Virginia Green Travel Leader Award for its continued commitment to environmental stewardship. The Airport has been a certified Virginia Green Travel Partner since 2015. "Richmond International Airport (RIC) proudly supports green tourism in the Richmond Region and wherever guests may visit across the Commonwealth," said Perry J. Miller, A.A.E., I.A.P., President and CEO of the Capital Region Airport Commission. "We're in this for the long-haul and continuously evaluate means to reduce our environmental impact."

FY23 Business Highlights courtesy of the Greater Richmond Partnership:

- In July of 2022, the QTS Richmond Mega Data Center Campus earned status as a premier Global Interconnection Hub. The facility also benefits from a unique integration with the new DE-CIX Richmond located within QTS. This revolutionary internet exchange (IX) is part of the largest carrier and data center neutral interconnection ecosystem in North America.

- This year, Virginia rose one spot on CNBC's list of the Top States for Business. The Commonwealth of Virginia ranked #3 in 2022 and for two consecutive years in 2019 and 2021 the commonwealth ranked #1. No list was released in 2020 due to the pandemic. Overall, Virginia has ranked #1 five times, more than any other state. Several factors were considered in CNBC's methodology. For instance, Virginia ranks #1 for education, #4 for access to capital, #6 for business friendliness and #7 for workforce.

- Virginia Commonwealth University (VCU) was named among the most innovative universities in the country by *U.S. News & World Report*. Rankings in the category were determined by presidents, provosts and admissions officers who were asked to name the most innovative colleges and universities in the country. The recognition underlines VCU's restlessly ambitious and innovative approach to strengthening student success and to pursuing groundbreaking research that tackles the world's toughest problems.

- The world's largest campus for indoor vertical farming is coming to Chesterfield County as California-based Plenty Unlimited, Inc. is making a $300 million investment in the county's Meadowville Technology Park. Founded in 2014, Plenty is rewriting the rules of agriculture through its advanced technology platform that can grow fresh produce anywhere in the world, year-round, with peak-season quality and up to 350x more yield per acre than conventional farms.

- The Commonwealth snared the #1 spot for Business Climate according to *Site Selection Magazine*. While Virginia is no stranger to the top 10 for this ranking, this marks the first year the Commonwealth takes the top ranking from Georgia, which held the #1 position for eight consecutive years. This year, nearly 20 percent of Virginia's top 25 projects based on capital investment took place in Greater Richmond and three of those projects land in the Commonwealth's top 5 announcements. Big projects in Greater Richmond that boosted Virginia's ranking include The LEGO Group's $1 billion precision manufacturing facility adding 1,761 jobs, CoStar Group's $460 million corporate campus creating 2,000 jobs, QTS Realty Trust's $425 million expansion, and Mondelez International's $123 million expansion.

- The Richmond MSA saw the highest population growth in the state and the #15 highest population growth nationwide according to new data from the U.S. Census Bureau. This newly released census data shows the population changes within every metro area in the United States from April 1, 2020, to July 1, 2022. Due to COVID-19 and the rise of remote workers, most of the largest metros' populations fell as people moved out of high-density areas to places with better costs of living and quality of life. Thanks to an affordable cost of living and a superior quality of life, Richmond, Va., gained in population while other metros lost. Coupled with the MSA's quality of life, location and job opportunities, the Richmond MSA's low housing costs are believed to be a large factor in Richmond's population growth. The overall cost of living index value in the Richmond MSA is 96.9, more than three points below the national average.

FY23 Tourism Accolades courtesy of Richmond Region Tourism:

- "The capital of Virginia offers a storied past, and it's surrounded by tall trees, fertile farmland, and delicious seafood from the nearby Chesapeake Bay. The history and outdoor adventures are a draw for anyone wanting to step back in time." – Travel Awaits, "9 Places Our Airline Industry Experts Say You Must Visit This Year"

- "African American arts and culture, businesses, community, and history are tightly woven into the fabric of the Piedmont region of Virginia. Black contributions to Richmond's culture date back centuries and remain a vital part of the city today…" -The Points Guy, "7 destinations that elevate Black culture year-round"

- "Historic neighborhoods have appeal across the seasons, from blooming yards in spring to turning foliage in fall and the occasional blanket of snow in winter. Situated along the James River, the city is filled with urban and riverside park systems with opportunities for kayaking, whitewater rafting, and fishing, making it a prime place for exploring." – Southern Living, "Best Cities in the South 2023"

- "The James {River} is a good spot for daredevils, as it is the country's only urban kayaking destination with class III and IV rapids…" – OutdoorsWire, "16 outstanding urban kayaking destinations throughout the US"

- "Heritage, history, cuisine and culture—all find a veritable spot on the trajectory that Richmond, Virginia, is scaling." – Cuisine Noir, "History of Richmond, Virginia and a Glimpse into its Black Cultural Experiences"

- "Embracing its rich history and the abundance of gifts Mother Nature bestowed upon her, Richmond, or RVA to the locals, is quite simply a fun town to visit. Even better, the crowds haven't yet fully materialized." -Florida Today, "Richmond delivers on adventure, history, and Southern hospitality"

- "Today, there are more than 40 breweries in the immediate Richmond vicinity, including quite a few that have made persistent national buzz, slowly making the city into a bonafide beer geek road trip

  destination, among the finest on the East Coast in terms of volume and quality." -Paste Magazine, "The Complete Craft Brewery Guide to Richmond, VA"

- "A burst of creative energy has given this handsome but old-fashioned feeling "River City" a new vitality. The booze scene is certainly booming, garnering Richmond the nickname 'America's Beer City.'" -Lonely Planet, "Best Places to Visit April 2023"

DEMOGRAPHICS AND EMPLOYMENT

The population of the Richmond-Petersburg MSA (2003 definition) exceeds 1.4 million according to a U.S. Census Bureau report and, as noted earlier, continues to report steady population growth. The median household income across the Richmond metro area rose 3.0% between 2019 and 2021, per new Census Bureau data. Richmond-area median income was $81,388 in 2021, compared with $78,981 in 2019, adjusted for inflation.

The Richmond Metro area's unemployment rate was 3.0% in June 2023, matching the unemployment rate reported a year earlier in June 2022; for the U.S., unemployment was 3.6% in both June 2022 and 2023 per the U.S. Bureau of Labor Statistics.

Eleven Richmond region enterprises are Fortune 1000 companies, including eight ranked among the Fortune 500:

Performance Food Group	$47,194M	CarMax	$33,197M
Altria Group	$20,688M	Dominion Energy	$17,174M
Markel	$11,675M	Owens & Minor	$ 9,956M
Arko Corporation	$ 8,128M	Genworth Financial	$ 7,507M

Greater Richmond Fortune 1000 companies:

Brink's $4,820M   ASGN Inc. $4,530M   New Market $2,738M

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 website. 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 2023, the Airport experienced a 13.8% increase in the number of passenger enplanements when compared to fiscal year 2022, resulting in total fiscal year 2023 enplanements of 2.22 million which was 3.6% more than pre pandemic (fiscal year 2019) enplanement levels. The increase was due to the recovery from the worldwide COVID–19 pandemic and return of business travel along with new routes. 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. During fiscal year 2023, the commission submitted and received the remaining $15.8 million ARPA funds that were available for reimbursement.

The Commission implemented GASB 96, SBITA, in fiscal year 2023. This standard requires recognition of subscription assets and liabilities for fiscal years beginning after June 15, 2022. Although the Commission's ACFR reports comparative financial statements, the 2022 amounts were not deemed material for restatement. Please refer to the notes to the financial statements for additional details.

The Commission adopted the fiscal year 2024 budget which includes $61.8 million in operating revenue a .01% increase compared to fiscal year 2023 actual revenues of $61.7 million. The Commission's budgeted operating expenses for fiscal year 2024 are $40.7 million, a 30.4% increase when compared to fiscal year 2023 actual expenses of $31.2 million. The Commission continues to evaluate the impact that the current economic headwinds will have on the fiscal year 2024 passenger traffic and will adjust the fiscal year 2024 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, 2022. This was the thirty-third 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.
President and Chief Executive Officer

Basil O. Dosunmu, C.P.A., C.I.A., A.A.E.
Chief Financial Officer

Financial Section

Items included within this section are the report of the independent auditor, management's discussion and analysis, financial statements, and required and supplemental information.

Blending technology into our everyday offerings, "Cozy Rosey," a floor-cleaning robot, polishes terrazzo on the upper level.

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report

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

Report on the 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, 2023 and 2022, 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, 2023 and 2022, 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 2023, the Commission adopted new accounting guidance, GASB Statement Nos. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinion is not modified with respect to this matter.

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,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 January 24, 2024, 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
January 24, 2024

Management's Discussion & Analysis

The MD&A provides an introduction and overview to the financial statement package.

Conveying a sense of place has become increasingly important as RIC serves Virginia's Capital Region.

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, 2023, and 2022. Information for the preceding fiscal year ended June 30, 2021, 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 an increase in passenger traffic in fiscal year 2023 when compared to fiscal year 2022. The number of enplaned passengers was 13.8% higher than in fiscal year 2022. The increase from fiscal year 2022 is primarily driven by an increase in leisure and business travel. As activity returns to pre-pandemic levels, domestic travel for fiscal year 2023 was forecasted to be within one percent of the 2019 activity level. The Commission also benefited in fiscal year 2023 from the addition of new routes by Breeze.

Passenger airline landed weights increased by 14.0% in fiscal year 2023 from the prior year; cargo airline landed weight decreased less than 0.5% 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 2023. Aircraft operations represent landings and takeoffs for air carriers (passenger and cargo), air taxi and commuter, general aviation, and military operations. This activity increased 9.5% 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 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. The remaining $15.8 million ARPA funds available for reimbursement were submitted and received during fiscal year 2023.

The Commission ended fiscal year 2023 with a 12.4% increase in revenues when compared to the 2023 approved budgeted revenues and a 12.3% increase when compared to fiscal year 2022 revenues. This was primarily due to a 33.0% increase in concession revenue when compared to the 2023 budgeted concession revenue and a 11.4% increase in parking revenue when compared to the 2023 budgeted parking revenue. Concession revenue increased 16.9% when compared to fiscal year 2022 concession revenue, and parking revenue increased 21.7% when compared to fiscal year 2022 parking revenue. The increase in concession revenue is primarily due to the 2019 and 2021 profit sharing revenues in retail sales which is an increase of 78.4% compared to budgeted retail sales and a 56.1% increase in terminal building advertising revenue when compared to fiscal year 2023 budgeted revenues. The increase in parking revenue is attributed to the 13.8% increase in enplanements when compared to the fiscal year 2022 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 were 184,936 in fiscal year 2023, 162,533 in fiscal year 2022, and 82,439 in fiscal year 2021. The increase in passengers, when compared to fiscal year 2022, had positive effects on the Commission's main revenue stream, parking, in fiscal year 2023.

Aircraft operations increased to 104 thousand, a 9.5% increase when compared to fiscal year 2022 operations of 95 thousand which was a 28.4% increase when compared to FY 2021. Aircraft operations are comprised of air carriers, the military, air taxi, and general aviation.

Cargo landed weight in 1,000 pound units remained the same in fiscal year 2023 at 652 million compared to fiscal year 2022 and increased by 4.3% in fiscal year 2022 to 652 million pounds compared to fiscal year 2021 of 625 million pounds.

The Airport's parking revenue increased 21.7% in fiscal year 2023 when compared to fiscal year 2022 and increased 126.0% in fiscal year 2022 when compared to fiscal year 2021. Parking revenue increased because of enplanements that were higher than enplanements from fiscal year 2022. Parking revenue per enplaned passenger increased 7.0% when compared to fiscal year 2022 parking revenue per enplaned passenger. Parking rates were essentially the same as fiscal year 2022.

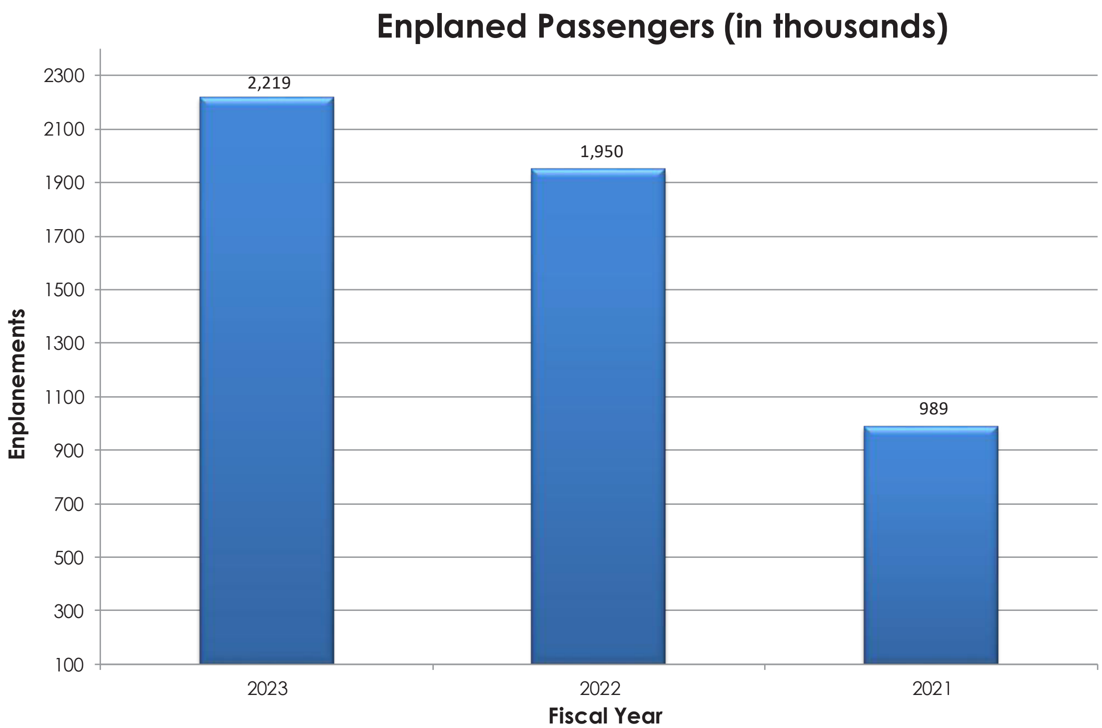
The parking revenue accounted for 44.2% of the Airport's operating revenue in fiscal year 2023 compared to 40.8% in fiscal year 2022 and 30.6% in fiscal year 2021.

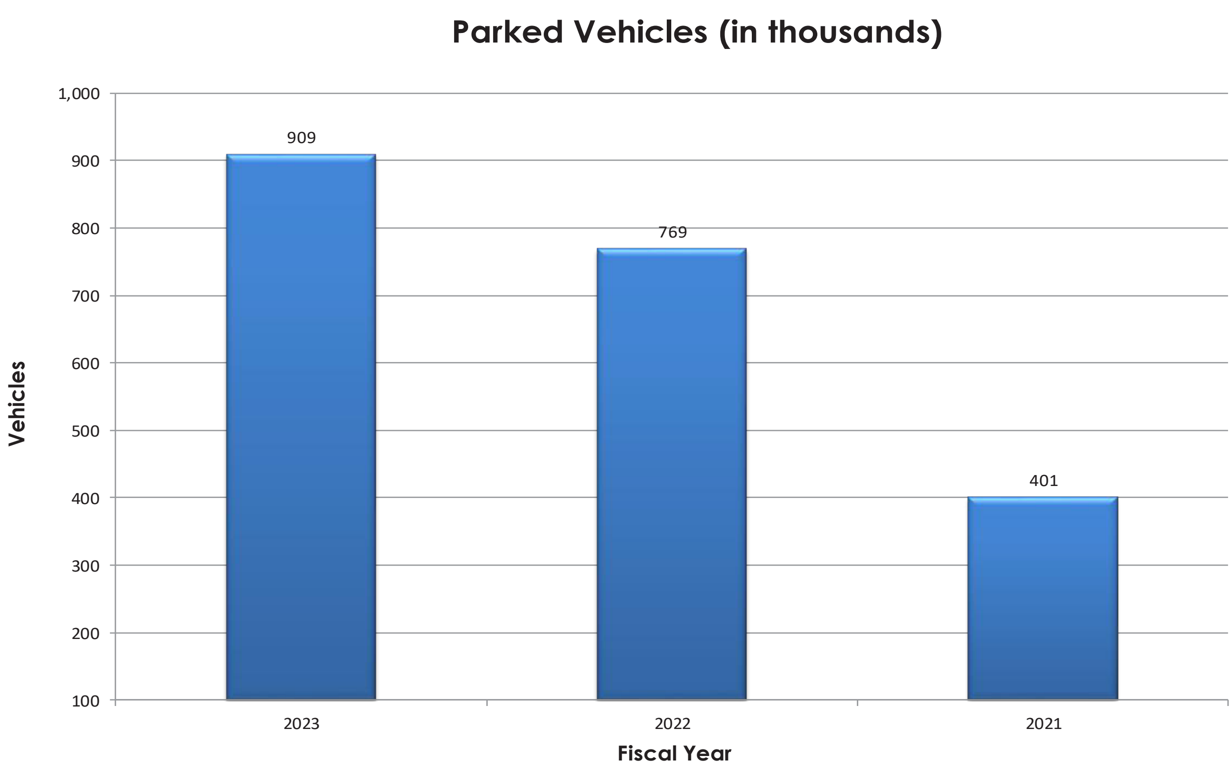
	2023	2022	2021
Parking Revenue per Enplanement	$12.31	$11.51	$10.04
Percent Increase (Decrease)	7.0%	14.6%	(7.6%)

As of June 30, 2023, the Airport is served by nine major airlines offering about 160 daily flights between Richmond and 35 nonstop (year-round and seasonal) destinations. Recovering from the COVID-19 pandemic, RIC reported a record 4.43 million passengers in fiscal year 2023.

	FY 2023	FY 2022	FY 2021
Enplanements	2,219	1,950	989
% increase / (decrease)	13.8%	97.2%	(38.8%)
Aircraft Operations (total take-offs and landings)	104	95	74
% increase / (decrease)	9.5%	28.4%	(17.8%)
Airline's Landed Weight (1,000 pound units)	2,605	2,285	1,387
% increase / (decrease)	14.0%	64.7%	(33.3%)
Air Cargo Carrier Activity (pounds)	176,124	155,874	178,112
% increase / (decrease)	13.0%	(12.5%)	30.3%
Parked Vehicles	909	769	401
% increase / (decrease)	18.2%	91.8%	(42.2%)

Note: The numbers presented above are in thousands.


Enplaned Passengers (in thousands)
Enplanements
2300
2100
1900
1700
1500
1300
1100
900
700
500
300
100
2,219
1,950
989
2023
2022
2021
Fiscal Year


Parked Vehicles (in thousands)
Vehicles
1,000
900
800
700
600
500
400
300
200
100
909
769
401
2023
2022
2021
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, 2023, 2022, and 2021.

SELECTED FINANCIAL DATA
(in thousands)

	FY 2023	FY 2022	FY 2021
Assets			
Unrestricted current	$ 61,587	$ 45,784	$ 31,299
Restricted current	122,886	97,401	77,594
Other noncurrent assets	11,481	12,743	-
Capital assets, net	432,983	439,803	447,693
Total assets	628,937	595,731	556,586
Deferred outflows of resources	6,315	7,582	7,833
Liabilities			
Current unrestricted	2,820	2,783	5,227
Current restricted	9,987	13,355	12,750
Long-term debt, net of current maturities	44,429	50,778	55,447
Subscription Liability, net of current	93	-	-
Net Pension Liability	1,033	-	4,501
Net OPEB Liabilities	1,786	2,261	2,530
Total liabilities	60,148	69,177	80,455
Deferred inflows of resources	20,203	20,232	429
Net position			
Net investment in capital assets	388,480	386,427	390,992
Restricted	114,712	86,256	70,200
Unrestricted	51,710	41,219	22,343
Total net position	$ 554,902	$ 513,902	$ 483,535

The Commission experienced an increase in total assets of approximately $33.2 million or 5.6% during fiscal year 2023 when compared to fiscal year 2022 and a $39.1 million or 7.0% increase during fiscal year 2022 when compared to fiscal year 2021. The increase in fiscal year 2023 can be attributed primarily to a $11.2 million increase in unrestricted cash and cash equivalents, a $29.6 increase in restricted cash and cash equivalents and restricted investments and a ($4.3) million decrease in due from state and federal government when compared to fiscal year 2022. The GASB 87 entries added an additional $3.9 million in lease and interest receivables. This was offset by a ($7.0) million decrease in property and equipment when compared to fiscal year 2022.

Total liabilities decreased ($9.0) million or (13.1%) in fiscal year 2023 when compared to fiscal year 2022 and decreased ($11.3) million or (14.0%) in fiscal year 2022 when compared to fiscal year 2021. In fiscal year 2023, this change is primarily attributable to a ($6.3) million decrease in long term debt, net of current maturities when compared to fiscal year 2022 and a ($3.3) million decrease in current liabilities when compared to fiscal year 2022. GASB 96 entries added $209 thousand related to subscriptions.

The increase in net financial position for fiscal year 2023 was $41.0 million when compared to fiscal year 2022. Net financial position increased $30.4 million in fiscal year 2022 and increased $11.4 million in fiscal year 2021. Fiscal year 2023 resulted in a gain from operations of $1.2 million, which was a $20 thousand increase when compared to fiscal year 2022. The increase is primarily attributed to a $6.8 million increase in operating revenue when compared to fiscal year 2022 operating revenue offset by a $5.6 million increase in operating expenses when compared to fiscal year 2022 operating expenses. In fiscal year 2022, the gain from operations was $1.2 million, which was an $18.3 million increase in gain from operations when compared to the fiscal year 2021 loss from operations of $17.1 million. Net nonoperating income for fiscal year 2023 reflected an increase in net revenues of $12.9 million when compared to fiscal year 2022. This is attributed to an increase of $1.1 million in PFC revenue and a $471 thousand increase in CFC revenue along with a $3.0 million increase in interest income, a ($112) thousand decrease in interest expense and a $560 thousand increase in airline rates and charges expense when compared to fiscal year 2022 plus an $8.4 million increase in federal grant revenue related to the ARPA 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 business travel. Net nonoperating income for fiscal year 2022 reflected an increase in net revenues of $527 thousand when compared to fiscal year 2021.

Capital contributions decreased to $11.2 million in fiscal year 2023, a ($2.5) million or (18.4%) decrease when compared to fiscal year 2022. Capital contributions increased to $13.7 million in fiscal year 2022, a $170 thousand or 1.3% increase when compared to fiscal year 2021.

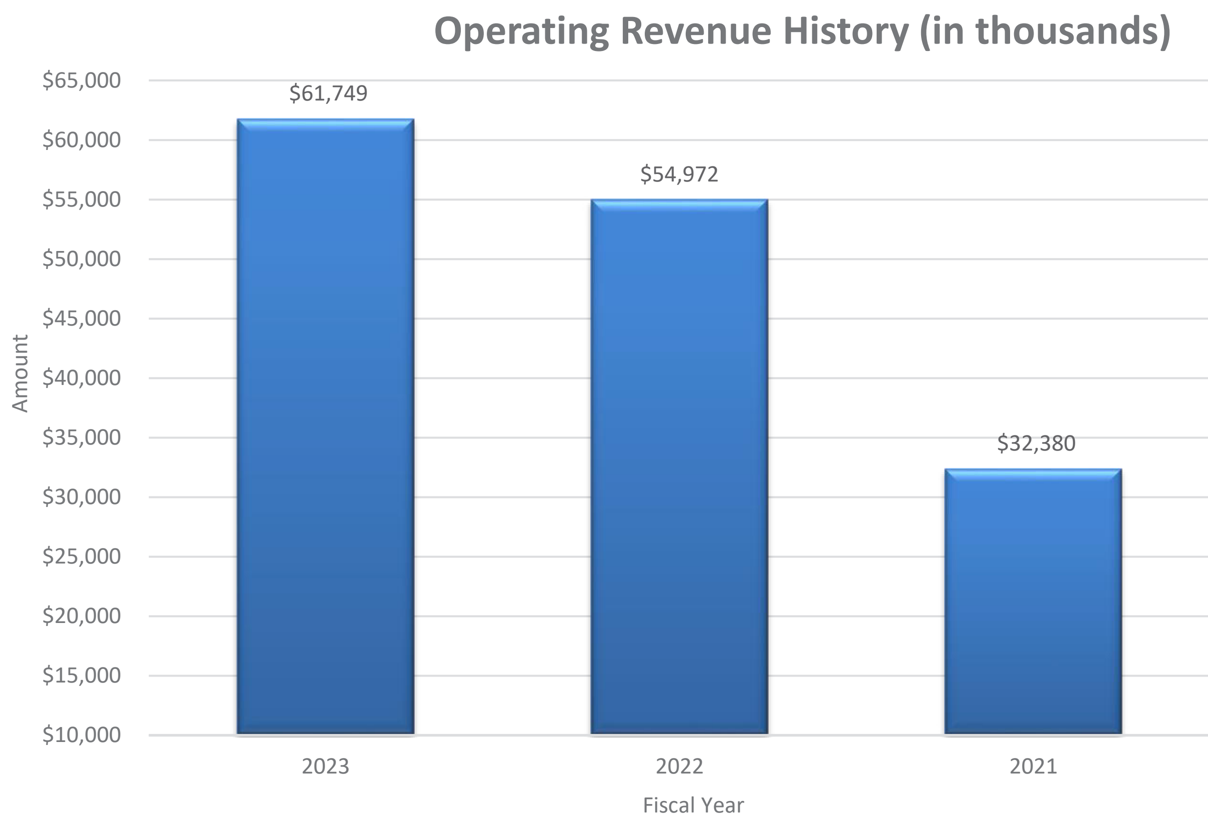
The below chart shows revenues, expenses, and the change in net position for the three years ended June 30, 2023, 2022, and 2021.

	FY 2023	FY 2022	FY 2021
Operating revenues	$ 61,749	$ 54,972	$ 32,380
Operating expenses	31,197	25,634	22,465
Operating income before depreciation	30,552	29,338	9,915
Depreciation and Amortization	29,353	28,159	27,000
Operating income (loss)	1,199	1,179	(17,085)
Nonoperating income, net	28,622	15,496	14,969
Income (loss) before capital contributions	29,821	16,675	(2,116)
Capital contributions	11,178	13,692	13,521
Change in net position	40,999	30,367	11,405
Beginning net position	513,902	483,535	472,130
Ending net position	$ 554,901	$ 513,902	$ 483,535

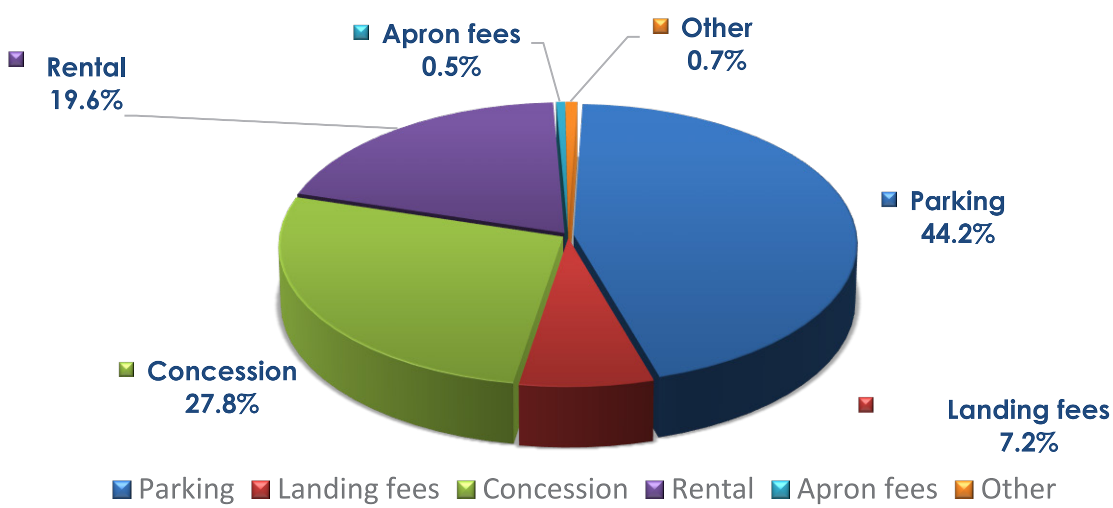
Operating income before depreciation for fiscal year 2023 increased by $1.2 million or 4.1% compared to fiscal year 2022, fiscal year 2022 operating income before depreciation increased by $19.4 million or 195.9% compared to fiscal year 2021. Depreciation and amortization expense increased by 4.2% between fiscal year 2023 and 2022, which included implementation of GASB 96 recognizing amortization expenses related to subscriptions, and increased by 4.3% between fiscal year 2022 and 2021. The weighted average yield on investments was approximately 0.01% for fiscal year 2023, 0.50% for fiscal year 2022 and 0.25% for fiscal year 2021.

REVENUES

The following graphs illustrate the operating revenues for the three fiscal years ended June 30, 2023, 2022, and 2021 and main sources of revenues for the Airport and each source's percentage of total operating revenues for the fiscal year ended June 30, 2023.



2023 Operating Revenue



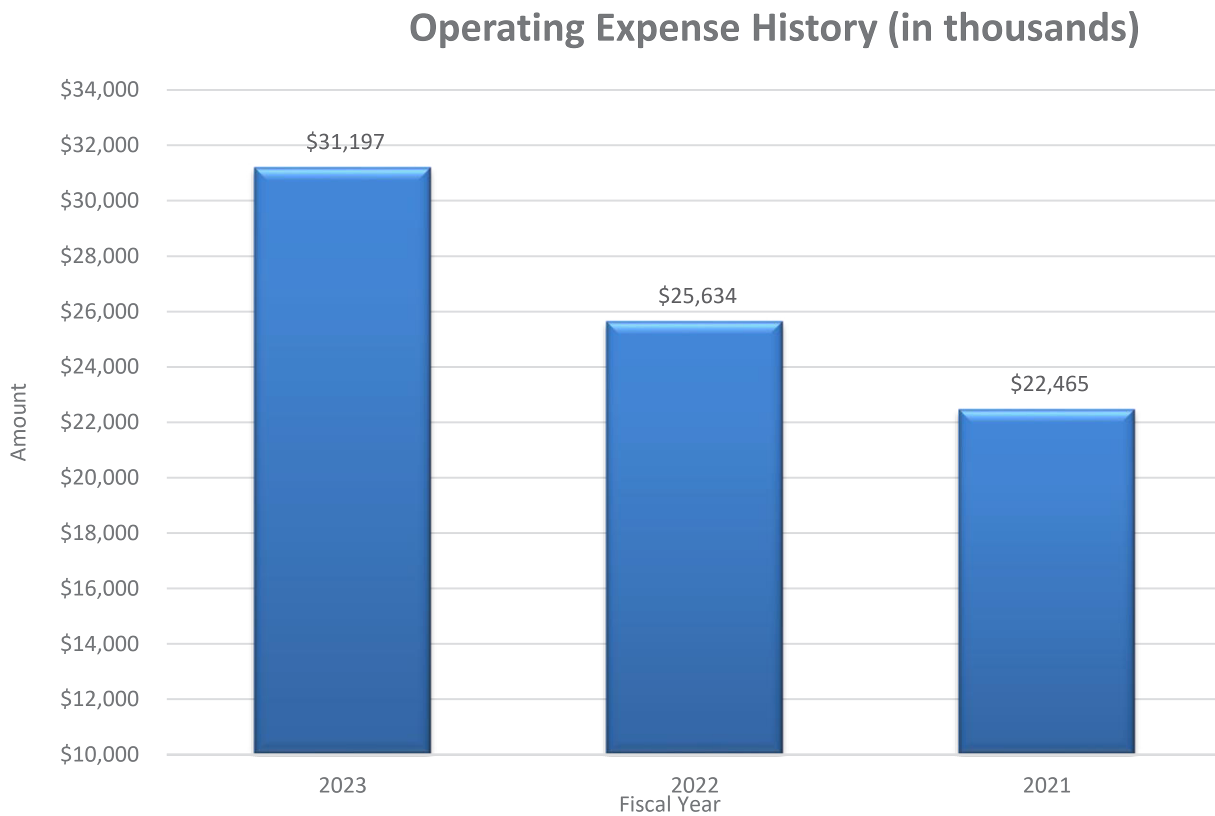
Parking revenues at the Airport for fiscal year 2023 were $27.3 million, which represented a 21.7% increase compared to fiscal year 2022; parking revenues for fiscal year 2022 were $22.4 million, which represented a 126.0% increase compared to fiscal year 2021. The increase in parking revenue in fiscal year 2023 is attributed to higher than budgeted enplaned passengers due to the increase in business and leisure travel. Concession revenues for fiscal year 2023 were $17.2 million which represents a 16.9% increase when compared to fiscal year 2022 concession revenue. Concession revenues for fiscal year 2022 were $14.7 million which represents a 124.9% increase when compared to fiscal year 2021 concession revenue.

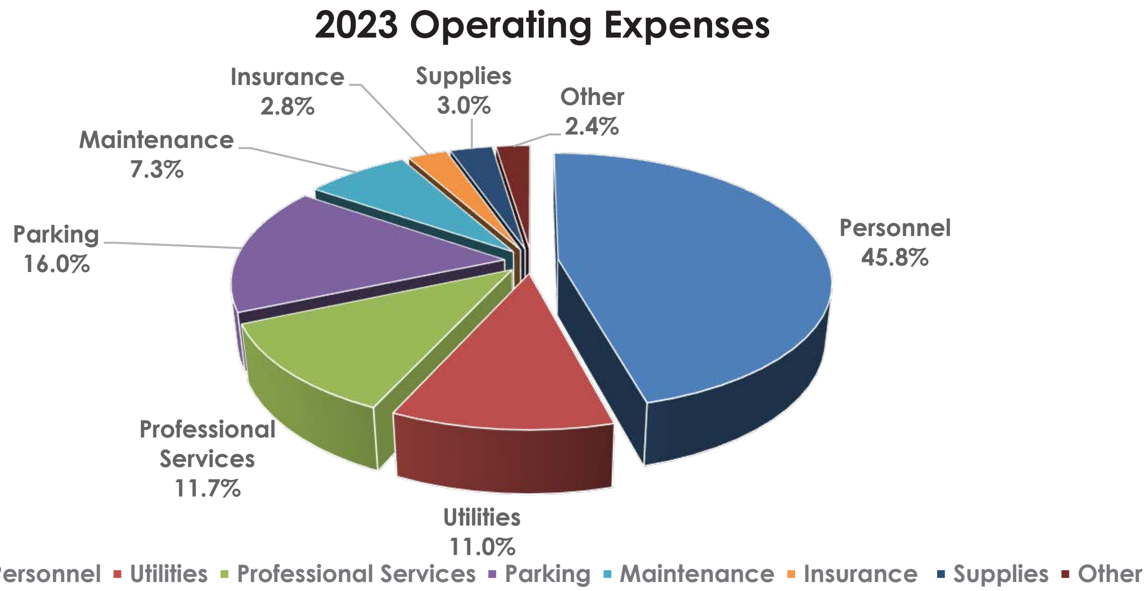
Below is a summary of revenues and nonoperating income stated in thousands, for the three fiscal years ended June 30, 2023, 2022, and 2021:

	FY 2023	FY 2022	FY 2021
Operating Revenues			
Parking	$ 27,317	$ 22,437	$ 9,926
Landing fees	4,386	4,950	3,262
Concession	17,196	14,706	6,539
Rental	12,089	12,059	11,624
Apron fees	328	464	505
Other	433	357	524
Total Operating	61,749	54,973	32,380
Nonoperating Income			
Interest income	3,589	632	123
State grant revenue	-	-	-
Federal grant revenue	15,876	7,460	13,481
Passenger Facility Charges	9,229	8,154	4,728
Customer Facility Charges	2,684	2,213	1,526
Total nonoperating	31,378	18,459	19,858
Total	$ 93,127	$ 73,432	$ 52,238

EXPENSES

The following graphs illustrate operating expenses for the three fiscal years ended June 30, 2023, 2022, and 2021 and main sources of expenses for the Airport and each source's percentage of total operating expense for the fiscal year ended June 30, 2023.





Operating expenses, exclusive of depreciation, totaled $31.2 million for fiscal year 2023, $25.6 million for fiscal year 2022 and $22.5 million for fiscal year 2021. The largest expense category for fiscal year 2023 was personnel expense, which increased by $1.9 million when compared to fiscal year 2022. Fiscal year 2022 personnel expense decreased by $(664) thousand when compared to fiscal year 2021. Parking expense increased by $1.3 million or 36.4% when compared to fiscal year 2022 parking expense. Fiscal year 2022 parking expense increased by $1.7 million or 87.6% when compared to fiscal year 2021 parking expense. The increase in parking expense in fiscal year 2023 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, 2023, 2022, and 2021:

	FY 2023	FY 2022	FY 2021
Operating Expenses			
Personnel	$ 14,293	$ 12,364	$ 13,028
Utilities	3,438	2,874	2,470
Professional services	3,644	2,413	1,769
Parking	5,004	3,670	1,956
Maintenance	2,277	1,900	1,562
Insurance	869	791	751
Supplies	929	682	443
Other	742	940	486
Total Operating	31,196	25,634	22,465
Depreciation and Amortization	29,353	28,160	27,000
Nonoperating Expense			
Interest expense	1,668	1,780	2,532
Other, net	59	714	120
Airline rates and charges adjustment	1,029	469	2,237
Total nonoperating	2,756	2,963	4,889
Total	$ 63,305	$ 56,757	$ 54,354

CASH FLOW ACTIVITIES

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

	FY 2023	FY 2022	FY 2021
Cash flows provided by operating activities	$ 28,322	$ 25,700	$ 10,574
Cash flows provided by investing activities	2,954	2,352	342
Cash flows provided by noncapital financing activities	14,832	6,982	17,272
Cash flows used in capital and related			
financing activities	(5,172)	(7,577)	(32,521)
Net (decrease) increase in cash and cash equivalents	40,937	27,457	(4,332)
Cash and cash equivalents			
Beginning of year	125,158	97,701	102,033
End of year	$ 166,095	$ 125,158	$ 97,701

Cash flow from operating activities for 2023 increased by $2.6 million or 10.2% compared to fiscal year 2022. Cash flow from operating activities for 2022 increased by $15.1 million or 143.0% compared to fiscal year 2021. In fiscal year 2023, the change is primarily due to an $8.2 million increase in cash received from operations offset by a $2.3 million increase in cash paid to employees and a $3.3 million increase in cash paid to suppliers when compared to fiscal year 2022. Cash flow from noncapital financing activities for 2023 increased by $7.8 million or 112.4% compared to fiscal year 2022.

Cash and cash equivalents for fiscal year 2023 amounted to $166.1 million representing a $40.9 million increase from fiscal year 2022. Cash and cash equivalents for fiscal year 2022 amounted to $125.2 million representing a $27.5 million increase when compared to fiscal year 2021. The increase in cash and cash equivalents in fiscal year 2023 when compared to fiscal year 2022 is primarily attributed to the $13.1 million increase in nonoperating income when compared to fiscal year 2022 nonoperating income.

AIRLINE RATES AND CHARGES

The new 5-year extension of the airline operating and terminal building agreement between the Commission and certain airlines was effective on July 1, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. The Commission has a nonsignatory fee policy that adds a 15% surcharge to the signatory landing fee.

Rental fees increased from fiscal year 2022 to 2023 in the amount of $30.0 thousand and increased from fiscal year 2021 to 2022 in the amount of $435 thousand. The increase in fiscal year 2023 when compared to fiscal year 2022 is primarily attributed to a $265 thousand increase in cargo building rental income offset by a decrease of ($216) thousand ground rental income and the total increase related to terminal building rental of $185 thousand. The apron fees decreased ($136) thousand from fiscal year 2022 to 2023 and decreased ($41) thousand from fiscal year 2021 to 2022. Rates and charges for the signatory airlines were as follows:

Signatory Airline Rates and Charges	Rate Effective FY 2023	Rate Effective FY 2022	Rate Effective FY 2021
Apron fees (square foot)	$ 1.15	$ 1.13	$ 1.15
Landing fees (1,000 lb. unit)	1.56	1.57	1.52
Terminal rental (square foot)	37.18	36.92	37.77

Note: The rates and charges for 2023 are estimates.

PASSENGER FACILITY CHARGES

The Commission collects $4.50 per qualifying enplaned passenger. Passenger Facility Charges ("PFC") totaled $9.2 million for fiscal year 2023 which was an increase of 13.2% when compared to fiscal year 2022. PFC revenue for fiscal year 2022 increased 72.5% when compared to fiscal year 2021. The increase in PFC revenue was attributed to the significant increase in passenger traffic due to the recovery from COVID and increase in business and leisure 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 2023. Collections for the year ended June 30, 2023 were $2.7 million, 21.3% greater than the year ended June 30, 2022 collections of $2.2 million. Total rental vehicle transaction days for fiscal year 2023 were 1.3 million compared to 1.1 million in fiscal year 2022.

CAPITAL AND DEBT ACTIVITY

Capital Assets

Investments in capital assets include land, land improvements, buildings, construction in progress, furniture and fixtures, machinery and equipment, paved facilities, and subscriptions. Capital assets, before accumulated depreciation and retirements, increased $22.3 million for fiscal year 2023 when compared to fiscal year 2022 and increased $20.3 million for fiscal year 2022 from 2021. The increase in capital assets in fiscal year 2023 when compared to fiscal 2022 is primarily attributed to a $20.3 million increase in construction in progress. Depreciation expense for fiscal year 2023 was $29.4 million compared to $28.2 million in fiscal year 2022, and $27.0 million in fiscal year 2021.

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, 2023, the Commission had principal debt outstanding of $44,616 as follows (in thousands):

Airport Revenue Bonds	$ 44,407
Subscription Liabilities	209
Total	$ 44,616

See Note 5 of Notes to Financial Statements.

ECONOMIC FACTORS AND FISCAL 2024 BUDGET

The Airport experienced a significant increase in passenger traffic due to the economic rebound from the COVID-19 pandemic along with the increase in routes by the airlines at Richmond International Airport. The passenger enplanement number for fiscal year was 2.2 million, a 13.8% increase over fiscal year 2022 and surpassing the record of fiscal year 2019 of 2.1 million by 76 thousand passengers.

Campbell-Hill Aviation Group provided an enplanement forecast and outlook scenario for fiscal year 2024 through fiscal year 2028. The forecast takes into consideration several 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 but with a growth perspective to the budgeting process. The forecast anticipates passenger traffic to continue to increase during fiscal year 2024. The low forecast projects that the enplanements for fiscal year 2024 would be 2.3 million which would be 5.5% higher than fiscal year 2023 actual enplanements.

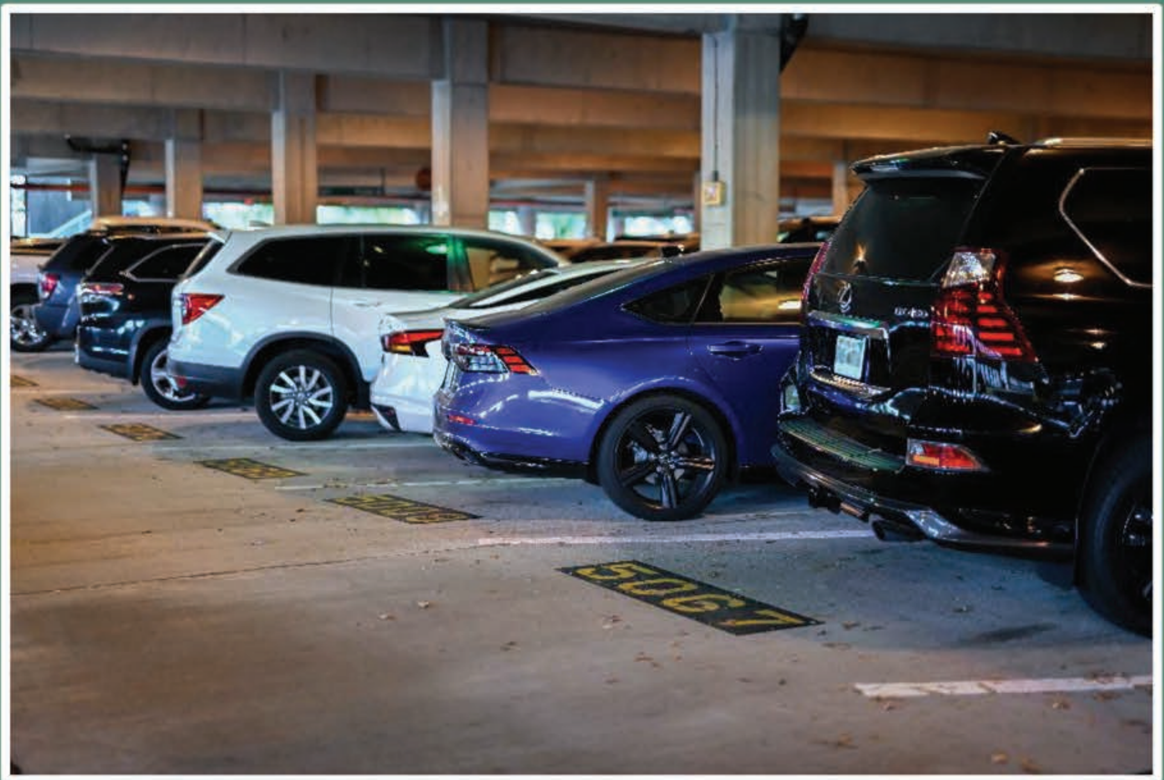
The Commission took a conservative approach to the fiscal year 2024 budget which was based on 2.3 million enplanements, slightly below the Campbell-Hill low projection. The fiscal year 2024 budget includes $61.8 million in operating revenue; a .01% increase compared to the fiscal year 2023 actual revenues of $61.7 million. Parking, concession, and rental revenues are expected to provide the main source of income for fiscal year 2024. Operating expenses of $40.7 million are budgeted for fiscal year 2024; an increase of 30.4% compared to fiscal year 2023 actual expenses of $31.2 million. Most of the increase in operating expenses is attributed to an increase in personnel costs. The Commission's fiscal year 2024 approved capital budget allotted $8.1 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

Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows.



RICHMOND INTERNATIONAL AIRPORT

Parking fees are a major source of revenue, typically representing more than 40 percent of the Commission's operating funds.

Capital Region Airport Commission
STATEMENTS OF NET POSITION
June 30, 2023 and 2022

		2023	2022
ASSETS AND DEFFERED OUTFLOWS OF RESOURCES	CURRENT ASSETS		
	Unrestricted Current Assets:		
	Cash and cash equivalents	$ 50,705,360	$ 39,490,363
	Accounts receivable, less allowance for doubtful accounts (2023-$433,842, 2022-$433,842)	3,048,383	2,090,852
	Leases receivable	7,423,923	3,490,628
	Interest receivable	38,722	41,952
	Other	370,824	669,721
	Total Unrestricted Current Assets	61,587,212	45,783,516
	Restricted Current Assets:		
	Cash and cash equivalents	115,389,450	85,667,338
	Investments	3,261,902	3,335,536
	Customer and Passenger Facility Charges receivable	1,026,140	925,630
	Due from federal and state governments	3,208,096	7,472,980
	Total Restricted Current Assets	122,885,587	97,401,484
	Total Current Assets	184,472,799	143,185,000
	NONCURRENT ASSETS		
	Net pension assets	-	1,251,038
	Net OPEB asset	2,611	5,003
	Leases receivable, net of current	11,478,610	11,486,743
	Capital assets		
	Depreciable assets, net	331,470,524	358,777,127
	Non-depreciable assets	101,512,774	81,229,135
	Net Capital Assets	432,983,298	440,006,262
	Total Noncurrent Assets	444,464,519	452,749,046
	Total Assets	628,937,319	595,934,046
	DEFERRED OUTFLOWS OF RESOURCES		
	Deferred loss on refunding	4,457,087	5,058,227
	Deferred outflows related to pension	1,192,833	1,659,937
	Deferred outflows related to OPEB	665,374	863,346
	Total Deferred Outflows of Resources	6,315,294	7,581,510
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	CURRENT LIABILITIES		
	Liabilities From Unrestricted Assets:		
	Accounts payable	593,432	632,300
	Accrued expenses	2,059,726	2,024,299
	Unearned revenue	51,431	126,716
	Subscription liability	114,931	-
	Total Liabilities From Unrestricted Assets	2,819,520	2,783,315
	Liabilities From Restricted Assets:		
	Accounts payable	3,586,237	7,846,452
	Accrued interest payable	695,452	769,771
	Current maturities of long-term debt	5,704,909	4,739,196
	Total Liabilities From Restricted Assets	9,986,598	13,355,419
	Total Current Liabilities	12,806,118	16,138,734
	NONCURRENT LIABILITIES		
	Subscription liability, noncurrent	93,699	-
	Net pension liability	1,032,834	-
	Net OPEB liabilities	1,786,539	2,261,929
	Noncurrent portion of long-term obligations (Note 5)	44,428,919	50,777,708
	Total Noncurrent Liabilities	47,341,991	53,039,637
	Total Liabilities	60,148,109	69,178,371
	DEFERRED INFLOWS OF RESOURCES		
	Deferred inflows related to pension	1,587,805	4,851,506
	Deferred inflows related to OPEB	955,875	676,973
	Deferred inflows related to Leases	17,659,435	14,703,600
	Total Deferred Inflows of Resources	20,203,115	20,232,079
	NET POSITION		
	Net investment in capital assets	388,480,024	386,427,352
	Restricted		
	Restricted for pension benefits	-	1,251,038
	Restricted for OPEB	2,611	5,003
	Debt service	96,673,288	76,509,767
	Customer and Passenger Facility Charges	13,298,853	5,827,540
	Entitlement funds	4,737,019	2,661,839
	Unrestricted	51,709,601	41,219,427
	Total Net Position	$ 554,901,396	$ 513,901,966

Capital Region Airport Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Parking	$ 27,316,766	$ 22,437,044
Landing fees	4,386,665	4,950,066
Concession	17,195,533	14,705,455
Rental	12,088,948	12,059,359
Apron fees	327,711	463,575
Other	433,206	356,956
Total Operating Revenues	61,748,829	54,972,455
OPERATING EXPENSES		
Personnel	14,293,019	12,364,010
Utilities	3,437,596	2,873,864
Professional services	3,643,661	2,413,085
Parking	5,004,443	3,670,051
Maintenance	2,276,833	1,900,350
Insurance	869,401	791,155
Supplies	929,180	681,712
Other	742,426	939,933
Total Operating Expenses	31,196,559	25,634,160
Operating Income Before Depreciation/Amortization	30,552,270	29,338,295
DEPRECIATION AND AMORTIZATION	29,353,176	28,159,512
Operating Income (Loss)	1,199,094	1,178,783
NONOPERATING INCOME (EXPENSES)		
Interest income	3,589,047	632,433
Interest expense	(1,668,116)	(1,779,663)
Other, net	(58,843)	(714,546)
Federal grant revenue	15,875,910	7,459,644
Airline rates and charges adjustment	(1,029,295)	(469,235)
Passenger Facility Charges	9,229,262	8,154,303
Customer Facility Charges	2,684,464	2,212,603
Total Nonoperating Income (Expenses), Net	28,622,429	15,495,539
Increase/(Decrease) in Net Position Before Capital Grants and Contributions	29,821,523	16,674,322
CAPITAL GRANTS AND CONTRIBUTIONS	11,177,907	13,692,397
CHANGE IN NET POSITION	40,999,430	30,366,719
NET POSITION, BEGINNING	513,901,966	483,535,247
TOTAL NET POSITION, ENDING	$ 554,901,396	$ 513,901,966

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

		2023		2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from operations	$	59,583,164	$	51,353,915
Cash paid to and for employees		(14,588,716)		(12,329,098)
Cash paid to suppliers		(16,672,178)		(13,325,006)
Cash used in operating activities		(31,260,894)		(25,654,104)
Net cash provided by operating activities	$	28,322,270	$	25,699,811
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale and maturities of investments		2,939		2,743,813
Purchase of investments		-		(492,070)
Interest income received		2,951,342		100,299
Net cash provided by investing activities		2,954,281		2,352,042
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State and federal grant revenue		15,861,708		7,450,812
Airlines rates and charges		(1,029,295)		(469,235)
Net cash provided by noncapital financing activities		14,832,413		6,981,577
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		(4,822,808)		(5,142,276)
Payment of interest on long-term debt		(1,742,435)		(1,474,888)
Capital contributions received		15,442,791		7,691,200
Passenger Facility Charges collected		9,176,444		8,716,164
Customer Facility Charges collected		2,636,772		2,146,384
Additions to capital assets		(26,456,325)		(18,956,276)
Interest income on leased assets		640,934		510,609
Payments related to investments and bonds		(47,226)		(37,472)
Net cash used in capital and related financing activities		(5,171,853)		(7,576,555)
Net (decrease) increase in cash and cash equivalents		40,937,109		27,456,877
CASH AND CASH EQUIVALENTS				
Balances - beginning of year		125,157,701		97,700,824
Balances - end of year	$	166,094,810	$	125,157,701
Current Assets	$	50,705,360	$	39,490,363
Restricted Assets		115,389,450		85,667,338
	$	166,094,810	$	125,157,701
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$	1,199,094	$	1,178,783
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and Amortization		29,353,176		28,159,512
Asset Forfeiture activity		(28,667)		(8,832)
Changes in assets and liabilities				
Decrease (increase) in accounts receivable		(957,531)		(400,721)
Decrease (increase) in other current assets		298,897		(396,264)
Decrease (increase) in lease receivable		(3,925,162)		(14,977,371)
Decrease (increase) in net pension asset		1,251,038		(1,251,038)
Decrease (increase) in net OPEB asset		2,392		(5,003)
Decrease (increase) in deferred outflows of resources - pension		467,104		737,780
Decrease (increase) in deferred outflows of resources - OPEB		197,972		72,371
Increase (decrease) in trade accounts payable		(38,868)		350,240
Increase (decrease) in accrued expenses		35,427		(2,703,471)
Increase (decrease) in net pension liability		1,032,834		(4,500,775)
Increase (decrease) in net OPEB liabilities		(475,390)		(267,943)
Increase (decrease) in deferred inflows of resources -pension		(3,263,701)		4,836,810
Increase (decrease) in deferred inflows of resources - OPEB		278,902		262,896
Increase (decrease) in deferred inflows of resources - leases		2,955,835		14,703,600
Increase (decrease) in unearned revenue		(61,082)		(90,763)
Net cash provided by operating activities	$	28,322,270	$	25,699,811
Supplemental Cash Flow Information				
Non-cash investing, capital and financing activities				
Net increase (decrease) in fair value of investments	$	(70,695)	$	(267,093)
Non-cash capital contributions	$	3,208,096	$	7,472,980
Non-cash PFC and CFC collections	$	1,026,140	$	925,630
Capital assets included in accounts payable	$	3,586,237	$	7,846,452
Acquisition of subscription asset	$	134,102	$	-
Airline rates and charges adjustment	$	(291,509)	$	177,726

See Notes to Financial Statements.

Notes to Financial Statements

Explanatory notes providing support to the financial statements.

RICHMOND INTERNATIONAL AIRPORT

The Concourse A extension is now in use by Allegiant, American, Breeze, and Sun Country.

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 nine major airlines and ten regional airlines.

In December 2022, the Commission created the Capital Region Airport Commission Foundation for the purpose of raising funds to support the Commission. The Foundation is a 501(c)(3) corporation with a December year-end and is considered a blended component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and so data from these units are combined with data of the primary government. The Foundation's activity included $4,850 in cash as of June 30, 2023 and donations for the period March 2023 through June 2023, which are not reflected in the Commission's financial statement. Foundation activity will be incorporated going forward.

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.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 (except for intangible right-to-use subscription assets, the measurement of which is discussed in more detail below). 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
Subscription assets	1-5

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.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2023 were $2.7 million (2022 - $2.2 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 2023 were $9.2 million (2022 - $8.1 million) and aggregate collections and interest thereon from inception through June 30, 2023 were $173 million. Net position related to PFC is restricted for projects that are approved by the FAA.

Federal and State Grants

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

State Entitlement Funds

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

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Net Position

The Commission 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 $1.014 million at June 30, 2023, and $930 thousand at June 30, 2022. The net increase for fiscal year 2023 amounted to $84 thousand; represented by payments of $214 thousand to vested employees and additional accrued vacation and sick leave of $298 thousand. For fiscal year 2022, the net increase amounted to $49 thousand.

Pensions

For purposes of measuring the net pension liability (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.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

	2023	2022
Balance, beginning of period	$ 433,842	$ 398,674
Charged to costs and other write-offs	-	-
Bad debt expense	-	35,168
Balance, end of period	$ 433,842	$ 433,842

Leases and Subscription-Based IT Arrangements (SBITAs)
The Commission has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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).

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.

Subscriptions
The Commission recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of $7,500, individually or in the. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases and Subscription-Based IT Arrangements (SBITAs): (continued)

Key Estimates and Judgments

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

- The Commission uses the interest rate stated in lease or subscription 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 and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

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:

	2023	2022
Petty cash	$ 433	$ 432
Deposits at financial institutions	67,714,659	47,053,681
Cash equivalents and investments	101,641,620	81,439,124
	$ 169,356,712	$ 128,493,237
Summary:		
Unrestricted assets	$ 50,705,360	$ 39,490,363
Restricted assets	118,651,352	89,002,874
	$ 169,356,712	$ 128,493,237

Deposits

At June 30, 2023, the carrying value of the Commission's deposits with banks was $67,714,659 with corresponding bank balances of $70,000,397. 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. 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 $98,379,718.

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, 2023, 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 2023

Investment Type	Fair Value	Less Than 12 months	Over 12 months	Moody's Quality Ratings
Federal National Mortgage Association	$ 406,846	$ -	$ 406,846	Aaa
Federal Home Loan Banks	690,604	-	690,604	Aaa
Federal Home Loan Mortgage Corp	1,818,014	-	1,818,014	Aaa
Federal Farm Credit Banks Funding Corp	346,438	-	346,438	Aaa
	$ 3,261,902	$ -	$ 3,261,902	

Investment Maturities and Ratings for 2022

Investment Type	Fair Value	Less Than 12 months	Over 12 months	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	

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, 2023 and 2022:

		Fair Value Measurement Using		
Investment	**6/30/2023**	**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		$ 406,846		
Federal Home Loan Banks		690,604		
Federal Home Loan Mortgage Corp		1,818,014		
Federal Farm Credit Banks Funding Corp		346,438		
Money Market Mutual Funds		98,379,718		
		$ 101,641,620		

		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		

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, 2023, 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.

Note 4. CAPITAL ASSETS

	Balance June 30, 2022*	Additions	Retirements	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	$ 56,520,313	$ -	$ -	$ -	$ 56,520,313
Construction in progress	24,708,822	20,283,639	-	-	44,992,461
Total Non Depreciable Capital Assets	81,229,135	20,283,639	-	-	101,512,774
Other capital assets:					
Land improvements	23,406,164	22,367	-	-	23,428,531
Buildings	379,290,493	83,736	-	-	379,374,229
Paved Facilities	301,264,007	-	-	-	301,264,007
Furniture and fixtures	3,160,071	57,783	-	-	3,217,854
Machinery and Equipment	42,255,137	1,748,585	-	-	44,003,722
Subscription assets	203,140	134,102	-	-	337,242
Total Other Capital Assets	749,579,012	2,046,573	-	-	751,625,585
Total Capital Assets	830,808,147	22,330,212	-	-	853,138,359
Accumulated depreciation:					
Land improvements	(14,427,032)	(1,475,173)	-	-	(15,902,205)
Buildings	(180,533,101)	(12,326,050)	-	-	(192,859,151)
Paved Facilities	(172,138,300)	(11,746,179)	-	-	(183,884,479)
Furniture and fixtures	(2,185,132)	(145,189)	-	-	(2,330,321)
Machinery and Equipment	(21,518,320)	(3,563,930)	-	-	(25,082,250)
Subscription assets	-	(96,655)			(96,655)
Total Accumulated Depreciation	(390,801,885)	(29,353,176)	-	-	(420,155,061)
Capital Assets, Net	$ 440,006,262	$ (7,022,964)	$ -	$ -	$ 432,983,298

* Includes adjustment of beginning balances for implementation of GASB 96.

	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

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

Changes in long-term obligations for the years ended June 30, 2023 and 2022 consist of:

	Balance 6/30/2022*	Increase	Decrease	Balance 6/30/2023	Current Maturities
General obligation bonds					
Airport Revenue Bonds:					
Series 2013A Airport Refunding (b)	$ 8,980,000	$ -	$ (1,710,000)	$ 7,270,000	$ 2,600,000
Series 2016A Airport Refunding (c)	21,120,000	-	(1,425,000)	19,695,000	1,490,000
Series 2021A Airport Refunding (d)	13,615,000	-	-	13,615,000	-
Series 2021B Airport Refunding (d)	545,000	-	-	545,000	45,000
Total	44,260,000	-	(3,135,000)	41,125,000	4,135,000
Notes from direct borrowings and direct placements					
Airport Revenue Bonds:					
Series 2001A&B (a)	4,842,017	-	(1,559,196)	3,282,821	1,569,910
Total	4,842,017	-	(1,559,196)	3,282,821	1,569,910
Add: Bond premium paid, net	6,414,887	-	(688,879)	5,726,008	-
Total Bonds	55,516,904	-	(5,383,075)	50,133,829	5,704,910
Subscription liabilities	203,140	134,102	(128,612)	208,630	114,931
Total Long-Term Debt	$ 55,720,044	$ 134,102	$ (5,511,687)	$ 50,342,459	$ 5,819,841

* Includes adjustment of beginning balances for implementation of GASB 96.

	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

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, 2023, is as follows:

Long-Term Debt

Year	General Obligation Bonds Revenue		Notes from Direct Borrowings and Direct Placements Revenue		Total Bonds		Subscription Liabilities		Total Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 4,135,000	$ 1,533,531	$ 1,569,910	$ 17,565	$ 5,704,910	$ 1,551,096	$ 114,931	$ 5,335	$ 5,819,841	$ 3,107,527
2025	4,175,000	1,340,100	1,580,698	6,777	5,755,698	1,346,877	68,505	2,321	5,824,203	2,696,075
2026	3,800,000	1,192,594	132,213	77	3,932,213	1,192,671	25,194	616	3,957,407	2,385,958
2027	3,470,000	1,110,113	-	-	3,470,000	1,110,113	-	-	3,470,000	2,220,226
2028	1,840,000	1,014,875	-	-	1,840,000	1,014,875	-	-	1,840,000	2,029,750
2029-2033	10,355,000	3,925,313	-	-	10,355,000	3,925,313	-	-	10,355,000	7,850,626
2034-2038	10,475,000	1,847,038	-	-	10,475,000	1,847,038	-	-	10,475,000	3,694,076
2039	2,875,000	57,500	-	-	2,875,000	57,500	-	-	2,875,000	115,000
Total	$ 41,125,000	$ 12,021,064	$ 3,282,821	$ 24,419	$ 44,407,821	$ 12,045,483	$ 208,630	$ 8,272	$ 44,616,451	$ 24,099,238

(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 were 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:

	2023	2022
Cost of issuance	$ 134,168	$ 134,168
Debt service	11,139,577	11,838,826
Equipment and capital outlay	69,651,578	49,466,022
Operation and maintenance	20,716,297	20,000,108
	$ 101,641,620	$ 81,439,124

(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 years ended June 30, 2023 and 2022.

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

(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, 2023 and June 30, 2022.

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 $2,103,440 (3.5%) and $1,989,942 (3.3%) for the year ended June 30, 2023, and $2,858,787 (5.2%) and $2,369,840 (4.3%) for the year ended June 30, 2022.

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 $29,284,481 and $27,764,814 in 2023 and 2022, respectively, which is included in operating revenues.

For the year ended June 30, 2023, 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, 2023 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 and 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 not 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, 2023.

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, 2023, 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, 2023, (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, 2021 and June 30, 2020 actuarial valuations, the following employees were covered by the benefit terms of the pension plan:

	2021 Valuation	**2020 Valuation**
Inactive members or their beneficiaries currently receiving benefits	128	123
Inactive members:		
Vested inactive members	51	47
Non-vested inactive members	127	123
Inactive members active elsewhere in VRS	66	61
Total inactive members	244	231
Active members	143	157
Total covered employees	515	511

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, 2023 and 2022, was 10.90% and 9.72%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and 2019, respectively.

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 $887,842 and $665,239 for the years ended June 30, 2023 and June 30, 2022, 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, 2022 and June 30, 2021. The total pension liability used to calculate the net pension liability was determined by actuarial valuations performed as of June 30, 2021 and June 30, 2020, rolled forward to the measurement date of June 30, 2022 and June 30, 2021.

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, 2021 and 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, 2022 and June 30, 2021.

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, 2021 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, 2021, 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, 2022.

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, 2021 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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		**Expected arithmetic nominal return	7.83%

*The above allocation provides a one-year expected return of 7.83%. 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 6.72%, 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, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2021	$ 43,637,271	$ 44,888,309	$ (1,251,038)
Changes for the year:			
Service cost	$ 844,817	$ -	$ 844,817
Interest	2,926,563	-	2,926,563
Differences between expected and actual experience	(535,332)	-	(535,332)
Contributions - employer	-	666,100	(666,100)
Contributions - employee	-	346,527	(346,527)
Net investment income	-	(33,360)	33,360
Benefit payments, including refunds of employer contributions	(2,251,206)	(2,251,206)	-
Administrative expenses	-	(28,115)	28,115
Other changes	-	1,024	(1,024)
Net changes	$ 984,842	$ (1,299,030)	$ 2,283,872
Balances at June 30, 2022	$ 44,622,113	$ 43,589,279	$ 1,032,834

	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)

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 Commissic	2022	$ 6,622,542	$ 1,032,834	$ (3,564,360)
Net Pension Liability(Asset)	2021	4,125,330	(1,251,038)	(5,720,743)

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

For the year ended June 30, 2023, the Commission recognized pension expense of $375,978. At June 30, 2023, 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	$ -	$ 297,618
Change in assumptions	304,991	-
Net difference between projected and actual earnings on pension plan investments	-	1,290,187
Employer contributions subsequent to the measurement date	887,842	-
Total	$ 1,192,833	$ 1,587,805

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, 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

$887,842 and $665,239 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, 2024 and June 30, 2023, 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		2023	Year ended June 30		2022
2024	$	(441,488)	2023	$	(451,701)
2025		(574,111)	2024		(804,468)
2026		(871,336)	2025		(1,125,182)
2027		604,121	2026		(1,475,457)
2028		-	2027		-
Thereafter		-	Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/ Publications/2022-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, 2021 and June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	2021 Valuation	2020 Valuation
Inactive members or their beneficiaries currently receiving benefits	38	33
Inactive members:		
Vested inactive members	4	7
Total inactive members	42	40
Active members	143	157
Total covered employees	185	197

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, 2023 was .42% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The Commission 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 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 $36,752 and $22,809 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The Commission net Health Insurance Credit OPEB liability was measured as of June 30, 2022 and June 30, 2021. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022 and June 30, 2021.

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, 2021 and 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 dates of June 30, 2022 and June 30, 2021.

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, 2021 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, 2021 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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investement Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72%, 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 ended June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 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, 2021	$ 337,247	$ 45,994	$ 291,253
Changes for the year:			
Service cost	$ 5,968	$ -	$ 5,968
Interest	22,444	-	22,444
Changes of assumptions	12,752	-	12,752
Difference between expected and actual experience	323	-	323
Contributions - employer	-	22,809	(22,809)
Net investment income	-	(16)	16
Benefit payments, including refunds of employee contributions	(21,423)	(21,423)	-
Administrative expenses	-	(98)	98
Other changes	-	11,978	(11,978)
Net changes	$ 20,064	$ 13,250	$ 6,814
Balances at June 30, 2022	$ 357,311	$ 59,244	$ 298,067

	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

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	2022	$ 336,249	$ 298,067	$ 265,591
Net HIC OPEB Liability	2021	328,726	291,253	259,507

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, 2023, the Commission recognized HIC Plan OPEB expense of $38,215. At June 30, 2023, 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	$ 67,339	$ -
Changes of assumptions	18,264	2,443
Net difference between projected and actual earnings on HIC OPEB plan investments	-	418
Employer contributions subsequent to the measurement date	36,752	-
Total	$ 122,355	$ 2,861

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, 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

$36,752 and $22,809 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, 2024 and June 30, 2023. 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	2023	Year Ended June 30	2022
2024	$ 25,279	2023	$ 22,396
2025	25,556	2024	22,439
2026	20,803	2025	22,716
2027	6,979	2026	17,963
2028	3,806	2027	4,140
Thereafter	319	Thereafter	1,680

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications /2022-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 $8,984 as of July 30, 2023.

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, 2023 and June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the Commission were $47,417 and $39,948 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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, 2023 and June 30, 2022, the entity reported a liability of $409,513 and $425,774, respectively for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and June 30, 2021. The total GLI OPEB liability used to calculate the June 30, 2022 Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 and June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the Commission's proportion was .03400% as compared to .03660% at June 30, 2021 and .04339% at June 30, 2020.

For the years ended June 30, 2023 and June 30, 2022, the Commission recognized GLI OPEB expense of $(6,492) and $3,392, 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, 2023, 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	$ 32,428	$ 16,429
Net difference between projected and actual earnings on GLI OPEB plan investments	-	25,589
Change in assumptions	15,274	39,888
Changes in proportionate share	11,392	115,535
Employer contributions subsequent to the measurement date	47,417	-
Total	$ 106,511	$ 197,441

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

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)*

$47,417 and $39,948 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, 2024 and June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	2023	Year Ended June 30	2022
2024	$ (27,488)	2023	$ (35,026)
2025	(31,936)	2024	(31,041)
2026	(48,900)	2025	(35,475)
2027	(21,034)	2026	(53,490)
2028	(8,989)	2027	(23,846)
Thereafter	-	Thereafter	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021 and 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, 2022 and 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 - 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, 2021 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

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

Actuarial Assumptions: (continued)

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

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

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

The actuarial assumptions used in the June 30, 2021 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, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	$	1,204,096
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72%, 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, 2022, 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, 2022, 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	2022	$ 595,890	$ 409,513	$ 258,896
Net OPEB Liability	2021	622,071	425,774	267,255

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/ 2022-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, 2023 and June 30, 2022 was $681.84 and $722.55, respectively per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were $26,592 and $26,540 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

Contributions (continued)

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

At June 30, 2023 and June 30, 2022, the entity reported a liability of $734,620 and $1,079,856, respectively for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2022 and June 30, 2021. The total LODA OPEB liability used to calculate the June 30, 2022 Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 and June 30, 2021 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2022, the entity's proportion was .19410% as compared to .24490% at June 30, 2021 and .23889% at June 30, 2020.

For the years ended June 30, 2023 and June 30, 2022, the entity recognized LODA OPEB expense of $82,081 and $101,214, 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, 2023, 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	$ 56,439	$ 137,299
Net difference between projected and actual earnings on LODA OPEB program investments	-	3,142
Change in assumptions	204,865	181,191
Change in proportionate share	82,218	231,991
Employer contributions subsequent to the measurement date	26,592	-
Total	$ 370,114	$ 553,623

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, 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

$26,592 and $26,540 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, 2024 and June 30, 2023, 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		2023	Year Ended June 30		2022
2024	$	(16,714)	2023	$	26,583
2025		(16,647)	2024		26,870
2026		(16,576)	2025		26,955
2027		(10,343)	2026		27,045
2028		(17,219)	2027		33,870
Thereafter		(132,602)	Thereafter		49,159

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, 2021, 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, 2022. 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	5.25%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.69%, including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return. The assumed annual rate of return of 2.16% was used in the 2021 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, 2021 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, 2022, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

		LODA Program
Total LODA OPEB Liability	$	385,669
Plan Fiduciary Net Position		7,214
LODA Net OPEB Liability (Asset)	$	378,455
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability		1.87%

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 3.69% 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 3.69% 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, 2022.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.69% and 2.16% at 2022 and 2021, 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, 2022, 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 2022 discount rate of 3.69%, 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 (2.69%) or one percentage point higher (4.69%) than the current rate. The 2021 share is presented using the discount rate of 2.16%, as well as the one percentage point decrease (1.16%) and one percentage point increase of 3.16%.

		Discount Rate		
		1% Decrease	**Current**	**1% Increase**
Commission's proportionate				
share of the LODA	2022	$ 838,562	$ 734,620	$ 649,583
Net OPEB Liability	2021	1,242,231	1,079,856	950,837

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.

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	2022	$ 619,077	$ 734,620	$ 879,644
Net OPEB Liability	2021	886,050	1,079,856	1,328,357

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/ publications/2022-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, 2023 and June 30, 2022 was 0.85% and .83%, respectively, of covered employee compensation for employees in the VRS Political Subdivision Employee VDLP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and June 30, 2019, respectively. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Commission to the VRS Political Subdivision Employee VDLP were $26,323 and $17,215 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023 and June 30, 2022, the Commission reported a liability (asset) of ($2,611) and $(5,003), respectively for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2022 and June 30, 2021, respectively. The total VLDP OPEB liability used to calculate the June 30, 2022 Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 and June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the Commission's proportion of the VLDP was 0.44410% as compared to 0.49424% at June 30, 2021 and 0.52367% at June 30, 2020.

For the years ended June 30, 2023 and June 30, 2022, the Commission recognized VLDP OPEB expense of $14,035 and $13,506, 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, 2023, 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	$ 3,671	$ 5,587
Net difference between projected and actual earnings on VLDP OPEB program investments	-	11
Change in assumptions	100	937
Changes in proportionate share	1	826
Employer contributions subsequent to the measurement date	26,323	-
Total	$ 30,095	$ 7,361

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

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)

$26,323 and $17,215 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, 2024 and June 30, 2023, 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	2023	Year Ended June 30	2022
2024	$ (434)	2023	$ (1,355)
2025	(461)	2024	(1,346)
2026	(1,367)	2025	(1,377)
2027	50	2026	(2,395)
2028	(260)	2027	(825)
Thereafter	(1,117)	Thereafter	(1,917)

Actuarial Assumptions

The total VLDP OPEB liability for the VLDP was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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, 2021 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, 2022, 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	$	7,360
Plan Fiduciary Net Position		7,948
Political Subdivision VLDP net OPEB Liability (Asset)	$	(588)
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability		107.99%

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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72%, 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, 2022, 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, 2022 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.

		Rate		
		1% Decrease	**Current Discount**	**1% Increase**
Commission's proportionate share of the VLDP Net OPEB Liability	2022	$ 277	$ (2,611)	$ (5,118)
	2021	(2,680)	(5,003)	(7,018)

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/ publications/2022-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, 2023 and 2022 (measurement date), the following employees were covered by the benefit terms:

	2023 Valuation	2022 Valuation
Total active employees with coverage	127	133
Total retirees with coverage	-	5
Total spouses of retirees with coverage	-	3
Total	127	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, 2023 and June 30, 2022. 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, 2023 and June 30, 2022. 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, 2023 and 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, 2023
	2.50% per year as of June 30, 2022
Salary Increases	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.
Discount Rate	3.65% as of June 30, 2023
	3.54% as of June 30, 2022

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

Actuarial Assumptions (continued)

Mortality rates for Active employees and healthy retirees were based on Pub-2010 Amount Weighted General Employee Rates projected generationally and for public safety employees, Pub-2010 Amount Weighted Safety Employee Rates projected generationally. For more detailed information on mortality rates, reference the previous notes for VRS plans.

The date of the most recent actuarial experience study for which significant assumptions were based covered the period from July 1, 2016 to June 30, 2020. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 20, 2021.

The Long-Term Expected Rate of Return on OPEB Plan investments is 3.65% as of June 30, 2023 and 3.54% as of June 30, 2022.

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

	Total OPEB Liability 2023	Total OPEB Liability 2022
Balances at July 1	$ 465,046	$ 527,507
Changes for the year:		
Service cost	27,476	30,998
Interest	17,380	11,500
Difference between expected and actual experience	(157,492)	-
Changes in assumptions	(4,907)	(52,337)
Benefit payments	(3,164)	(52,622)
Net changes	(120,707)	(62,461)
Balances at June 30	$ 344,339	$ 465,046

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 (2.65%) or one percentage point higher (4.65%) than the current discount rate (3.65%). The 2022 discount rate was 3.54%:

	Rate		
	1% Decrease	**Current Discount**	**1% Increase**
Total OPEB Liability			
2023	$ 375,293	$ 344,339	$ 316,186
2022	502,290	465,046	431,265

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 (7.10% decreasing to an ultimate rate of 4.50%) that are one percentage point lower (6.10% decreasing to an ultimate rate of 3.50%) or one percentage point higher (8.10% decreasing to an ultimate rate of 5.50%) than the current healthcare cost trend rates. The 2022 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			
2023	$ 304,228	$ 344,339	$ 391,569
2022	413,529	465,046	526,348

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

For the year ended June 30, 2023, the Commission recognized OPEB expense in the amount of $26,884. At June 30, 2023, 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	$ 19,535	$ 160,561
Changes in assumptions	16,764	34,028
Total	$ 36,299	$ 194,589

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, 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

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	2023	Year Ended June 30	2022
2024	$ (24,596)	2023	$ 13,259
2025	(51,090)	2024	6,635
2026	(45,129)	2025	(19,859)
2027	(31,231)	2026	(13,898)
2028	(6,244)	2027	-
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:

2023	**Net OPEB Asset**	**Deferred Outflows**	**Deferred Inflows**	**Net OPEB Liabilities**	**OPEB Expense**
VRS OPEB Plans:					
Health Insurance Credit Program (Note 9)	$ -	$ 122,355	$ (2,861)	$ (298,067)	$ 38,215
Group Life Insurance Plan (Note 10)	-	106,511	(197,441)	(409,513)	(6,492)
Line of Duty Act Program (Note 11)	-	370,114	(553,623)	(734,620)	82,081
Virginia Local Disability Program (Note 12)	2,611	30,095	(7,361)	-	14,035
Retiree Medical Plan (Note 13)	-	36,299	(194,589)	(344,339)	26,884
Totals at June 30, 2023	$ 2,611	$ 665,374	$ (955,875)	$ (1,786,539)	$ 154,723
2022					
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

2023	**Beginning Balance**	**Increase**	**Decrease**	**Ending Balance**
VRS OPEB Plans:				
Health Insurance Credit Program (Note 9)	$ 291,253	$ 131,914	$ (125,100)	$ 298,067
Group Life Insurance Program (Note10)	425,774	323,536	(339,797)	409,513
Line of Duty Act Program (Note11)	1,079,856	724,278	(1,069,514)	734,620
Virginia Local Disability Program (Note 12)	(5,003)	30,164	(27,772)	(2,611)
Retiree Medical Plan (Note 13)	465,046	44,856	(165,563)	344,339
Totals at June 30, 2023	$ 2,256,926	$ 1,254,748	$ (1,727,746)	$ 1,783,928
2022				
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

Note 15. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2023 and 2022, 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 $22,500 for the year 2023; with participants age 50 and older allowed to defer a maximum of $30,000. 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. The Commission has a standby letter of credit in the amount of $750,000 with First Virginia Bank for the control of sedimentation and/or erosion. As of June 30, 2023, the Commission had construction commitments of approximately $11.2 million, of which approximately $6.5 million will be paid from federal and state grants.

Note 18. COVID-19 PANDEMIC

Despite the COVID-19 pandemic's uncertainties related to local and global economic impact on the demand for air travel and on the airlines and concessionaires serving airports, the Commission anticipated a steady recovery and achieved a 3.6% increase in fiscal year 2023 compared to the 2019 enplanement levels. In fiscal year 2022, the Commission experienced a significant rebound in enplaned passengers despite the pandemic's impact on operations and financial results including, but not limited to, loss of revenue and shortages of personnel 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.

Note 19. ADOPTION OF ACCOUNTING PRINCIPLES

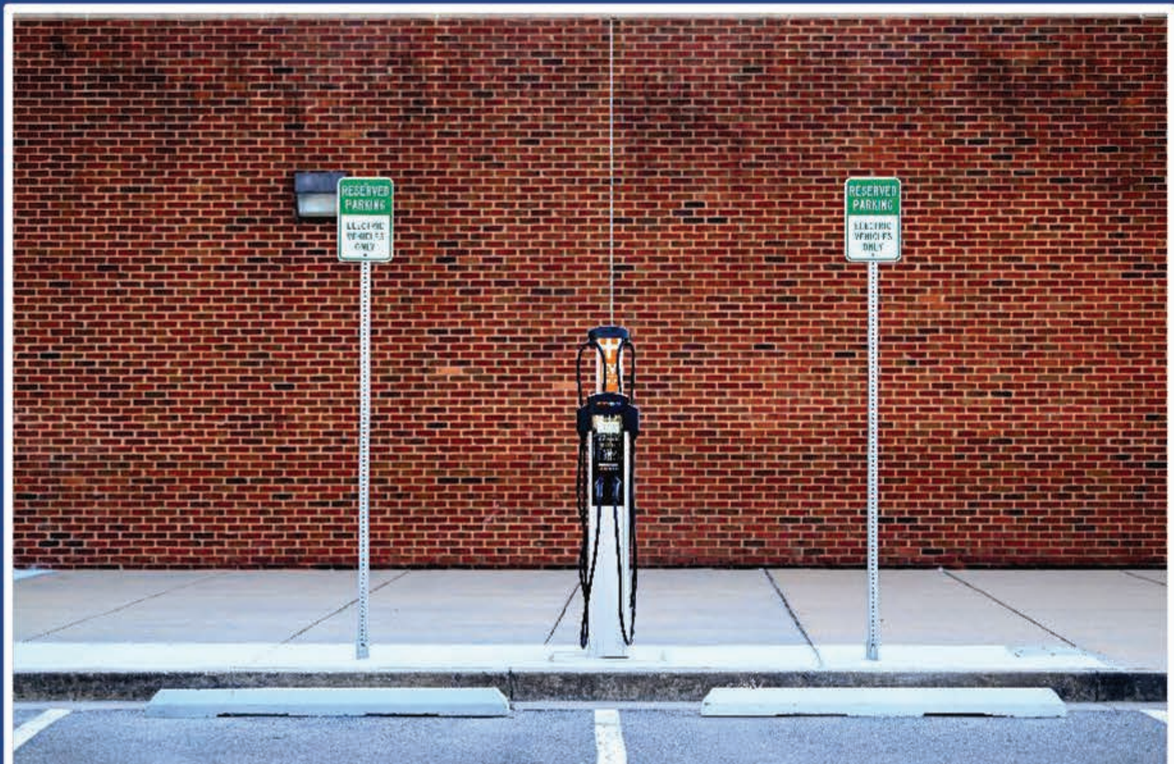
The Commission implemented provisions of Governmental Accounting Standards Board Statement Nos. 96, *Subscription-Based IT Arrangements (SBITAs)* during the fiscal year ended June 30, 2023. Statement No. 96, *SBITAs* requires recognition of certain subscription assets and liabilities for certain contracts that convey control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. There was no restatement of beginning net position as a result of this implementation as the impact on the prior year financial statements was determined to be immaterial. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2022 related to the subscriptions:

Subscription assets	$ 203,140
Subscription liabilities	$ 203,140

Required

Supplementary Information

Schedules focusing on changes in net pension liability (asset) and related ratios of the VRS pension plan as well as net OPEB assets and liabilities and related ratios of the various OPEB plans.



RICHMOND INTERNATIONAL AIRPORT

In August, RIC installed electric vehicle (EV) charging stations in Valet Parking.

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, 2022

	2022	2021	2020	2019
Total pension liability				
Service cost	$ 844,817	$ 919,009	$ 1,108,776	$ 1,027,458
Interest	2,926,563	2,683,630	2,569,899	2,440,776
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(535,332)	(17,415)	210,416	352,766
Changes in assumptions	-	1,549,853	-	1,086,066
Benefit payments	(2,251,206)	(2,510,586)	(1,897,777)	(1,507,664)
Net change in total pension liability	$ 984,842	$ 2,624,491	$ 1,991,314	$ 3,399,402
Total pension liability - beginning	43,637,271	41,012,780	39,021,466	35,622,064
Total pension liability - ending (a)	$ 44,622,113	$ 43,637,271	$ 41,012,780	$ 39,021,466
Plan fiduciary net position				
Contributions - employer	$ 666,100	$ 682,971	$ 684,049	$ 695,507
Contributions - employee	346,527	434,039	424,956	427,764
Net investment income	(33,360)	9,793,990	693,824	2,320,346
Benefit payments	(2,251,206)	(2,510,586)	(1,897,777)	(1,507,664)
Administrative expense	(28,115)	(25,031)	(23,977)	(22,798)
Other	1,024	921	(823)	(1,462)
Net change in plan fiduciary net position	$ (1,299,030)	$ 8,376,304	$ (119,748)	$ 1,911,693
Plan fiduciary net position - beginning	44,888,309	36,512,005	36,631,753	34,720,060
Plan fiduciary net position - ending (b)	$ 43,589,279	$ 44,888,309	$ 36,512,005	$ 36,631,753
Commission's net pension liability (asset) - ending (a) - (b)	$ 1,032,834	$ (1,251,038)	$ 4,500,775	$ 2,389,713
Plan fiduciary net position as a percentage of the total pension liability	97.69%	102.87%	89.03%	93.88%
Covered payroll	$ 7,335,023	$ 7,502,119	$ 8,889,384	$ 8,888,823
Commission's net pension liability (asset) as a percentage of covered payroll	14.08%	-16.68%	50.63%	26.88%

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, 2022
(Continued)

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	$ 951,396	$ 914,853	$ 947,517	$ 867,611	$ 870,607
Interest	2,360,261	2,289,579	2,166,414	2,103,636	1,980,695
Changes in benefit terms	402,011	-	-	-	-
Differences between expected and actual experience	(1,116,875)	(470,663)	139,420	(733,014)	-
Changes in assumptions	-	(313,362)	-	-	-
Benefit payments	(1,385,500)	(1,435,808)	(1,551,901)	(1,130,913)	(1,059,085)
Net change in total pension liability	$ 1,211,293	$ 984,599	$ 1,701,450	$ 1,107,320	$ 1,792,217
Total pension liability - beginning	34,410,771	33,426,172	31,724,722	30,617,402	28,825,185
Total pension liability - ending (a)	$ 35,622,064	$ 34,410,771	$ 33,426,172	$ 31,724,722	$ 30,617,402
Plan fiduciary net position					
Contributions - employer	$ 820,043	$ 725,003	$ 823,513	$ 818,481	$ 831,532
Contributions - employee	410,902	379,833	387,582	378,639	366,404
Net investment income	2,409,834	3,564,329	508,986	1,284,659	3,798,506
Benefit payments	(1,385,500)	(1,435,808)	(1,551,901)	(1,130,913)	(1,059,085)
Administrative expense	(20,544)	(20,502)	(18,229)	(17,267)	(20,146)
Other	(2,155)	(3,175)	(215)	(271)	200
Net change in plan fiduciary net position	$ 2,232,580	$ 3,209,680	$ 149,736	$ 1,333,328	$ 3,917,411
Plan fiduciary net position - beginning	32,487,480	29,277,800	29,128,064	27,794,736	23,877,325
Plan fiduciary net position - ending (b)	$ 34,720,060	$ 32,487,480	$ 29,277,800	$ 29,128,064	$ 27,794,736
Commission's net pension liability (asset) - ending (a) - (b)	$ 902,004	$ 1,923,291	$ 4,148,372	$ 2,596,658	$ 2,822,666
Plan fiduciary net position as a percentage of the total pension liability	97.47%	94.41%	87.59%	91.82%	90.78%
Covered payroll	$ 8,509,044	$ 7,819,559	$ 7,318,266	$ 7,739,286	$ 7,327,589
Commission's net pension liability (asset) as a percentage of covered payroll	10.60%	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, 2014 through June 30, 2023

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)
2023	$ 887,842	$ 887,842	$ -	$ 8,747,241	10.15%
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%

* 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, 2021 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, 2022

	2022	2021	2020
Total HIC OPEB Liability			
Service cost	$ 5,968	$ 7,340	$ 8,701
Interest	22,444	20,026	19,114
Differences between expected and actual experience	323	16,924	5,418
Changes in assumptions	12,752	6,680	-
Benefit payments	(21,423)	(20,793)	(18,680)
Net change in total HIC OPEB liability	$ 20,064	$ 30,177	$ 14,553
Total HIC OPEB Liability - beginning	337,247	307,070	292,517
Total HIC OPEB Liability - ending (a)	$ 357,311	$ 337,247	$ 307,070
Plan fiduciary net position			
Contributions - employer	$ 22,809	$ 23,343	$ 18,667
Net investment income	(16)	9,013	603
Benefit payments	(21,423)	(20,793)	(18,680)
Administrative expense	(98)	(118)	(67)
Other	11,978	-	-
Net change in plan fiduciary net position	$ 13,250	$ 11,445	$ 523
Plan fiduciary net position - beginning	45,994	34,549	34,026
Plan fiduciary net position - ending (b)	$ 59,244	$ 45,994	$ 34,549
Commission's net HIC OPEB liability - ending (a) - (b)	$ 298,067	$ 291,253	$ 272,521
Plan fiduciary net position as a percentage of the total HIC OPEB liability	16.58%	13.64%	11.25%
Covered payroll	$ 7,357,824	$ 7,529,919	$ 8,889,384
Commission's net HIC OPEB liability as a percentage of covered payroll	4.05%	3.87%	3.07%

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 CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE CREDIT (HIC) PROGRAM
Measurement Dates of June 30, 2017 through June 30, 2022
(Continued)

	2019	2018	2017
Total HIC OPEB Liability			
Service cost	$ 8,076	$ 7,363	$ 7,515
Interest	10,103	9,655	9,551
Differences between expected and actual experience	128,810	533	-
Changes in assumptions	7,333	-	(10,627)
Benefit payments	(12,265)	(10,044)	117
Net change in total HIC OPEB liability	$ 142,057	$ 7,507	$ 6,556
Total HIC OPEB Liability - beginning	150,460	142,953	136,397
Total HIC OPEB Liability - ending (a)	$ 292,517	$ 150,460	$ 142,953
Plan fiduciary net position			
Contributions - employer	$ 18,732	$ 17,946	$ 15,147
Net investment income	1,982	1,611	928
Benefit payments	(12,265)	(10,044)	117
Administrative expense	(45)	(46)	(35)
Other	(2)	-	-
Net change in plan fiduciary net position	$ 8,402	$ 9,467	$ 16,157
Plan fiduciary net position - beginning	25,624	16,157	-
Plan fiduciary net position - ending (b)	$ 34,026	$ 25,624	$ 16,157
Commission's net HIC OPEB liability - ending (a) - (b)	$ 258,491	$ 124,836	$ 126,796
Plan fiduciary net position as a percentage of the total HIC OPEB liability	11.63%	17.03%	11.30%
Covered payroll	$ 8,920,207	$ 8,545,428	$ 7,196,592
Commission's net HIC OPEB liability as a percentage of covered payroll	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, 2022

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					
2022	0.03400%	$ 409,513	$ 7,398,204	5.54%	67.21%
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					
2022	0.19410%	$ 734,620	$ 2,003,289	36.67%	1.87%
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

Date (1)	(2)	(3)	(4)	(5)	(6)
Virginia Local Disability Program (VLDP)					
2022	0.44410%	$ (2,611)	$ 2,080,455	-0.13%	107.99%
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, 2014 through June 30, 2023

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					
2023	$ 36,752	$ 36,752	$ -	$ 8,755,042	0.42%
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					
2023	$ 47,417	$ 47,417	$ -	$ 8,780,377	0.54%
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%
Line of Duty Act (LODA) Program					
2023	$ 26,592	$ 26,592	$ -	$ 2,381,649	1.12%
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%

* 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)					
2023	$ 26,323	$ 26,323	$ -	$ 3,101,246	0.85%
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%

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, 2021 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, 2023

	2023	2022	2021	2020
Total OPEB liability				
Service cost	$ 27,476	$ 30,998	$ 28,769	$ 26,651
Interest	17,380	11,500	12,984	14,297
Differences between expected and actual experience	(157,492)	-	(70,418)	117,207
Changes in assumptions	(4,907)	(52,337)	20,698	41,759
Benefit payments	(3,164)	(52,622)	(46,281)	-
Net change in total OPEB liability	$ (120,707)	$ (62,461)	$ (54,248)	$ 199,914
Total OPEB liability - beginning	465,046	527,507	581,755	381,841
Total OPEB liability - ending	$ 344,339	$ 465,046	$ 527,507	$ 581,755
Covered-employee payroll	$ 8,343,815	$ 6,849,298	$ 6,849,298	$ 8,780,176
Commission's total OPEB liability as a percentage of covered-employee payroll	4.13%	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, 2023

Valuation Date:	1/1/2023
Measurement Date:	6/30/2023

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	3.54% as of June 30, 2022; 3.65% as of June 30, 2023
Inflation	2.50% per year as of June 30, 2022; 2.50% per year as of June 30, 2023
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.10% in 2023 and gradually declines to 3.90% 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	Used rates consistent with those used in the June 30, 2021 actuarial valuation of the Virginia Retirement System.
Mortality Rates - Public Safety Employees	Used rates consistent with those used in the June 30, 2021 actuarial valuation of the Virginia Retirement System.

Supplemental Information

Schedules of Operating Revenues and Expenses comparing year-over-year, budget, and actual.

RICHMOND
INTERNATIONAL AIRPORT

The Commission has been honored for its impact on tourism in the Richmond Region.

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES
Years Ended June 30, 2023 and 2022

	2023	2022
Parking Income		
Terminal	$ 23,102,716	$ 20,631,113
Economy and shuttle	3,717,045	1,410,085
Valet	486,705	383,060
Parking meter and violations	10,300	12,786
	27,316,766	22,437,044
Landing Fees		
Major	2,468,425	2,274,129
Regional	1,942,638	1,582,725
Scheduled freighter	759,467	882,932
Other	(783,865)	210,280
	4,386,665	4,950,066
Concession Income		
Rental car	3,578,811	4,615,925
Food and Beverage	1,740,894	1,399,492
Ground Transportation Fees	1,175,414	870,662
In-flight catering, etc.	7,247	9,410
Retail sales	2,770,953	1,595,105
Off Airport Concession Fees	63,434	57,896
Terminal Building Advertising	1,799,613	1,079,876
Fuel Flowage Fee	177,811	153,544
Lease Revenue-RAC	5,832,397	4,871,748
Other	48,959	51,797
	17,195,533	14,705,455
Rental Income		
Airline terminal	6,574,647	6,389,858
Land	763,879	980,224
Lease Revenue	1,031,737	1,235,499
Other building	3,718,685	3,453,777
	12,088,948	12,059,359
Apron Fees Direct Charges	327,711	463,575
Other		
Utilities	38,743	41,834
Other	394,463	315,122
	433,206	356,956
Total	$ 61,748,829	$ 54,972,455

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES
Years Ended June 30, 2023 and 2022

	2023	2022
Personnel		
Salaries		
Regular	$ 10,281,351	$ 8,443,683
Overtime	978,324	949,273
Fringe benefits		
Payroll taxes	808,093	681,856
Group insurance, life and health	1,759,009	1,630,565
Retirement & disability	452,472	548,557
Other personnel expense	13,770	110,076
	14,293,019	12,364,010
Utilities		
Electricity	2,744,193	2,231,119
Heating fuel	220,800	197,630
Telephone	127,650	138,714
Water and sewer	344,953	306,401
	3,437,596	2,873,864
Professional Services		
Legal and accounting	1,047,220	881,622
Consulting services	744,019	501,178
Marketing and promotion	1,852,422	1,030,285
	3,643,661	2,413,085
Parking		
Terminal	2,968,056	2,677,576
Economy and shuttle	2,036,387	992,475
	5,004,443	3,670,051
Maintenance		
Building	763,696	620,688
Equipment	715,054	679,028
Other	798,083	600,636
	2,276,833	1,900,350
Insurance	869,401	791,155
Supplies	929,180	681,712
Other		
Conference and travel	169,324	117,185
Snow removal	(37,833)	205,145
Other	610,935	617,603
	742,426	939,933
Total	$ 31,196,559	$ 25,634,160

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance with Budget Positive (Negative)
Parking Income			
Terminal	$ 19,635,000	$ 23,102,716	$ 3,467,716
Economy and shuttle	4,263,000	3,717,045	(545,955)
Valet	596,190	486,705	(109,485)
Parking meter and violations	17,000	10,300	(6,700)
	24,511,190	27,316,766	2,805,576
Landing Fees			
Major	2,059,451	2,468,425	408,974
Regional	1,557,552	1,942,638	385,086
Scheduled freighter	977,554	759,467	(218,087)
Other	135,000	(783,865)	(918,865)
	4,729,557	4,386,665	(342,892)
Concession			
Rental car	7,620,100	3,578,811	(4,041,289)
Food and beverage	1,556,200	1,740,894	184,694
Ground transportation fees	769,600	1,175,414	405,814
In-flight catering, etc.	8,500	7,247	(1,253)
Retail sales	1,553,100	2,770,953	1,217,853
Off airport concession fees	56,400	63,434	7,034
Terminal advertising	1,153,100	1,799,613	646,513
Fuel flowage fees	167,100	177,811	10,711
Lease Revenue-RAC	-	5,832,397	5,832,397
Other	43,200	48,959	5,759
	12,927,300	17,195,533	4,268,233
Rental Income			
Airline terminal	7,294,920	6,574,647	(720,273)
Land	1,529,889	763,879	(766,010)
Lease Revenue	-	1,031,737	1,031,737
Other building	3,056,992	3,718,685	661,693
	11,881,801	12,088,948	207,147
Apron Fees	551,875	327,711	(224,164)
Other			
Utilities	44,781	38,743	(6,038)
Other	287,295	394,463	107,168
	332,076	433,206	101,130
Total	$ 54,933,799	$ 61,748,829	$ 6,815,030

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance with Budget Positive (Negative)
Personnel			
Salaries			
Regular	$ 10,877,631	$ 10,281,351	$ 596,280
Overtime	510,860	978,324	(467,464)
Fringe benefits			
Payroll taxes	871,339	808,093	63,246
Group insurance, life and health	1,747,202	1,759,009	(11,807)
Retirement & disability	1,175,257	452,472	722,785
Other personnel expense	142,000	13,770	128,230
	15,324,289	14,293,019	1,031,270
Utilities			
Electricity	2,226,000	2,744,193	(518,193)
Heating fuel	183,600	220,800	(37,200)
Telephone	142,600	127,650	14,950
Water and sewer	300,000	344,953	(44,953)
	2,852,200	3,437,596	(585,396)
Professional Services			
Legal and accounting	1,036,500	1,047,220	(10,720)
Consulting services	793,000	744,019	48,981
Marketing and promotion	1,028,450	1,852,422	(823,972)
	2,857,950	3,643,661	(785,711)
Parking			
Terminal	2,745,200	2,968,056	(222,856)
Economy and shuttle	2,510,000	2,036,387	473,613
	5,255,200	5,004,443	250,757
Maintenance			
Building	826,500	763,696	62,804
Equipment	663,990	715,054	(51,064)
Other	1,019,596	798,083	221,513
	2,510,086	2,276,833	233,253
Insurance	872,000	869,401	2,599
Supplies	775,930	929,180	(153,250)
Other			
Conference and travel	257,100	169,324	87,776
Snow removal	165,000	(37,833)	202,833
Other	1,163,150	610,935	552,215
	1,585,250	742,426	842,824
Total	$ 32,032,905	$ 31,196,559	$ 836,346

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2023

	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	-	$ 6,039,097	$ 49,466,022	$ 13,759,041	$ 2,505,718	$ 67,057	$ 4,557,036
RECEIPTS							
Deposits from Commission	56,688,806	-	-	-	-	-	-
Interest earned	-	308	-	-	-	-	74,937
	56,688,806	308	-	-	-	-	74,937
DISBURSEMENTS							
Disbursements to Commission	-	-	-	30,099,958	-	-	198
Disbursements to others	-	6,436,631	-	-	-	-	-
	-	6,436,631	-	30,099,958	-	-	198
TRANSFERS							
Transfer of deposited revenue to designated accounts per resolution	(56,688,806)	5,768,736	20,185,556	32,191,286	317,808	-	-
Discount (premium) amortized on bonds held as an investment	-	-	-	-	-	-	-
	(56,688,806)	5,768,736	20,185,556	32,191,286	317,808	-	-
ENDING BALANCE	-	$ 5,371,510	$ 69,651,578	$ 15,850,369	$ 2,823,526	$ 67,057	$ 4,631,775

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 $102,042,287 is reflected as restricted assets.

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2023

2013 Rev Bonds	2016 Rev Bonds		PFC Bonds	CFC Bonds	
				General	
Debt Service Reserve	Debt Service Reserve	Cost of Issuance	General Purpose Fund	Purpose Fund	Total
$ 2,746,275	$ 2,183,082	$ 134,168	$ 1,133,287	$ 17,494,389	$ 100,085,172
-	-	-	-	-	56,688,806
19,897	22,019	-	57	526,668	643,886
19,897	22,019	-	57	526,668	57,332,692
-	-	-	-	2,435	30,102,591
-	-	-	-	125,851	6,562,482
-	-	-	-	128,286	36,665,073
-	-	-	-	-	1,774,580
143	(3,082)	-	-	-	(2,939)
143	(3,082)	-	-	-	1,771,641
$ 2,766,315	$ 2,202,020	$ 134,168	$ 1,133,344	$ 17,892,771	$ 122,524,434

Capital Region Airport Commission
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2023

Account	Description	Interest Rate		Cash, Cash Equivalents and Investments
2016 Bonds				
Bond account-debt service	Money market fund	2.73	$	5,371,510
Equipment and capital outlay	Money market fund	0.19		69,651,578
Operation and maintenance account	Cash deposits	2.98		15,850,369
Operation and maintenance reserve	Money market fund	0.82		2,823,526
Subordinated indebtedness	Money market fund	0.0		67,057
Surplus, issuer discretionary	Cash deposits	2.98		4,631,775
				98,395,814
2013 Rev Bonds				
Debt service reserve	Federal obligations	0.46		2,224,861
Debt service reserve	Money Market Fund	4.73		334,377
				2,559,237
2016 Rev Bonds				
Debt service reserve	Federal obligations	2.12		1,037,041
Debt service reserve	Money Market Fund	0.0		971,388
Cost of Issuance	Money Market Fund	0.0		134,168
				2,142,597
PFC Bonds				
General purpose fund	Money market fund	0.0		1,133,344
				1,133,344
CFC Bonds				
General purpose fund	Money market fund	4.71		17,892,771
				17,892,771
			$	122,123,763

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	$	20,482,143
Restricted assets:		
Cash and cash equivalents		98,379,718
Investments		3,261,902
	$	122,123,763

Note: Includes fair market value adjustment of ($400,668).

Capital Region Airport Commission
SCHEDULE OF STATE ENTITLEMENT FUNDS
Year Ended June 30, 2023

State Entitlement Funding For Open Projects Prior Periods	$ 11,852,983	
Less: Prior Period Expenditures	9,191,143	
Begining Balance Open Projects Prior Periods		2,661,840
FY 2023 Project Funding	2,075,332	
Less: FY 2023 Expenditures	153	
State Entitlement Funds Balance 6/30/2023		$ 4,737,019

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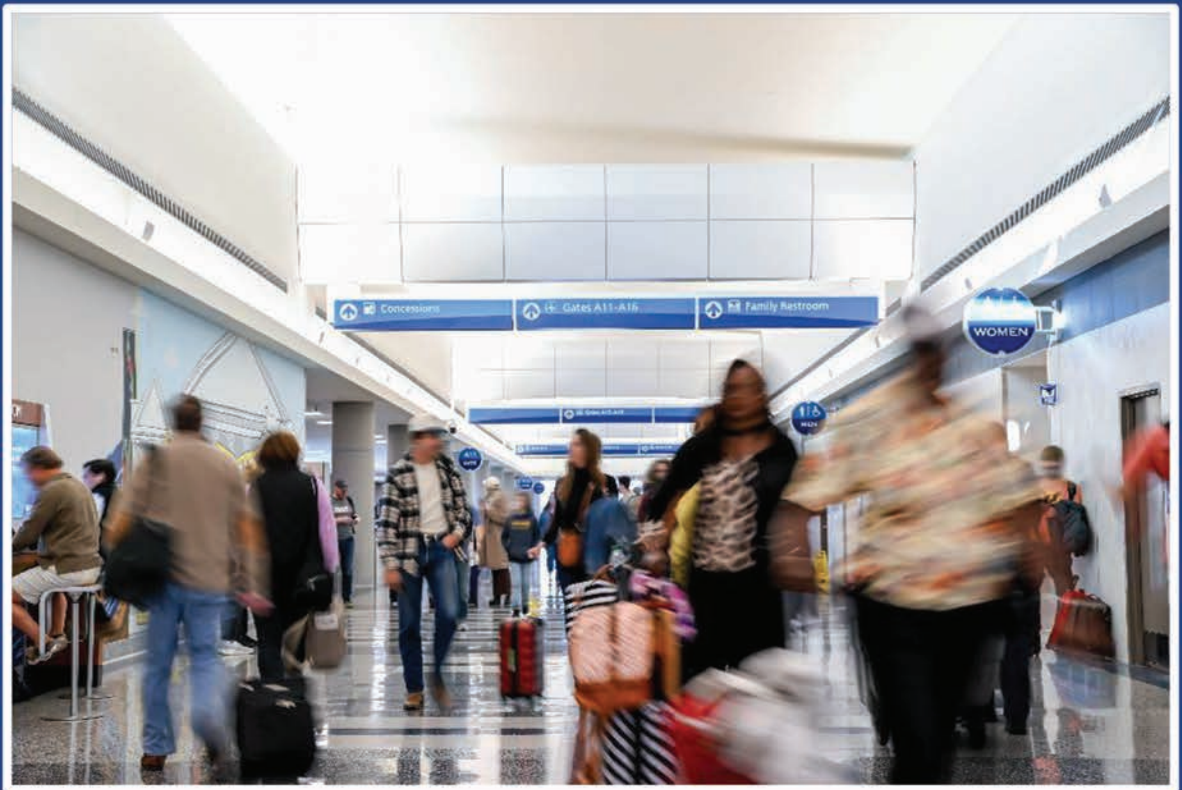
Statistics

Statistical information often presents non-accounting data such as demographic, economic, and operating information to help readers understand our primary business activities and emerging trends. Moreover, the Commission's debt burden is presented as it may provide insights about its ability to finance major capital projects.



RICHMOND
INTERNATIONAL AIRPORT.

Fiscal Year 2023 saw the Airport set new records for passenger traffic and cargo volume.

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, 2023
(dollars in thousands)

	Fiscal Year									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Operating revenues										
Apron fees	$ 328	$ 464	$ 505	$ 756	$ 759	$ 648	$ 558	$ 562	$ 574	$ 601
Concession	17,196	14,706	6,539	10,165	12,916	11,105	10,478	9,518	9,254	8,264
Landing fees	4,386	4,950	3,262	4,067	4,667	4,023	3,462	3,338	3,218	2,885
Other	433	357	524	346	391	315	284	317	268	315
Parking	27,317	22,437	9,926	17,561	23,288	20,821	20,292	20,009	19,617	18,424
Rental	12,089	12,059	11,624	11,473	11,071	10,892	10,244	10,119	10,151	10,034
Total operating revenues	61,749	54,973	32,380	44,368	53,092	47,804	45,318	43,863	43,082	40,523
Nonoperating revenues										
Customer Facility Charges	2,684	2,213	1,526	1,921	2,508	2,324	2,326	3,975	3,314	525
Interest income	3,589	632	123	1,284	1,523	626	206	143	128	187
State grant revenue	-	-	-	67	-	-	-	-	-	-
Federal grant revenue	15,876	7,460	13,481	5,432	-	-	-	-	-	-
Passenger Facility Charges	9,229	8,154	4,728	6,473	8,940	7,876	7,518	7,022	7,063	6,790
Total nonoperating revenues	31,378	18,459	19,858	15,177	12,971	10,826	10,050	11,140	10,505	7,502
Total Revenues	93,127	73,432	52,238	59,545	66,063	58,630	55,368	55,003	53,587	48,025
Operating expenses										
Depreciation and Amortization	29,353	28,160	27,000	27,529	27,036	24,426	23,400	24,063	22,825	22,195
Insurance	869	791	751	756	764	747	710	745	849	844
Maintenance	2,277	1,900	1,562	2,034	1,976	1,677	1,726	1,527	1,556	1,541
Other	742	940	486	779	730	633	619	445	543	573
Parking	5,004	3,670	1,956	3,958	4,158	3,949	3,291	3,044	3,034	2,876
Personnel	14,293	12,364	13,028	13,867	13,009	12,457	11,293	10,470	10,534	10,224
Professional services	3,644	2,413	1,769	2,023	1,749	1,672	1,752	1,615	1,748	1,450
Supplies	929	682	443	567	597	602	588	590	724	692
Utilities	3,438	2,874	2,470	2,717	2,910	2,774	2,602	2,503	2,586	2,524
Total operating expenses	60,549	53,794	49,465	54,230	52,929	48,937	45,981	45,002	44,399	42,919
Nonoperating expenses										
Interest expense	1,668	1,780	2,532	2,783	3,033	2,564	2,758	2,625	4,065	3,556
Other, net	59	714	120	8	(136)	95	478	599	488	682
Airline rates and charges adjustment	1,029	469	2,237	2,435	-	-	-	-	-	-
Total nonoperating expenses	2,756	2,963	4,889	5,226	2,897	2,659	3,236	3,224	4,553	4,238
Total Expenses	63,305	56,757	54,354	59,456	55,826	51,596	49,217	48,226	48,952	47,157
Capital grants and contributions	11,178	13,692	13,521	9,841	8,785	6,681	11,136	16,295	14,830	13,439
Increase (decrease) in Net Position	$ 41,000	$ 30,367	$ 11,405	$ 9,930	$ 19,022	$ 13,715	$ 17,287	$ 23,072	$ 19,465	$ 14,307
Net Position at Year-End										
Net Investment in capital assets	$ 388,480	$ 386,427	$ 397,525	$ 381,713	$ 356,384	$ 349,515	$ 345,759	$ 328,487	$ 297,177	$ 284,350
Restricted	114,712	86,256	63,667	72,086	88,258	75,610	73,773	72,742	83,867	74,244
Unrestricted	51,710	41,219	22,343	18,331	17,940	18,434	11,777	12,794	9,908	17,010
Total Net Position	$ 554,902	$ 513,902	$ 483,535	$ 472,130	$ 462,582	$ 443,559	$ 431,309	$ 414,023	$ 390,952	$ 375,604

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, 2023
(dollars in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Airline revenues										
Landing fees	$ 4,386	$ 4,950	$ 3,262	$ 4,067	$ 4,667	$ 4,023	$ 3,462	$ 3,338	$ 3,218	$ 2,885
Apron fees	328	464	505	756	759	648	558	562	574	601
Total airline revenues	4,714	5,414	3,767	4,823	5,426	4,671	4,020	3,900	3,792	3,486
Percentage of total revenues	5.1%	7.4%	7.2%	8.1%	8.2%	8.0%	7.3%	7.1%	7.1%	7.3%
Nonairline revenues										
Parking	27,317	22,437	9,926	17,561	23,288	20,821	20,292	20,009	19,617	18,424
Rental	12,089	12,059	11,624	11,473	11,071	10,892	10,244	10,119	10,151	10,034
Concession	17,196	14,706	6,539	10,165	12,916	11,105	10,478	9,518	9,254	8,264
Other	433	357	524	346	391	315	284	317	268	315
Total nonairline revenues	57,035	49,559	28,613	39,545	47,666	43,133	41,298	39,963	39,290	37,037
Percentage of total revenues	61.2%	67.5%	54.8%	66.4%	72.2%	73.6%	74.6%	72.7%	73.3%	77.1%
Nonoperating revenues										
Passenger Facility Charges	9,229	8,154	4,728	6,473	8,940	7,876	7,518	7,022	7,063	6,790
Customer Facility Charges	2,684	2,213	1,526	1,921	2,508	2,324	2,325	3,975	3,314	525
Interest Income	3,589	632	123	1,284	1,523	626	206	143	128	187
State grant revenue	-	-	-	67	-	-	-	-	-	-
Federal grant revenue	15,876	7,460	13,481	5,432	-	-	-	-	-	-
Total nonoperating revenues	31,378	18,459	19,858	15,177	12,971	10,826	10,049	11,140	10,505	7,502
Percentage of total revenues	33.7%	25.1%	38.0%	25.5%	19.6%	18.5%	18.1%	20.3%	19.6%	15.6%
Total revenues	$ 93,127	$ 73,432	$ 52,238	$ 59,545	$ 66,063	$ 58,630	$ 55,367	$ 55,003	$ 53,587	$ 48,025
Enplaned passengers (excluding charters)	2,219,229	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
Total revenue per enplaned passengers	$ 41.96	$ 37.76	$ 54.88	$ 37.92	$ 31.60	$ 31.07	$ 31.39	$ 31.53	$ 31.41	$ 29.51

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.
Fiscal year 2023 federal grant revenue represents the $15.8 million ARPA funding.

Capital Region Airport Commission
LARGEST OWN-SOURCE REVENUE
Ten Years Ended June 30, 2023

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parking:										
Terminal	$ 23,102,716	$ 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
Economy and shuttle	3,717,045	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
Valet	486,705	383,060	131,868	459,065	633,290	584,400	581,778	576,964	572,467	549,864
Parking meter and violations	10,300	12,786	8,010	19,646	28,545	14,559	29,194	9,443	4,454	4,824
	$ 27,316,766	$ 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

LARGEST OWN-SOURCE REVENUE RATES
Ten Years Ended June 30, 2023

	2023		2022		2021		2020		2019		2018		2017		2016		2015		2014	
	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	1	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7
Economy B	1	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7
Economy C	1	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7
Valet	N/A	25	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

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

REVENUE RATES
Ten Years Ended June 30, 2023

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Apron fees (per square foot)	$1.15	$1.13	$1.15	$1.13	$1.17	$1.14	$1.10	$1.11	$1.16	$1.23
Landing Fees (per 1,000 lbs unit)	1.56	1.57	1.52	1.52	1.38	1.34	1.32	1.32	1.26	1.26
Terminal Rental (square foot)	37.18	36.92	37.77	37.72	37.12	35.10	32.81	32.48	36.11	35.84

Capital Region Airport Commission
REVENUE BOND COVERAGE
Ten Years Ended June 30, 2023

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.

Fiscal Year	Revenue	Expense	Net Revenue Available	Debt Service on Bonds	Debt Service	Coverage: Debt Service on Bonds	Coverage: Debt Service
2023	$ 62,783,547	$ 31,200,002	$ 31,583,545	$ 7,256,006	$ 14,332,044	4.35	2.27
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

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, 2023
(dollars in thousands)

	Fiscal Year									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Airport Revenue Bonds:										
Series 2001 A&B	$ 3,282	$ 4,842	$ 6,384	$ 14,877	$ 17,409	$ 19,861	$ 22,236	$ 24,537	$ 26,767	$ 28,926
Series 2004 A	-	-	-	-	-	-	-	-	-	2,130
Series 2005 A	-	-	-	-	-	-	-	-	1,680	2,195
Series 2008 A	-	-	-	-	-	1,245	2,445	3,590	46,405	47,455
Series 2013 A	7,270	8,980	11,710	13,855	15,935	17,955	19,940	21,780	21,825	21,870
Series 2016 A	19,695	21,120	36,690	38,020	39,305	39,305	39,305	39,305	-	-
PFC Revenue Bonds:										
Series 2005 A	-	-	-	-	-	-	-	-	13,475	14,220
Series 2005 B	-	-	-	-	-	-	-	-	15,435	18,410
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	13,615	-	-	-	-	-	-	-	-
2021B Revenue Refunding Bonds	545	545	-	-	-	-	-	-	-	-
Car Rental Garage Revenue Bond	-	-	-	-	-	-	-	-	1,230	2,380
Line of Credit	-	-	-	-	-	-	-	-	339	-
	44,407	49,102	54,784	66,752	75,988	85,001	93,814	102,312	127,156	137,586
Add: Bond premium, net	5,726	6,415	5,805	6,336	6,866	7,397	7,928	8,328	2,585	2,711
Add Subscription laibilities	209	-	-	-	-	-	-	-	-	-
Total Long-Term Debt	$ 50,342	$ 55,517	$ 60,589	$ 73,088	$ 82,854	$ 92,398	$ 101,742	$ 110,640	$ 129,741	$ 140,297
Enplaned passengers (excluding charters)	2,211	1,945	989	1,570	2,090	1,887	1,764	1,744	1,706	1,627
Total Long-Term Debt per enplaned passenger	$22.77	$28.54	$61.26	$46.55	$39.64	$48.97	$57.68	$63.44	$76.05	$86.23

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 Bonds	Subscription Liabilities	Total Debt Service Requirements
2024	1,587,475	2,830,700	2,237,750	544,600	55,481	7,256,006	120,266	7,376,272
2025	1,587,475	2,674,500	2,241,250	544,600	54,750	7,102,575	70,826	7,173,401
2026	132,289	2,141,650	2,252,325	544,600	54,019	5,124,883	25,810	5,150,693
2027	-	-	2,252,225	2,269,600	58,288	4,580,113	-	4,580,113
2028	-	-	531,800	2,265,600	57,475	2,854,875	-	2,854,875
2029	-	-	531,800	2,274,000	56,662	2,862,462	-	2,862,462
2030	-	-	531,800	2,269,200	55,850	2,856,850	-	2,856,850
2031	-	-	531,800	2,266,600	54,725	2,853,125	-	2,853,125
2032	-	-	531,800	2,266,000	53,600	2,851,400	-	2,851,400
2033	-	-	531,800	2,267,200	57,875	2,856,875	-	2,856,875
2034	-	-	531,800	-	56,237	588,037	-	588,037
2035	-	-	2,937,700	-	-	2,937,700	-	2,937,700
2036	-	-	2,932,600	-	-	2,932,600	-	2,932,600
2037	-	-	2,933,500	-	-	2,933,500	-	2,933,500
2038	-	-	2,930,200	-	-	2,930,200	-	2,930,200
2039	-	-	2,932,500	-	-	2,932,500	-	2,932,500
Total	$ 3,307,239	$ 7,646,850	$ 27,372,650	$ 17,512,000	$ 614,962	$ 56,453,701	$ 216,902	$ 56,670,603

Capital Region Airport Commission
MAJOR CUSTOMERS

Year Ended June 30, 2023

Company	Revenue	Percent of Operating Revenue
American Airlines, Inc.	$ 2,103,440	3.5%
The Hudson Group	1,989,942	3.3
Delta Airlines, Inc.	1,915,522	3.1
Delaware North Company	1,643,669	2.7
The Hertz Corporation	1,589,213	2.6

Year Ended June 30, 2014

Company	Revenue	Percent of Operating Revenue
Delta Airlines, Inc.	$ 2,059,430	5.1%
The Hertz Corporation	1,466,390	3.6
U.S. Airways, Inc.	1,420,136	3.5
National / Alamo Rent A Car, Inc.	1,127,816	2.8
Federal Bureau of Investigations	1,097,470	2.7

Capital Region Airport Commission
MONTHLY ENPLANEMENTS
Ten Years Ended June 30, 2023

	Fiscal Year									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Jul	186,878	177,713	60,471	193,669	186,836	166,912	163,638	162,883	158,596	145,703
Aug	178,221	162,928	60,949	198,447	190,449	168,796	161,392	159,785	151,559	146,037
Sep	175,100	147,425	59,780	175,991	161,303	149,983	151,361	145,123	138,280	128,908
Oct	193,219	175,933	68,784	197,072	190,655	171,575	161,353	159,592	151,790	140,101
Nov	182,961	172,221	68,459	187,766	187,158	159,079	150,802	145,242	134,882	129,104
Dec	180,587	168,598	70,978	196,302	173,899	148,317	145,024	143,795	140,575	136,869
Jan	149,578	108,601	53,350	159,587	146,841	129,270	126,410	114,382	117,814	110,016
Feb	151,678	121,703	52,626	156,776	145,695	127,391	120,049	119,898	112,825	104,656
Mar	194,039	167,197	85,878	87,351	184,664	163,464	149,179	145,590	144,029	135,208
Apr	194,946	174,297	106,197	7,279	183,667	168,917	147,993	146,857	151,370	144,457
May	214,179	186,835	139,862	17,664	197,056	179,402	158,486	161,045	157,332	156,427
Jun	217,843	186,939	161,936	39,097	194,617	189,322	168,558	163,332	159,659	155,550
Total	2,219,229	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

Capital Region Airport Commission
ENPLANEMENT TRENDS
RICHMOND, SMALL HUBS, UNITED STATES
Ten Years Ended June 30, 2023

	Annual Percent Change in Enplanements		
Year	Richmond	Small Hubs	United States
2023	13.8%	N/A	9.9%
2022	97.2	47.0%	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

Notes: Fiscal year data except for 2023, 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, 2023

	2023	Share of Total 2023	2022	Share of Total 2022	2021	2020	2019	2018	2017	2016	2015	2014
Major Airlines												
American Airlines	473,923	21.4	375,304	19.2	189,017	247,585	332,083	252,754	272,104	277,391	247,856	307,704
Delta Airlines	403,960	18.2	371,069	19.0	185,641	327,700	438,633	414,231	410,604	401,455	370,744	344,697
JetBlue Airways	190,697	8.6	149,755	7.7	90,038	160,897	237,812	230,124	207,612	187,185	171,310	136,659
Southwest Airlines	180,477	8.1	160,832	8.3	83,800	102,178	120,796	122,807	125,335	151,463	167,187	155,199
Spirit Airlines	117,357	5.3	89,492	4.6	60,388	68,314	93,206	24,262	-	-	-	-
United Airlines	143,544	6.5	95,706	4.9	31,383	39,120	62,261	70,026	43,740	39,778	38,130	38,153
Total Major Airlines	1,509,958	68.0	1,242,158	63.7	640,267	945,794	1,284,791	1,114,204	1,059,395	1,057,272	995,227	982,412
Regional Airlines												
Air Wisconsin	7,645	0.3	11,928	0.6	3,346	23,267	27,364	34,161	21,604	66,503	121,014	105,583
Allegiant Air	46,128	2.1	45,396	2.3	-	-	-	-	-	-	-	-
Breeze Airways	100,798	4.5	42,106	2.2	-	-	-	-	-	-	-	-
Chautauqua	-	-	-	-	-	-	-	-	-	-	26,477	57,868
CommutAir	16,785	0.8	8,923	0.5	9,198	43,403	51,759	43,385	23,705	35,082	13,726	-
Endeavor Airlines	158,591	7.2	147,796	7.5	35,339	61,309	98,072	54,254	28,123	5,098	16,833	42,411
Envoy Air	19,770	0.9	18,763	1.0	10,646	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
GoJet	117,203	5.3	100,673	5.2	30,799	18,788	46,012	15,774	9,256	8,453	30,595	26,971
Mesa	11,048	0.5	27,165	1.4	7,710	30,989	40,485	7,775	12,660	743	56,278	82,056
Piedmont	53,282	2.4	78,594	4.0	58,960	56,418	80,154	66,394	63,006	31,007	13,512	17,502
PSA	15,350	0.7	51,857	2.6	57,264	58,173	69,917	110,510	74,469	71,017	44,100	7,571
Republic	130,961	5.9	105,795	5.4	73,105	86,143	59,943	69,375	38,029	36,604	15,183	1,556
Shuttle America	-	-	-	-	-	-	-	150	8,389	39,822	16,023	2,063
SkyWest	23,777	1.1	63,788	3.3	25,187	127,951	165,860	39,929	39,273	17,723	-	62
Trans States	-	-	-	-	50	150	4,566	15,955	48,414	41,188	40,198	38,578
Total Regional Airlines	701,338	31.6	702,784	36.0	311,604	624,523	805,639	773,026	704,544	687,166	711,045	645,057
Charters	7,933	0.4	5,448	0.3	37,399	46,684	52,410	35,198	40,306	23,086	12,439	5,567
Totals	2,219,229	100.00%	1,950,390	100.0%	989,270	1,617,001	2,142,840	1,922,428	1,804,245	1,767,524	1,718,711	1,633,036

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, 2023
Landed Weight (1,000 Pound Units)

	2023	Share of Total 2023	2022	Share of Total 2022	2021	2020	2019	2018	2017	2016	2015	2014
Major Airlines												
American Airlines	511,444	19.6	416,214	18.2	226,740	320,696	383,848	301,507	328,171	336,932	295,380	370,548
Delta Airlines	458,962	17.6	395,376	17.3	289,488	373,038	475,892	452,206	444,476	430,890	409,299	392,582
JetBlue Airways	221,189	8.5	186,974	8.2	139,067	217,475	300,362	276,795	235,580	216,026	194,685	163,062
Southwest Airlines	216,368	8.3	193,184	8.5	129,352	144,400	136,102	138,757	136,222	166,260	181,112	178,366
Spirit Airlines	113,203	4.3	90,897	4.0	65,067	81,035	102,976	29,728	-	-	-	-
United Airlines	166,673	6.4	113,714	5.0	48,474	52,999	79,427	80,874	47,746	47,261	51,035	53,118
Total Major Airlines	1,687,839	64.8	1,396,359	61.2	898,188	1,189,643	1,478,607	1,279,867	1,192,195	1,197,369	1,131,511	1,157,676
Regional Airlines												
Aero Mexico	-	-	-	-	-	-	-	-	-	-	864	968
Air Wisconsin	9,588	0.4	14,053	0.6	3,807	27,495	29,751	38,681	29,610	109,745	152,092	128,968
Allegiant Airlines	50,554	1.9	50,701	2.2	51,025	48,477	47,646	29,750	35,993	20,955	6,559	279
Bahamair	-	-	-	-	-	-	-	-	-	-	992	1,488
Breeze	116,746	4.5	58,309	2.6	-	-	-	-	-	-	-	-
Chautauqua	-	-	-	-	-	-	-	-	-	-	30,167	71,845
CommutAir	16,192	0.6	9,196	0.4	9,812	47,916	51,392	51,080	28,344	39,652	16,113	-
Endeavor Air	210,306	8.1	224,921	9.7	58,076	95,491	141,379	72,562	37,884	7,128	27,736	-
Envoy Air	24,356	0.9	21,858	1.0	13,667	93,490	118,528	94,466	83,990	71,730	66,104	-
Express Jet	-	-	-	-	44	59,649	90,133	310,580	354,876	345,343	333,068	332,115
GoJet Airlines	167,691	6.4	151,646	6.6	48,556	28,766	60,054	19,519	10,734	10,275	50,920	45,359
Interjet Vacation Express	-	-	-	-	-	-	-	-	-	852	1,846	-
Mesa Airlines	12,600	0.5	34,200	1.5	12,645	36,563	50,403	9,703	22,565	7,217	61,380	90,807
OneJet	-	-	-	-	-	-	-	3,095	1,870	-	-	-
Piedmont Airlines	55,348	2.1	83,590	3.7	71,368	70,233	91,359	73,808	75,303	43,986	16,524	21,545
Pinnacle Airlines	-	-	-	-	-	-	-	-	-	-	-	58,568
PSA Airlines	18,453	0.7	56,322	2.5	68,672	70,253	86,384	127,768	85,437	102,572	51,981	9,461
Republic Airlines	207,849	8.0	101,208	4.4	113,981	151,171	87,893	98,799	46,440	65,928	19,207	3,326
Shuttle America	-	-	-	-	-	-	-	364	10,998	49,746	20,697	4,906
SkyWest Airlines	27,573	1.1	82,856	3.6	37,474	161,036	221,202	46,619	42,465	19,953	181	134
Trans States Airlines	-	-	-	-	-	298	4,730	18,574	54,985	188,926	43,545	44,934
Total Regional Airlines	917,256	35.2	888,860	38.8	489,127	890,838	1,080,854	995,368	921,494	1,084,008	899,976	814,703
Total Airline Weight	2,605,095	100.0%	2,285,219	100.00%	1,387,315	2,080,481	2,559,461	2,275,235	2,113,689	2,281,377	2,031,487	1,972,379

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, 2023
Landed Weight (1,000 Pound Units)

	2023	Share of Total 2023	2022	Share of Total 2022	2021	2020	2019	2018	2017	2016	2015	2014
Cargo Carriers												
ABX Air	1,195,000	0.2	3,095,000	0.5	566,000	283,000	-	849,000	-	-	-	-
Air Transport International	72,513,000	11.1	310,000	0.1	2,880,000	-	-	-	-	-	-	-
AirNet Systems	-	-	-	-	-	-	-	-	-	-	662,300	3,303,100
Ameriflight	14,000	-	-	-	46,500	-	-	620,300	2,261,600	2,913,276	4,019,194	4,091,288
Atlas Air	13,785,600	2.1	12,176,300	1.8	-	-	-	-	-	-	-	-
DHL Express	36,361,600	5.6	58,342,400	9.0	62,441,600	82,048,000	66,912,000	71,536,000	43,248,000	-	-	-
Federal Express	229,394,400	35.2	256,377,400	39.3	225,861,000	215,817,400	221,335,000	227,030,800	228,513,000	231,232,500	224,045,300	217,493,600
Mountain Air Cargo	-	-	-	-	-	-	-	-	-	47,068	-	47,068
Sun Country	78,855,700	12.1	77,246,400	11.8	104,897,100	1,901,900	-	-	-	-	-	-
UPS	219,872,640	33.7	244,562,260	37.5	228,761,040	225,374,720	221,722,240	217,636,800	198,852,800	184,282,160	179,381,040	176,286,160
Total Cargo Weight	651,991,940	100.0%	652,109,760	100.0%	625,453,240	525,425,020	509,969,240	517,672,900	472,875,400	418,475,004	408,107,834	401,221,216
Total Landed Weight	654,597,035		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

Capital Region Airport Commission
PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS
Calendar Years 2022 and 2021

2022

Rank	Market	Trip Length	O&D Passengers	Market Share
1	Atlanta	SH	269,345	10.5%
2	Orlando	MH	243,901	9.5%
3	Boston	SH	212,214	8.3%
4	Fort Lauderdale	MH	171,634	6.7%
5	Chicago	MH	168,335	6.6%
6	New York	SH	166,286	6.5%
7	Dallas/Fort Worth	MH	117,075	4.6%
8	Denver	MH	116,318	4.5%
9	Tampa	MH	110,924	4.3%
10	Las Vegas	LH	98,641	3.8%
11	Los Angeles	LH	90,233	3.5%
12	Houston	MH	82,740	3.2%
13	Nashville	SH	75,491	2.9%
14	New Orleans	MH	75,213	2.9%
15	Miami	MH	71,940	2.8%
16	Newark	SH	68,806	2.7%
17	San Francisco	LH	59,627	2.3%
18	Phoenix	LH	57,251	2.2%
19	Detroit	MH	54,083	2.1%
20	Austin	MH	52,207	2.0%
21	Charlotte	SH	44,273	1.7%
22	San Diego	LH	43,010	1.7%
23	Seattle	LH	41,376	1.6%
24	Minneapolis/St Paul	MH	40,391	1.6%
25	Salt Lake City	LH	37,535	1.5%
	Total		2,568,849	100%

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

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%

Capital Region Airport Commission
POPULATION IN THE AIR TRADE AREA
Calendar Years 2019-2022

	CALENDAR YEAR				Percentage Change		
					2021	2020	2019
Primary Trade Area	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**
United States	333,287,557	331,893,745	331,449,281	328,239,523	0.4	0.1	1.0
Virginia total	8,683,619	8,642,274	8,631,393	8,535,519	0.5	0.1	1.1
Richmond MSA*	1,339,182	1,403,923	1,392,592	1,370,148	(4.6)	0.8	1.7
Richmond-Petersburg MSA	1,421,001	1,275,198	1,265,922	1,243,423	11.4	0.7	1.8
Amelia County	13,455	13,268	13,265	13,145	1.4	0.0	0.9
Caroline County	31,957	31,332	30,887	30,725	2.0	1.4	0.5
Charles City County	6,605	6,594	6,773	6,963	0.2	(2.6)	(2.7)
Chesterfield County	378,408	370,688	364,548	352,802	2.2	1.7	3.4
Colonial Heights City	18,294	18,273	18,170	17,370	0.1	0.6	4.5
Cumberland County	9,746	9,681	9,675	9,932	0.7	0.1	(2.6)
Dinwiddie County	28,161	27,912	27,947	28,544	0.9	(0.1)	(2.1)
Goochland County	26,109	25,488	24,727	23,753	2.6	3.2	4.2
Hanover County	112,938	111,603	109,979	107,766	1.2	1.5	2.1
Henrico County	333,962	333,554	334,389	330,818	0.1	(0.3)	1.1
Hopewell City	22,962	23,140	23,033	22,529	(0.8)	0.5	2.2
King and Queen County	6,718	6,662	6,608	7,025	0.8	0.8	(5.9)
King William County	18,492	18,171	17,810	17,148	1.9	2.1	3.9
Louisa County	40,116	38,848	37,596	37,591	3.4	3.3	0.0
New Kent County	24,986	23,897	22,945	23,091	4.7	4.1	(0.7)
Petersburg City	33,394	33,429	33,458	31,346	(0.1)	(0.1)	6.7
Powhatan County	31,489	31,136	30,333	29,652	1.2	2.7	2.3
Prince George County	43,134	42,880	43,010	38,353	0.7	(0.3)	12.2
Richmond City	229,395	226,604	226,610	230,436	1.2	0.0	(1.7)
Sussex County	10,680	10,763	10,829	11,159	(0.7)	(0.6)	(2.9)

Sources: Estimates by Census Bureau, July 1, 2022
*February 2013 Office of Management and Budget (OMB) metropolitan definition

Capital Region Airport Commission
PERSONAL INCOME (in millions)
Calendar Years 2012-2021

Millions of Dollars	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
United States	$ 21,288,709	$ 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
Virginia	573,028	532,256	509,201	492,313	466,743	445,462	436,350	419,185	403,425	396,005
Richmond-Petersburg MSA	87,168	79,704	75,742	73,485	70,660	66,245	64,152	59,326	57,452	55,678
Annual growth rate	9.4%	5.2%	3.5%	4.7%	6.7%	2.3%	5.1%	3.6%	1.9%	4.1%

Note: 2021 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 18, 2023

PER CAPITA INCOME
Calendar Years 2012-2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
United States	$ 64,117	$ 59,147	$ 56,474	$ 54,526	$ 51,869	$ 49,204	$ 48,190	$ 46,049	$ 44,765	$43,735
Virginia	66,190	61,661	59,509	57,910	55,137	52,941	52,148	50,345	48,838	48,377
Richmond-Petersburg MSA	65,834	61,148	58,628	57,301	51,475	51,685	50,460	47,083	46,118	45,194
Percent of national average	102.7%	103.4%	103.8%	105.1%	99.2%	105.0%	104.7%	102.2%	103.0%	103.3%

Note: 2021 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 18, 2023

Capital Region Airport Commission
EMPLOYMENT DATA WITHIN VIRGINIA

Major Public Employers	Average Number of Employees
Local Governments	54,900
Commonwealth of Virginia	37,400
Federal Government	17,800

Source: Virginia Employment Commission, Current Employment Statistics Program, 2022 Annual Averages

EMPLOYMENT BY INDUSTRY (Non-Agricultural)

	Annual Average		Percent Change	Percent Total	
	2022	2012	2012	2022	2012
Total Employment	694,400	612,300	13.4%	100.0%	100.0%
By Industry:					
Government	110,200	110,300	(0.1)	15.9	18.0
Wholesale and retail trade	92,800	93,200	(2.0)	13.4	15.2
Manufacturing	32,400	30,400	6.6	4.7	5.0
Financial activities	55,900	45,800	22.1	8.1	7.5
Construction and mining	42,000	32,600	28.8	6.0	5.3
Transportation and utilities	34,000	18,800	80.9	4.9	3.1
Information	8,100	6,700	20.9	1.2	1.1
Professional and business services	125,200	98,900	26.6	18.0	16.2
Educational and health services	99,300	88,700	12.0	14.3	14.5
Leisure and hospitality services	65,000	57,100	13.8	9.4	9.3
Other services	31,000	28,600	8.4	4.5	4.7

Source: Virginia Employment Commission, Current Employment Statistics Program

UNEMPLOYMENT RATES
Calendar Years 2013-2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
United States	3.6%	5.4%	8.1%	3.7%	3.9%	4.4%	4.9%	5.3%	6.2%	7.4%
Virginia	2.8	3.9	6.2	2.8	3.0	3.8	4.0	4.4	5.2	5.5
Richmond-Petersburg MSA	3.0	4.2	6.7	2.9	3.2	3.9	4.1	4.6	5.5	5.9

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

Capital Region Airport Commission
COMMISSION EMPLOYEES
Ten Years Ended June 30, 2023

	Full Time Equivalent Employees									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Building Services	40	34	36	41	48	47	48	45	46	45
Police	19	21	22	29	32	29	27	27	27	25
Aircraft Rescues & Fire Fighting	17	14	14	15	18	17	18	15	17	16
Communications/ Operations	15	14	13	16	20	21	20	15	12	12
Utilities/Ground Maintenance	14	9	14	13	18	18	16	15	14	15
Executive/Marketing	8	8	7	7	9	9	9	9	9	9
Finance and Administrative Services	8	7	8	9	9	8	9	9	9	7
Baggage Handling System	6	8	9	9	11	11	11	11	11	11
Equipment/Automotive Maintenance	6	5	5	5	6	6	6	6	6	6
Electronic Systems	4	1	2	3	5	5	5	4	4	4
HVAC	3	2	3	3	3	3	3	3	3	3
Ground Transportation	3	2	1	1	1	1	1	1	1	1
Building Maintenance	2	2	2	2	2	2	2	2	2	2
Electrical Maintenance	2	2	3	3	3	3	2	2	2	2
Human Capital	2	2	-	-	-	-	-	-	-	-
Information Systems	2	3	3	3	3	3	3	3	3	3
Total Employees	151	131	139	156	185	180	177	164	163	158

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, 2023

	Pounds of Cargo									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Cargo Carrier:										
ABX	78,652	-	-	-	-	-	-	-	-	-
Air Net Systems	-	-	-	-	-	-	6,750,000	-	129,870	613,886
AmeriFlight	-	-	-	-	440,000	420,255	480,772	149,181	750,667	1,386,840
ATI	22,257,131	-	-	-	-	-	-	-	-	-
Atlas Air	2,918,825	2,245,888	-	-	-	-	-	-	-	-
DHL	8,464,706	7,439,740	9,069,327	7,523,013	7,890,000	7,890,000	-	-	-	-
Federal Express	68,408,588	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
Sun Country	27,232,647	21,754,435	32,683,051	695,505	-	-	-	-	-	-
UPS	46,763,941	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
Total	176,124,490	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
Percentage change	13.0%	(12.5%)	30.3%	(1.4%)	1.5%	0.8%	11.5%	5.8%	2.0%	(1.2%)

TAKEOFF AND LANDING OPERATIONS SUMMARY
Ten Years Ended June 30, 2023

Fiscal Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total
2023	50,453	14,172	31,757	7,990	104,372
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
Average Annual Change	6.80%	(6.3%)	3.1%	5.5%	1.6%

Capital Region Airport Commission
INSURANCE COVERAGE
Year Ended June 30, 2023

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 maintenance 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	$531,990,007 blanket real and personal property including EDP, mobile radios and valuable papers $35,000,000 business income
Equipment/Federal Insurance Company	Scheduled equipment	$3,297,774 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, 2023

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

Schedule of Expenditures of Federal Awards, Independent Auditors' Reports on Internal Controls and Compliance and Schedule of Findings and Questioned Costs.

RICHMOND INTERNATIONAL AIRPORT

Agreements with Uber and Lyft helped make shared ride services more manageable and provided increased revenue.

Capital Region Airport Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/ALN Grantor's Program Title	Federal AL Number	Project Number		Total Federal Expenditures
Department of Transportation:				
FAA Direct Payments:				
Airport Improvement Program	20.106	3-51-0043-66	$	937,327
Airport Improvement Program	20.106	3-51-0043-68		531,616
Airport Improvement Program	20.106	3-51-0043-69		213,249
Airport Improvement Program	20.106	3-51-0043-72		11,696,183
COVID-19 Airport Improvement Program	20.106	3-51-0043-73		15,847,243
Total Airport Improvement Program			$	29,225,618
Department of Justice:				
Equitable Sharing Agreement Asset Forfeiture Program	16.922	OMB Number 1123-0011		28,667
Total Expenditures of Federal Awards			$	29,254,285

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, 2023. 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.

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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, 2023, 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 January 23, 2024.

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
January 24, 2024

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

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

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

Report on Compliance for Each Major Federal Program

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, 2023. 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 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, 2023.

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
January 24, 2024

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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:

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

Dollar threshold used to distinguish between Type A and Type B programs	$877,629
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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*under 5 million passengers per year