PRELIMINARY OFFICIAL STATEMENT DATED APRIL 15, 2025

NEW ISSUE - FULL BOOK-ENTRY

Ratings: Fitch: AA+
Moody's: Aa1
S&P: AA+
(See "Ratings" herein)

In the opinion of McGuireWoods LLP, as bond counsel to the Virginia Public School Authority ("Bond Counsel")*, under current law and subject to the conditions described in "TAX MATTERS" herein, interest on the below referenced bonds (the "Series 2025 Bonds") (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item in calculating the federal alternative minimum tax on individuals. However, interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. Bond Counsel is further of the opinion that interest on the Series 2025 Bonds is exempt from income taxation by the Commonwealth of Virginia and any of its political subdivisions. See "TAX MATTERS" herein regarding certain other tax considerations.*

$275,380,000*
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING BONDS (1997 RESOLUTION)

consisting of:

$85,110,000*	**$190,270,000***
School Financing Bonds	**School Financing Refunding Bonds**
(1997 Resolution)	**(1997 Resolution)**
Series 2025A	**Series 2025B**

Dated: Date of Delivery **Due: August 1, as shown on the inside cover**

This Official Statement has been prepared by the Virginia Public School Authority (the "Authority") to provide information on the above referenced bonds (the "Series 2025A Bonds" and the "Series 2025B Bonds," respectively, and collectively, the "Series 2025 Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2025 Bonds, a prospective investor should read this Official Statement in its entirety.

Purpose	The Series 2025A Bonds are being issued to purchase $85,110,000* in general obligation school bonds issued by certain Virginia localities to finance or refinance capital projects for their public schools. The Series 2025B Bonds are being issued to refund certain outstanding bonds of the Authority. See the section **"PLAN OF FINANCE."**
Issued Pursuant to	1997 Resolution, adopted by the Authority on October 23, 1997, as amended and restated.
Denomination	$5,000 or multiples thereof.
Security	The Series 2025 Bonds are secured by principal and interest payments on the general obligation school bonds issued by certain Virginia localities, held by the Authority and pledged to the payment of the Series 2025 Bonds. The Series 2025 Bonds do not constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia. See the section **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."**
Redemption	The Series 2025 Bonds are subject to redemption as described on the inside cover.
Interest Payment Dates	February 1 and August 1, beginning February 1, 2026, with respect to the Series 2025A Bonds and beginning August 1, 2025 with respect to the Series 2025B Bonds.
Registration	Fully registered book-entry only in the name of Cede & Co. (as nominee of The Depository Trust Company). See **APPENDIX H – BOOK-ENTRY ONLY SYSTEM.**
Bond Registrar/ Paying Agent	State Treasurer.
Financial Advisor	Davenport & Company LLC, Richmond, Virginia.
Bond Counsel	McGuireWoods LLP, Richmond, Virginia.
Issuer Contact	Director of Debt Management, Virginia Department of the Treasury, (804) 225-2142.
Delivery Date	On or about May 13, 2025. *

The Series 2025 Bonds will be awarded pursuant to electronic competitive bidding to be held via BiDCOMP/*PARITY*® on Tuesday, April 22, 2025,* unless postponed, as set forth in the Notices of Sale. See **APPENDIX I – NOTICE OF SALE – SERIES 2025A BONDS** and **APPENDIX J – NOTICE OF SALE – SERIES 2025B BONDS**.

Dated: April _____, 2025

* Preliminary, subject to change.

$85,110,000*
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING BONDS (1997 RESOLUTION)
SERIES 2025A

(Base CUSIP† Number 92818H)

Maturity (August 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP Suffix‡
2026	$2,990,000	%	%	%	
2027	3,005,000				
2028	3,575,000				
2029	3,620,000				
2030	3,660,000				
2031	3,715,000				
2032	3,765,000				
2033	3,820,000				
2034	3,880,000				
2035	3,940,000				
2036	4,010,000				
2037	4,070,000				
2038	4,135,000				
2039	4,215,000				
2040	4,295,000				
2041	4,375,000				
2042	4,465,000				
2043	4,550,000				
2044	4,630,000				
2045	4,710,000				
2046	1,330,000				
2047	1,390,000				
2048	1,450,000				
2049	1,515,000				

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* Preliminary, subject to change.
† See the last paragraph on page (i) regarding the use of CUSIP numbers in this Official Statement.

$190,270,000*
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING REFUNDING BONDS (1997 RESOLUTION)
SERIES 2025B

(Base CUSIP† Number 92818H)

Maturity (August 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP Suffix‡
2025	$2,205,000	%	%	%	
2026	44,045,000				
2027	44,950,000				
2028	30,500,000				
2029	21,190,000				
2030	11,195,000				
2031	11,785,000				
2032	7,990,000				
2033	4,980,000				
2034	2,695,000				
2035	2,845,000				
2036	2,135,000				
2037	2,255,000				
2038	1,500,000				

OPTIONAL REDEMPTION

The Series 2025 Bonds due on or after August 1, 2036*, may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part, on any date beginning August 1, 2035*, at a redemption price of par, together with interest accrued to the date fixed for redemption.

MANDATORY REDEMPTION

As provided in the Notices of Sale, consecutive annual principal amounts of the Series 2025 Bonds may be combined into one or more term bonds. In the event that the successful bidders specify a term bond or term bonds, the mandatory sinking fund redemption provisions will be included in the final Official Statement. See **APPENDIX I – NOTICE OF SALE – SERIES 2025A BONDS** and **APPENDIX J – NOTICE OF SALE – SERIES 2025B BONDS.**

* Preliminary, subject to change.
† See the last paragraph on page (i) regarding the use of CUSIP numbers in this Official Statement.

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STATE OFFICIALS

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LIEUTENANT GOVERNOR
WINSOME EARLE-SEARS

ATTORNEY GENERAL
JASON S. MIYARES

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SCOTT L. ADAMS

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EMILY ANNE GULLICKSON

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FINANCIAL ADVISOR

DAVENPORT & COMPANY LLC
Richmond, Virginia

BOND COUNSEL

MCGUIREWOODS LLP
Richmond, Virginia

The Series 2025 Bonds are exempt from registration under the Securities Act of 1933, as amended. The Series 2025 Bonds are also exempt from registration under the securities laws of the Commonwealth of Virginia.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this official statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Authority or the underwriters. This official statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer or solicitation of such offer or sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This official statement is not to be construed as a contract or agreement between the Authority or the underwriters or holders of any of the Series 2025 Bonds.

Certain statements included in this official statement constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any results, performances or achievements express or implied by such forward-looking statements. Except as specifically set forth herein, the Authority does not plan to issue any updates or revisions to those forward-looking statements due to changes in its expectations or subsequent events, conditions or circumstances on which such statements are based.

The information contained herein is subject to change without notice and neither the delivery of this official statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date hereof.

In accordance with their responsibilities under the federal securities laws, the underwriters have reviewed the information in this official statement but do not guarantee its accuracy or completeness.

The underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2025 Bonds, including transactions to (a) overallot in arranging the sales of the Series 2025 Bonds, and (b) make purchases and sales of bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriters may determine.

TABLE OF CONTENTS

Page

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OFFICIAL STATEMENT
of the

VIRGINIA PUBLIC SCHOOL AUTHORITY
for its

$275,380,000*
SCHOOL FINANCING BONDS (1997 RESOLUTION)
consisting of:

$85,110,000*	$190,270,000*
School Financing Bonds	School Financing Refunding Bonds
(1997 Resolution)	(1997 Resolution)
Series 2025A	Series 2025B

INTRODUCTION

The purpose of this Official Statement is to provide certain information in connection with the issuance by the Virginia Public School Authority (the "Authority") of its $85,110,000* School Financing Bonds (1997 Resolution) Series 2025A (the "Series 2025A Bonds") and $190,270,000* School Financing Refunding Bonds (1997 Resolution) Series 2025B (the "Series 2025B Bonds," and together with the Series 2025A Bonds, the "Series 2025 Bonds"). The Authority is an instrumentality of the Commonwealth of Virginia (the "Commonwealth"), created by Chapter 11, Title 22.1, Code of Virginia, 1950, as amended (the "Enabling Act"). See **"THE AUTHORITY."**

The Series 2025 Bonds are being issued by the Authority pursuant to the Enabling Act and a bond resolution adopted on October 23, 1997, as amended and restated, and as supplemented (the "1997 Resolution"), by the Board of Commissioners of the Authority (the "Board"). The Authority's purpose in issuing the Series 2025A Bonds is to provide funds for the purchase by the Authority of certain general obligation school bonds (the "2025A Local School Bonds") to be issued by certain Virginia localities (the "2025A Local Issuers") to finance or refinance capital projects for their public schools. The Authority's purpose in issuing the Series 2025B Bonds is to provide funds to refund in advance of their maturity certain bonds of the Authority issued under the 1997 Resolution, the proceeds of which were used to purchase general obligation school bonds (the "Related Local School Bonds") issued by certain Virginia localities (the "Related Local Issuers") to finance or refinance capital projects for their public schools.

In this Official Statement:

- The Series 2025 Bonds and the parity bonds heretofore and hereafter issued under the 1997 Resolution are called "Bonds."
- The 2025A Local School Bonds, the Related Local School Bonds and all other general obligation school bonds the principal, interest and redemption components of which have been, or will be, pledged to the Bonds are called collectively "Local School Bonds."
- Cities, counties and towns, including the 2025A Local Issuers and the Related Local Issuers, are called "Local Issuers."

The Series 2025A Bonds and the Series 2025B Bonds will be the seventy-sixth and seventy-seventh series, respectively, of Bonds issued under the 1997 Resolution. As of April 1, 2025, approximately $2,198,135,000 of Bonds were outstanding.

The 1997 Resolution permits the issuance of additional Bonds of the Authority:

- to purchase additional Local School Bonds; and

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* Preliminary, subject to change.

- to refund any outstanding obligation of the Authority.

All the Bonds, including the Series 2025 Bonds, will be secured by and payable from principal and interest payable on all the Local School Bonds, including the 2025A Local School Bonds and Related Local School Bonds. See **"SCHEDULE OF INCOME AVAILABLE TO PAY DEBT SERVICE AND DEBT SERVICE REQUIREMENTS."** The 1997 Resolution requires, in connection with the issuance of additional Bonds by the Authority, that the sum of the scheduled debt service on all Local School Bonds after the issuance of such additional Bonds at least equal the related scheduled debt service on all the Bonds on each debt service payment date on the Bonds. All Local School Bonds, including the 2025A Local School Bonds and the Related Local School Bonds, must be general obligations of Local Issuers for which their full faith and credit and taxing power are irrevocably pledged. See "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"** and **"THE LOCAL SCHOOL BONDS."**

The Authority has covenanted in the 1997 Resolution to seek from the Virginia General Assembly in each biennium a sum sufficient appropriation of an amount at least equal to the difference between (A) debt service on the Bonds becoming due in the fiscal years covered by the biennial Budget Bill and (B) the amounts paid on the Local School Bonds credited to the 1997 Resolution Pledge Account or realized from the application of the State Aid Intercept Provision. The General Assembly has the power to make future sum sufficient appropriations with respect to debt service on the Series 2025 Bonds, but the General Assembly is under no legal obligation to do so. **The Series 2025 Bonds do not constitute a debt or pledge of the faith and credit of the Commonwealth.** See **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Sum Sufficient Appropriation."**

The issuance of additional Bonds, such as the Series 2025 Bonds, is conditioned upon the certifications that:

(i) the scheduled debt service payments on the Local School Bonds are equal to or greater than the related scheduled debt service payments on the Bonds on each debt service payment date, and

(ii) (A) the current Appropriation Act, and

(B) if and as applicable, either of

(I) the Governor's Budget Bill as introduced in the General Assembly for the next fiscal year or biennium or,

(II) if enacted, the Appropriation Act for the next fiscal year or biennium

contains a sum sufficient appropriation to pay the debt service on the Bonds not paid from payments on the Local School Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Additional Bonds"** and **"SUMMARY OF CERTAIN PROVISIONS OF THE 1997 RESOLUTION - General Authorization of Bonds."**

The first debt service payment on the Series 2025 Bonds is scheduled to become due in the fiscal year commencing July 1, 2025. In the Commonwealth's current biennial budget (enrolled as Chapter 2, Acts of Assembly, 2024 Special Session I, and as amended by Chapters 3 and 4 of the Acts of Assembly of 2024, Special Session I) (the "2024-2026 Appropriation Act"), the General Assembly made a "sum sufficient appropriation" to provide the difference, if any, between the income received on the Local School Bonds and the debt service on the Bonds for the 2024-2026 biennium. The General Assembly has made a similar sum sufficient appropriation during each biennium since the adoption of the 1997 Resolution. See "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Sum Sufficient Appropriation**."

On December 18, 2024, Governor Glenn Youngkin proposed amendments to the 2024-2026 budget that he explained are intended to prioritize tax relief for working Virginians, expand educational opportunities for Virginia students, keep Virginia communities safe, and make critical investments in healthcare, economic development, and the Commonwealth's technology infrastructure. During the regular 2025 legislative session of the General Assembly, which convened on January 8, 2025, and adjourned on February 22, 2025, the General Assembly adopted a budget bill that accepted some of the Governor's proposed amendments and substituted some of its own amendments.

Upon his review, the Governor decided to veto some of the amendments proposed by the General Assembly and recommend additional amendments. The bill was then returned to the General Assembly for further consideration and action during its reconvened session on April 2, 2025. The General Assembly accepted some of the Governor's proposed amendments and rejected other amendments before returning the bill to the Governor for final action. Under Virginia law, the Governor has 30 days to sign or veto the bill, to exercise his authority to veto individual items, or to take no action and allow the bill to become law without his signature.

The Authority has no reason to believe that, once final action has been taken by the Governor, the 2024-2026 budget as amended will decrease the "sum sufficient" appropriation to the Authority described above.

The Virginia Constitution provides that no funds are to be paid out of the state treasury unless appropriated by law by the General Assembly. The General Assembly has never failed to adopt a biennial budget in a timely fashion. There is no definitive guidance from the courts of the Commonwealth as to whatever emergency or implied executive spending powers the Governor of the Commonwealth may have, if any, including the power to make debt service payments that are subject to appropriation, in the absence of a budget or other appropriation therefor having been enacted by the General Assembly.

The Authority has issued, and expects to issue in the future, bonds and other obligations ("Other Obligations") under other security instruments ("Other Resolutions"). Other Obligations have no claim to amounts payable on the Local School Bonds or, except for the VPSA Tax Credit Bonds issued pursuant to the VPSA Tax Credit Bond Indenture (each as hereinafter defined), to the sum sufficient appropriation made with respect to the Bonds in the 2024-2026 Appropriation Act. The Bonds have no claim on the general obligation school bonds or other security pledged to the payment of the Other Obligations. See **"THE AUTHORITY - Other Authority Financings"** and **"FUTURE FINANCINGS."**

PLAN OF FINANCE

Purchase of 2025A Local School Bonds

The proceeds of the Series 2025A Bonds, together with other available funds, if any, will be used to (i) purchase the 2025A Local School Bonds and (ii) pay a portion of the costs of issuance of the Series 2025A Bonds. The 2025A Local Issuers will use the proceeds of their respective 2025A Local School Bonds to finance or refinance capital projects for their public schools. The 2025A Local School Bonds will be credited to the 1997 Resolution Pledge Account in the General Pledge Fund created by the 1997 Resolution. The payments of principal and interest received on the 2025A Local School Bonds will be used to pay a portion of the principal of and interest on the Bonds of the Authority.

Refunding

A portion of the proceeds of the Series 2025B Bonds will be applied to refund certain bonds outstanding under the 1997 Resolution (the "Refunded Bonds"). The Authority has determined that refunding the Refunded Bonds will produce debt service savings and other financial benefits for the Authority and the Related Local Issuers. The table below sets forth the bonds of the Authority expected to be refunded with the proceeds of the Series 2025B Bonds.

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Issue	Maturities to be Refunded	Aggregate Principal Amount to be Refunded	Redemption Date	Redemption Price
School Financing Refunding Bonds (1997 Resolution) Series 2014B	August 1, 2026	$4,990,000	August 1, 2025	100.00%
School Financing Refunding Bonds (1997 Resolution) Series 2015A	August 1, 2026 – August 1, 2037, inclusive	$169,555,000	August 1, 2025	100.00%
School Financing Bonds (1997 Resolution) Series 2015B	August 1, 2026 – August 1, 2038, inclusive	$22,880,000	August 1, 2025	100.00%

The Refunded Bonds are subject to change based upon market conditions on the sale date.

The Authority, as contemplated by the Enabling Act, plans to pay the net present value savings realized from the refunding of the Refunded Bonds to the Related Local Issuers or to the Literary Fund, in the case of the Related Local Issuers corresponding to the Refunded Bonds that received interest rate subsidies from the Literary Fund.

To effect the refunding, a sufficient amount of the proceeds of the Series 2025B Bonds and other available funds, if any, will be deposited in one or more escrow accounts (collectively, the "Escrow Fund") established by the Authority with U.S. Bank Trust Company, National Association (the "Escrow Agent") and may be invested in United States Treasury obligations ("Federal Securities") that mature in amounts and pay interest at rates sufficient to pay, when due, the principal, applicable redemption premiums, if any, and interest on the Refunded Bonds through their respective maturity or redemption dates, as applicable. The sufficiency of the Escrow Fund, including Federal Securities and the income thereon, to pay such amounts will be verified by Bingham Arbitrage Rebate Services, Inc. See "**VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE REFUNDED BONDS**." The State Treasurer, as paying agent for the Refunded Bonds, will be given irrevocable instructions to call the callable Refunded Bonds for redemption on the applicable redemption dates and at par. As a result of the deposit to the Escrow Fund described above and such irrevocable instructions, the Refunded Bonds will be deemed no longer outstanding for purposes of the 1997 Resolution.

SOURCES AND USES OF THE PROCEEDS OF THE SERIES 2025 BONDS

The proceeds of the Series 2025 Bonds, including [net] initial offering [premium/discount], are expected to be applied as follows:

SOURCES	Series 2025A Bonds	Series 2025B Bonds
Par Amount	$	
[Net] Original Issue [Premium/Discount]		
Total	$	
USES		
Deposit to 1997 Resolution Purchase Fund	$	
Deposit to Escrow Fund		
Costs of Issuance*		
Total	$	

*Includes underwriter's discount, but not any costs of issuance of the 2025A Local Issuers, which is reflected in the "Deposit to 1997 Resolution Purchase Fund" line item.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Enabling Act

The Enabling Act authorizes the Authority to pay its bonds solely from funds of the Authority, including, among others, the following sources:

1. payments of principal of and interest on general obligation school bonds purchased by the Authority;
2. proceeds of the sale of any such general obligation school bonds; and
3. any funds appropriated by the General Assembly.

1997 Resolution Pledge

The two main sources of the funds pledged by the 1997 Resolution for the payment of debt service on the Bonds are:

1. payments received on the Local School Bonds and through enforcement of the State Aid Intercept Provision, and

2. appropriations for this purpose by the General Assembly (See **"Local School Bonds," "State Aid Intercept," "Commonwealth Appropriations to Local Issuers"** and **"Sum Sufficient Appropriation"** herein).

The Bonds are not general obligations of the Authority and are not secured by any of the funds and accounts, assets or revenues pledged under Other Resolutions. The Enabling Act provides that the Bonds, the premium, if any, and the interest thereon will not constitute a debt or a pledge of the faith and credit of the Commonwealth. Neither the faith and credit nor the taxing power of the Commonwealth or of any of its political subdivisions is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. While the Bonds do not constitute a legally enforceable obligation of the Commonwealth nor create a debt of the Commonwealth, there is no constitutional bar to the General Assembly's making appropriations in future sessions to pay debt service on the Bonds.

Local School Bonds

The 2025A Local School Bonds will be purchased from the 2025A Local Issuers by the Authority with the proceeds of the Series 2025A Bonds. The Authority will deposit all the 2025A Local School Bonds in a special fund known as the "General Pledge Fund" under the 1997 Resolution and credit the principal, interest and redemption premium components of the 2025A Local School Bonds to a special account known therein as the "1997 Resolution Pledge Account." The Related Local School Bonds were purchased from the Related Local Issuers by the Authority with the proceeds of the Refunded Bonds. The Related Local School Bonds are already, or a replacement of a Related Local School Bond will be upon the issuance of the Series 2025B Bonds, on deposit in the "General Pledge Fund" under the 1997 Resolution and the principal, interest and redemption premium components thereof have been, or will be upon the issuance of the Series 2025B Bonds, credited to the "1997 Resolution Pledge Account" in the General Pledge Fund. Under the 1997 Resolution, the Authority grants to the Depository (as hereinafter defined) of the 1997 Resolution Pledge Account, for the benefit of the holders of the Bonds, including the Series 2025 Bonds, security interests in the principal, interest and redemption premium components of the Local School Bonds, including the 2025A Local School Bonds and the Related Local School Bonds. Similarly, the Authority will deposit to the General Pledge Fund additional Local School Bonds acquired with the proceeds of additional Bonds and assign their principal, interest and redemption premium components to the 1997 Resolution Pledge Account, all subject to security interests in favor of the holders of the Bonds, including the Series 2025 Bonds. Likewise, the Authority previously deposited Local School Bonds, either acquired with the proceeds of previous issues of Bonds or transferred in connection with the issuance of previous refunding Bonds, to the General Pledge Fund and has assigned such Local School Bonds' principal, interest and redemption premium components to the 1997 Resolution Pledge Account. See **"THE LOCAL SCHOOL BONDS - Local School Bonds Pledged to the Bonds."**

Payments of principal of and interest received on Local School Bonds will be deposited in the "1997 Income Fund," another special fund created by the 1997 Resolution. The Authority will use these payments to pay debt service on the Bonds.

Interest on the Local School Bonds is due generally on the January 15 and July 15 immediately preceding the corresponding interest payment dates of February 1 and August 1 on the Bonds. Similarly, principal on the Local School Bonds is payable on the July 15 immediately preceding the corresponding August 1 principal payment date of the Bonds. Interest on the 2025A Local School Bonds will begin to accrue 16 days prior to the Series 2025A Bonds, so that the Authority will realize a proper matching of the income received from the first interest payment on the 2025A Local School Bonds with the amount of the first interest payment due on the Series 2025A Bonds.

See **"SCHEDULE OF INCOME AVAILABLE TO PAY DEBT SERVICE AND DEBT SERVICE REQUIREMENTS"** for a comparison between the scheduled income on the Local School Bonds in the 1997 Resolution Pledge Account, including the 2025A Local School Bonds and the Related Local School Bonds, and the scheduled debt service on the outstanding Bonds and the Series 2025 Bonds.

State Aid Intercept

A Virginia statute (Section 15.2-2659 of the Code of Virginia, 1950, as amended) (the "State Aid Intercept Provision") provides a mechanism for the application to overdue debt service on the Local School Bonds of appropriations by the General Assembly to the Local Issuers. The State Aid Intercept Provision requires the Governor of the Commonwealth, upon proof of default in the payment of debt service on any general obligation bond (such as a Local School Bond) by any local government (such as a Local Issuer), to direct the Comptroller of the Commonwealth to withhold certain payments to the local government until such default is cured. These payments include funds appropriated by the General Assembly to the local government for any and all purposes. For as long as the default continues, the State Aid Intercept Provision directs the Governor to require the Comptroller to pay from such appropriation to the holders of such general obligation bonds or their paying agent as much as is necessary to cover the principal and interest due on such general obligation bonds. The State Aid Intercept Provision further provides for notice of the default and of the availability of intercepted funds with the paying agent or with the Comptroller by publication and by mail to the registered owners of such general obligation bonds. Executive Order Number Eighty-eight (01) delegates to the State Treasurer the responsibility to receive on the Governor's behalf proof of default in the payments of debt service on any general obligation bond. If such nonpayment is confirmed, the State Treasurer is to direct the Comptroller to withhold payments of Commonwealth funds to the locality and to pay them to the Authority.

It is the policy of the State Treasurer and the Comptroller that the bond payments be made on the same day as, or at least within 24 hours of, proper notification. However, to date, the State Aid Intercept Provision has never been utilized and there can be no assurance that the benefits of the provisions available to the Authority could be realized in the event of a nonpayment by a Local Issuer.

The State Aid Intercept Provision applies to all general obligation bonds of the Local Issuers, including the Local School Bonds. State aid that is payable to local governments and that is subject to interception pursuant to the State Aid Intercept Provision is derived primarily from the Commonwealth's General Fund, with the remaining aid being payable from the Highway Maintenance and Construction Fund of the Virginia Department of Transportation and certain other funds. The primary sources of revenue for the Commonwealth's General Fund are individual and corporate income tax revenues, sales and use tax revenues, other tax revenues, interest, dividends and rents. Although the State Aid Intercept Provision has not been tested in a Virginia court, the Attorney General of the Commonwealth has opined that funds appropriated and payable by the Commonwealth to local governments for any and all purposes are subject to the withholding of the State Aid Intercept Provision.

The Authority has covenanted in the 1997 Resolution that it will enforce the State Aid Intercept Provision to obtain payment of any principal of and interest due and unpaid on the Local School Bonds. The amount of aid appropriated by the Commonwealth to a Local Issuer varies from year to year and may not in a particular year equal or exceed all of the defaulted payment obligations of the Local Issuer subject to the State Aid Intercept Provision and any other similar intercept provisions. No guidance exists for determining the priority of the various intercept provisions in the event the amount of appropriated aid is insufficient to cover all of the applicable defaulted payment obligations.

Commonwealth Appropriations to Local Issuers

The table below shows direct appropriations paid by the Commonwealth to Local Issuers and the outstanding principal amounts of the Local School Bonds:

	State Aid Received for Fiscal Year Ended[1]			Principal Amount of Local School Bonds Outstanding as of
Local Issuer	June 30, 2022	June 30, 2023	June 30, 2024	April 1, 2025[3]
Accomack County	$53,941,740	N/A [2]	N/A [2]	$5,972,376
Albemarle County	108,422,397	$115,955,762	$133,207,309	11,440,000
Alleghany County	27,620,484	40,281,474	N/A [2]	389,948
Amelia County	17,837,181	20,164,260	20,647,378	317,497
Amherst County	41,533,763	46,448,485	50,358,508	35,020,000
Augusta County	92,627,679	102,909,201	113,506,697	93,992,776
Bedford County	87,790,945	99,123,796	106,757,983	55,565,000
Botetourt County	40,712,632	47,638,906	48,166,729	19,615,000
Brunswick County	18,635,244	22,056,435	N/A [2]	52,386,153
Buckingham County	N/A [2]	N/A [2]	N/A [2]	6,495,235
Campbell County	78,625,643	89,110,076	96,683,165	670,000
Caroline County	44,613,395	44,240,304	50,329,578	10,751,388
Charlotte County	21,036,115	24,612,951	N/A [2]	6,625,000
Chesapeake, City of	429,737,924	459,482,867	487,323,452	118,360,000
Chesterfield County	538,011,640	593,557,156	661,334,196	61,385,000
Clarke County	16,463,305	18,518,549	18,819,325	12,730,000
Colonial Beach, Town of	6,723,030	7,340,351	8,232,282	7,210,000
Covington, City of	12,763,689	5,214,232	6,405,092	7,705,000
Cumberland County	15,072,530	17,965,697	19,661,357	11,320,768
Dinwiddie County	49,425,235	51,628,781	62,319,759	2,150,768
Essex County	15,622,648	15,862,055	16,666,306	4,077,394
Falls Church, City of	14,133,298	16,353,264	17,705,715	190,000
Fauquier County	89,211,467	97,610,016	98,729,668	27,300,000
Floyd County	19,741,717	20,825,422	N/A [2]	13,620,308
Fluvanna County	34,232,791	38,649,482	41,770,361	51,632,067
Franklin, City of	15,498,224	19,598,352	N/A [2]	960,000
Franklin County	67,966,949	74,763,604	79,806,590	738,401
Frederick County	120,576,246	134,553,868	145,663,673	157,295,000
Fredericksburg, City of	39,274,227	45,031,775	46,092,684	14,960,000
Gloucester County	46,435,057	50,131,583	55,305,273	74,786,388
Goochland County	17,852,204	20,080,815	20,470,050	1,070,000
Grayson County	20,075,054	25,230,162	N/A [2]	8,917,023
Greene County	29,697,196	33,502,264	36,776,904	24,125,000
Greensville County	24,255,289	24,172,624	18,910,171	3,065,000
Halifax County	56,926,056	66,001,018	73,249,741	103,635,338
Hanover County	138,215,823	151,109,663	162,083,840	25,528,688
Harrisonburg, City of	74,258,361	85,589,530	88,548,359	8,890,000
Henry County	80,849,902	119,371,507	104,543,518	12,866,091
Hopewell, City of	N/A [2]	N/A [2]	N/A [2]	54,301
Isle of Wight County	56,590,376	61,734,019	60,912,977	6,920,000
King George County	39,661,671	43,173,193	45,135,300	1,463,455
King William County	16,475,284	22,843,423	25,804,841	14,890,000
Lancaster County	9,485,443	9,914,591	10,535,909	71,220,000
Lee County	N/A [2]	N/A [2]	N/A [2]	1,080,000
Lexington, City of	8,342,198	9,628,557	9,526,396	8,245,000
Loudoun County	537,313,691	590,092,362	623,500,713	10,135,000
Louisa County	40,274,906	45,082,659	50,813,128	74,320,000
Lunenburg County	20,664,938	21,629,928	24,092,718	1,235,235
Lynchburg, City of	119,640,825	124,369,448	137,183,317	372,067
Manassas Park, City of	36,469,474	42,058,189	N/A [2]	16,557,263
Martinsville, City of	29,654,247	34,291,885	N/A [2]	358,462
Mecklenburg County	45,907,639	47,718,982	50,672,222	102,408,401
Middlesex County	11,066,993	12,297,149	12,845,243	695,000
New Kent County	26,631,136	43,863,673	43,674,005	19,162,489
Northampton County	19,590,157	21,478,139	22,388,412	60,840,000
Northumberland County	9,860,165	11,494,161	N/A [2]	20,460,000

(1) Source: Auditor of Public Accounts, Draft Comparative Report of Local Government Revenues and Expenditures.

(2) Information is not available because the locality was delinquent in submitting comparative information to the Auditor of Public Accounts by the December 15 deadline.

(3) Several localities have had the Authority issue Special Obligation School Financing Bonds on their behalf. These bonds are also subject to the State Aid Intercept Provision. See the chart titled **"Virginia Public School Authority Summary of Outstanding Indebtedness From Other Financings as of April 1, 2025."**

Local Issuer	State Aid Received for Fiscal Year Ended[1] June 30, 2022	June 30, 2023	June 30, 2024	Principal Amount of Local School Bonds Outstanding as of April 1, 2025[3]
Norton, City of	N/A [2]	N/A [2]	N/A [2]	3,920,000
Nottoway County	22,949,890	24,413,489	N/A [2]	430,153
Orange County	45,345,969	51,900,712	53,305,102	9,152,800
Page County	33,565,845	36,987,450	38,547,580	24,267,306
Patrick County	28,626,894	33,253,780	34,494,714	16,977,996
Portsmouth, City of	178,975,562	N/A [2]	N/A [2]	731,153
Powhatan County	35,101,840	35,088,439	38,787,793	1,440,757
Prince Edward County	23,516,228	26,660,876	N/A [2]	14,885,000
Prince George County	62,701,049	67,554,343	75,649,179	28,665,594
Prince William County	792,060,000	890,511,000	926,309,000	65,110,000
Pulaski County	N/A [2]	N/A [2]	N/A [2]	3,905,000
Radford, City of	32,635,099	41,683,976	36,873,515	18,712,764
Richmond County	14,513,343	16,782,028	17,877,945	6,135,000
Roanoke, City of	195,411,380	221,242,528	N/A [2]	5,212,744
Roanoke County	129,114,921	140,652,083	154,421,775	62,761,388
Rockbridge County	28,960,151	31,626,158	35,034,535	35,020,000
Rockingham County	109,628,016	119,934,652	131,772,567	52,725,403
Russell County	42,363,596	50,290,340	N/A [2]	1,544,948
Smyth County	52,298,311	60,833,884	57,563,454	6,540,000
Southampton County	33,495,928	33,977,529	35,086,712	3,840,000
Stafford County	242,562,081	273,477,597	296,685,443	196,710,000
Staunton, City of	40,029,282	42,930,377	48,283,220	39,720,000
Surry County	6,699,214	7,445,979	N/A [2]	860,000
Sussex County	15,812,847	17,662,801	20,209,051	3,125,000
Tazewell County	66,518,205	74,143,993	77,025,042	2,172,404
Virginia Beach, City of	634,473,623	687,681,144	724,366,750	1,440,757
Warren County	50,416,683	N/A [2]	N/A [2]	25,702,776
Washington County	74,114,090	80,658,312	91,382,681	858,033
Waynesboro, City of	39,183,576	43,824,511	47,006,289	16,691,388
West Point, Town of	6,663,106	8,748,036	N/A [2]	89,476
Wise County	68,311,634	76,548,601	N/A [2]	29,178,897
Wythe County	45,246,741	50,785,931	46,483,430	403,660
York County	104,380,138	113,224,822	126,211,042	74,095,000
Total	**$6,889,721,465**	**$7,346,882,016**	**$7,120,537,663**	**$2,217,200,677**

(1) Source: Auditor of Public Accounts, Draft Comparative Report of Local Government Revenues and Expenditures.

(2) Information is not available because the locality was delinquent in submitting comparative information to the Auditor of Public Accounts by the December 15 deadline.

(3) Several localities have had the Authority issue Special Obligation School Financing Bonds on their behalf. These bonds are also subject to the State Aid Intercept Provision. See the chart titled **"Virginia Public School Authority Summary of Outstanding Indebtedness From Other Financings as of April 1, 2025."**

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Sum Sufficient Appropriation

The 1997 Resolution contemplates that the General Assembly will biennially appropriate to the Authority an appropriation for each fiscal year of the biennium to provide sufficient funds to the Authority to meet its debt service obligations in the event of a payment default on one or more Local School Bonds not timely cured by the implementation of the State Aid Intercept Provision. This type of appropriation is referred to in this Official Statement as a "sum sufficient appropriation." The General Assembly has included in each Appropriation Act subsequent to the adoption of the 1997 Resolution a "sum sufficient appropriation" to the Authority to provide for the difference, if any, between

(1) the scheduled debt service on Bonds and

(2) the sum of

(i) the debt service payments made on the Local School Bonds, and

(ii) the funds obtained from enforcement of the State Aid Intercept Provision.

Each Appropriation Act has designated "available moneys" in the Literary Fund of the Commonwealth (See **"THE LITERARY FUND"**) as the first source of funds for the appropriation and the General Fund of the Commonwealth as the secondary source. The first debt service payments on the Series 2025 Bonds are scheduled to become due during the 2024-2026 biennium which commenced on July 1, 2024.

The Enabling Act requires that the Governor's budget submission or budget amendments each year shall contain a "sum sufficient appropriation." The Enabling Act also requires the Authority to submit to the Governor and the General Assembly an annual report detailing the amount of its outstanding Bonds with the benefit of the sum sufficient appropriation. The Enabling Act and the 1997 Resolution do not place any limitation on the amount of Bonds that the Authority can issue with the benefit of the sum sufficient appropriation.

The Authority has covenanted in the 1997 Resolution that it will seek a sum sufficient appropriation which will cover

(1) the scheduled debt service on its outstanding Bonds during the fiscal year(s) covered by such Budget Bill(s), and

(2) the estimated scheduled debt service on the additional Bonds the Authority projects that it will issue and have debt service coming due during the fiscal year(s) covered by such Budget Bill(s).

Specifically, the Authority has covenanted in the 1997 Resolution that it will cause its Chair annually, on or before December 1, to:

(1) certify to the Governor and the Secretary of Finance of the Commonwealth an estimate of the total debt service coming due in each of the next two fiscal years on

(A) outstanding Bonds, and

(B) additional Bonds projected to be issued during such two fiscal years, each running from July 1 through the subsequent June 30, and

(2) request inclusion in the Governor's Budget Bill(s) to be presented at the next regular session of the General Assembly of an appropriation first from available moneys in the Literary Fund and then from the General Fund of the Commonwealth.

In the event of a default in payment on one or more Local School Bonds, there is a period of not less than 15 days before the principal and interest payments on the Authority's Bonds become due. Should there be any deficiency remaining in the Income Available to Pay Debt Service after receipt of funds derived from the immediate implementation of the State Aid Intercept Provision, the Authority will immediately notify the Governor and the Director of the Department of Planning and Budget and (assuming the General Assembly has made a sum sufficient appropriation) after issuance of a warrant by the Comptroller, the State Treasurer shall transfer to the Depository of the 1997 Sinking Fund an amount equal to any remaining deficiency.

The Authority believes that the implementation of the State Aid Intercept Provision and, if that does not cure the deficiency, the issuance of the necessary warrant and subsequent electronic transfer pursuant to the sum sufficient appropriation will not take more than three business days following a default on a Local School Bond. The Authority further believes that the determination of the availability of funds in the Literary Fund required by the 2024-2026 Appropriation Act will not extend the process of accessing the sum sufficient appropriation.

Additional Bonds

The Authority may issue additional Bonds under the 1997 Resolution to purchase Local School Bonds and refund any indebtedness, including Other Obligations, provided that the Authority shall have received certificates of:

(1) the State Treasurer to the effect that the Income Available to Pay Debt Service on each debt service payment date equals or exceeds the scheduled debt service on all Bonds to be outstanding immediately after the delivery of the additional Bonds, and

(2) the Secretary of Finance that:

(A) the current Appropriation Act and any future Appropriation Act provision and

(B) if the date of the certificate is subsequent to December 20 of one year and prior to July 1 in the following calendar year, any Budget Bill

contain a sum sufficient appropriation from the Literary Fund and, to the extent that funds are not available therein for the purpose, from the General Fund of the Commonwealth, to pay the difference between debt service on the Bonds becoming due in such fiscal year(s) covered by such Appropriation Act Provision or Budget Bill and the amount available to pay such debt service.

The Authority may also issue additional Bonds under the 1997 Resolution to refund all or any of its outstanding Bonds or Other Obligations provided that, in either case, the coverage test for the issuance of additional Bonds to purchase additional Local School Bonds is satisfied. The Enabling Act requires that the Authority remit to the related Local Issuers, or in certain circumstances the Literary Fund, the net debt service savings resulting from any refunding of its Bonds or Other Obligations.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE 1997 RESOLUTION - General Authorization of Bonds."**

The additional Bonds will be equally and ratably secured with the Series 2025 Bonds and other outstanding Bonds under the 1997 Resolution.

The Enabling Act imposes no limitation on the amount of Bonds that the Authority can issue under the 1997 Resolution.

Income Available to Pay Debt Service

The following table shows the scheduled debt service payments on the 2025A Local School Bonds and other Local School Bonds, including the Related Local School Bonds, and the corresponding scheduled principal and interest payments due on the Series 2025 Bonds and other outstanding Bonds.

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SCHEDULE OF INCOME AVAILABLE TO PAY DEBT SERVICE AND DEBT SERVICE REQUIREMENTS[1]

	Income Available to Pay Debt Service[2] Principal and Interest on Local School Bonds				Debt Service Requirements					
		2025A LSBs to be Purchased				Series 2025A Bonds		Series 2025B Bonds		
Year Ended August 1	In 1997 Resolution Pledge Account[3]	Principal	Interest[4]	Total Income[5]	Debt Service on Outstanding Bonds[6]	Principal	Interest	Principal	Interest	Total Debt Service[5]
2025	$252,098,512	$-	$-	$252,098,512	$240,165,564	$-	$-	$2,205,000	$2,061,258	$244,431,822
2026	276,446,337	2,990,000	5,031,858	284,468,195	211,516,038	2,990,000	4,980,083	44,045,000	9,403,250	272,934,371
2027	248,657,621	3,005,000	3,984,779	255,647,399	186,860,552	3,005,000	3,943,719	44,950,000	7,201,000	245,960,271
2028	227,783,029	3,575,000	3,833,026	235,191,055	185,071,978	3,575,000	3,793,469	30,500,000	4,953,500	227,893,947
2029	207,562,552	3,620,000	3,652,489	214,835,040	177,624,649	3,620,000	3,614,719	21,190,000	3,428,500	209,477,868
2030	181,548,996	3,660,000	3,469,679	188,678,675	164,174,803	3,660,000	3,433,719	11,195,000	2,369,000	184,832,522
2031	165,844,040	3,715,000	3,284,849	172,843,889	148,899,114	3,715,000	3,250,719	11,785,000	1,809,250	169,459,083
2032	152,138,514	3,765,000	3,097,241	159,000,755	140,375,300	3,765,000	3,064,969	7,990,000	1,220,000	156,415,269
2033	142,276,610	3,820,000	2,907,109	149,003,719	134,559,363	3,820,000	2,876,719	4,980,000	820,500	147,056,581
2034	131,787,215	3,880,000	2,714,199	138,381,414	127,292,483	3,880,000	2,685,719	2,695,000	571,500	137,124,701
2035	125,311,166	3,940,000	2,518,259	131,769,425	121,016,551	3,940,000	2,491,719	2,845,000	436,750	130,730,020
2036	114,165,349	4,010,000	2,319,289	120,494,638	111,140,024	4,010,000	2,294,719	2,135,000	294,500	119,874,243
2037	100,301,419	4,070,000	2,116,784	106,488,203	97,398,328	4,070,000	2,094,219	2,255,000	187,750	106,005,296
2038	94,381,146	4,135,000	1,911,249	100,427,395	92,460,483	4,135,000	1,890,719	1,500,000	75,000	100,061,201
2039	82,965,818	4,215,000	1,702,431	88,883,249	82,689,599	4,215,000	1,683,969	-	-	88,588,568
2040	70,852,831	4,295,000	1,489,574	76,637,405	70,608,890	4,295,000	1,473,219	-	-	76,377,109
2041	58,822,076	4,375,000	1,272,676	64,469,753	58,637,259	4,375,000	1,258,469	-	-	64,270,728
2042	45,959,791	4,465,000	1,051,739	51,476,530	45,840,719	4,465,000	1,039,719	-	-	51,345,438
2043	38,459,821	4,550,000	826,256	43,836,078	38,358,919	4,550,000	816,469	-	-	43,725,388
2044	30,231,346	4,630,000	636,294	35,497,640	30,145,619	4,630,000	628,781	-	-	35,404,400
2045	28,434,353	4,710,000	442,991	33,587,344	28,360,313	4,710,000	437,794	-	-	33,508,106
2046	27,029,673	1,330,000	246,349	28,606,021	26,966,875	1,330,000	243,506	-	-	28,540,381
2047	26,965,285	1,390,000	189,159	28,544,444	26,913,463	1,390,000	186,981	-	-	28,490,444
2048	24,238,085	1,450,000	129,389	25,817,474	24,197,638	1,450,000	127,906	-	-	25,775,544
2049	21,719,913	1,515,000	67,039	23,301,951	21,689,925	1,515,000	66,281	-	-	23,271,206
2050	18,089,665	-	-	18,089,665	18,069,300	-	-	-	-	18,069,300
2051	15,657,580	-	-	15,657,580	15,645,400	-	-	-	-	15,645,400
2052	6,289,433	-	-	6,289,433	6,284,550	-	-	-	-	6,284,550
2053	2,113,355	-	-	2,113,355	2,111,400	-	-	-	-	2,111,400
2054	2,034,178	-	-	2,034,178	2,033,200	-	-	-	-	2,033,200
Totals	$2,920,165,709	$85,110,000	$48,894,705	$3,054,170,413	$2,637,108,295	$85,110,000	$48,378,302	$190,270,000	$34,831,758	$2,995,698,355

(1) Preliminary, subject to change. Numbers may not add to total due to rounding.

(2) This term as defined in the 1997 Resolution includes the scheduled principal and interest payments on all Local School Bonds excluding any in default. Together, all payments due on the 2025A Local School Bonds and the Related Local School Bonds will be greater than or in excess of the interest due on the Series 2025 Bonds on each February 1 and August 1 and the principal due on each August 1.

(3) Includes income from the Related Local School Bonds corresponding to the Refunded Bonds.

(4) Computed using the appropriate interest rates on the Series 2025A Bonds plus 5 basis points (0.05%).

(5) The difference between the figures shown in the "Total Income" column and the "Total Debt Service" column are the result of (i) an administrative fee of the Authority and (ii) savings realized from refunding prior issues of Bonds.

(6) Annual debt service on the outstanding Bonds is shown net of annual debt service on the Refunded Bonds.

INFORMATION PERTAINING TO THE COMMONWEALTH

Financial and Demographic/Economic Information. **APPENDIX B** and **APPENDIX C** attached to this Official Statement contain certain financial information and demographic/economic information pertaining to the Commonwealth. **APPENDIX D** attached to this Official Statement contains the comprehensive financial statements of the Commonwealth for its fiscal year ended June 30, 2024.

The financial and operating data concerning the Commonwealth contained in this Official Statement, and in particular APPENDIX B and APPENDIX C attached hereto, are as of the dates and for the periods indicated.

Revenue Report for Fiscal Year 2024. Based on the General Fund highlights contained in the annual comprehensive financial report of the Commonwealth for the fiscal year ended June 30, 2024, attached to this Official Statement as **APPENDIX D**, the State Comptroller reported that, at the end of the fiscal year, the General Fund reported a combined ending fund balance of $14.9 billion, an increase of $2.4 billion in comparison with the prior fiscal year. Of this total fund balance, $151.0 million represents non-spendable fund balance, $2.9 billion represents restricted fund balance, $9.0 billion represents committed fund balance, and $2.8 billion represents assigned fund balance.

Fiscal year 2024 General Fund revenues were 15.7 percent, or $4.5 billion, higher than fiscal year 2023 revenues. This revenue change was due primarily to an overall increase in taxes collected of $3.8 billion, which was primarily attributable to a growth in employment and wages paired with a decrease in refunds due to policy changes within individual and fiduciary income taxes. This change was coupled with an increase in interest, dividends, and rents of $705.3 million, which was due to overall market interest rates.

Fiscal year 2024 expenditures increased by 9.4 percent, or $2.7 billion, when compared to fiscal year 2023. While most expenditures categories increased during fiscal year 2024, the largest increases were primarily attributable to education and individual and family services expenditures of $994.8 million and $1.2 billion, respectively. Net other financing sources and uses decreased by $257.2 million, which decrease is primarily due to higher transfers out to other funds offset by an increased transfers in from other funds coupled with an increase in issuance of long-term subscription-based information technology arrangements (SBITAs).

See also **APPENDIX B – "COMMONWEALTH OF VIRGINIA FINANCIAL AND OTHER INFORMATION"** and **APPENDIX D – "COMMONWEALTH OF VIRGINIA AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024,"** both attached to this Official Statement.

Commonwealth Budget - Current Appropriation Status Pertaining to the Authority. The Commonwealth's current biennial budget (enrolled as Chapter 2, Acts of Assembly, 2024 Special Session I, and as amended by Chapters 3 and 4 of the Acts of Assembly of 2024, Special Session I) provides appropriations to the Authority in a sum equal to any deficiency between the income received on the Local School Bonds and the debt service on the Bonds for the 2024-2026 biennium (as described further herein, the "sum sufficient appropriation").

On December 18, 2024, Governor Glenn Youngkin proposed amendments to the 2024-2026 budget that he explained are intended to prioritize tax relief for working Virginians, expand educational opportunities for Virginia students, keep Virginia communities safe, and make critical investments in healthcare, economic development, and the Commonwealth's technology infrastructure. During the regular 2025 legislative session of the General Assembly, which convened on January 8, 2025, and adjourned on February 22, 2025, the General Assembly adopted a budget bill that accepted some of the Governor's proposed amendments and substituted some of its own amendments.

Upon his review, the Governor decided to veto some of the amendments proposed by the General Assembly and recommend additional amendments. The bill was then returned to the General Assembly for further consideration and action during its reconvened session on April 2, 2025. The General Assembly accepted some of the Governor's proposed amendments and rejected other amendments before returning the bill to the Governor for final action. Under Virginia law, the Governor has 30 days to sign or veto the bill, to exercise his authority to veto individual items, or to take no action and allow the bill to become law without his signature.

The Authority has no reason to believe that, once final action has been taken by the Governor, the 2024-2026 budget as amended will decrease the "sum sufficient" appropriation to the Authority described above.

For a general discussion of the 2024-2026 budget, see the subsections entitled "Budgetary Process," "2024 Appropriation Act" and "2025 Introduced Budget" within the section "FINANCIAL FACTORS" in **APPENDIX B** attached to this Official Statement.

Recent Federal Actions. Changes in presidential administrations or Congressional sessions can generate significant shifts in federal priorities and policies including (without limitation) taxation, appropriations, borrowing, trade, immigration, education and environmental matters. Such shifts may be followed by material increases or decreases in the levels of federal funding directly affecting federal agencies and authorities and indirectly affecting state and local recipients of such funding. Through executive orders and other federal actions, the current presidential administration has recently proposed policy shifts that involve, among other things, (a) delaying or canceling various grants and other appropriations, (b) reducing the federal workforce through early buyouts and terminations, (c) eliminating certain federal agencies and departments, (d) imposing new or increased tariffs for certain imported goods and materials, and (e) increasing immigration enforcement actions.

As described in Appendix C attached hereto, a larger share of federal and military employees live and work in the Commonwealth compared to most states. Based on 2024 estimates, more than ten percent of the Commonwealth's workforce is comprised of federal civilian employees or active military. In addition, numerous research and development facilities (both private and public) that benefit directly or indirectly from federal grants and appropriations are located in the Commonwealth. Further, most elementary, secondary and higher educational entities in the Commonwealth receive some level of federal financial assistance in support of various federal initiatives and mandates.

The Commonwealth has no basis to predict the outcome or duration of the recently proposed shifts in federal priorities and policies or the potential long-term effects on the Commonwealth. Furthermore, the Commonwealth has based its 2024-2026 budget on various assumptions and contingencies that are not certain and may not materialize. Such assumptions and contingencies include the condition of the international, national, regional and local economies, the provision of federal financial assistance and the status of other federal actions or inactions. Significant changes in such assumptions and contingencies could adversely affect the Commonwealth, both directly and indirectly, including 2024-2026 budgeted revenues and expenditures.

Availability of Additional Financial Information. Additional information concerning the Commonwealth and its financial condition is available at the Commonwealth's investor website (https://www.virginiabonds.com/commonwealth-of-virginia-va/documents/i33). Such information consists primarily of raw, unaudited data. The information available at the Commonwealth's investor website is not incorporated herein nor warranted as to accuracy or completeness. Investors should exercise caution when evaluating the information available on the Commonwealth's investor website and should not rely on the website as their sole source of information concerning the Commonwealth's financial condition.

DESCRIPTION OF THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be dated the date of delivery, will bear interest from their date payable semiannually on each February 1 and August 1, commencing on February 1, 2026, with respect to the Series 2025A Bonds and commencing on August 1, 2025, with respect to the Series 2025B Bonds, at the respective rates, and will mature, subject to prior redemption, on August 1, in each of the years, as set forth on the inside cover of this Official Statement. The record date for the Series 2025 Bonds will be the fifteenth day (whether or not a business day) of the calendar month next preceding the applicable interest payment date.

Optional Redemption*

The Authority may, at its option, redeem certain of the Series 2025 Bonds prior to maturity as described on the inside cover of this Official Statement.

Mandatory Redemption

The Series 2025A Bonds due August 1, 20_____, 20_____, 20_____ and 20_____ (the "2025A Term Bonds") are term bonds subject to mandatory sinking fund redemption in accordance with the provisions of the 1997 Resolution on August 1 of the years and in the principal amounts as described on the inside cover of this Official Statement (the "2025A Amortization Requirements").

In the event of a partial optional redemption or purchase of such 2025A Term Bonds, the Authority will credit the principal amount of such 2025A Term Bonds so purchased or redeemed against the 2025A Amortization Requirements remaining for the applicable 2025A Term Bond outstanding in such amounts and in such years as the Authority in its sole discretion shall determine.

The Series 2025B Bonds due August 1, 20_____, 20_____, 20_____ and 20_____ (the "2025B Term Bonds," and together with the 2025A Term Bonds, the "Term Bonds") are term bonds subject to mandatory sinking fund redemption in accordance with the provisions of the 1997 Resolution on August 1 of the years and in the principal amounts as described on the inside cover of this Official Statement (the "2025B Amortization Requirements," and together with the 2025A Amortization Requirements, the "Amortization Requirements").

In the event of a partial optional redemption or purchase of such 2025B Term Bonds, the Authority will credit the principal amount of such 2025B Term Bonds so purchased or redeemed against the 2025B Amortization Requirements remaining for the applicable 2025B Term Bond outstanding in such amounts and in such years as the Authority in its sole discretion shall determine.

Notice of Redemption

Notice of redemption is to be given not more than 60 nor less than 30 days before the redemption date by first class mail to the registered owner or owners of the Series 2025 Bonds or portions thereof to be redeemed; provided, however, that any defect in such notice or the failure so to mail any such notice to any owners of any Series 2025 Bonds will not affect the validity of the proceedings for the redemption of any other Series 2025 Bonds. **During the period that DTC or the DTC partnership nominee is the registered holder of the Series 2025 Bonds, the Bond Registrar will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2025 Bonds.** See **APPENDIX H - BOOK-ENTRY ONLY SYSTEM**. Each such notice will set forth the Series 2025 Bonds or portions thereof to be redeemed, the date fixed for redemption, the Redemption Price to be paid, and if less than all the Series 2025 Bonds will be called for redemption, the maturities of the Series 2025 Bonds to be redeemed and shall otherwise comply with Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986. If any Series 2025 Bond is to be redeemed in part only, the notice of redemption will state also that on or after the redemption date, upon surrender of such Series 2025 Bond, a new Series 2025 Bond of authorized denominations and in principal amount equal to the unredeemed portion of such Series 2025 Bond will be issued.

Any notice of optional redemption of the Series 2025 Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the Redemption Price, consisting of par plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the State Treasurer, the corresponding notice of redemption shall be deemed to be revoked.

If the Authority gives an unconditional notice of redemption, then on the redemption date the Series 2025 Bonds called for redemption will become due and payable. If the Authority gives a conditional notice of redemption,

* Preliminary, subject to change.

and money to pay the Redemption Price of the affected Series 2025 Bonds shall have been set aside in escrow with the State Treasurer or other Depository for the purpose of paying such Series 2025 Bonds, then on the redemption date the Series 2025 Bonds will become due and payable. In either case, if on the redemption date the State Treasurer holds money to pay the Series 2025 Bonds called for redemption, thereafter, no interest will accrue on those Series 2025 Bonds, and a Bondholder's right will be to receive payment of the Redemption Price upon surrender of those Series 2025 Bonds.

THE AUTHORITY

The Authority's Board of Commissioners consists of the State Treasurer, the State Comptroller, the Superintendent of Public Instruction and five additional members appointed by the Governor, subject to confirmation by the General Assembly, who serve at the pleasure of the Governor for terms of six years. The Governor appoints one of the appointed members of the Board as chair, who serves as chief executive officer of the Authority. The Board elects, from its membership, a vice-chairman, treasurer and secretary.

The members of the Board of Commissioners of the Authority are:

JOHN R. RILEY, JR., *Chair*; President, Riley Consulting LLC; term expires June 30, 2028; Residence: Spotsylvania County, Virginia.

MICHAEL NGUYEN, *Vice Chair*; Chief Investment Debt Officer, City of Richmond, Virginia; term expires June 30, 2026; Residence: Chesterfield County, Virginia.

MARIA J. PERROTTE, *Member*; Retired Chief Financial Officer of Stafford County, Virginia; term expires June 30, 2028; Residence: King George County, Virginia.

DAVID L. RICHARDSON, *Treasurer and Secretary* by virtue of being the State Treasurer of Virginia; serves at the pleasure of the Governor; Residence: Richmond, Virginia.

KAREN SPENCE, *Member*; Comptroller of Arlington County, Virginia; term expires June 30, 2030; Residence: Fairfax County, Virginia.

THE HONORABLE CARDELL C. PATILLO, JR., *Member*; Portsmouth School Board; Youth and Young Adult Pastor, Grove Baptist Church; term expires June 30, 2026; Residence: Portsmouth, Virginia.

EMILY ANNE GULLICKSON, *Member* by virtue of being the Superintendent of Public Instruction of Virginia; serves at the pleasure of the Governor; Residence: Richmond, Virginia.

SCOTT L. ADAMS, Member by virtue of being the Comptroller of Virginia; serves at the pleasure of the Governor; Residence: Fairfax County, Virginia.

Staff of the Authority

The office of the State Treasurer provides staff and administrative support for the Authority. The Authority's mailing address is P.O. Box 1879, Richmond, Virginia 23218-1879. The telephone number of the office of the State Treasurer is (804) 225-2142. Selected members of the Authority's staff include the following:

Bradley L. Jones has served as Director of Debt Management since April 2021 and previously held other positions within the Treasury Department and with Virginia Resources Authority. Mr. Jones has a bachelor's degree in economics from Hampden-Sydney College and a master's degree in business administration from Virginia Commonwealth University.

James D. Mahone has served as Public Finance Manager since 2015 and previously held positions with Regions Bank, Wachovia Bank and First Union National Bank. Mr. Mahone has a bachelor's degree in finance from James Madison University.

Melissa W. Palmer has served as a Senior Public Finance Analyst since 2006 and previously held other positions within the Treasury Department and the Virginia Department of Medical Assistance Services. Ms. Palmer has a bachelor's degree in finance from the College of William and Mary and a master's degree in public administration from Virginia Commonwealth University.

Powers of the Authority

Under the provisions of the Enabling Act, the Authority is empowered, among other things, to (1) manage and administer all moneys and obligations that may be set aside and transferred to it by the General Assembly of Virginia from the principal of a special trust fund established under the Constitution of Virginia and dedicated to the support of public education in Virginia (the "Literary Fund"), for public school purposes, (2) purchase, with any of its funds available for such purpose, at public or private sale and for such price and on such terms as it shall determine, general obligation school bonds of cities, counties and towns in the Commonwealth, or to make loans or grants to local school boards, and (3) issue, for the purpose of providing funds for the purchase of general obligation school notes or the making of loans or grants to local school boards, its bonds or other obligations payable solely from its funds including, but without limitation, (a) payments of principal of and interest on the general obligation school bonds purchased by the Authority or such loans made by the Authority, (b) sale proceeds of such general obligation school bonds, (c) payments of principal of and interest on obligations transferred to the Authority from the Literary Fund ("Literary Fund Obligations"), (d) sale proceeds of such Literary Fund Obligations, (e) any moneys transferred to the Authority from the Literary Fund, (f) payments of principal of and interest on loans made to local school boards, and (g) any funds authorized by the General Assembly for such purpose from the Literary Fund or otherwise appropriated by the General Assembly.

The validity of the original Enabling Act was upheld by the Supreme Court of Virginia in 1962 in *Button v. Day*, 203 Va. 687, 127 S.E.2d 122.

Financial Condition of Authority Funds

The Authority has caused an audit to be made of its books and accounts for the year ended June 30, 2024, which is contained in **APPENDIX A**. See **"CONTINUING DISCLOSURE"** and **APPENDIX F - "CONTINUING DISCLOSURE UNDERTAKINGS - Virginia Public School Authority."**

Other Authority Financings

The Authority expects that the 1997 Resolution will continue to be the primary instrument under which it issues bonds to provide funds to purchase local school bonds and thereby promote the financing of capital projects for public schools across the Commonwealth. Historically, the Authority has issued bonds under a number of other comparable "pool" resolutions and resolutions pledging solely the local school bonds of a single local issuer ("Stand Alone Security Structure").

Special Obligation School Financing Bonds. Using a Stand Alone Security Structure, the Authority has issued several issues of special obligation school financing bonds that are secured separately from the Bonds. These bonds are not secured by a pledge of the Local School Bonds or a "sum sufficient" appropriation of the Commonwealth.

School Technology and Security Notes. As of April 1, 2025, the Authority has outstanding five series of School Technology and Security Notes (collectively, the "Notes"). Proceeds from the Notes were used primarily to make grants to (i) establish a computer-based instructional and testing system for the Standards of Learning (SOL) and connecting high schools (and middle and elementary schools as appropriate), Best Practices Centers and the Central Office of the Department of Education, and (ii) offset the costs associated with the purchase of appropriate security equipment. The Authority expects to issue an additional series of Notes in the spring of 2025. See also **"FUTURE FINANCINGS."**

The outstanding Notes are limited obligations of the Authority payable from appropriations by the Virginia General Assembly from the Literary Fund. The Notes have carried since their issuance the additional benefit of a sum sufficient appropriation from the General Fund of the Commonwealth. See **APPENDIX E - "LITERARY FUND - Appropriations from the Literary Fund."** See also **"FUTURE FINANCINGS"** and **"LEGISLATION."**

Tax Credit Bonds. As of the date hereof, the Authority has issued seven issues of tax credit bonds pursuant to a Master Trust Indenture, dated as of October 1, 2009 (as supplemented and amended, the "VPSA Tax Credit Bond Indenture"), between the Authority and U.S. Bank National Association (such bonds are referred to herein as "VPSA Tax Credit Bonds"). The VPSA Tax Credit Bonds benefit from the sum sufficient appropriation but are not secured by the 1997 Resolution.

The following table is a summary of outstanding indebtedness of the Authority from the other financings listed above.

Virginia Public School Authority
Summary of Outstanding Indebtedness From Other Financings
as of April 1, 2025[(1)(4)]

Issue Category	Final Maturity Date	Principal Outstanding
County of Prince William School Financing Bonds Series 2014[(1)]	15-Jul-34	$33,000,000
County of Prince William School Financing Bonds Series 2015[(1)]	1-Aug-31	34,475,000
County of Prince William School Financing Bonds Series 2016[(1)]	1-Aug-36	108,635,000
County of Prince William School Financing Bonds Series 2017[(1)]	1-Mar-37	46,580,000
County of Prince William School Financing Bonds Series 2018[(1)]	1-Mar-38	75,335,000
County of Prince William School Financing Bonds Series 2019A[(1)]	1-Oct-39	81,855,000
County of Prince William School Financing Bonds Series 2019B[(1)]	15-Jul-33	33,185,000
County of Prince William School Financing Bonds Series 2020[(1)]	1-Oct-40	85,200,000
County of Prince William School Financing Bonds Series 2021A[(1)]	1-Oct-41	50,020,000
County of Prince William School Financing Bonds Series 2022[(1)]	1-Oct-42	38,160,000
County of Prince William School Financing Bonds Series 2023[(1)]	1-Oct-43	129,020,000
County of Prince William School Financing Bonds Series 2024[(1)]	1-Oct-44	133,940,000
County of Warren School Financing Bonds Series 2014[(1)]	15-Jul-33	11,020,000
County of Montgomery School Financing Bonds Series 2016[(1)]	1-Feb-32	37,665,000
County of Montgomery School Financing Bonds Series 2019[(1)]	1-Feb-40	22,510,000
County of Montgomery School Financing Bonds Series 2022[(1)]	1-Feb-42	84,690,000
County of King George School Financing Bonds Series 2017[(1)]	1-Feb-38	17,945,000
County of Henrico School Financing Bonds Series 2021[(1)]	15-Aug-41	40,885,000
County of Chesterfield School Financing Bonds Series 2022[(1)]	15-Jan-42	99,115,000
County of Hanover School Financing Bonds Series 2022[(1)]	1-Aug-42	37,155,000
County of Hanover School Financing Bonds Series 2024[(1)]	1-Aug-44	73,225,000
County of Stafford School Financing Bonds Series 2023[(1)]	1-Aug-43	86,590,000
County of Stafford School Financing Bonds Series 2024[(1)]	1-Aug-44	44,940,000
School Technology and Security Notes[(2)]	15-Apr-29	195,335,000
VPSA Tax Credit Bonds[(3)]	15-Dec-34	355,750,000
	TOTAL:	**$1,956,230,000**

(1) See *"Special Obligation School Financing Bonds"* above.
(2) See *"School Technology and Security Notes"* above. See "FUTURE FINANCINGS."
(3) See "*Tax Credit Bonds*" above.
(4) Excludes the County of Hanover School Financing Bonds Series 2025, the City of Chesapeake School Financing Bonds Series 2025, and the County of Stafford School Financing Bonds Series 2025, each expected to be issued in the fall of 2025. See *"Special Obligation School Financing Bonds"* above and "FUTURE FINANCINGS."

The holders of the Authority's Other Obligations issued under the Other Resolutions described above have no claim on the Local School Bonds or their principal, interest and redemption premium components or any other assets pledged to the Bonds, and holders of Bonds issued under the 1997 Resolution have no claim to the local school bonds or other assets pledged under such Other Resolutions for the payment of such Other Obligations.

THE LOCAL SCHOOL BONDS

Requirements for the Local School Bonds

The 1997 Resolution requires that every Local School Bond purchased by the Authority must be a valid and binding general obligation of its respective Local Issuer for the payment of which its full faith and credit are pledged, that all taxable property within the boundaries of the Local Issuer must be subject to the levy of an ad valorem tax, without limitation as to rate or amount, for payment of such Local School Bonds and the interest thereon, and that all Local School Bonds must be in, or convertible into, marketable form and must be accompanied by an approving opinion of a firm of recognized municipal bond attorneys acceptable to the Authority.

Local School Bonds

2025A Local School Bonds and 2025A Local Issuers. The following table lists the 2025A Local Issuers and the principal amount of the 2025A Local School Bonds to be issued by the 2025A Local Issuers and to be purchased by the Authority with the proceeds of the Series 2025A Bonds.

2025A Local Issuers	2025A Local School Bonds Being Purchased
Frederick County	$ 7,075,000
Nelson County	21,450,000
Roanoke County	46,560,000
York County	10,025,000

Details of the 2025A Local School Bonds. 2025A Local Issuers are obligated to issue and sell to the Authority their 2025A Local School Bonds with interest rates on principal installments five basis points (0.05%) above the rates on the corresponding maturities of the Series 2025A Bonds. The debt service payments on all 2025A Local School Bonds are due on January 15 and July 15, in advance of the corresponding February 1 and August 1 debt service payment dates on the Series 2025A Bonds. Interest on the 2025A Local School Bonds will begin to accrue 16 days prior to the Series 2025A Bonds, so that the Authority will realize a proper matching of the income received from the first interest payment on the 2025A Local School Bonds with the amount of the first interest payment due on the Series 2025A Bonds.

The 2025A Local School Bonds are not subject to redemption prior to their respective maturities without the prior written consent of the Authority. If the Authority refunds the Series 2025A Bonds in the future and such refunding causes a 2025A Local School Bond to be deemed refunded, the prepayment or redemption of the 2025A Local School Bond will be subject to the Authority's approval and subject to prepayment or redemption provisions that correspond to the call period of the Authority's bonds issued in part to refund such 2025A Local School Bond.

Delivery of the 2025A Local School Bonds. The terms of the contracts between the Authority and each 2025A Local Issuer whose 2025A Local School Bonds the Authority has agreed to purchase with the proceeds of its Series 2025A Bonds require that the 2025A Local Issuer issue and deliver to the Authority its 2025A Local School Bonds on the same date that the Authority issues and delivers its Series 2025A Bonds to the purchasers thereof. In general, the Local Issuers deliver their Local School Bonds to the Authority on the same day that the Authority delivers its Bonds to the purchasers thereof. On occasion, there has been a delay in the delivery of a Local Issuer's Local School Bonds to the Authority, in which case the Local Issuer is required by the terms of its contract with the Authority to compensate the Authority for the delay in delivery by an amount equal to the difference, if any, between the income the Authority realizes on the investment of its Bond proceeds set aside to purchase the Local School Bonds and the income the Authority would have realized had the Local School Bonds been delivered on the same date that the Authority's Bonds were issued and delivered.

In the event that a 2025A Local Issuer fails to deliver its 2025A Local School Bond to the Authority within 60 days of the date of delivery for the Series 2025A Bonds, the Authority anticipates that it would apply the excess proceeds of the Series 2025A Bonds, plus any additional moneys required, to fund an escrow consisting of Defeasance Obligations (see **"SUMMARY OF CERTAIN PROVISIONS OF THE 1997 RESOLUTION - Investments"**) sufficient to redeem (in accordance with the optional redemption provisions of the 1997 Resolution), or to pay at their maturity, the Series 2025A Bonds in the same principal amount as, and with maturities corresponding to the principal installments of, such 2025A Local School Bond and to pay interest on such Series 2025A Bonds to the respective redemption or maturity dates. As an alternative to establishing such an escrow, the Authority may seek to loan a portion or all of such excess proceeds to another Local Issuer under the same terms and rates as would have applied to the 2025A Local Issuer whose failed delivery of its 2025A Local School Bond resulted in excess Series 2025A Bond proceeds. In no event would any failed delivery of 2025A Local School Bonds result in an extraordinary redemption of Series 2025A Bonds since the 1997 Resolution makes no provision for any such extraordinary redemption.

Related Local Bonds

The interest payments on the Related Local School Bonds are due on January 15 and July 15, in advance of the corresponding February 1 and August 1 interest payment dates on the Refunded Bonds. The principal payments on the Related Local Bonds are due on July 15, in advance of the corresponding August 1 principal payment date on the Refunded Bonds. The Related Local School Bonds are not subject to redemption prior to their respective maturities without the prior written consent of the Authority.

Local School Bonds Pledged to the Bonds

As of April 1, 2025, there was $2,217,200,677 aggregate principal amount of Local School Bonds of 89 Local Issuers held in the 1997 Resolution Pledge Account in the General Pledge Fund. As of April 1, 2025, all Local School Bonds were current as to principal and interest. See **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Commonwealth Appropriations to Local Issuers"** for the outstanding principal amount of each Local School Bond outstanding.

Protection from Default in Payment of Local School Bonds

There has never been a payment default on any general obligation school bonds held by the Authority. The Authority has covenanted in the 1997 Resolution that it will take any and all action available to it under the laws of the Commonwealth, including the State Aid Intercept Provision, to secure payment of the principal of and the interest on the Local School Bonds held under the 1997 Resolution. See **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - State Aid Intercept"** above.

State Non-Arbitrage Program

Since 1989, the Authority has required all Local Issuers to deposit and maintain the proceeds of their Local School Bonds in the Virginia State Non-Arbitrage Program® ("SNAP"). SNAP includes a professionally-managed local government investment pool which provides the Local Issuers with a convenient method of pooling bond proceeds for temporary investment pending their expenditure and with record keeping, depository and arbitrage rebate calculation services.

Power of Local Issuers to Issue Local School Bonds

Pursuant to the Constitution of Virginia and the Public Finance Act of 1991 (Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended), Virginia localities are authorized to issue bonds and notes secured by, among other things, a pledge of their full faith and credit and unlimited taxing power. For cities and towns, the Constitution and the Public Finance Act limit the amount of such general obligation debt to 10% of the assessed valuation of real estate subject to local taxation. Some city or town charters may further limit the amount of general obligation debt that may be incurred within a fiscal year or that may be incurred without a referendum. Counties may not issue general obligation debt without a referendum, except for refunding bonds and bonds issued for capital projects for school purposes and sold to the Literary Loan Fund, the Virginia Retirement System or other Commonwealth agency prescribed by law, such as the Authority. Further, some counties have elected to be treated as cities for purposes of issuing general obligation debt and are accordingly subject to the 10% limitation described above.

THE LITERARY FUND

General

The Literary Fund is a permanent and perpetual school fund created in 1810 and established by the Constitution of Virginia as a depository for moneys derived by the Commonwealth from criminal fines and forfeitures, escheated property and income from the investment of moneys on deposit in the Literary Fund. The moneys therein are held by the State Treasurer and administered by the State Board of Education "for public school purposes, including the teachers' retirement fund."

Available Monies

Under the 2024-2026 Appropriation Act, the sum sufficient appropriation to the Authority for debt service on Bonds for the biennium ending June 30, 2026, is payable first from "available monies" in the Literary Fund and then from the General Fund of the Commonwealth. The Authority anticipates that the determination of "available monies" at a point in time, assuming a Local Issuer has defaulted on its Local School Bond and implementation of the State Aid Intercept Provision has not cured the default, will be made by the Director of the Department of Planning and Budget taking into account the balance of cash and cash equivalents credited to the Literary Fund, on the one hand, and all appropriations and transfers from, and Literary Fund Loan commitments made by, the Literary Fund. See **APPENDIX E** – **LITERARY FUND.** See also **"FUTURE FINANCINGS"** and **"LEGISLATION."**

THE GENERAL FUND OF THE COMMONWEALTH

The General Fund of the Commonwealth is comprised of such balances, public taxes, arrears of taxes, and monies derived from all other sources as are not by law segregated to other funds and accounts for transactions related to resources received and used for those services traditionally provided by a state government. Commonwealth General Fund revenues are principally composed of direct taxes to support a number of government functions, primarily education, individual and family services, public safety and general government, and are available for payment of debt service obligations of the Commonwealth. For the fiscal year ended June 30, 2024, Commonwealth General Fund revenue was approximately $31,363,856 (in thousands) with expenditures of approximately $31,366,819 (in thousands) and ending with a fund balance surplus of approximately $15,561,899 (in thousands). See **APPENDIX B – COMMONWEALTH OF VIRGINIA FINANCIAL AND OTHER INFORMATION**.

SUMMARY OF CERTAIN PROVISIONS OF THE 1997 RESOLUTION

The following statements are brief summaries of certain provisions of the 1997 Resolution. Such statements do not purport to be complete and reference is made to the 1997 Resolution, copies of which are available for inspection upon request to the Secretary of the Authority.

Definitions of Certain Terms

The following are the definitions of certain terms contained in the 1997 Resolution and used in this Official Statement:

"Depository" means the State Treasurer or one or more banks or trust companies duly authorized to engage in the banking business and meeting the requirements of the 1997 Resolution and designated by resolution of the Authority or by the State Treasurer as a depository of moneys under the provisions of the Resolution.

"General Fund" means the Virginia Public School Authority General Fund, a special fund created by the 1997 Resolution.

"Income Available to Pay Debt Service" means as of any particular Payment Date,

(1) the amount of the principal and interest that is scheduled to become due and payable on the local school bonds credited to the 1997 Resolution Pledge Account during the Applicable Income Period,

plus (2) the amount, if any, of the principal and interest that is scheduled to become due and payable prior to the Applicable Income Period on the local school bonds credited to the 1997 Resolution Pledge Account that is designated by the Authority, in a certificate of its Treasurer or an Assistant Treasurer, for application to debt service on the Bonds in the Applicable Income Period,

less (3) the amount, if any described in (1) above that has been designated by the Authority, in a certificate of its Treasurer or an Assistant Treasurer, for application to debt service on the Bonds subsequent to the Applicable Income Period.

For the purposes of the definition of "Income Available to Pay Debt Service," "Applicable Income Period" means the period beginning, with respect to each series of Bonds, on the later of their date of issue and the day after the previous Payment Date and ending on the date that is the applicable Payment Date or if such Date is not a Business Day, the Business Day next preceding such Payment Date.

Establishment of Funds and Accounts

The 1997 Resolution provides for the creation of the "Virginia Public School Authority 1997 Purchase Fund" (the "1997 Purchase Fund"); the "Virginia Public School Authority 1997 Income Fund" (the "1997 Income Fund"); the "Virginia Public School Authority 1997 Bond Interest and Sinking Fund" (the "1997 Sinking Fund"), and the "Virginia Public School Authority Reimbursement Fund" (the "Reimbursement Fund"). The 1997 Resolution further provides for the creation of a special fund designated the "Virginia Public School Authority General Pledge Fund" (the "General Pledge Fund"), including therein the "Virginia Public School Authority General Pledge Fund 1997 Resolution Account" (the "1997 Resolution Pledge Account").

Purchase Fund

To the extent provided in a series resolution, proceeds of Bonds issued under the 1997 Resolution shall be deposited in the Authority's General Fund for payment of expenses incurred in connection with the issuance of Bonds. The remaining proceeds of such Bonds (other than refunding Bonds and net of accrued interest) shall be deposited in the 1997 Purchase Fund.

The moneys in the 1997 Purchase Fund are to be applied by the Treasurer of the Authority to the purchase of Local School Bonds, subject to the provisions of the Enabling Act and the rules and regulations of the Authority. All Local School Bonds so purchased must constitute valid and binding general obligations of the Local Issuer for the payment of which its full faith and credit are pledged, and all taxable property within the boundaries of the Local Issuer must be subject to the levy of an ad valorem tax, without limitation on rate or amount, for the payment of such Local School Bonds and the interest thereon. The Local School Bonds must be accompanied by the approving opinion of a firm of recognized municipal bond attorneys acceptable to the Authority.

All Local School Bonds purchased with funds held in the 1997 Purchase Fund shall be held for the credit of the 1997 Resolution Pledge Account within the General Pledge Fund and pledged to the payment of the Bonds. The Board may authorize and direct the Treasurer of the Authority to sell (with or without consideration) or otherwise dispose of Local School Bonds purchased with the proceeds of Bonds issued under the 1997 Resolution; provided, however, no Local School Bonds may be sold unless the sale is required to make up a deficiency in the 1997 Sinking Fund or unless, following such sale or other disposition, the Income Available for Debt Service on each Payment Date is not less than the debt service on each such Date.

Any proceeds from such a sale or other disposition may be used for the lawful purposes of the Authority; any accrued interest realized in such a sale shall be deposited to the credit of the 1997 Income Fund.

The Board may from time to time authorize and direct the Treasurer of the Authority to transfer from the 1997 Purchase Fund to the 1997 Sinking Fund all or any portion of the moneys held in the 1997 Purchase Fund in order to pay interest on Bonds, to redeem Bonds or to make up any deficiency in the 1997 Sinking Fund.

Flow of Funds

The Treasurer of the Authority shall collect and deposit in the 1997 Income Fund the principal and interest payments on the Local School Bonds credited to the 1997 Resolution Pledge Account as the same become due and payable.

The Authority has covenanted that on or before the last Business Day preceding each Payment Date (or any other day designated in a series resolution) (a "Deposit Day"), the State Treasurer shall, if applicable, withdraw an amount of money from the 1997 Income Fund, and deposit such moneys in the following funds and accounts in the following order and in amounts sufficient in the aggregate to satisfy the following requirements:

(a) in the 1997 Sinking Fund such amount as may be required to make the amount in the 1997 Sinking Fund equal to the sum of (i) the interest next due on the Bonds and (ii) the principal next due on the Bonds; provided that in making such transfers, the Treasurer of the Authority may take into account any accrued interest deposited from Bond proceeds and any amounts specified in a certificate of the Treasurer of the Authority prior to such Deposit Day as credited to a special account in the 1997 Purchase Fund; and

(b) in the Reimbursement Fund, such amount of any balance remaining after making the deposits under clause (a) above, up to the entire balance if less than the required amount, as may be required by the resolutions of the Authority in connection with obligations to repay the Commonwealth for any appropriations to cure deficiencies in the amount required to be on deposit in the 1997 Sinking Fund or to make rebate payments to the United States.

The State Treasurer shall transfer from the 1997 Income Fund to the credit of the General Fund of the Authority following each Payment Date, as may be requested by the Treasurer of the Authority, the lesser of (i) the amount described in clause (1)(A) below and (ii) the amount, if any, by which

(1) the sum of (A) the amount then remaining to the credit of the 1997 Income Fund, **plus** (B) the amount of the principal and interest that is scheduled to become due and payable on the local school bonds (the issuer of which is not then, to the knowledge of the State Treasurer, in default in the payment of the principal of or interest on any general obligation bond) held to the credit of the 1997 Resolution Pledge Account and payable to the Authority prior to the next succeeding Deposit Day,

exceeds

(2) the sum of (A) the amount of the scheduled Principal and Interest Requirement on the Bonds for the next succeeding Payment Date, **plus** (B) the amount then remaining to the credit of the 1997 Income Fund that has been designated by the Authority in accordance with the provisions of the Resolution for application to debt service on the Bonds on a future Payment Date subsequent to the next succeeding Payment Date.

1997 Sinking Fund

Moneys in the 1997 Sinking Fund shall be used for the payment of the principal of, premium, if any, and interest on the Bonds. The 1997 Resolution permits the State Treasurer to use moneys on deposit in the 1997 Sinking Fund to purchase Bonds coming due (or subject to mandatory redemption) on the next succeeding principal payment date at the most advantageous prices obtainable, but not in excess of the principal amount of such Bonds plus accrued interest, if any. Such purchases must be made no later than 45 days prior to an interest payment date on which Bonds are subject to redemption and must be made with moneys other than those set aside or deposited for the redemption of Bonds.

If Bonds are secured by a credit facility, moneys in the 1997 Sinking Fund may be used, as provided in a series resolution, to reimburse the credit provider for amounts drawn under the credit facility to pay the principal of, premium, if any, and interest on the Bonds.

General Fund

Moneys in the General Fund may be used to purchase Local School Bonds or for any other authorized purpose of the Authority and are not subject to a lien in favor of the holders of the Bonds.

General Pledge Fund

All local school bonds that are

(i) purchased from moneys held for the credit of the 1997 Purchase Fund, or

(ii) if so provided by resolution of the Authority,

(A) purchased from moneys held for the credit of the General Fund, or

(B) transferred from funds or accounts held under Other Resolutions,

shall be delivered to, and held in trust by, a Depository for the credit of the General Pledge Fund.

Unless otherwise provided by resolution of the Authority, all principal, interest and redemption premium components of the Local School Bonds that are purchased from moneys held for the credit of the 1997 Purchase Fund shall be credited, pledged and assigned to the 1997 Resolution Pledge Account in the General Pledge Fund. The Authority pursuant to the provisions of the 1997 Resolution grants security interests in favor of the holders from time to time of the Bonds issued and outstanding under the 1997 Resolution in such principal, interest and redemption premium components of such Local School Bonds, the receipts therefrom and the proceeds thereof. If so provided by resolution of the Authority, the Authority further grants and confirms security interests in favor of the holders from time to time of the Bonds issued and outstanding under the 1997 Resolution in the principal, interest and redemption premium components, the receipts and the proceeds of the local school bonds that are

(i) purchased from moneys held for the credit of the General Fund, or

(ii) transferred from funds or accounts held under Other Resolutions or from another special account within the General Pledge Fund

and credited, pledged and assigned to the 1997 Resolution Pledge Account.

The Authority may, by resolution, designate that all or a portion of all or a portion of the components of the Local School Bonds shall be credited, pledged and assigned to special subaccounts and may grant security interests in such portion or portions, the receipts therefrom and the proceeds thereof for the benefit of certain but not all of the holders of Bonds or series or maturities or Bonds within maturities thereof as shown on the records of the Depository having custody of the General Pledge Fund. Where all or any of the principal, interest and redemption premium components of a local school bond are credited to the 1997 Resolution Pledge Account, all or the appropriate portion of the related local school bond held in the General Pledge Fund shall also be deemed credited to the 1997 Resolution Pledge Account and subject to the security interests created therein, and the proceeds from the sale or other disposition pursuant to the provisions of the 1997 Resolution shall be allocated to the Bonds in proportion to their percentage of the value of the components credited to such Account, as determined by the Authority.

General Authorization of Bonds

The Authority may issue additional Bonds under the 1997 Resolution for the purpose of providing funds for the purchase of Local School Bonds, subject to receipt of the following documents by the Treasurer of the Authority:

(a) a copy, certified by the Secretary of the Authority, of the Series Resolution or applicable Resolutions;

(b) a copy, certified by the Secretary of the Authority, of the resolution adopted by the Board awarding such Bonds and directing the delivery of such Bonds;

(c) a certificate, signed by the State Treasurer, setting forth with reference to each Payment Date, to and including the last stated principal payment date on the Bonds then outstanding and the Bonds then to be issued,

(A) the Income Available to Pay Debt Service (excluding the principal and interest on the Local School Bonds the issuer of which is then, to the knowledge of the State Treasurer, in default in the payment of principal or interest on any general obligation bond);

(B) the sum of (i) the principal and interest requirements on account of the Bonds of each Series then outstanding under the 1997 Resolution and (ii) the principal and interest requirements for the Bonds then to be issued and stating that the result of dividing the amount mentioned in paragraph (A) for each such Date by the sum set forth in paragraph (B) for the same Date is at least one hundred percent (100%) on each such Date;

(d) a certificate, signed by the Secretary of Finance of the Commonwealth that

(i) the current Appropriation Act Provision and any future Appropriation Act Provision, and

(ii) if the date of the certificate is subsequent to December 20 of one year and prior to July 1 in the following calendar year, any Budget Bill

contain a "sum sufficient appropriation" from the Literary Fund and, to the extent that funds are not available therein for the purpose, from the general fund of the Commonwealth, to pay the difference between debt service on the bonds becoming due in such fiscal year(s) covered by such Appropriation Act Provision or Budget Bill and the amount available to pay such debt service.

For purposes of the foregoing certificate of the Secretary of Finance,

(i) "current Appropriation Act Provision" means a sum sufficient appropriation contained in an Appropriation Act that has the force of law at the date of the certificate,

(ii) "future Appropriation Act Provision" means a sum sufficient appropriation contained in an Appropriation Act that will have the force of law on a future date,

(iii) "Budget Bill" means the bill or bills submitted by the Governor to the General Assembly (but not yet enacted into law) that would appropriate the public revenue of the Commonwealth for a biennium or amend provisions of the current Appropriation Act, as such bill or bills may exist on the date of the certificate, and

(iv) "sum sufficient appropriation" means in case of any Appropriation Act or Budget Bill the appropriation of amounts sufficient, whether the amount is specified directly or indirectly or by formula or otherwise, that in the judgment of the Secretary of Finance are sufficient to cure any deficiency in the amounts received by the Authority from payments on the local school bonds and from the implementation of the State Aid Intercept provision, when compared to the scheduled debt service on the Bonds on any Payment Date, in each of the fiscal years covered by the Appropriation Act or Budget Bill.

(e) a certificate, signed by the Chair of the Authority, stating that the Authority is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in the 1997 Resolution or in the Enabling Act; and

(f) an opinion of the Attorney General or an Assistant Attorney General of the Commonwealth stating that the signer is of the opinion that the issuance of such additional Bonds has been duly authorized, that all conditions precedent to the delivery of such Bonds have been fulfilled, and that no legislation has been enacted that amends the provisions of the Enabling Act in a way that would adversely affect the power of the Authority to discharge its "Covenant to Request Sum Sufficient Appropriation."

Refunding of Bonds

Bonds may be issued under the 1997 Resolution for the purpose of providing funds to redeem or otherwise pay prior to their maturities, including the payment of any redemption premium thereon, all or part of the outstanding Bonds or any other indebtedness of the Authority (including Reimbursement Obligations), the interest thereon to the date fixed for their redemption or payment and any expenses incurred in connection with such refunding, provided that certain requirements of the 1997 Resolution, including the tests described in clauses (c) and (d) in "General Authorization of Bonds," are satisfied.

Provisions Applicable to All Bonds

Bonds may be issued in any form permitted by law, including current interest bonds, variable rate indebtedness, capital appreciation bonds, optional tender indebtedness, serial bonds, term bonds or any combination thereof. Except as to any credit facility that may be applicable to certain Bonds only and as to any differences in the maturities, rates of interest and the manner of payment thereof or in the provisions for redemption and purchase, all additional Bonds shall be entitled to the same benefit and security under the 1997 Resolution as all other Bonds. The 1997 Resolution provides that, for purposes of the revenue test applicable to the issuance of additional Bonds, the option of any owner of optional tender indebtedness to tender the same for payment prior to its stated maturity shall be ignored and the interest rate for variable rate indebtedness shall be assumed throughout the term of such indebtedness to be the greater of (a) the initial rate of interest of such variable rate indebtedness, and (b) the weighted average interest rate at which it is assumed that the Authority could reasonably expect to have borrowed on the date of issuance of such Bonds at a fixed interest rate.

Reports and Audits

The Authority covenants to keep accurate records and accounts of all moneys collected and the application of such moneys and to exert its best efforts to cause an audit of its books and accounts for each twelve-month period to be made by the State Auditor of Public Accounts or by an independent firm of certified public accountants of recognized ability and standing chosen by the Authority with the approval of the State Treasurer. The Authority further covenants that, as often as may be requested, it will furnish to any bondholder such other information concerning the Authority as such bondholder may reasonably request.

Investments

Moneys held in the funds and accounts established by the 1997 Resolution shall be continuously invested and reinvested at the direction of the Authority in the following investments ("Investment Obligations"):

> (a)(i) direct obligations of, or obligations the timely payment of the principal of and the interest on which is unconditionally guaranteed by, the United States of America, interest components of Resolution Funding Corporation bonds and, if permitted by law, evidences of indirect ownership of such obligations, (ii) obligations of state and local municipal bond issuers the payment of which shall be secured by non-callable obligations described in (i) above deposited with an escrow agent or trustee (the obligations referred to in (a)(i) and (a)(ii) are referred to as "Defeasance Obligations"), and (iii) obligations issued by certain agencies controlled or supervised by the United States of America, and
>
> (b) repurchase agreements for obligations described in (a) above, certificates of deposit, banker's acceptances, commercial paper, insured and uninsured obligations of state or local government municipal bond issuers satisfying the requirements of the 1997 Resolution and any other obligation constituting a legal investment for instrumentalities of the Commonwealth.

Moneys in the 1997 Purchase Fund, the 1997 Income Fund, the 1997 Sinking Fund and the Reimbursement Fund shall, as nearly as may be practicable, be invested and reinvested in Investment Obligations that shall mature, or that shall be subject to redemption at the option of the holder thereof, not later than the respective dates when the moneys will be required. Moneys held for the credit of the General Fund shall be invested and reinvested in such Investment Obligations as the State Treasurer shall determine.

Investment Obligations so purchased shall be deemed at all times to be a part of the fund or account to which the money with which they were purchased was credited, and the interest accruing thereon and any profit realized or any loss resulting from the investment of money shall be credited to, or charged against, the respective fund or account. The State Treasurer and any Depository shall sell at the best price obtainable or present for redemption or payment any such Investment Obligations whenever it shall be necessary to do so in order to provide money to make any payment or transfer of money from any such fund or account. The State Treasurer and any Depository shall not be liable or responsible for any loss resulting from any such investment.

Whenever a payment or transfer of moneys between two or more of the funds or accounts established under the 1997 Resolution is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with the provisions of the 1997 Resolution, provided that Investment Obligations are those in which moneys of the receiving fund or account could be invested at the date of such transfer.

For the purpose of determining the amount on deposit to the credit of any such fund or account, obligations in which money in such fund or account shall have been invested shall be valued at the market value or the amortized cost, whichever is lower.

Modification of the Resolution

The Authority, from time to time, and without the consent of Bondholders, may adopt supplemental resolutions for purposes set forth in the 1997 Resolution. Such purposes include curing ambiguities, formal defects and omissions in the 1997 Resolution and any other change that, in the opinion of the Authority, would not materially adversely affect the security for the Bonds.

The owners of not less than a majority in aggregate principal amount of the Bonds then outstanding may, from time to time, consent to resolutions supplemental to the 1997 Resolution for the purpose of modifying any of the terms or provisions contained in the 1997 Resolution or in any series resolution or other supplemental resolution; provided, however, that nothing contained in the 1997 Resolution shall permit, or be construed as permitting, without the consent of Bondholders (a) an extension of the maturity of the principal of or the interest on any Bond, (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (c) the creation of a lien upon or a pledge of funds other than the liens and pledges created or permitted by the 1997 Resolution, (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds of the same Series, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. The Secretary of the Authority shall cause notice of the proposed adoption of any such supplemental resolution to be mailed, postage prepaid, to all owners of Bonds at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the office of the State Treasurer for inspection by all Bondholders. The Authority shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail the notice, and any such failure shall not affect the validity of such supplemental resolution after it has been consented to and approved. No such supplemental resolution shall become effective unless the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall file with the Secretary of the Authority instruments consenting to and approving the adoption of the supplemental resolution in the form thereof referred to in the notice.

Remedies of Bondholders

The 1997 Resolution defines events of default to include failure to pay principal, redemption premium or any installment of interest on any of the Bonds, inability of the Authority to fulfill its obligations under the 1997 Resolution, the institution of proceedings with the consent or acquiescence of the Authority for the purpose of adjusting claims of creditors pursuant to any federal or state statute and failure after written notice by the holder of any of the Bonds then outstanding to perform any covenant contained in the 1997 Resolution.

Upon the happening and continuance of any event of default, any Bondholder may proceed to protect and enforce its rights and the rights of Bondholders under the laws of the Commonwealth or the 1997 Resolution and may enforce and compel the performance of all duties required under the laws of the Commonwealth or the 1997 Resolution to be performed.

Defeasance

When the principal of, premium, if any, and interest on the Bonds shall be paid or if the State Treasurer, the Bond Registrar or any Depository or Paying Agent shall hold in trust sufficient moneys or non-callable Defeasance Obligations the principal of and interest on which, when due and payable, will provide sufficient moneys to pay the principal of, redemption premium, if any, and interest on all Bonds then outstanding to the maturity date or dates of such Bonds or dates fixed for mandatory redemption of term Bonds or to the date or dates specified for the optional redemption of Bonds, and, if Bonds are to be called for redemption, irrevocable instructions to call the Bonds for redemption shall have been given by the Authority, and sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the Authority, then and in that case the right, title and interest of the Bondholders in the funds and accounts under the 1997 Resolution shall thereupon cease, determine and become void. Bonds paid or redeemed or delivered to or acquired by the Bond Registrar for cancellation and Bonds, or principal or interest components thereof, for which a Paying Agent or the Bond Registrar or any Depository or the State Treasurer shall hold sufficient moneys or non-callable Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient moneys to pay the principal of, redemption premium, if any, and the interest on such Bonds, or such principal or interest components, as the case may be, to their maturity date or date or dates fixed for redemption are deemed no longer outstanding for purposes of the 1997 Resolution.

TAX MATTERS

Opinion of Bond Counsel – Federal Income Tax Status of Interest

The opinion of McGuireWoods LLP, Richmond, Virginia, bond counsel to the Authority ("Bond Counsel") regarding the federal income tax status of the interest on the Series 2025 Bonds will state that, under current law and assuming continuing compliance with the Covenants (as hereinafter defined), interest on the Series 2025 Bonds (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Code and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. Interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. See "Proposed Form of Opinion of Bond Counsel" in Appendix G hereto.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the excludability of interest on the Series 2025 Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the Authority, the 2025A Local Issuers or the local school boards associated with them (the "2025A Local School Boards"), the Related Local Issuers or the local school boards associated with them (the "2025B Related Local School Boards") or about the effect of future changes in the Code, the applicable regulations, or the interpretation or the enforcement thereof by the Internal Revenue Service (the "IRS") and the courts.

Although Bond Counsel is of the opinion that interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2025 Bonds may otherwise affect the federal tax liability of an owner of the Series 2025 Bonds. The nature and extent of these other federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Series 2025 Bonds should consult their own tax advisors with respect thereto.

Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the federal income tax treatment of interest on the Series 2025 Bonds, Bond Counsel is relying upon (i) certifications of representatives of the Authority, the 2025A Local Issuers, the 2025A Local School Boards, Related Local Issuers, the 2025B Related Local School Boards, the Underwriter, as hereinafter defined, certain public officials and other persons as to facts material to the opinion, which Bond Counsel has not independently verified, (ii) except where Bond Counsel serves as bond counsel to a 2025A Local Issuer, opinions from another firm of municipal bond attorneys serving as bond counsel to each of the 2025A Local Issuers regarding the application of the proceeds of the Series 2025A Bonds and the ownership, use and operation of the property financed thereby by the 2025A Local Issuers and the 2025A Local School Boards, and (iii) computations provided by Davenport & Company LLC, the mathematical accuracy of which was verified by Bingham Arbitrage Rebate Services, Inc. as verification agent relating to the yield of certain investments purchased with a portion of the proceeds of the Series 2025B Bonds and the yield on the Series 2025B Bonds.

In addition, Bond Counsel is assuming continuing compliance with the Covenants by the Authority, the 2025A Local Issuers, the 2025A Local School Boards, the Related Local Issuers and the 2025B Related Local School Boards. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2025 Bonds in order for interest on the Series 2025 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Series 2025 Bonds and the use of the property financed or refinanced by the Series 2025 Bonds, limitations on the source of the payment of and the security for the Series 2025 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2025 Bonds to the United States Treasury. The tax compliance agreement for the Series 2025 Bonds contains covenants (the "Covenants") under which the Authority, the 2025A Local Issuers, the 2025A Local School Boards, the 2025B Related Local School Boards and the Related Local Issuers have agreed to comply with such requirements. Failure by the Authority, the 2025A Local Issuers, the 2025A Local School Boards, the 2025B Related Local School Boards or the Related Local Issuers to comply with the Covenants could cause interest on the Series 2025 Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. If such a failure were to occur, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2025 Bonds from becoming includable in gross income for Federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2025 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the tax compliance agreements, including the Covenants, may be changed and certain actions may be taken or omitted subject to the terms and conditions set forth in such agreements. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Series 2025 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, banks and other financial institutions, certain insurance companies, dealers in tax-exempt obligations, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial securitization trust, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

Original Issue Discount

Series 2025 Bonds purchased in the initial public offering with yields higher than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "original issue discount." Each such Series 2025 Bond is referred to below as an "OID Bond." The excess of (i) the stated amount payable at the maturity (excluding qualified stated interest) of any OID Bond over (ii) the issue price of the OID Bond as determined under Section 1273 of the Code (which may differ from the price shown on the inside front cover page of this Official Statement) constitutes the amount of original issue discount, which is treated in the same manner as interest on the Series 2025 Bonds for federal income tax purposes.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excludable from the gross income of the owner for federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial public offering may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed in this section. Consequently, the owner of an OID Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although such owner has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial public offering) and with respect to the state and local tax consequences of owning OID Bonds.

Original Issue Premium

Series 2025 Bonds purchased in the initial public offering with yields lower than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "bond premium." Each such Series 2025 Bond is referred to below as an "OIP Bond." The excess of (i) the owner's basis in the OIP Bond immediately after acquisition over (ii) the amount payable at maturity (excluding qualified stated interest) as determined under Section 171 of the Code constitutes the amount of the bond premium. Under the Code, the bond premium is amortized based on the owner's yield over the remaining term of the OIP Bond (or, in the case of certain callable OIP Bonds, to an earlier call date that results in a lowest yield on the OIP Bond). The owner of an OIP Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period against the bond premium allocable to that period. No deduction is allowed for such amortization of bond premium even though the owner is required to decrease the adjusted basis in the owner's OIP Bond by the amount of the amortizable bond premium, which will result in an increase in the gain (or decrease in the loss) recognized for federal income tax purposes upon a sale or disposition of the OIP Bond prior to its maturity.

Prospective purchasers of any OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of bond premium on, such OIP Bonds.

Information Reporting and Backup Withholding

Prospective purchasers should be aware that the interest on the Series 2025 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2025 Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an "exempt recipient" and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Internal Revenue Service Audits

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2025 Bonds, the IRS will, under its current procedures, treat the Authority as the taxpayer. As such, the beneficial owners of the Series 2025 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Series 2025 Bonds.

Opinion of Bond Counsel – Virginia Income Tax Consequences

Bond Counsel will also opine that, under current law, interest on the Series 2025 Bonds is exempt from income taxation by the Commonwealth. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Series 2025 Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the Series 2025 Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding such other Virginia tax consequences or the tax status of interest on the Series 2025 Bonds in a particular state or local jurisdiction other than the Commonwealth.

Changes in Federal and State Tax Law and Regulations

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS and state regulatory authorities are continuously drafting regulations and other guidance to interpret and apply the provisions of the Code and state law. Proceedings affecting tax-exempt obligations may be filed in federal or state courts at any time. Such guidance and the outcome of such court proceedings could modify the federal or state tax treatment of tax-exempt obligations.

There can be no assurance that legislation proposed or enacted after the date of issue of the Series 2025 Bonds, regulatory interpretation of the Code or state laws or actions by a court involving either the Series 2025 Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2025 Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding the potential consequences of any such proposed or pending federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE REFUNDED BONDS

The accuracy of the arithmetical and mathematical computations (a) of the adequacy of the maturity principal amounts of the Federal Securities in the Escrow Fund together with the interest income thereon and uninvested cash, if any, to pay, when due, the principal of, redemption premium and interest on the Refunded Bonds, and (b) relating to the determination of compliance with the regulations and rulings promulgated under the Code will be verified by

Bingham Arbitrage Rebate Services, Inc. Such verification of arithmetical accuracy and computations shall be based upon information and assumptions supplied by the Authority and on interpretations of the Code provided by Bond Counsel.

RATINGS

As noted on the cover page of this Official Statement, the Series 2025 Bonds received the following ratings: "AA+" (Fitch Ratings), "Aa1" (Moody's Investors Service) and "AA+" (S&P Global Ratings).

Such ratings reflect only the respective views of such organizations and an explanation of the significance of such ratings may be obtained only from the respective rating agencies. The Authority furnished to such rating agencies certain information regarding its policies, practices and finances, including information that is not included in this Official Statement. There is no assurance that such policies, practices and finances or such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by any rating agency, if, in the judgment thereof, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market price of the Series 2025 Bonds.

FUTURE FINANCINGS

The Authority does not anticipate issuing any additional new money bonds under its 1997 Resolution prior to issuing the Series 2025 Bonds.

The Authority expects to issue additional Bonds pursuant to the 1997 Resolution in the fall of 2025 to purchase Local School Bonds to fund public school projects. Subject to market conditions, however, the Authority may undertake, at any time, the refunding for debt service savings and other purposes of any of its outstanding obligations, including Bonds issued under the 1997 Resolution.

In the spring of 2025, the Authority also expects to issue its School Technology and Security Notes Series XIII (the "2025 Notes"). The 2025 Notes will be limited obligations of the Authority payable from appropriations to be made by the Virginia General Assembly from the Literary Fund and to the extent necessary from a "sum sufficient appropriation" from the General Fund of the Commonwealth in the event that "available moneys in the Literary Fund" are less than the appropriations for debt service due on the 2025 Notes.

Under its Stand Alone Security Structure, the Authority expects to issue its County of Hanover Special Obligation School Financing Bonds, City of Chesapeake Special Obligation School Financing Bonds, and County of Stafford Special Obligation School Financing Bonds, each in one or more series from time to time during calendar year 2025. If requested by local governments, the Authority will issue other special obligation school financing bonds under its Stand Alone Security Structure.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2025 Bonds are subject to the approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel. Such opinion, substantially in the form set forth in **APPENDIX G** to this Official Statement, will be furnished at no expense to the initial purchasers of the Series 2025 Bonds upon delivery thereof.

Certain legal matters will be passed upon for the Authority by the Office of the Attorney General of Virginia.

LEGALITY FOR INVESTMENT

The Enabling Act provides that the Series 2025 Bonds are securities in which all public officers and bodies of the Commonwealth, counties, cities, towns, municipal subdivisions, insurance companies and associations, savings banks and savings institutions, including savings and loan associations, trust companies, beneficial and benevolent associations, administrators, guardians, executors, trustees and other fiduciaries in the Commonwealth may properly and legally invest funds under their control.

LITIGATION

The Authority is not party to any litigation. The Authority has no knowledge of any litigation, pending or threatened, to restrain or enjoin the issuance or delivery of the Series 2025 Bonds or the entering by the Authority into the transactions contemplated by this Official Statement or wherein an unfavorable decision would have a material adverse impact upon the operations or financial condition of the Authority.

LEGISLATION

The 2024-2026 Appropriation Act contains a "sum sufficient appropriation" that is applicable to all Bonds issued under the 1997 Resolution and that is not limited in terms of Bonds that may have the benefit thereof or in terms of maximum annual debt service. Such sum sufficient appropriation has also been applied to the VPSA Tax Credit Bonds issued under its VPSA Tax Credit Bond Indenture.

In addition, the 2024-2026 Appropriation Act directs the Authority to issue Notes during each of the fiscal years ending June 30, 2025 and June 30, 2026. The 2024-2026 Appropriation Act includes sufficient appropriations from the Literary Fund to pay debt service coming due in the biennium ending June 30, 2026, on the Notes and also includes a sum sufficient appropriation. See **"FUTURE FINANCINGS"** above.

FINANCIAL ADVISOR

Davenport & Company LLC ("Davenport") is employed as a financial advisor to the Authority in connection with the issuance of the Series 2025 Bonds. The financial advisor's fee for services rendered with respect to the sale of the Series 2025 Bonds is contingent upon the issuance and delivery of the Series 2025 Bonds. Davenport, in its capacity as financial advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents provided, agreed to or made by others with respect to the federal income tax status of the Series 2025 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Davenport, as the financial advisor to the Authority, has provided the following sentence for inclusion in this Official Statement. Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CONTINUING DISCLOSURE

In connection with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Authority and/or other persons deemed to be "obligated persons" have committed to provide (i) on an annual basis, certain financial information and operating data ("Annual Reports"), and, if available, audited financial statements and (ii) notice of the events listed in Rule 15c2-12 ("Event Notices") to the Municipal Securities Rulemaking Board ("MSRB").

The Authority

In the series resolution adopted March 13, 2025 (the "Series Resolution"), the Authority has covenanted, for the benefit of the holders of the Series 2025 Bonds to provide to the MSRB annually, not later than 10 months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2025, Annual Reports with respect to itself, as issuer. Similarly, the Authority will provide Event Notices with respect to the Series 2025 Bonds to the MSRB.

The Commonwealth

The Authority has determined that the Commonwealth is a material "obligated person" ("MOP") for purposes of Rule 15c-12. The Commonwealth will covenant, by executing a Continuing Disclosure Agreement prior to issuance of the Series 2025 Bonds, to provide to the MSRB annually, not later than January 31 of each year, commencing

January 31, 2026, Annual Reports with respect to itself. Similarly, the Commonwealth will provide notice of any changes in the ratings of the Commonwealth's general obligation bonds to the MSRB.

The Commonwealth has entered into numerous continuing disclosure undertakings with respect to its own debt issuances, as well as debt issuances by related Virginia authorities. Such undertakings require in part that the Commonwealth annually file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (the "EMMA System") its audited Annual Financial Statements and its Annual Report (consisting of a separately filed Appendix B - Financial and Other Information and a separately filed Appendix C – Demographic and Economic Information). The Commonwealth has become aware that (a) for fiscal year 2020, such filings were not successfully linked on the EMMA System to all of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2011A, issued by the Virginia College Building Authority ("VCBA"), (b) for fiscal year 2020, such filings were not successfully linked on the EMMA System to any of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2020A, and Educational Facilities Federally Taxable Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs), Series 2020B, issued by VCBA, (c) for fiscal year 2022, the audited Annual Financial Statements were not successfully linked on EMMA to the CUSIPs for the Commonwealth Port Fund Revenue Refunding Bonds, Series 2018 (Taxable), issued by the Virginia Port Authority, and (d) for fiscal year 2023, such filings were not successfully linked on EMMA to all of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2023A, issued by VCBA. Such filings were otherwise available on the EMMA System with respect to other continuing disclosure undertakings of the Commonwealth. The Commonwealth has made a remedial filing to correct the linkage problem for any such bonds that are currently outstanding.

More generally, the Commonwealth is aware that, notwithstanding timely and accurate filings of its annual financial information and event notices, certain filings made by the Commonwealth and related bond issuing authorities have from time to time not remained linked to all of the pertinent Commonwealth-related CUSIP numbers on the EMMA system. Such de-linkage issues may be related to the frequent refunding and partial refunding of specific bond maturities and the splitting of pre-refunded and unrefunded maturities into different CUSIPs. When the Commonwealth has become aware of such CUSIP linkage issues, either as a result of its own review or otherwise, the Commonwealth has worked promptly to remediate and re-link the particular filings to the pertinent CUSIPs.

Material Obligated Persons

The Authority has also determined that, with respect to Local Issuers, a MOP shall include any such Local Issuer that has local school bonds outstanding as of the end of a Fiscal Year (June 30), in an aggregate principal amount that exceeds 10% of the aggregate principal amount of all outstanding Bonds of the Authority. The Authority has covenanted in the Series Resolution to require each Local Issuer that is or may become a MOP to execute and deliver to the Authority an undertaking by which the Local Issuer will agree that if it becomes a MOP, it will, so long as it remains a MOP, file Annual Reports and provide Event Notices with respect to its Local School Bonds credited to the 1997 Resolution Pledge Account in the General Pledge Fund, as required by Rule 15c2-12. Any such Annual Report of a Local Issuer will be filed with the MSRB. Any Event Notices will be filed by such Local Issuer with the MSRB.

For purposes of compliance with the secondary market disclosure requirements of Rule 15c2-12, the Authority determines as of June 30 of each year whether one or more Local Issuers are MOPs. As of June 30, 2024, no Local Issuer constituted a MOP. If the determination of which Local Issuers constitute MOPs were made on the date of delivery of the Series 2025 Bonds, and the list of 2025A Local Issuers and 2025A Local School Bonds as described in the subsection **"THE LOCAL SCHOOL BONDS - Local School Bonds"** did not change, no Local Issuer would constitute a MOP. The Authority cannot predict whether any particular Local Issuer will be as of June 30 of any particular subsequent year a MOP subject to the continuing disclosure undertaking under its Continuing Disclosure Agreement with the Authority.

These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12. (See **APPENDIX F – CONTINUING DISCLOSURE UNDERTAKINGS**).

OTHER INFORMATION

Included as Appendices B, C and D are Financial and Other Information respecting the Commonwealth, Demographic and Economic Information relating to the Commonwealth, for its fiscal year ended June 30, 2024, and the audited financial statements of the Commonwealth for its fiscal year ended June 30, 2024.

CERTIFICATES CONCERNING OFFICIAL STATEMENT AND NO LITIGATION

Concurrently with the delivery of the Series 2025 Bonds, the Chair and the Treasurer of the Authority will each deliver a certificate respecting the Official Statement.

The Treasurer of the Authority (who is also the State Treasurer) will certify that the Official Statement, including the Appendices thereto (except for information relating to "Yield" or "Price" or CUSIP Suffix and contained under the sections **"TAX MATTERS" "LEGALITY FOR INVESTMENT," "FINANCIAL ADVISOR," APPENDIX G** and **APPENDIX H**), did not as of its date, and does not as of the date of the delivery of the Series 2025 Bonds, contain an untrue statement of a material fact or omit to state any material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The Chair of the Authority will deliver a certificate similar to that of the Treasurer except that it will exclude the Appendices from its coverage.

In addition, the Chair and the Secretary of the Authority will deliver a certificate, dated the date of delivery of the Series 2025 Bonds certifying that no litigation of any kind is then pending (either in state or federal courts) or, to their knowledge, threatened to restrain or enjoin the issuance or delivery of the Series 2025 Bonds or the purchase of Local School Bonds, including the 2025A Local School Bonds, or the pledge of funds as provided in the 1997 Resolution, or in any manner questioning the proceedings or authority under which the Series 2025 Bonds are to be issued, or affecting the validity of or the security for the Series 2025 Bonds; neither the corporate existence of the Authority nor the title to his office of any officer whose facsimile signature appears on the Series 2025 Bonds is being contested; and no authority or proceedings for the issuance of the Series 2025 Bonds or for the security thereof have been repealed, revoked or rescinded.

SALE AT COMPETITIVE BIDDING

The Series 2025A Bonds will be offered at competitive bidding on the date determined pursuant to the provisions of the notice of sale attached as **APPENDIX I** hereto (the "2025A Notice of Sale") and the Series 2025B Bonds will be offered at competitive bidding on the date determined pursuant to the provisions of the notice of sale attached as **APPENDIX J** hereto (the "2025B Notice of Sale"). After the Series 2025A Bonds and the Series 2025B Bonds have been awarded, the Authority will issue an Official Statement in final form to be dated the date of the award. The Authority will deem the Official Statement in final form as of its date, and the Official Statement in final form will be a "Final Official Statement" within the meaning of Rule 15c2-12. The Official Statement in final form will include, among other matters, the identity of the winning bidders, the expected selling compensation to such bidders and other information on the interest rates and offering prices or yields of the Series 2025A Bonds and the Series 2025B Bonds, all as supplied by the successful bidders. See **APPENDIX I – NOTICE OF SALE – SERIES 2025A BONDS** and **APPENDIX J – NOTICE OF SALE – SERIES 2025B BONDS**.

RELATIONSHIP OF PARTIES

McGuireWoods LLP, Richmond, Virginia, Bond Counsel to the Authority also serves as bond counsel to the Counties of Frederick, Roanoke and York, each of which is a 2025A Local Issuer, and to certain Related Local Issuers.

McGuireWoods LLP, Richmond, Virginia, Bond Counsel to the Authority also represents Davenport & Company LLC from time to time, in matters unrelated to the Series 2025 Bonds.

David L. Richardson, Treasurer and Secretary of the Authority, is a retired former partner of McGuireWoods LLP, Bond Counsel to the Authority.

Davenport & Company LLC, Financial Advisor to the Authority, also serves as financial advisor to the County of Nelson, which is a 2025A Local Issuer, and to certain of the Related Local Issuers.

MISCELLANEOUS

The foregoing summaries of certain provisions of the Enabling Act and 1997 Resolution do not purport to be complete statements of such provisions and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the Enabling Act and the 1997 Resolution are available for inspection upon request to the Authority.

The Authority has furnished all information in this Preliminary Official Statement relating to the Authority and has obtained all information relating to the Commonwealth and the Literary Fund from sources that it believes to be reliable. The financial statements of the Authority as of June 30, 2024, and of the Commonwealth as of June 30, 2024, in Appendices A and D, respectively, have been examined, to the extent set forth in its reports, by the Virginia Auditor of Public Accounts and are included in reliance upon the reports of such Auditor.

Any statements in this Preliminary Official Statement involving matters of opinion whether or not expressly so stated are intended as such and not as representations of fact. Terms used in this Preliminary Official Statement but not otherwise defined shall have the meanings assigned to them in the 1997 Resolution.

The distribution of this Preliminary Official Statement has been duly authorized by the Authority. The Authority has deemed this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12, except for certain pricing and other information permitted to be omitted by Rule 15c2-12.

VIRGINIA PUBLIC SCHOOL AUTHORITY

By: ________________________________
Chair

By: ________________________________
Treasurer

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF VIRGINIA PUBLIC SCHOOL AUTHORITY FOR THE YEAR ENDED JUNE 30, 2024

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VIRGINIA PUBLIC SCHOOL AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

VIRGINIA PUBLIC SCHOOL AUTHORITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDING JUNE 30, 2024

Table of Contents

This section of the annual financial report of the Virginia Public School Authority (the "Authority") presents an analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2024. This information should be considered in conjunction with the information contained in the financial statements, which follow this section.

Authority Activities and Highlights

The Virginia Public School Authority, created by Chapter 11, Title 22.1, *Code of Virginia*, 1950, as amended, provides financing to localities under its pooled bond program. Under the program, the Authority issues its bonds and uses the proceeds to purchase a "pool" of general obligation bonds from localities (the "Local Issuers"). Each Local Issuer uses the proceeds for the purpose of financing capital projects for public schools.

The Authority's 1997 Resolution, adopted on October 23, 1997, serves as the primary instrument under which the Authority issues bonds for its pooled bond program. The 1997 Resolution bonds are secured first by payments from Local Issuers on their local school bonds; second, from amounts obtained under the State Aid Intercept Provision under which the Authority can intercept state appropriations to the locality; and third, from a sum sufficient appropriation. The sum sufficient appropriation is first from available Literary Fund monies and then from the Commonwealth's General Fund. During the fiscal year, the Authority issued a total of $134,340,000 in bonds under the pooled bond program.

Also under its pooled bond program, the Authority has issued school tax credit bonds – Qualified School Construction Bonds ("QSCBs") and Qualified Zone Academy Bonds ("QZABs") – under a Master Indenture of Trust dated as of October 1, 2009. Qualified School Construction Bonds are tax credit bonds established under the American Recovery and Reinvestment Act of 2009 ("ARRA") and Qualified Zone Academy Bonds are tax credit bonds established in the Internal Revenue Code of 1986. Both QSCBs and QZABs provide the bondholder a federal tax credit in lieu of interest. These bonds are secured by payments from Local Issuers on their general obligation local school bonds, then from amounts obtained through the State Aid Intercept Provision, and then from a sum sufficient appropriation received by the Authority pursuant to any current Appropriation Act Provision. It should be noted that the Authority can no longer issue QSCBs or QZABs since the Tax Cuts and Jobs Act of 2017 ("TCJA") repealed the ability to issue these types of bonds. The QSCBs and QZABs currently held by the Authority were issued under its 2009 Master Indenture of Trust prior to the TCJA.

In addition to its pooled bond program, the Authority also issues special obligation bonds under its stand-alone program and notes under its technology and security program. Bonds issued under the stand-alone program are secured by the local school bonds purchased from one or more specific localities and by the State Aid Intercept Provision. Bonds issued on behalf of localities under the stand-alone program carry the credit rating of the participating locality and are not secured by the sum sufficient appropriation from the Literary Fund and the Commonwealth's General Fund Under the School Technology and Security Notes Program, the Authority issues obligations to finance technology equipment purchases and fund a grant program for the purchase of security equipment for local public school systems within the Commonwealth. These obligations are payable from, or otherwise secured by, appropriations by the General Assembly from the Literary Fund and now benefit from a sum sufficient appropriation from the Commonwealth's General Fund. The Authority issued $64,555,000 under the school technology and security note program during the fiscal year. The Authority also issued $135,815,000 under the stand-alone program during fiscal year 2024.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Authority's basic financial statements, which are comprised of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The Authority is not required to present government-wide financial statements since all of its activity is reported in an enterprise fund, which would not change in measurement focus (economic resources) or basis of accounting (accrual) for government-wide statements.

The financial statements of the Authority offer short- and long-term financial information about its activities. The Statement of Net Position provides information about the nature and amounts of the Authority's cash, investments, and receivables (assets), deferred outflows of resources, and its obligations to creditors (liabilities). All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures whether the Authority successfully recovered all its costs through investment earnings, bond proceeds, appropriations from the Commonwealth, and the collection of receivables. The Statement of Cash Flows provides information on the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financial activities.

Financial Analysis of the Authority

The Authority provides a vehicle for financing capital projects for primary and secondary public schools in the Commonwealth's counties, cities and towns. On local school bonds held by the Authority under its Pooled Bond Program that were issued prior to March 26, 2009, localities pay interest 10 basis points (0.10%) above the rates paid by the Authority on corresponding maturities of its bonds. As a result of a policy change made by the Authority on March 26, 2009, local school bonds held by the Authority under its Pooled Bond Program issued subsequent to March 26, 2009 pay interest 5 basis points (0.05%) above the rates paid by the Authority on corresponding maturities of its bonds. A further policy change regarding the Stand-Alone Bond program was made by the Authority at its March 15, 2023 Board Meeting. As a result, local school bonds issued under the Authority's Pooled Bond program and under its Stand-Alone Bond program issued subsequent to March 15, 2023 each pay interest 5 basis points (0.05%) above the rates paid by the Authority on corresponding maturities of its bonds. This revenue is received by the Authority and used to pay the operating costs attributable to its financing programs, including staffing provided by the Department of the Treasury and arbitrage rebate compliance expenses. The Authority owns no capital assets.

Condensed Statement of Net Position
(in millions)

	Enterprise Fund		
	2024	2023	Change
Current assets	$ 469	$ 455	$ 14
Noncurrent assets	3,931	3,970	(39)
Total assets	4,400	4,425	(25)
Total deferred outflows	51	59	(8)
Current liabilities	552	543	9
Noncurrent liabilities	3,831	3,894	(63)
Total liabilities	4,383	4,437	(54)
Net position:			
Restricted for debt service	30	12	18
Unrestricted	38	35	3
Total net position (deficit)	$ 68	$ 47	$ 21

Total assets decreased during the year by $25 million, or (0.6) percent. This is primarily due to a $19 million receipt of interest on cash equivalents and a $69 million decrease in local school bonds outstanding (new local school bonds were purchased in the amount of $230 million, payments of $299 million were made against existing local school bonds), a $23 million increase due to principal payments received on Qualified School Construction Bonds and Qualified Zone Academy Bonds (to be held for future payment on the Authority's bonds), and receipt of proceeds for new Educational Technology and Security Notes of $68 million. These changes were offset by current year payments to localities from Educational Technology and Security Notes' new and existing proceeds of $71 million. Total liabilities decreased by $54 million, or (1.2) percent, during the same period because of a decrease in net outstanding bonds and notes payable of $44 million, a decrease in amounts due to localities of $4 million and a decrease in outstanding premium on bonds sold of $6 million, because of current year amortizations. Additionally, the deferred outflow of resources decreased by $8 million due to current year amortization of amounts deferred in prior years. Accordingly, an increase of $21 million is reflected in net position.

Condensed Statement of Revenues, Expenses, and Changes in Net Position (in millions)

	Enterprise Fund 2024	Enterprise Fund 2023	Change
Revenues:			
Operating revenues:			
Charges for services	$ 162	$ 151	$ 11
Other	3	(1)	4
Total revenues	165	150	15
Expenses:			
Interest on long-term debt	140	134	6
Other	2	2	-
Total expenses	142	136	6
Payments to Literary Fund	(2)	(2)	-
Change in net position	21	12	9
Net position (deficit), July 1	47	35	12
Net position (deficit), June 30	$ 68	$ 47	$ 21

The increase in revenues of $15 million, or 10 percent, is mainly attributable to a $4 million increase in the fair value adjustment of investments, and a $7 million increase in interest on cash equivalents, both the result of improved market conditions, combined with a $3 million increase in interest on local school bonds. The increase in expenses of $6 million, or 4 percent, is primarily due to a $6 million increase in interest on bonds which fluctuates with the underlying debt schedules established at issuance.

Debt Administration

As a financing entity, the whole business of the Authority is debt administration. The Authority issues bonds, pursuant to its pooled bond programs, to finance capital projects approved by the local governing bodies of counties, cities, and towns of the Commonwealth of Virginia. Such bonds are secured by general obligation bonds of the participating local issuers, which provide payment of principal and interest when due. Obligations issued pursuant to the school technology and security notes programs, in conjunction with the Board of Education, are paid from, and secured by, appropriations made from the Literary Fund. The table on the following page summarizes bond issuance activity during the year under each program. Please see Note 2.C.1 on page 15 for additional details on the table.

Summary of Authority Bond Obligations
(in millions)

	Outstanding at 6/30/23	Issued During Year	Retired During Year	Outstanding at 6/30/24
Pooled Bond Programs[1]	$ 2,794	$ 134	$ (250)	$ 2,678
Technology and Security Notes Programs	192	65	(61)	196
Special Obligation Bonds	1,164	136	(68)	1,232
Total	$ 4,150	$ 335	$ (379)	$ 4,106

[1] Includes 1997 Resolution and School Tax Credit bonds.

The Authority obtains bond ratings from Moody's Investors Service (Moody's), S&P Global Ratings (S&P) and Fitch Ratings, Inc. (Fitch). The table below summarizes the ratings on outstanding Authority bonds.

Virginia Public School Authority Bond Ratings

	Moody's	S&P	Fitch
Pooled Bond Programs[1]	Aa1	AA+	AA+
School Technology and Security Notes	Aa1	AA+	AA+

[1] 1997 Resolution Bonds

Since the Authority's bond programs are either backed by state appropriations (School Technology and Security Notes Program) or carry the credit support of the State Aid Intercept Provision (Pooled Bond Program), the bond ratings are a direct reflection of the Commonwealth's triple-A rating from each of the three rating agencies.

Future Impact to Financial Position

On September 24, 2024, the Virginia Public School Authority issued its $73,225,000 Special Obligation School Financing Bonds, Hanover County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

On October 30, 2024, the Virginia Public School Authority issued its $83,435,000 School Financing Bonds (1997 Resolution), Series 2024B to purchase certain general obligation local school bonds to finance capital projects for schools.

On October 31, 2024, the Virginia Public School Authority issued its $133,940,000 Special Obligation School Financing Bonds, Prince William County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

On December 10, 2024, the Virginia Public School Authority issued its $44,940,000 Special Obligation School Financing Bonds, Stafford County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

VIRGINIA PUBLIC SCHOOL AUTHORITY

STATEMENT OF NET POSITION

As of June 30, 2024

ASSETS		
Current assets:		
Cash and cash equivalents (Note 2A)	$	37,840,694
Restricted short-term investments (Note 2A)		579,848
Loans to localities:		
Restricted local school bonds (Note 2B)		307,818,201
Unrestricted interest receivable		163,071
Restricted interest receivable		60,339,208
Restricted due from Literary Fund		62,370,000
Total current assets		469,111,022
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2A)		345,947,093
Restricted long-term investments (Note 2A)		81,772,653
Loans to localities:		
Restricted local school bonds (Note 2B)		3,370,143,566
Restricted due from Literary Fund		132,965,000
Total noncurrent assets		3,930,828,312
Total assets		4,399,939,334
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		51,043,300
Total deferred outflows of resources		51,043,300
LIABILITIES		
Current liabilities:		
Accounts payable		187,658
Current liabilities payable from restricted assets:		
Interest payable		56,310,258
Due to localities (Note 2D)		136,492,494
Notes payable (Note 2C)		62,370,000
Bonds payable (Note 2C)		286,956,000
Premium on bonds sold (Note 2C)		9,964,554
Total current liabilities payable from restricted assets		552,093,306
Noncurrent liabilities payable from restricted assets:		
Notes payable (Note 2C)		132,965,000
Bonds payable (Note 2C)		3,623,490,000
Premium on bonds sold (Note 2C)		74,549,651
Total noncurrent liabilities payable from restricted assets		3,831,004,651
Total liabilities		4,383,285,615
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding		149,900
Total deferred inflows of resources		149,900
NET POSITION		
Restricted for debt service		29,731,012
Unrestricted		37,816,107
Total net position	$	67,547,119

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

VIRGINIA PUBLIC SCHOOL AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION

For the Year Ended June 30, 2024

Operating Revenues:	
Interest on:	
Local school bonds	$ 135,011,064
Cash equivalents and investments	18,737,500
Payments received from Literary Fund (Note 2J)	7,421,474
Premium on bonds sold	495,238
Net increase in fair value of investments	2,392,531
Other	246,623
Total operating revenues	164,304,430
Operating Expenses:	
Interest on bonds	140,551,450
Financial advisor fees	219,814
Bond Counsel	251,089
Bond rating fees	280,000
Printing and electronic distribution	3,900
Board expenses	80
Staffing expenses	586,516
Underwriters' discount	105,854
Rebate and penalty payments and calculation fees	334,051
Other	86,564
Total operating expenses	142,419,318
Operating Gain	21,885,112
Nonoperating Payments	
Payment to Literary Fund (Note 2J)	(1,601,754)
Total nonoperating revenues (expenses)	(1,601,754)
Change in net position	20,283,358
Net position, July 1, 2023	47,263,761
Net position, June 30, 2024	$ 67,547,119

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

VIRGINIA PUBLIC SCHOOL AUTHORITY

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2024

Cash flows from operating activities:		
Purchase of local school bonds	$	(230,485,000)
Principal received on local school bonds		298,701,792
Interest received on local school bonds		135,245,883
Payments to vendors for goods and services		(1,518,992)
Payments received from the Literary Fund		66,361,575
Other operating revenues		396,523
Net cash provided by operating activities		268,701,781
Cash flows from noncapital financing activities:		
Proceeds from the sale of bonds and notes		342,738,089
Principal paid on VPSA bonds and notes		(335,570,000)
Interest paid on VPSA bonds and notes		(142,497,949)
Payments to localities (School Technology and Security Notes)		(71,174,661)
Payments to escrow agent		(43,562,799)
Rebate and penalty payments and calculation fees		(337,176)
Net cash used by noncapital financing activities		(250,404,496)
Cash flows from investing activities:		
Interest on cash equivalents		18,552,705
Net cash provided by investing activities		18,552,705
Net increase in cash and cash equivalents		36,849,990
Cash and cash equivalents, July 1, 2023		346,937,797
Cash and cash equivalents, June 30, 2024	$	383,787,787

Reconciliation of operating income to net cash provided by operating activities:

Operating Gain	$	21,885,112
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in interest receivable		50,024
Increase in accounts payable		58,084
Decrease in interest payable		(302,980)
Payments from the Literary Fund		58,940,101
Principal received on local school bonds		298,701,792
Purchase of local school bonds		(230,485,000)
Rebate and penalty payments to the Internal Revenue Service		337,176
Amortization of premium		(10,278,755)
Underwriters' discount		105,854
Premium on bonds sold		(495,238)
Amortization of interest deferral		8,142,900
Interest paid on VPSA bonds		142,497,949
Accrual of interest on defeasance		489,998
Increase in fair value of investments		(2,392,531)
Interest on cash equivalents		(18,552,705)
Total adjustments		246,816,669
Net cash provided by operating activities	$	268,701,781

Non-Cash Investing and Financing Activities:

Amortization of bond premium/discount on bonds	$	10,278,755
Amortization of gain/loss on debt refinancing		(8,142,900)
Changes in fair value of investments recognized as a component of interest income		2,392,531

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Virginia Public School Authority (the "Authority" or "VPSA") was created by Chapter 11, Title 22.1, *Code of Virginia,* 1950, as amended (the "Enabling Act"). The Authority provides financing to localities through the sale of its bonds. With the proceeds of its bonds, the Authority purchases a predetermined number of general obligation bonds issued by localities. The Enabling Act authorizes the Authority to purchase local school bonds issued by counties, cities, and towns under the provisions of Section 15.2-2600, et seq., *Code of Virginia* (the "Public Finance Act of 1991"). The Enabling Act further authorizes the Authority to issue bonds which are payable from the funds of the Authority including:

1) principal and interest received on local school bonds held by the Authority;
2) proceeds from the sale of such local school bonds;
3) any moneys transferred from the Literary Fund or funds appropriated from the General Assembly; and
4) a reserve fund(s) created from bond proceeds pledged to secure designated bonds.

Currently, the Authority has pooled bonds outstanding under its 1997 Resolution. Bonds issued under the 1997 Resolution are secured by local school bonds purchased, the State Aid Intercept Provision, and a "sum sufficient appropriation," first from available Literary Fund monies and then from the Commonwealth's General Fund.

The Authority also has Qualified School Construction Bonds and Qualified Zone Academy Bonds outstanding under a separate Master Indenture of Trust. These bonds are taxable, but they expect to receive a 100% interest rate subsidy from the federal government. They are secured by general obligation local school bonds in a pool pledged to their security. As a result of the Federal Sequestration, the actual December 15, 2023 and June 15, 2024 payments were reduced by 5.7%. Therefore, the localities are not receiving the full benefit of the tax credit.

In addition to its pooled bond program, the Authority also issues special obligation bonds under its stand-alone program. Bonds issued under the stand-alone program are secured by the local school bonds purchased from one or more specific localities and by the State Aid Intercept Provision. Bonds issued on behalf of localities under the stand-alone program carry the credit rating of the participating locality and are not secured by the sum sufficient appropriation from the Literary Fund and the Commonwealth's General Fund.

As directed by the General Assembly, the Authority has also issued obligations to finance technology and security equipment purchases for local public school systems within the Commonwealth. These obligations are payable from, or otherwise secured by, appropriations by the General Assembly from the Literary Fund and the Commonwealth's General Fund.

A separate report is prepared for the Commonwealth of Virginia which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Authority is a component unit of the Commonwealth of Virginia and is included in the basic financial statements of the Commonwealth.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles (GAAP) applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Authority's significant policies.

B. Basis of Accounting

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting under which revenues are recognized when they are earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. The cash basis of accounting is used during the year. The financial statements are prepared on the accrual basis at the end of the fiscal year by the Authority.

C. Fund Accounting

The activities of the Authority are accounted for in an enterprise fund, used to account for governmental operations that are financed and operated in a manner similar to private business enterprises. Enterprise fund accounting is used where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate. All fund accounts of the Authority are presented in total on the financial statements.

The Authority considers revenues and expenses as operating if the revenue or expense results from the Authority's principal purpose. The Authority's principal purpose is to provide financing to localities through the sale of its bonds. With the proceeds of its bonds, the Authority purchases a predetermined number of general obligation bonds issued by localities. Therefore, the Authority's operating revenues or expenses generally include revenues or expenses related to bonds purchased or sold and revenues or expenses related to usual operating activities such as cash management.

D. Bond Issuance Costs, Discounts, and Premiums

Costs associated with issuing debt, which are either offset by fees collected over the life of the respective pooled bond issues from local issuers, or reimbursed directly by localities participating in stand-alone issues, are expensed in the year incurred. The net original issue discount or premium (after distributing the allocable share to various participating localities), for each bond issuance, is also expensed or recorded as revenue in the year incurred unless it exceeds 1% of the amount of bonds issued. In that case, the net original issue discount or premium is deferred and amortized, on a straight-line basis, over the life of the outstanding debt.

2. DETAILED NOTES

A. Cash, Cash Equivalents and Investments (Unrestricted and Restricted)

Cash and Cash equivalents of $187,862,763 are held by the Treasurer of Virginia. Cash equivalents of $195,925,024 and investments of $82,352,501 are held by U.S. Bank. Cash is defined as currency on hand and demand deposits, or monies in accounts or cash management pools having the characteristics of demand deposit accounts. Cash equivalents are defined as investments with an original maturity of less than three months.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”). Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice will pledge collateral that ranges in amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Section 2.2-4500 and Section 2.2-4501 of the *Code of Virginia* outline the instruments in which public sinking funds and other public funds may legally invest. The Authority adheres to these general guidelines unless bond resolutions require more restrictive investment policies.

Custodial credit risk for cash equivalents and investments is the risk that, in the event of a failure of the counterparty, the Authority will not be able to recover the value of its cash equivalents and investments. All cash equivalents and investments of the Authority are held in the Authority’s name and are therefore not exposed to custodial credit risk.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority has elected to disclose the risk for its debt investments using the segmented time distribution method.

The Authority’s cash equivalents are valued at amortized cost, which approximates fair value, and its investments are valued at fair value. Fair values are based upon quoted market prices (level 1 inputs, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*). Details of cash equivalents and investments are presented on the following page.

Summary of Cash, Cash Equivalents, and Investments
(Dollars in Thousands)

Investment Type	June 30, 2024	Investment Maturities (in years) Less Than 1	1-5	6-10	More Than 10	S&P Rating
U.S. Treasury Securities	$ 82,352	$ 580	$ 57,269	$ 21,157	$ 3,346	AA+
Money Market Accounts [1]	233,895	233,895	-	-	-	AAAm
State Non-Arbitrage Program ® [2]	149,893	149,893	-	-	-	AAAm
Total cash, cash equivalents, and investments	$ 466,140	$ 384,368	$ 57,269	$ 21,157	$ 3,346	

1 The Authority invests certain short-term cash balances held within its accounts in the State Street Institutional Treasury Plus Money Market Fund – Premier Class. The Treasury Plus Fund attempts to meet its investment objective by investing only in U.S. Treasury bills, notes and bonds (which are direct obligations of the U.S. government) and repurchase agreements collateralized by these obligations. The Authority also invests certain short-term cash balances held within the First American Government Obligation Fund which seeks to provide maximum current income and daily liquidity by purchasing U.S. government securities and repurchase agreements collateralized by such obligations.

2 The Virginia State Non-Arbitrage Program® (SNAP®) offers a professionally-managed money market mutual fund, which provides issuers with a temporary pooled investment vehicle for proceeds pending expenditure, and with record keeping, depository and arbitrage rebate calculation services. SNAP® is in compliance with all of the standards of GASB Statement No. 79 and elects to report its investments for financial reporting at amortized cost. Participants in SNAP® should also report their investments in SNAP® at amortized cost.

The Authority does not limit the amount that may be invested in any one issuer. The Authority had investments of five percent or more in the State Non-Arbitrage Program® (32%), the First American Government Obligation Fund (42%), US Government Treasury Strips (18%), and the State Street Instl Invt Tr Money Market Fund (8%).

B. Local School Bonds

The Authority purchases bonds from (makes loans to) various localities throughout the Commonwealth, which are issued to finance the construction of local public school facilities. These bonds are recorded at a purchase price that is equal to the face value of the bonds. Local school bonds purchased under the 1997 Resolution are held in a pledge account of the General Pledge Fund established under its bond resolution. Local school bonds purchased under the stand-alone program are deposited in separate purchase funds established for each issue. Assets of the Authority that are held or received in purchase funds, pledge funds, or debt service funds are classified as restricted assets because their use is limited to the purpose of the funds in which they reside, in accordance with applicable bond resolutions. The local school bonds are held and pledged to repay the Authority’s bonds.

The interest rates on the local school bonds are determined by the Authority and fixed at the time of sale of the Authority bonds issued to fund the acquisition of the local school bonds. On local school bonds held by the Authority that were issued prior to March 26, 2009, the interest rate on each maturity of the local bonds is ten basis points (0.10%) higher than the interest rate paid by the Authority on the corresponding maturity on its bonds. As a result of a policy change made by the Authority on March 26, 2009, local school bonds issued by localities subsequent to March 26, 2009, and held by the Authority, will pay interest 5 basis points (0.05%) above the rates paid by the Authority on corresponding maturities of its bonds. A further policy change was made by the Authority at its March 15, 2023 Board Meeting. The Authority’s Pooled Bonds and its Stand- Alone Bonds issued subsequent to March 15, 2023 each pay interest 5 basis points (0.05%) above the rates paid by the Authority on corresponding maturities of its bonds and this fee covers the Authority's administrative expenses. Costs of issuance incurred by the Authority for its Pooled Bond and Stand-Alone Bond programs are passed through to the local issuer.

Local school bonds held by the Authority as of June 30, 2024 are shown below.

Local school bonds:	
Held in 1997 Pledge Account	$ 2,339,180,853
Held in 2009 Purchase Fund (Qualified School Construction Bonds)	12,316,180
Held in 2010 Purchase Fund (Qualified School Construction Bonds)	14,065,000
Held in 2011-1 Purchase Fund (Qualified School Construction Bonds)	15,821,365
Held in 2011-2 Purchase Fund (Qualified School Construction Bonds)	50,571,011
Held in 2012-1 Purchase Fund (Qualified School Construction Bonds)	11,928,025
Held in 2014 Purchase Fund (Prince William County Stand Alone)	37,125,000
Held in 2014 Purchase Fund (Warren County Stand Alone)	12,505,000
Held in 2014-1 Purchase Fund (Qualified Zone Academy Bonds)	451,000
Held in 2015 Purchase Fund (Prince William County Stand Alone)	39,400,000
Held in 2016 Purchase Fund (Prince William County Stand Alone)	122,920,000
Held in 2016 Purchase Fund (Montgomery County Stand Alone)	44,645,000
Held in 2016 Purchase Fund (Qualified Zone Academy Bonds)	1,253,333
Held in 2017 Purchase Fund (Prince William County Stand Alone)	50,465,000
Held in 2017 Purchase Fund (King George County Stand Alone)	18,605,000
Held in 2018 Purchase Fund (Prince William County Stand Alone)	81,130,000
Held in 2019 Purchase Fund (Montgomery County Stand Alone)	23,565,000
Held in 2019-1 Purchase Fund (Prince William County Stand Alone)	87,315,000
Held in 2019-2 Purchase Fund (Prince William County Stand Alone)	33,480,000
Held in 2020 Purchase Fund (Prince William County Stand Alone)	90,525,000
Held in 2021 Purchase Fund (Henrico County Stand Alone)	43,295,000
Held in 2021 Purchase Fund (Prince William County Stand Alone)	52,965,000
Held in 2022 Purchase Fund (Chesterfield County Stand Alone)	104,945,000
Held in 2022 Purchase Fund (Montgomery County Stand Alone)	84,690,000
Held in 2022 Purchase Fund (Hanover County Stand Alone)	39,220,000
Held in 2022 Purchase Fund (Prince William County Stand Alone)	40,280,000
Held in 2023 Purchase Fund (Stafford County Stand Alone)	89,485,000
Held in 2023 Purchase Fund (Prince William County Stand Alone)	135,815,000
Total local school bonds	$ 3,677,961,767

C. Long-Term Indebtedness

1. Changes in Long-Term Debt

The following schedules reflect summary changes in long-term debt of the Authority for the year ended June 30, 2024.

Change in Long-Term Debt - Authority Bonds and Notes

	Balance July 1, 2023	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 2024	Due Within One Year
Pooled Bond Programs	$ 2,706,515,000	$ 134,340,000	$ (246,060,000)	$ 2,594,795,000	$ 199,750,000
Technology and Security Notes Programs	191,765,000	64,555,000	(60,985,000)	195,335,000	62,370,000
Special Obligation Bonds	1,164,300,000	135,815,000	(67,740,000)	1,232,375,000	79,335,000
Add: Unamortized Premium	90,493,255	4,299,705	(10,278,755)	84,514,205	9,964,554
Total	$ 4,153,073,255	$ 339,009,705	$ (385,063,755)	$ 4,107,019,205	$ 351,419,554

Change in Long-Term Debt - Authority Direct Placement Bonds

	Balance July 1, 2023	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 2024	Due Within One Year
Pooled Bond Programs	$ 87,286,000	$ -	$ (4,010,000)	$ 83,276,000	$ 7,871,000
Total	$ 87,286,000	$ -	$ (4,010,000)	$ 83,276,000	$ 7,871,000

2. Annual Requirements to Amortize Bonds Payable and Notes Payable

The following schedules provide the annual funding requirements necessary to amortize long-term debt of the Authority outstanding at June 30, 2024.

Annual Requirements to Amortize Long-Term Debt
Authority Bonds and Notes

Year Ending June 30	Principal	Interest	Total
2025	$ 341,455,000	$ 151,580,536	$ 493,035,536
2026	326,890,000	136,803,270	463,693,270
2027	505,205,000	122,873,439	628,078,439
2028	278,145,000	102,994,570	381,139,570
2029	253,375,000	91,210,771	344,585,771
2030-2034	1,095,410,000	308,691,137	1,404,101,137
2035-2039	718,050,000	149,553,498	867,603,498
2040-2044	360,805,000	56,992,157	417,797,157
2045-2049	96,060,000	18,863,660	114,923,660
2050-2054	47,110,000	3,204,813	50,314,813
Unamortized Premium	84,514,205	-	84,514,205
Total	$ 4,107,019,205	$ 1,142,767,851	$ 5,249,787,056

Annual Requirements to Amortize Long-Term Debt
Authority Direct Placement Bonds

Year Ending June 30	Principal	Interest	Total
2025	$ 7,871,000	$ 2,139,851	$ 10,010,851
2026	4,105,000	2,023,571	6,128,571
2027	4,160,000	1,905,795	6,065,795
2028	4,215,000	1,786,451	6,001,451
2029	4,270,000	1,665,540	5,935,540
2030-2034	24,610,000	6,455,108	31,065,108
2035-2039	23,940,000	3,166,208	27,106,208
2040-2044	10,105,000	289,204	10,394,204
Total	$ 83,276,000	$ 19,431,728	$ 102,707,728

D. Technology and Security Notes

Periodically, the Authority issues Technology and Security Notes, the proceeds of which are used to make grants to school divisions for the purchase of educational technology and security equipment. The proceeds are invested in the Virginia State Non-Arbitrage Program® until requisitioned by localities. The following schedule details the notes that have been issued which still have either bonds outstanding or funds remaining to be disbursed to localities as of June 30, 2024.

Technology and Security Notes

Issue	Description	Amount Issued	Outstanding Balance	Remaining Available for Disbursement
Educ Tech Series XIX	2019 Notes	$ 52,110,000	$ -	$ 913,312
Educ Tech Series XX	2020 Notes	49,670,000	10,850,000	4,420,429
Security Series VIII	2020 Notes	10,595,000	2,315,000	19,266
Educ Tech Series XXI	2021 Notes	49,800,000	21,315,000	9,305,162
Security Series IX	2021 Notes	10,655,000	4,555,000	30,842
Educ Tech Series XXII	2022 Notes	52,510,000	32,860,000	18,473,707
Security Series X	2022 Notes	11,230,000	7,025,000	591,255
Educ Tech Series XXIII	2023 Notes	52,400,000	42,700,000	33,613,214
Security Series XI	2023 Notes	11,240,000	9,160,000	6,703,307
Educ Tech Series XXIIII	2024 Notes	53,145,000	53,145,000	12,000,000
Security Series XII	2024 Notes	11,410,000	11,410,000	50,422,000
		$ 364,765,000	$ 195,335,000	$ 136,492,494

E. Qualified Zone Academy Bonds

On October 31, 2012, the Authority issued $2,014,104 for the City of Roanoke as a QZAB, as part of the School Tax Credit Bonds (Direct Payment) Series 2012-1. On December 30, 2014, the Authority issued $3,816,000 for the Cities of Franklin and Petersburg as QZABs, as part of the School Tax Credit Bonds (Direct Payment) Series 2014-1. On November 30, 2016, the Authority issued $2,350,000 for the Cities of Covington and Danville as QZABs, as part of the School Tax Credit Bonds (Direct Payment) Series 2016. These bonds were issued pursuant to Section 1297E of the Internal Revenue Code of 1986, as amended, and the Authority purchased certain general obligation school bonds of the Cities of Roanoke, Franklin, Petersburg, Covington, and Danville to finance capital projects for public schools.

The localities will make annual principal payments to the Authority on the anniversary date of each issuance. Such payments received by the Authority will be held in trust and invested in accordance with the funding agreements, until the QZABs mature. The final annual principal payments on the 2012 QZAB, the 2014 QZABs, and the 2016 QZABs are due December 15, 2034, December 1, 2024, and December 1, 2031, respectively, at which dates the QZABs will mature.

F. Qualified School Construction Bonds

In prior years, the Authority has issued Qualified School Construction Bonds and has used the proceeds to purchase general obligation school bonds issued by certain localities. The bonds have been issued as "qualified school construction bonds" in accordance with Section 54F of the Internal Revenue Code of 1986, as amended. The total amount outstanding under this program as of June 30, 2024 is $353,400,000 (which includes the 2012 QZAB detailed under Note 2E that was issued as part of the 2012 School Tax Credit Bonds). These bonds are non-interest bearing; however, a taxpayer who holds such bonds during a taxable year will be allowed a federal income tax credit for such taxable year in accordance with the structure established at issuance.

G. Direct Placement Bonds

The Authority has issued the 2014-1 Qualified Zone Academy Bond (QZAB) in the amount of $3,816,000, and the 2016 QZAB, in the amount of $2,350,000, as direct placement bonds. These bonds were issued as QZABs within the meaning of Sections 54A and 54E of the Internal Revenue Code of 1986, as amended.

The bonds are non-interest bearing bonds. The owner of the bonds is entitled to a tax credit on each tax credit allowance date equal to one-fourth of the product of the principal amount of the bonds owned, times the applicable tax credit rate.

Should the 2014-1 QZAB become disqualified as a QZAB, it shall bear interest at the tax credit rate on each tax credit allowance date, beginning on the first such date after the disqualification date. Not later than 60 days after the disqualification date, the Authority shall pay to the owner of the 2014-1 Bonds the amount which, after taking into account all penalties, fines, interest and additions to federal income tax (including lost tax credits) that are imposed on the owner of the 2014-1 Bonds as a result of the determination of disqualification, would restore the owner of the 2014-1 Bonds to the same after-tax yield on the 2014-1 Bonds that the owner would have realized had the determination of disqualification not occurred.

From and after an event of default under the Master Indenture, the 2014-1 Bonds shall bear interest at the default rate, payable on demand by the owner of the 2014-1 Bonds.

Should the 2016 QZAB become disqualified as a QZAB, it shall be subject to extraordinary mandatory redemption prior to its fixed maturity date, in whole or in relevant part, within ninety (90) days after the disqualification notice date, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus the redemption premium, plus the amount which, after taking into account all penalties, fines, interest and additions to federal income tax (including lost tax credits taken by the owner prior to the disqualification notice date) that are imposed on the owner of this Bond as a result of the determination of disqualification, would restore the owner of this Bond to the same after-tax yield on this Bond that the owner would have realized had the determination of disqualification not occurred.

The Authority also issued its Series 2020A Pooled Bonds as direct placement bonds. These bonds are secured by the State Aid Intercept Provision and a sum sufficient appropriation from the Commonwealth. Therefore, there are no other default provisions related to these bonds.

H. Defeasance of Debt

From time to time, when interest rates indicate that it would be favorable to do so, the Authority has issued refunding bonds to defease outstanding bonds. These refundings have placed the proceeds of the new bonds in irrevocable trusts with escrow agents to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the Authority's financial statements.

The Authority issued one series of refunding bonds during fiscal year 2024. The proceeds of the refunding bonds were placed with an escrow agent to provide for all future debt service on the defeased bond. Accordingly, the liability for the defeased bonds in not included on the Authority's financial statements. Any savings realized as a result of this refunding will be passed through, on a pro rata basis, to the issuers of the related underlying local school bonds in accordance with the Authority's Enabling Legislation. The table on the following page reflects the refunding activity during the year.

Refunding Bonds Issued During Fiscal Year 2024

Refunding Issue	Refunded Issue	Maturities Defeased	Amount Defeased
2024A	2014C	2025-2035	$ 43,225,000
	Total Defeased, FY 2024		$ 43,225,000

The issuance under the 1997 Resolution of the Authority's Series 2024A bonds refunded certain outstanding bonds under the 1997 resolution as reflected on the above schedule. This debt defeasance resulted in an accounting gain of $152,200. Total debt service payments over the next 12 years will be reduced by $1,804,176. Present value saving of $1,535,334 reflected the True Interest Cost of each component of the refunding at the discount rate.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 23, "Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities," as amended by GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the difference between the reacquisition price and the net carrying amount of the bonds defeased with refunding debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of Interest and Fiscal Charges over the shorter of the remaining life of the refunded debt or the life of the new debt.

At June 30, 2024, $90,730,000 of bonds outstanding are considered defeased for financial reporting purposes.

I. Local School Bond Credits

Beginning in fiscal year 2015, the Authority modified its process for returning refunding savings to localities. Previously, these savings had been returned to localities in the form of lump sum payments when refunding bonds were issued. This process negatively impacted the Authority's net position. Under the current process, the Authority has calculated credit amounts to be returned to each locality annually as savings are actually achieved. The savings accrue to the Authority over time and the return of refunding savings to localities is now consistent with the timeframe in which the savings are earned by the Authority. As of June 30, 2024, the total remaining credits to be paid to the impacted localities over the next eighteen years is $51 million.

J. Payments to/from the Literary Fund

In fiscal year 2024, after final rebate computations on the School Educational Technology Notes XVIII, the residual earnings of $1,601,754 on the related bond proceeds were paid to the Literary Fund, which had been the source of the debt service appropriation for these Notes.

The Authority received $7,421,474 from the Literary Fund to pay interest on the various outstanding Educational Technology and Security Notes.

K. Arbitrage Earnings

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986 calculate and rebate arbitrage earnings to the federal government. The U.S. Treasury has issued regulations on calculating the rebate amount and complying with the provisions of the Tax Reform Act of 1986. The Authority and the issuers of local school bonds purchased by the Authority must comply with the rebate regulations in order for the Authority's bonds to maintain a tax-exempt status. The regulations require the excess of the aggregate amount earned on investments purchased with the bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield to be rebated to the federal government.

Income earned on excess earnings is also subject to rebate. Rebate payments, if required, are due at least every five years over the life of the bonds. Some Authority bonds may be exempt from the rebate requirement if they meet statutory exceptions per the rebate regulations. The Authority may also elect, on or before the date of the bond issue, to pay a penalty in lieu of rebate if it does not meet certain expenditure schedules. If such an election is made and if the Authority (local issuer) meets the expenditure schedule, the Authority (local issuer) retains any arbitrage earnings. The Authority, to date, has not elected penalty in lieu of rebate due to the difficulty in estimating local issuer's expenditure schedules. Rebate and penalty payments are calculated and paid by the Authority as required by law on bond issues that do not meet the statutory exceptions. Rebate installments must be paid no later than 60 days after the computation date.

In most cases, rebate liability is payable by local issuers whose local school bonds were purchased by the Authority. During the year, the Authority's rebate calculation agent, or the locality's rebate calculation agent in the case of special obligation stand-alone bonds, calculate rebate liability or penalty in lieu of rebate if selected by a locality. Rebate calculations were performed for the following issues during the year:

Bond Issue	Computation Time Frame	Computation Date	Liability	Fee	
(97 Resolution) 2013A	Final	8/1/2023	$ -	$ 700	
(97 Resolution) 2013B	10 Year	8/1/2023	-	-	*
(97 Resolution) 2014A&B	10 Year	8/1/2023	-	3,625	
(97 Resolution) 2018B	5 Year	8/1/2023	-	7,350	
(97 Resolution) 2019A&B	5 Year	8/1/2023	-	4,275	
Educational Technology and			-		
School Security Notes Series VII	Final	4/15/2024	315,261	2,840	**

* Series 2013B had its first calculation in 2018. Pursuant to a 2023 letter from Bingham Arbitrage Rebate Services, no further calculation is needed as all bond proceeds were spent during the first 5-year period.

** VPSA's Series 2019 Notes (Series VII) owed a rebate liability of $315,260.86 as of April 15, 2024. This amount was paid from VPSA's General Fund on May 16, 2024 and reimbursed to VPSA from the Virginia Department of Education on June 7, 2024.

The Authority paid $18,790 to its rebate calculation agent for services provided in connection with the above rebate calculations.

L. Subsequent Events

On September 24, 2024, the Virginia Public School Authority issued its $73,225,000 Special Obligation School Financing Bonds, Hanover County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

On October 30, 2024, the Virginia Public School Authority plans issued its $83,435,000 School Financing Bonds (1997 Resolution), Series 2024B to purchase certain general obligation local school bonds to finance capital projects for schools.

On October 31, 2024, the Virginia Public School Authority issued its $133,940,000 Special Obligation School Financing Bonds, Prince William County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

On December 10, 2024, the Virginia Public School Authority issued its $44,940,000 Special Obligation School Financing Bonds, Stafford County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

M. Risk Management

The Authority is exposed to various risks of loss related to torts; theft, damage to, and/or destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Department of the Treasury participates in insurance plans maintained by the Commonwealth of Virginia on behalf of the Authority. The risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The Department of the Treasury pays premiums to this Department for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report.

VIRGINIA PUBLIC SCHOOL AUTHORITY
SUPPLEMENTARY INFORMATION

Detail of Long-Term Indebtedness
June 30, 2024
(Dollars in Thousands)

Detail of Long-Term Indebtedness by Series

	Dated Date	Bond Resolution	True Interest Cost ("TIC")	Amount Issued (a)	Local School Bonds Purchased	Outstanding July 1, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Original Maturity
Series 2009-1 QSCB	11/13/09	School Tax Cr.	0.63%	$ 61,120	$ 61,120	$ 61,120	$ -	$ 61,120	09/15/26
Series 2010 B	05/13/10	1997	5.09%	63,840	63,840	36,870	(4,540)	32,330	08/01/30
Series 2010-1 QSCB	07/08/10	School Tax Cr.	0.06%	72,655	72,655	72,655	-	72,655	06/15/27
Series 2011-1 QSCB	06/28/11	School Tax Cr.	0.05%	67,400	67,400	67,400	-	67,400	06/15/27
Series 2011-2 QSCB	12/15/11	School Tax Cr.	0.00%	128,960	128,960	128,960	-	128,960	12/15/30
Series 2012 A	03/08/12	1997	2.28%	282,230	-	175	(175)	-	08/01/30
Series 2012-1 QTCB	10/31/12	School Tax Cr.	0.01%	23,265	23,265	23,265	-	23,265	12/15/34
Series 2013 A	05/09/13	1997	2.57%	141,840	141,840	8,535	(8,535)	-	08/01/33
Series 2013 Prince William County	07/31/13	Stand Alone	3.30%	59,990	59,990	3,000	(3,000)	-	07/15/33
Series 2013 B	11/21/13	1997	3.45%	45,075	45,075	9,300	(2,210)	7,090	08/01/40
Series 2014 A	05/15/14	1997	3.03%	51,510	51,510	34,610	(2,375)	32,235	08/01/39
Series 2014 B	05/15/14	1997	2.21%	215,405	-	92,845	(22,235)	70,610	08/01/26
Series 2014 Prince William County	10/07/14	Stand Alone	2.62%	82,545	82,545	41,255	(4,130)	37,125	07/15/34
Series 2014 C	11/20/14	1997	2.76%	81,265	81,265	51,900	(47,505)	4,395	08/01/35
Series 2014 Warren County	12/09/14	Stand Alone	3.42%	42,440	42,440	13,920	(1,415)	12,505	07/15/39
Series 2014-1 QZAB	12/30/14	School Tax Cr.	0.00%	3,816	3,816	3,816	-	3,816	12/15/24
Series 2015 A	02/17/15	1997	2.20%	435,715	-	283,755	(37,470)	246,285	08/01/37
Series 2015 B	05/14/15	1997	3.11%	33,820	33,820	27,035	(1,315)	25,720	08/01/38
Series 2015 Prince William County	07/30/15	Stand Alone	2.89%	98,485	98,485	44,325	(4,925)	39,400	08/01/35
Series 2015 C	11/19/15	1997	2.91%	49,350	49,350	36,170	(1,995)	34,175	08/01/45
Series 2016 Prince William County	04/27/16	Stand Alone	2.38%	171,160	171,160	131,870	(8,950)	122,920	08/01/36
Series 2016 A	05/17/16	1997	2.40%	101,770	90,970	75,490	(5,695)	69,795	08/01/36
Series 2016 Montgomery County	11/10/16	Stand Alone	2.22%	64,605	64,605	51,770	(7,125)	44,645	02/01/32
Series 2016 B	11/17/16	1997	2.49%	90,080	83,665	69,765	(4,725)	65,040	08/01/36
Series 2016-1 QZAB	11/30/16	School Tax Cr.	0.00%	2,350	2,350	2,350	-	2,350	12/15/31
Series 2017 Prince William County	03/09/17	Stand Alone	2.88%	77,660	77,660	54,350	(3,885)	50,465	03/01/37
Series 2017 A	05/16/17	1997	2.93%	18,470	18,470	15,265	(740)	14,525	08/01/37
Series 2017 B	08/22/17	1997	2.37%	106,075	-	100,230	(8,660)	91,570	08/01/36
Series 2017 C	11/07/17	1997	2.99%	115,820	115,820	101,780	(3,490)	98,290	08/01/47
Series 2017 King George County	11/09/17	Stand Alone	2.97%	20,840	20,840	19,220	(615)	18,605	02/01/38
Series 2018 A	05/15/18	1997	3.12%	63,920	63,920	54,855	(2,715)	52,140	08/01/38
Series 2018 Prince William County	05/24/18	Stand Alone	2.97%	115,895	115,895	86,925	(5,795)	81,130	03/01/38
Series 2018 B	11/06/18	1997	3.36%	109,070	109,070	90,700	(4,940)	85,760	08/01/38
Series 2019 A	05/21/19	1997	2.89%	88,250	88,250	80,480	(2,770)	77,710	08/01/49
Series 2019 B	05/21/19	1997	1.69%	156,560	-	41,935	(12,240)	29,695	08/01/28
Series 2019 School Technology and Security Series VII	05/23/19	Equip. Notes	1.63%	57,595	-	12,605	(12,605)	-	04/15/24
Series 2019 Montgomery County	10/24/19	Stand Alone	2.21%	27,315	27,315	24,570	(1,005)	23,565	02/01/40
Series 2019 A Prince William County	10/29/19	Stand Alone	2.18%	109,155	109,155	92,775	(5,460)	87,315	10/01/39
Series 2019 B Prince William County	10/29/19	Stand Alone	2.67%	34,610	34,610	33,770	(290)	33,480	07/15/33
Series 2019 C	11/12/19	1997	2.36%	88,360	88,360	79,480	(3,115)	76,365	08/01/39
Series 2019 D	11/12/19	1997	2.72%	22,290	-	21,535	(210)	21,325	08/01/40

(a) Includes refunding bonds issued.

VIRGINIA PUBLIC SCHOOL AUTHORITY
SUPPLEMENTARY INFORMATION

Detail of Long-Term Indebtedness
June 30, 2024
(Dollars in Thousands)

Detail of Long-Term Indebtedness by Series (continued)

	Dated Date	Bond Resolution	True Interest Cost ("TIC")	Amount Issued (a)	Local School Bonds Purchased	Outstanding July 1, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Original Maturity
Series 2020 A	05/08/20	1997	2.85%	88,990	88,990	81,120	(4,010)	77,110	08/01/40
Series 2020 School Technology and Security Series VIII	06/09/20	Equip. Notes	0.34%	60,265	-	25,695	(12,530)	13,165	04/15/25
Series 2020 Prince William County	10/15/20	Stand Alone	1.43%	106,510	106,510	95,850	(5,325)	90,525	10/01/40
Series 2020 B	11/10/20	1997	1.63%	142,195	118,820	123,325	(10,145)	113,180	08/01/50
Series 2020 C	11/10/20	1997	1.63%	320,840	11,910	305,505	(43,210)	262,295	08/01/41
Series 2021 A	05/11/21	1997	1.74%	77,790	77,790	74,415	(2,660)	71,755	08/01/50
Series 2021 B	05/11/21	1997	2.30%	10,535	10,535	10,245	(115)	10,130	08/01/39
Series 2021 School Technology and Security Series IX	05/13/21	Equip. Notes	0.32%	60,455	-	37,890	(12,020)	25,870	04/15/26
Series 2021 Henrico County	10/12/21	Stand Alone	1.50%	48,115	48,115	45,705	(2,410)	43,295	08/15/41
Series 2021 Prince William County	10/21/21	Stand Alone	1.68%	58,855	58,855	55,910	(2,945)	52,965	10/01/41
Series 2021 C	11/09/21	1997	1.76%	150,235	150,235	144,140	(7,145)	136,995	08/01/41
Series 2022 Chesterfield County	02/08/22	Stand Alone	1.78%	116,605	116,605	110,775	(5,830)	104,945	01/15/42
Series 2022 Montgomery County	04/26/22	Stand Alone	3.21%	84,690	84,690	84,690	-	84,690	02/01/42
Series 2022 A	05/17/22	1997	3.63%	213,080	213,080	213,080	(4,015)	209,065	08/01/51
Series 2022 School Technology and Security Series X	05/24/22	Equip. Notes	2.47%	63,740	-	51,935	(12,050)	39,885	04/15/27
Series 2022 Hanover County	09/28/22	Stand Alone	3.05%	41,285	41,285	41,285	(2,065)	39,220	08/01/42
Series 2022 B	11/09/22	1997	4.18%	99,915	99,915	99,915	(1,115)	98,800	08/01/52
Series 2022 Prince William County	11/10/22	Stand Alone	4.08%	42,400	42,400	42,400	(2,120)	40,280	10/01/42
Series 2023 Stafford County	03/14/23	Stand Alone	3.52%	89,935	89,935	89,935	(450)	89,485	08/01/43
Series 2023 A	05/16/23	1997	3.31%	69,780	69,780	69,780	-	69,780	08/01/43
Series 2023 School Technology and Security Series XI	05/23/23	Equip. Notes	2.50%	63,640	-	63,640	(11,780)	51,860	04/15/28
Series 2023 B	11/09/23	1997	4.37%	79,710	79,710	-	79,710	79,710	08/01/48
Series 2023 Prince William County	11/09/23	Stand Alone	4.25%	135,815	135,815	-	135,815	135,815	10/01/43
Series 2024 A	05/14/24	1997	3.26%	54,630	14,960	-	54,630	54,630	08/01/44
Series 2024 School Technology and Security Series XII	05/16/24	Equip. Notes	3.05%	64,555	-	-	64,555	64,555	04/15/29
Total				$ 6,027,141	$ 4,049,426	$ 4,149,866	$ (44,085)	$ 4,105,781	

Detail of Long-Term Indebtedness by Resolution

	Amount Issued (a)	Local School Bonds Purchased	Outstanding July 1, 2023	Issued (Retired) During Year	Outstanding June 30, 2024
1997 Resolution	$ 3,668,415	$ 2,060,950	$ 2,434,235	$ (115,730)	$ 2,318,505
Stand Alone Issues	1,628,910	1,628,910	1,164,300	68,075	1,232,375
Technology and Security Notes	370,250	-	191,765	3,570	195,335
School Tax Credit	359,566	359,566	359,566	-	359,566
Total	$ 6,027,141	$ 4,049,426	$ 4,149,866	$ (44,085)	$ 4,105,781

(a) Includes refunding bonds issued.

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 13, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Commissioners
Virginia Public School Authority

David L. Richardson
State Treasurer

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Virginia Public School Authority** (Authority), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 1 through 5. 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 the Authority's basic financial statements. The Detail of Long-Term Indebtedness is presented for the purpose of additional analysis and is 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 Detail of Long-Term Indebtedness is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

EMS/vks

VIRGINIA PUBLIC SCHOOL AUTHORITY
Richmond, Virginia

BOARD OF COMMISSIONERS

As of June 30, 2024

John R. Riley, Jr., Chairman

Michael Nguyen, Vice Chairman

Honorable Cardell C. Patillo Jr.

Maria J. Perrotte

Betty J. Burrell

EX OFFICIO

David L. Richardson, Secretary and Treasurer, State Treasurer

Sharon H. Lawrence, Acting State Comptroller

Dr. Lisa Coons, Superintendent of Public Instruction

APPENDIX B

COMMONWEALTH OF VIRGINIA
FINANCIAL AND OTHER INFORMATION

Report Date: January 30, 2025

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APPENDIX B TABLE OF CONTENTS

INTRODUCTION

This Appendix includes financial and other information provided by the Commonwealth of Virginia (the "Commonwealth"), its agencies, institutions and authorities from official records. The Department of Treasury has compiled, but not independently verified, such information; however, the Department of Treasury has no reason to believe that such data is not true and correct in all material respects. The information presented in this Appendix is historical and is not intended to predict future events or continuing trends. This Appendix is not intended to be exhaustive as to all information that an investor may deem necessary to evaluate any specific securities.

References in this Appendix to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Appendix.

GOVERNMENTAL ORGANIZATION

Under the Constitution of Virginia (the "Constitution"), the legislative, executive and judicial powers of the Commonwealth are divided into three separate and distinct departments.

Legislative Department

The legislative power is vested in the General Assembly, the oldest representative lawmaking body in the United States. The General Assembly is bicameral, consisting of a Senate with 40 Senators elected for four-year terms and a House of Delegates with 100 Delegates elected for two-year terms. The General Assembly convenes annually each January. Regular sessions are 60 days in duration in even-numbered years and 30 days in odd-numbered years, but each can be extended for an additional 30 days by a two-thirds vote of each house.

The General Assembly is assisted in its legislative function by a full-time staff of over 200 persons and various commissions appointed by the General Assembly. The Joint Legislative Audit and Review Commission was established to carry out continuous legislative review and evaluation of Commonwealth programs from the standpoint of cost effectiveness.

The Auditor of Public Accounts is elected by the General Assembly. The Auditor and a staff of approximately 130 persons audit the accounts of all Commonwealth offices, departments, boards, commissions, institutions and other agencies handling Commonwealth funds and report their findings to the General Assembly.

Executive Department

The Governor, Lieutenant Governor and Attorney General are constitutional officers, elected every four years. The present term of each office began January 15, 2022, and each expires January 17, 2026. The Constitution does not allow a Governor to serve successive terms.

The Governor is the Commonwealth's chief executive officer. The Governor advises the General Assembly on the condition of the Commonwealth and makes recommendations for legislation. The Governor is also charged with the responsibility for preparing and executing the Commonwealth's budget. The Governor's veto of legislation may be overridden only by a two-thirds vote of each house of the General Assembly. If deemed necessary for the welfare of the Commonwealth, the Governor may convene the General Assembly into special session at any time. With few exceptions, the Governor appoints the administrative heads and boards of all Commonwealth agencies. Commonwealth agencies report to the Governor through a cabinet of twelve Secretaries appointed by the Governor to supervise and manage the various functions of the Commonwealth's government.

The Lieutenant Governor is next in line in the event of the Governor's inability to serve. The Lieutenant Governor also serves as President of the Senate but may not vote except in the event of a tie vote of the Senate Members.

The Attorney General is the chief executive officer of the Department of Law. The Department of Law represents the Commonwealth in all civil cases to which the Commonwealth or any of its agencies is a party and in all criminal cases on appeal to the Supreme Court of Virginia. The Attorney General is also the legal advisor to the Governor, General Assembly and heads of Commonwealth agencies.

Judicial Department

The Supreme Court is the Commonwealth's highest court and consists of seven justices appointed by the General Assembly. Several agencies involved in legal administration operate under the control of the Supreme Court. These include the Judicial Inquiry and Review Commission, the Virginia State Bar and the State Board of Bar Examiners. The Commonwealth is divided into 31 Judicial Circuits over which Circuit Judges preside. The Circuit Courts are courts of record having original jurisdiction in cases involving a specified sum and felonies, and appellate jurisdiction over lower District Courts. A Court of Appeals stands between the Circuit Courts and the Supreme Court and has appellate jurisdiction in a range of cases.

FINANCIAL FACTORS

Budgetary Process

The Governor is the chief planning and budget officer of the Commonwealth. The Secretary of Finance and the Department of Planning and Budget assist the Governor in the preparation of executive budget documents. The Governor's Secretaries advise the Governor and the Department of Planning and Budget on the relative priority of the budget requests from their respective agencies.

The Governor is required by statute to present a bill detailing his proposed budget for the next biennium (the "Budget Bill") and a narrative summary of the bill to the General Assembly by December 20th in the year immediately prior to each even-year session. The Budget Bill is introduced in both the House of Delegates and the Senate. It is referred to the House Appropriations and Senate Finance Committees, which hold joint meetings to hear from citizens, from other General Assembly members and from agency representatives. The Budget Bill is then approved by each Committee in an open session and reported to the respective floors for consideration, debate, amendment and passage. After the bill has passed both houses, differences between the House and Senate versions are reconciled by a conference committee from both houses.

Under constitutional provisions, the Governor retains the right in his review of legislative action on the Budget Bill, to suggest alterations to or to veto the appropriations made by the General Assembly. After enactment, the Budget Bill becomes law (the "Appropriation Act").

In the odd-year sessions of the General Assembly, amendments are considered to the Appropriation Act enacted in the previous year. The Governor submits a bill by December 20th, which includes his proposed amendments to the current biennial budget. It is then introduced in both houses and is considered in the same manner as the regular biennial Budget Bill. The Appropriation Act enacted in the odd-year session is effective upon passage, whereas the regular biennial Appropriation Act is effective July 1, the beginning of the new biennium.

An appropriation for a project or service is initially contained in the Appropriation Act enacted by the General Assembly. An agency request for an increase or other adjustments to its legislative appropriation must be reviewed and approved by the Department of Planning and Budget. Under the Constitution, no money may be paid out of the State Treasury except pursuant to appropriations made by law. No such appropriation may be made which is payable more than two years and six months after the end of the session of the General Assembly at which the appropriation was enacted.

Implementation and administration of the provisions of the Appropriation Act are functions of the Governor, assisted by the Secretary of Finance and the Department of Planning and Budget. This process also involves constant monitoring of revenue collections and expenditures to ensure that a balanced budget is maintained. The Appropriation Act requires that if projected revenue collections fall below amounts appropriated, the Governor must reduce expenditures and withhold allotments of appropriations, with the exception of amounts needed for debt service and specified other purposes, to the extent necessary to prevent any expenditure in excess of estimated revenues. The Appropriation Act provides that up to 15 percent of a General Fund appropriation to an agency may be withheld by the Governor, if required.

Development of Revenue Estimates

The development of the General Fund revenue estimate begins with the selection of a forecast of national economic activity for the state budget period prepared by independent economic forecasting firms based on the advice of the Joint Advisory Board of Economists and the Commonwealth's own staff. The national economic forecast is used to develop a forecast of similar indicators of in-state activity. The Governor's Advisory Council on Revenue Estimates also examines the economic assumptions with respect to the general economic climate of the Commonwealth.

After the development of forecasts of major Commonwealth economic indicators, revenue estimates are generated using revenue forecasting models developed and maintained by the Department of Taxation. Adjustments are made on a revenue source-by-source basis for any legislative, judicial or administrative changes that would affect the projected level of revenues but that cannot be forecast by models constructed using historical data. Finally, adjustments are made if revenues are substantially above or below the projected level.

Financial Control Procedures

The General Assembly appropriates funds for a particular program in the Appropriation Act. These funds must then be allotted by the Governor and the Department of Planning and Budget for specific purposes. The State Comptroller accounts for certain specific personnel and non-personnel transactions. Once the appropriation, allotment and accounting procedures have been completed, funds are disbursed by the State Treasurer upon a warrant of the State Comptroller drawn at the request of the responsible agency. The Auditor of Public Accounts audits such financial transactions to assure the reporting of such transactions is in compliance with generally accepted accounting principles.

The Director of the Department of Planning and Budget is appointed by the Governor subject to confirmation by the General Assembly. The Department of Planning and Budget monitors and evaluates the use of resources to ensure that agencies are delivering effective and efficient services. The Governor is empowered to withhold appropriations to agencies in the event that expenditures are no longer warranted or are not being made for the purposes for which the funds were initially appropriated.

The State Comptroller, who is appointed by the Governor subject to confirmation by the General Assembly, is the director of the Department of Accounts, the central accounting agency of the Commonwealth. The State Comptroller maintains a complete system of general accounts of every department, division, office, board, commission, institution and agency of the Commonwealth. In order to assure uniform accounting practices among the agencies and to avoid duplication, the State Comptroller also prescribes the accounts and control records that are to be kept by each state agency. The State Treasurer, who is also appointed by the Governor subject to confirmation by the General Assembly, is the director of the Department of the Treasury. This department receives, maintains custody of and disburses all funds of the Commonwealth.

Unlike the State Comptroller and the State Treasurer, the Auditor of Public Accounts is appointed by the General Assembly for a term of four years and is, therefore, part of the Legislative Department rather than the Executive Department. The principal function of the Auditor is to audit the accounts of all state departments, offices, boards, commissions, institutions and agencies handling state funds. In the event the Auditor discovers some irregularity or misuse of funds, it is his duty to inform the Governor, the Joint Legislative Audit and Review Commission and the State Comptroller.

Investment of Public Funds

It is the policy of the State Treasurer to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all statutes governing the investment of public funds. The General Account of the Commonwealth, which is comprised of funds collected and held for various fund groups including the General Fund, is divided into two major portfolios. Both portfolios are managed in accordance with guidelines promulgated by the Treasury Board. The Primary Liquidity Portfolio, which is targeted to represent approximately 55 percent of the General Account, provides for disbursements and operational needs. Safety of principal and liquidity are the investment objectives of this portfolio. The Extended Duration and Credit Portfolio, which is targeted to be up to 45 percent of the General Account, is structured to generate investment returns over the long term higher than the return on the Primary Liquidity Portfolio, while maintaining sound credit quality and providing secondary liquidity.

Financial Statements

The Commonwealth operates on a fiscal year basis beginning on July 1 and ending on June 30. The Commonwealth's financial statements, audited by the Auditor of Public Accounts, for the fiscal year ended June 30, 2024, are contained in the Commonwealth's Annual Comprehensive Financial Report (the "Annual Comprehensive Financial Report") available at www.doa.virginia.gov. The financial statements conform to GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The financial statements include government-wide statements using full accrual accounting, fund financial statements that use different accounting approaches based on the type of fund, and a reconciliation of the two types of statements. See the section in the Annual Comprehensive Financial Report entitled "Management's Discussion and Analysis" for a more detailed explanation of the types of financial statements prepared. The Commonwealth's annual budget is prepared principally on a cash basis and represents departmental appropriations as authorized by the General Assembly. Under the cash basis of accounting, revenues and other financial resources are recognized in the accounting period in which cash is received; expenditures and other financial uses are recognized when cash is disbursed. The section of the Annual Comprehensive Financial Report entitled "Required Supplementary Information" reconciles the budgetary (*i.e.*, cash) presentation to the financial statement

Revenue Stabilization Fund

The Constitution requires the Governor to ensure that expenses do not exceed total revenues anticipated plus fund balances during the period of two years and six months following the end of the General Assembly session in which the appropriations are made. A Revenue Stabilization Fund (the "Stabilization Fund") was established by constitutional amendment effective January 1, 1993, and is available to offset, in part, anticipated shortfalls in revenues in years when revenues are forecasted to decline by more than two percent of the certified tax revenues collected in the most recently ended fiscal year. Deposits to the Stabilization Fund are made pursuant to the provisions of Article X, Section 8 of the Constitution of Virginia based on tax revenue collections as certified by the Auditor of Public Accounts. If in any year total revenues are forecast to decline by more than two percent of the certified tax revenues collected in the most recently ended fiscal year, the General Assembly may appropriate for transfer up to one-half of the Stabilization Fund balance to the General Fund to stabilize revenues. This transfer shall not exceed one-half of the forecasted shortfall. The maximum balance in the Stabilization Fund can consist of an amount not to exceed 15.0 percent of the Commonwealth's average annual tax revenues derived from income and retail sales taxes for the three immediately preceding fiscal years, as certified by the Auditor of Public Accounts. If any amounts accrue to the credit of the Stabilization Fund in excess of the 15.0 percent limitation, such as through interest or dividends, the Treasurer shall promptly transfer any such excess amounts to the General Fund.

Section 2.2-1829(b) of the Code of Virginia requires that if certain revenue criteria are met, then an additional deposit to the Stabilization Fund equal to at least one-half the mandatory deposit must be included in the Governor's budget. The Code further requires that any such additional deposits to the Stabilization Fund shall be included in the Governor's budget recommendations only if the estimate of General Fund revenues for the fiscal year in which the deposit is to be made is at least five percent greater than the actual General Fund revenues for the immediately preceding fiscal year.

As of June 30, 2024, the Stabilization Fund had principal and interest on deposit of $2.8 billion restricted as a part of General Fund balance. As described above, the amount on deposit cannot exceed 15.0 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years. As of June 30, 2024, the constitutional maximum is $4.1 billion.

See Note 5 in the "Notes to the Financial Statements" included in the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024, for additional information about the Stabilization Fund.

Revenue Reserve Fund

Beginning in 2018, the Commonwealth established, by statute, a second reserve fund entitled the Revenue Reserve Fund (the "Reserve Fund"). The General Assembly may appropriate to the Reserve Fund any surplus revenues after making constitutionally mandated transfers. The monies in the Reserve Fund may be used to offset, in whole or in part, certain anticipated shortfalls in revenue when appropriations based on previous forecasts exceed expected revenues in subsequent forecasts. If a revenue shortfall is two percent or less of General Fund resources collected in the most recently ended fiscal year, the General Assembly may appropriate an amount for transfer from the Reserve Fund not to exceed 50 percent of the amount in the Reserve Fund.

Pursuant to Sections 2.2-1831.2 and 2.2-1831.3 of the Code of Virginia, whenever there is a fiscal year in which there is not a mandatory deposit to the Stabilization Fund (see above), a deposit is required to the Reserve Fund if the General Fund revenue exceeds the official estimate. Additionally, any required annual deposit cannot exceed 1.0 percent of the total General Fund revenues for the prior fiscal year. The total amounts on deposit in the Reserve Fund and the Stabilization Fund may not in the aggregate exceed fifteen percent (15%) of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts for the three fiscal years immediately preceding. This maximum aggregate amount was temporarily increased from fifteen percent (15%) to twenty percent (20%) effective July 1, 2022, through language contained in Chapter 2 of the 2022 Special Session I and was in effect through June 30, 2024. As of June 30, 2024, the calculated maximum balance for the Stabilization Fund and the Reserve Fund (taking into account the limitations described in this paragraph) is $5.4 billion.

As of June 30, 2024, the Reserve Fund had principal and interest on deposit of $1.9 billion recorded in the Commonwealth's general ledger and reported as cash on the balance sheet. As of June 30, 2024, the combined stabilization fund and reserve fund balance was $4.7 billion.

See Note 6 in the "Notes to the Financial Statements" included in the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024, for additional information about the Reserve Fund.

General Fund Highlights for Fiscal Year 2024

The General Fund balance (presented on a cash basis), as shown on page B-6, increased by $0.5 billion in fiscal year 2024, an increase of 3.1 percent from fiscal year 2023. Overall, tax revenues increased by 4.5 percent from fiscal year 2023 to fiscal year 2024. Categorically, year over year results included: Individual and Fiduciary Income tax revenues increased by 7.0 percent, Corporation Income tax collections decreased by 6.1 percent, State Sales and Use Tax decreased by 0.2 percent, Other Taxes increased by 103.2 percent, Premiums of Insurance Companies increased by 3.8 percent and Public Service Corporations tax collections increased by 2.3 percent and Communications Sales and Use experienced a 5.1 percent decline in tax collections. Overall revenue increased by 5.7 percent, with Interest, Dividends, Rents and Others improving by more than 119.3 percent for the period. Expenditures also increased overall by 9.5 percent in fiscal year 2024, compared to a 3.1 percent increase in fiscal year 2023. Categorically, increases in expenditures included: General Government 13.1 percent, Education 7.7 percent, Transportation 224.1 percent, Resources and Economic Development 19.2 percent, Administration of Justice 7.1 percent, Capital Outlay 161.5 percent, and Individual and Family Services 2.9 percent.

Section 2.2-1829(b) of the Code of Virginia requires an additional deposit into the Fund when specific criteria have been met. No such deposit is required since the criteria were not met for the fiscal year 2024.

Under the provisions of Article X, Section 8 of the Constitution of Virginia, no deposit is required during fiscal year 2025 based on fiscal year 2023 revenue collections. Also, no deposit is required during fiscal year 2026 based upon fiscal year 2024 revenue collections. A deposit of $904.7 million was made during fiscal year 2024, which includes the advance reservation of $498.7 million from the Revenue Reserve Fund provided in Chapter 1, 2022 Acts of Assembly Special Session I, for the fiscal year 2024 mandatory deposit. This amount is included as part of the 2024 restricted component of fund balance.

Summary of General Fund Revenues, Expenditures and Changes in Fund Balance

The following tables summarize the Commonwealth's General Fund revenues, expenditures and changes in fund balance for fiscal years 2020 through 2024. The first table provides the information on a year-to-year comparison on a cash basis, while the chart on page B-7 compares the final budget numbers to actual audited numbers over the same five-year period.

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SUMMARY OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE CASH BASIS

(in thousands)

	2020	2021	2022	2023	2024
Revenues:					
Taxes					
Individual and Fiduciary Income	$ 15,351,592	$ 17,303,666	$ 20,410,206	$ 18,983,556	$ 20,310,406
State Sales and Use	4,112,843	4,624,549	5,080,580	5,291,545	5,283,586
Corporation Income	1,011,650	1,515,692	1,978,697	2,031,120	1,907,065
Communications Sales and Use	347,101	314,768	301,446	292,848	277,892
Deed, Contracts, Wills and Suits	493,389	694,822	665,602	437,137	412,602
Premiums of Insurance Companies	360,588	363,105	426,830	450,877	468,192
Alcoholic Beverage Sales	267,214	296,059	300,153	307,412	314,127
Tobacco Products	153,638	286,632	278,626	246,132	224,958
Estate	80	810	27	-	-
Public Service Corporations	97,039	101,114	102,586	104,449	106,903
Other Taxes	35,873	46,116	88,835	100,080	203,376
Total Taxes	$ 22,231,007	$ 25,547,333	$ 29,633,588	$ 28,245,156	$ 29,509,107
Rights and Privileges	94,695	95,255	113,371	126,834	120,841
Sales of Property and Commodities	39,463	19,507	20,185	28,879	46,429
Assessments and Receipts for Support of Special Service	5,813	5,960	5,897	5,514	8,052
Institutional Revenue	37,963	32,283	33,673	32,955	38,912
Interest, Dividends, Rents	136,821	94,461	82,207	442,145	969,643
Fines, Forfeitures, Court Fees, Penalties, and Escheats	214,750	225,120	220,132	258,492	258,227
Federal Grants and Contracts	8,029	9,693	11,725	11,259	11,547
Receipts from Cities, Counties, and Towns	8,469	6,597	7,122	7,659	8,358
Private Donations, Gifts and Contracts	904	481	336	431	791
Tobacco Master Settlement	54,134	100,515	62,813	56,987	50,822
Other	223,456	293,859	403,039	466,650	341,127
Total Revenues	$ 23,055,504	$ 26,431,064	$ 30,594,088	$ 29,682,961	$ 31,363,856
Expenditures:					
General Government	2,872,703	2,532,665	2,783,669	2,715,673	3,578,649
Education	9,526,097	9,968,154	11,330,277	12,708,311	13,687,155
Transportation	140	147	164	6,349	20,574
Resources and Economic Development	530,365	532,353	616,873	770,440	918,748
Individual and Family Services	6,884,183	7,051,802	7,369,472	8,809,425	9,063,203
Administration of Justice	2,983,904	3,000,321	3,142,616	3,447,349	3,692,419
Capital Outlay	4,535	2,898	59,151	144,107	376,807
Debt Service					
Principal Retirement			20,571	35,256	24,589
Interest and Charges			2,904	2,834	4,675
Total Expenditures	$ 22,801,927	$ 23,088,340	$ 25,325,697	$ 28,639,744	$ 31,366,819
Revenues Over (Under) Expenditures	$ 253,577	$ 3,342,724	$ 5,268,391	$ 1,043,217	$ (2,963)
Other Financing Sources (Uses):					
Transfers In	911,229	1,052,608	1,172,516	1,168,403	1,278,203
Transfers Out	(439,543)	(414,818)	(570,986)	(493,910)	(806,085)
Total Other Financing Sources (Uses)	$ 471,686	$ 637,790	$ 601,530	$ 674,493	$ 472,118
Revenues Over (Under) Expenditures and Total Other Financing Sources (Uses):	$ 725,263	$ 3,980,514	$ 5,869,921	$ 1,717,710	$ 469,155
Total Fund Balance, July 1	$ 2,799,336	$ 3,524,599	$ 7,505,113	$ 13,375,034	$ 15,092,744
TotaLFund Balance, June 30	$ 3,524,599	$ 7,505,113	$ 13,375,034	$ 15,092,744	$ 15,561,899

Source: Department of Accounts.

SUMMARY OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VARIANCE OF ACTUAL vs BUDGETARY BASIS

	2020		2021		2022		2023		2024	
	Final Budget	Variance of Actual Favorable (Unfavorable)	Final Budget	Variance of Actual Favorable (Unfavorable)	Final Budget	Variance of Actual Favorable (Unfavorable)	Final Budget	Variance of Actual Favorable (Unfavorable)	Final Budget	Variance of Actual Favorable (Unfavorable)
Revenues:										
Taxes										
Individual and Fiduciary Income	$ 15,419,400	$ (67,808)	$ 15,446,000	$ 1,857,666	$ 18,593,100	$ 1,817,106	$ 16,732,435	$ 2,251,121	$ 19,062,900	$ 1,247,506
State Sales and Use	4,266,100	(153,257)	4,300,900	323,649	4,948,300	132,280	5,004,713	286,832	5,066,699	216,887
Corporation Income	1,031,500	(19,850)	1,288,700	226,992	2,009,600	(30,903)	1,737,000	294,120	2,213,500	(306,435)
Communications Sales and Use	350,000	(2,899)	348,000	(33,232)	335,000	(33,554)	335,000	(42,152)	310,000	(32,108)
Public Service Corporations	98,900	(1,861)	98,600	2,514	103,500	(914)	103,500	949	104,300	2,603
Premiums of Insurance Companies	394,100	(33,512)	314,900	48,205	419,300	7,530	406,100	44,777	446,300	21,892
Other [1]	910,841	39,353	1,195,711	128,728	1,322,801	10,442	1,274,801	(184,040)	1,261,129	(106,066)
Total Taxes	$ 22,470,841	$ (239,834)	$ 22,992,811	$ 2,554,522	$ 27,731,601	$ 1,901,987	$ 25,593,549	$ 2,651,607	$ 28,464,828	$ 1,044,279
Rights and Privileges	87,596	7,099	89,320	5,935	100,173	13,198	100,385	26,449	128,271	(7,430)
Institutional Revenue	51,454	(13,491)	55,011	(22,728)	57,824	(24,151)	57,791	(24,836)	35,562	3,350
Interest, Dividends, Rents and Other Investment Incor	131,870	4,951	93,425	1,036	92,480	(10,273)	101,798	340,347	678,864	290,779
Tobacco Master Settlement	56,000	(1,866)	87,410	13,105	47,500	15,313	47,500	9,487	47,500	3,322
Other [2]	446,907	53,977	438,251	122,966	590,387	78,049	593,181	185,703	577,809	96,722
Total Revenues	$ 23,244,668	$ (189,164)	$ 23,756,228	$ 2,674,836	$ 28,619,965	$ 1,974,123	$ 26,494,204	$ 3,188,757	$ 29,932,834	$ 1,431,022
Expenditures:										
General Government	3,103,116	230,413	2,792,844	260,179	3,071,288	287,619	3,082,613	366,940	3,976,809	398,160
Education	9,722,175	196,078	10,427,918	459,764	11,655,965	325,688	13,733,020	1,024,709	14,563,219	876,064
Transportation	189	49	197	50	194,525	194,361	235,962	229,613	194,966	174,392
Resources and Economic Development	636,191	105,826	652,429	120,076	883,873	267,000	1,396,977	626,537	1,897,212	978,464
Individual and Family Services	7,345,513	461,330	7,241,258	189,456	7,623,020	253,548	9,196,115	386,690	9,287,778	224,575
Administration of Justice	3,065,651	81,747	3,127,411	127,090	3,336,965	194,349	3,694,067	246,718	3,853,727	161,308
Capital Outlay	15,814	11,279	11,239	8,341	182,664	123,513	849,464	705,357	1,591,048	1,214,241
Debt Service:										-
Principal Retirement					20,571	-	35,256	-	24,589	-
Interest and Charges					2,904	-	2,834	-	4,675	-
Total Expenditures	$ 23,888,649	$ 1,086,722	$ 24,253,296	$ 1,164,956	$ 26,971,775	$ 1,646,078	$ 32,226,308	$ 3,586,564	$ 35,394,023	$ 4,027,204
Revenues Over (Under) Expenditures	$ (643,981)	$ 897,558	$ (497,068)	$ 3,839,792	$ 1,648,190	$ 3,620,201	$ (5,732,104)	$ 6,775,321	$ (5,461,189)	$ 5,458,226
Other Financing Sources (Uses):										
Transfers In	874,430	36,799	1,005,483	47,125	1,137,044	35,472	1,075,380	93,023	1,232,656	45,547
Transfers Out	(442,031)	2,488	(407,173)	(7,645)	(559,487)	(11,499)	(468,273)	(25,637)	(804,001)	(2,084)
Total Other Financing Sources (Uses)	$ 432,399	$ 39,287	$ 598,310	$ 39,480	$ 577,557	$ 23,973	$ 607,107	$ 67,386	$ 428,655	$ 43,463
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(211,582)	936,845	101,242	3,879,272	2,225,747	3,644,174	(5,124,997)	6,842,707	(5,032,534)	5,501,689
Fund Balance, July 1	2,799,336	-	3,524,599	-	7,505,113	-	13,375,034	-	15,092,744	-
Fund Balance, June 30	$ 2,587,754	$ 936,845	$ 3,625,841	$ 3,879,272	$ 9,730,860	$ 3,644,174	$ 8,250,037	$ 6,842,707	$ 10,060,210	$ 5,501,689

[1] Note that under Taxes above, certain line items have been combined into the "Other" line item; they are: "Deeds, Contracts, Wills and Suits," "Alcoholic Beverage Sales", "Tobacco Products", and "Other Taxes".

[2] Note that under Revenues above, certain line items have been combined into the "Other" line item; they are: "Sales of Property and Commodities," "Assessments and Receipt for Support Gifts, of Special Services," "Fines, Forfeitures, Court Fees, Penalties, and Escheats," "Federal Grants and Contracts," "Receipts from Cities, Counties, and Towns", "Private Donations, and Contracts" and "Other".

Source: Department of Accounts.

General Fund Revenues

Of total fiscal year 2024 tax revenue, 97.1 percent was derived from six major taxes imposed by the Commonwealth: Individual and Fiduciary Income Taxes; State Sales and Use Taxes; Corporation Income Taxes; Communications Sales and Use Taxes; Taxes on Deeds, Contracts, Wills and Suits; and Taxes on Premiums of Insurance Companies.

Individual and Fiduciary Income taxes are the principal component of General Fund revenues. These revenues support a number of government functions, primarily education, individual and family services, public safety and general government. General Fund revenues are available for payment of debt service obligations of the Commonwealth.

Individual and Fiduciary Income Taxes: (68.8 percent of Total Taxes in fiscal year 2024) The individual and fiduciary income tax applies to income derived by resident and non-resident individuals and fiduciaries. The tax is based on a taxpayer's federal adjusted gross income with modifications, if applicable, and with deductions for personal exemptions and standard or itemized deductions. The following tax rates are applicable to net taxable income for the taxable year 2024:

PERSONAL TAX RATES

Taxable Income	Rate	Of Excess Over
$0-$3,000	2.00%	
$3,001-$5,000	$60 + 3.00%	$ 3,000
$5,001-$17,000	$120 + 5.00%	$ 5,000
Over $17,000	$720 + 5.75%	$17,000

Source: Department of Taxation

An individual income tax return for a taxable year must be filed by May 1 of the following year. Prepayment of the tax on most earnings is accomplished through withholdings by employers. Employers must transfer withholding taxes to the Department of Taxation quarterly, monthly or, in some cases, eight times a month. Individual income taxpayers are required to file a declaration of estimated tax for any income not subject to withholding and pay one-fourth of such estimated tax in quarterly installments.

State Sales and Use Taxes: (17.9 percent of Total Taxes in fiscal year 2024) A sales and use tax is imposed at the rate of 5.3 percent on the sale, rental, lease or storage for use or consumption of tangible personal property except food for home consumption. Food for home consumption is taxed at a rate of 1.0 percent. There are certain exclusions from the tax, including motor vehicles, aircraft and large watercraft, and prescription medicines. One percent of the 5.3 percent sales tax revenues and the one percent sales tax revenues on food for home consumption is distributed to localities on the basis of school age population for use in public education.

Retail sellers collect the sales and use taxes from customers at the time of sale. Sellers are required to remit collected taxes to the Department of Taxation either monthly or quarterly.

Corporation Income Taxes: (6.5 percent of Total Taxes in fiscal year 2024) The Commonwealth imposes a 6.0 percent income tax on the net income of all corporations organized under laws of the Commonwealth and every foreign corporation having income from sources in the Commonwealth, with the exception of insurance companies, inter-insurance exchanges, state and national banks, banking associations, companies doing business on a mutual basis, credit unions and non-profit corporations. Commonwealth taxable income is based on federal income, with modifications. If a corporation is engaged in multi-state activities, and if its income is taxable by both the Commonwealth and another state, the Commonwealth permits the corporation to apportion its taxable income (other than dividends that are allocated according to the commercial domicile of the taxpayer) according to a three-factor formula comprised of property, payroll and sales.

A corporation income tax return must be filed on or before the 15th day of the 4th month following the close of the corporation's taxable year. Corporations are required to make a declaration of estimated tax directly to the Department of Taxation and pay such estimated tax in such taxable year.

Communication Sales and Use Taxes: (0.9 percent of Total Taxes in fiscal year 2024) The Commonwealth collects communication sales and use taxes and disburses these amounts to localities.

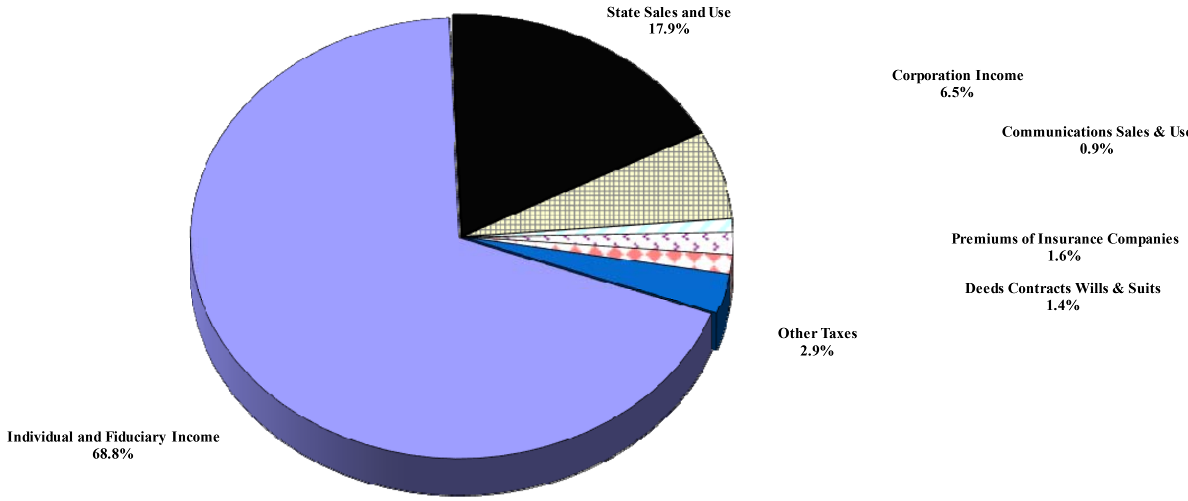
Taxes on Deeds, Contracts, Wills and Suits: (1.4 percent of Total Taxes in fiscal year 2024) The Commonwealth taxes the admission to record of deeds, deeds of trust, mortgages, leases and contracts at the rate of 25 cents per $100 of consideration or value, whichever is greater. An additional tax is imposed on deeds or conveyances of real estate at the rate of 50 cents per $500 of consideration or value, whichever is greater exclusive of the value of any lien or encumbrance. A tax is also imposed on the probate of wills and grants of administration, not exempt by law, at the rate of 10 cents per $100 of the value of the probate estate. A tax ranging from $5 to $25 is imposed on the filing of various types of legal actions.

Taxes on Premiums of Insurance Companies: (1.6 percent of Total Taxes in fiscal year 2024) Insurance companies are required to pay an annual license tax measured by the gross premium income derived from business done in the Commonwealth. The rate of tax varies according to the type of company. Insurance companies subject to this state license tax must make a declaration of estimated tax and pay one-fourth of such estimated tax in quarterly installments.

Other Taxes: Other taxes consist of 2.9% of Total Taxes in fiscal year 2024.

The following pie chart summarizes General Fund tax revenues by source:

COMPOSITION OF GENERAL FUND TAX REVENUES BY SOURCE
Fiscal Year Ended June 30, 2024



Note: Numbers may not sum due to rounding.
Source: Department of Accounts.

Collection of Delinquent Tax

When the Department of Taxation determines that taxes are delinquent, the taxpayer is sent a billing notice. A second notice is sent 30 days later demanding immediate payment within 10 days. If payment is not received at the end of that time, the Department of Taxation may take legal action to obtain payment including the placement of a lien on the taxpayer's wages or bank account. If the delinquency exceeds $100, the Department of Taxation may issue a memorandum of lien against the taxpayer's property. If subsequent to these actions satisfactory payment arrangements are not made, the Department of Taxation may execute the memorandum of lien or initiate court proceedings against the taxpayer.

Penalties for late payment or nonpayment of most taxes are assessed at the rate of 6 percent per month, not to exceed 30 percent of the delinquent tax liability. Interest on late or under payments is charged at an annualized rate of interest established pursuant to Section 6621(a) (2) of the federal Internal Revenue Code, plus 2 percent.

The following table presents total outstanding collectible tax receivables for all tax types at the end of fiscal years 2020 through 2024:

OUTSTANDING COLLECTIBLE TAX RECEIVABLES

Fiscal Year Ended June 30, 2024	Amount[1]
2020 ……………………………………………	$735,765,347
2021 ……………………………………………	645,283,906
2022 ……………………………………………	743,057,340
2023 ……………………………………………	777,890,178
2024…………………………………………...	833,968,687

[1] Does not include non-billed or uncollectible receivables

Source: Department of Taxation

General Fund Expenditures

General Fund expenditures relate to resources used for those services traditionally provided by a state government that are not accounted for in any other fund. These services include general government, legislative, public safety, judicial, health and mental health, human resources, licensing and regulation, and primary and secondary education (See table on page B-6).

Education: (43.6 percent of Total Expenditures in fiscal year 2024) Expenditures for education support individuals in developing knowledge, skills and cultural awareness, including elementary and secondary education instruction, supervision and assistance.

Individual and Family Services: (28.9 percent of Total Expenditures in fiscal year 2024) Expenditures for individual and family services support programs to benefit the economic, social and physical well-being of the individual and family, including disease research, control and prevention.

Administration of Justice: (11.8 percent of Total Expenditures in fiscal year 2024) Expenditures for administration of justice relate to the activities of the civil and criminal justice systems. These activities encompass the apprehension, trial, punishment and rehabilitation of law violators, and the deterrence and detection of crime.

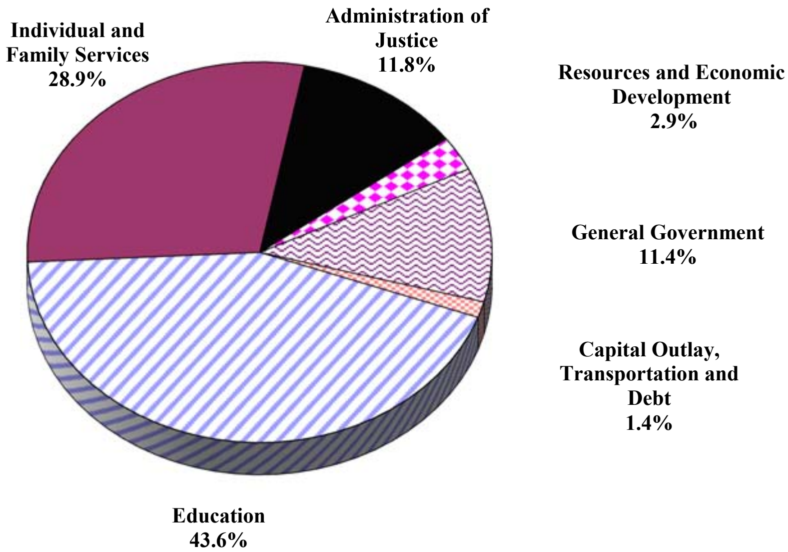
General Government: (11.4 percent of Total Expenditures in fiscal year 2024) General government expenditures support the general activities of state, regional and local levels of government. These activities include financial assistance to localities, enactment of legislative policy, intergovernmental projects, and distribution of sales and use taxes to localities, and payments to localities pursuant to the Personal Property Tax Relief Act of 1998.

Resources and Economic Development: (2.9 percent of Total Expenditures in fiscal year 2024) Resources and economic development expenditures support activities to develop the Commonwealth's economic base, including alternative natural resources, and to regulate this base with regard to the public interest of the Commonwealth.

Capital Outlay & Transportation: (1.3 percent of Total Expenditures in fiscal year 2024) Expenditures for capital outlay relate to the construction and renovation of state-owned buildings and facilities. Transportation expenditures relate to the movement by road, water or air of people, goods and services, and the regulation thereof.

Debt Service represented 0.1 percent of Total Expenditures in fiscal year 2024.

DISTRIBUTION OF GENERAL FUND EXPENDITURES BY SOURCE
Fiscal Year Ended June 30, 2024



Note: Numbers may not sum to 100 due to rounding.
Source: Department of Accounts.

General Fund Balance

With the implementation of GASB No. 54, the fund equity classifications of Reserved and Unreserved have been changed to Restricted, Committed, Assigned, and Unassigned. Restricted fund balances are those that have a restriction imposed by the *Constitution of Virginia* or from a party external to the Commonwealth. Committed fund balances represent amounts that have been legislatively mandated for a specific purpose. Assigned fund balances represent amounts the Commonwealth has identified for a specific purpose, but for which the use is not legislatively mandated. Unassigned fund balances are those that have not been restricted, committed, or assigned to specific purposes. Due to statutory requirements, any unassigned balances in the General Fund on a cash basis are automatically committed for transfer to the Transportation Trust Fund and for nonrecurring expenditures.

2020. General Fund revenues and other sources were more than expenditures and other uses by $725.3 million in fiscal year 2020. Total revenues increased by 2.1 percent and total expenditures increased by 3.2 percent. Transfers to the General Fund decreased by 2.9 percent while transfers out increased by 6.0 percent. Transfers to and from Component Units in fiscal year 2020 are reported as expenditures and revenues in accordance with GASB Statement No. 34.

2021. General Fund revenues and other sources were more than expenditures and other uses by $4.0 billion in fiscal year 2021. Total revenues increased by 14.6 percent and total expenditures increased by 1.3 percent. Transfers to the General Fund increased by 15.5 percent while transfers out decreased by 5.6 percent. Transfers to and from Component Units in fiscal year 2021 are reported as expenditures and revenues in accordance with GASB Statement No. 34.

2022. General Fund revenues and other sources were more than expenditures and other uses by $5.9 billion in fiscal year 2022. Total revenues increased by 15.8 percent and total expenditures increased by 9.7 percent. Transfers to the General Fund increased by 11.4 percent while transfers out decreased by 37.6 percent. Transfers to and from Component Units in fiscal year 2022 are reported as expenditures and revenues in accordance with GASB Statement No. 34.

2023. General Fund revenues and other sources were more than expenditures and other uses by $1.7 billion in fiscal year 2023. Total revenues decreased by 3.0 percent and total expenditures increased by 13.1 percent. Transfers to the General Fund increased by 0 .4 percent while transfers out decreased by 27.4 percent. Transfers to and from Component Units in fiscal year 2022 are reported as expenditures and revenues in accordance with GASB Statement No. 34.

2024. General Fund revenues and other sources were more than expenditures and other uses by $0.5 billion in fiscal year 2024. Total revenues increased by 5.7 percent and total expenditures increased by 9.5 percent. At the end of the fiscal year, the General Fund reported a combined ending fund balance of $15.6 billion, an increase of $0.5 billion in comparison with the prior year.

Non-General Fund Revenues

Non-General Fund revenues consist of all revenues not accounted for in the General Fund. Included in this category are special taxes and user charges earmarked for specific purposes, the majority of institutional revenues and revenues from the sale of property and commodities, and receipts from the federal government.

Approximately 50 percent of the Non-General Fund revenues are accounted for by grants and donations from the federal government, motor vehicle taxes and institutional revenues. Institutional revenues consist primarily of fees and charges collected by institutions of higher education, medical and mental hospitals and correctional institutions. Motor vehicle related taxes include the motor vehicle fuel tax, motor vehicle sales and use tax, oil excise tax, driver's license fee, title registration fee, motor vehicle registration fee and other miscellaneous revenues.

The following chart is a summary of revenues and expenditures for the largest of the Commonwealth's Special Revenue Funds, the Commonwealth Transportation Fund, prepared according to generally accepted accounting principles.

COMMONWEALTH TRANSPORTATION FUND *
(In thousands)

	2020**	2021**	2022**	2023**	2024**
Total revenues	$6,450,147	$7,436,847	$8,232,558	$8,572,826	$8,842,018
Total expenditures	5,697,898	6,782,885	7,281,917	7,479,566	7,981,526
Revenues over (under) expenditures	752,249	653,962	950,641	1,093,260	860,492
Other sources (uses) net	-418,392	-368,115	-29,989	-287,888	-213,443
Revenue and other sources (uses) over (under) expenditures	333,857	285,847	920,652	805,372	647,049
Beginning fund balance (adjusted)	3,716,063	4,049,920	4,335,767	5,256,419	6,061,791
Ending fund balance	$4,049,920	$4,335,767	$5,256,419	$6,061,791	$6,708,840

* The Commonwealth Transportation Fund accounts for the revenues and expenditures associated with highway operations, maintenance, construction, and other transportation related activities. Funding for these programs is provided from highway user taxes, fees, and funds received from the federal government.

** The information provided is contained in the corresponding annual ACFR under Government Funds - Special Revenue Funds - "*Schedule of Revenues, Expenditures, and Changes in Fund Balances - Major Special Revenue Funds*".

Source: 2020-2024 ACFRs.

Summary of 2024-2026 Biennium Budget

On December 20, 2023, Governor Youngkin presented the introduced budget bill for the 2024-2026 biennium that began July 1, 2024 (House Bill/Senate Bill 30) (the "2024 Budget Bill").

The 2024 Budget Bill was considered by the 2024 Session of the General Assembly which convened on January 10, 2024. The General Assembly adjourned on March 9, 2024 having passed the budget which was returned to the Governor for executive review and subsequent action as required by the Constitution of Virginia. The Governor returned the budget to the General Assembly at the April 17, 2024 Reconvened Session with a number of executive amendments. The General Assembly did not take-up of these amendments but agreed to return for a special session to reconsider the budget on May 13, 2024. Having reconsidered the budget and folding in additional amendments, the General Assembly passed HB 6001 which provides appropriations for the 2024-2026 biennium beginning on July 1, 2024. The Governor signed HB 6001 on May 13, 2024 which became Chapter 2, 2024 Acts of Assembly, Special Session I.

Key features of the 2024 Appropriation Act include the following:

Public Education

- $21.6 billion total general and state nongeneral fund biennial investment into K-12, a $1.7 billion (8.6 percent) increase from the previous biennium – major changes/items include:
  - Childcare

    $828 million state funds, a $571M (222 percent) increase from the previous biennium – includes $500 million for Childcare Subsidy Program.
  - Teacher/education staff compensation
    - $540 million to fund a 3% increase for all funded instructional and support positions in FY 2025 and an additional 3% increase in FY 2026.
  - Local school construction
    - $641 million in state nongeneral funds to fund school construction projects. Includes $160 million in competitive school-construction funding grants, $231 million in infrastructure funds, and $250 million in School Construction Loans.

Higher Education

- $7.2 billion GF operating investment, the largest in the Commonwealth's history, representing growth of 20 percent from the previous biennium. Additional funding includes:
  - 355.4 million for tuition moderation/affordable access funding.
  - $75 million for low-income student recruitment and retention.
  - $42 million in additional support for undergraduate and graduate financial aid.
  - $40.0 million in Virginia Military Survivors and Dependents Education Program (VMSDEP) waiver funding to offset the costs to universities.
  - $19.4 million in VMSDEP stipends for individual recipients.

Public Safety

- Financial assistance to Localities
  - $459 million direct aid to local law enforcement agencies, a $27 million (6.2 percent) increase from the previous biennium.
- Justice grants/services - $222 million in state support for criminal justice grant funding to localities and nonprofits, a $40 million (19 percent) increase from the previous biennium, including:
  - 20 million for Operation Ceasefire Grant Funding.
  - $28 million to Safer Communities program.
    - $18 million for Firearm Violence Intervention and Prevention funding.
  - $43 million to support School Resource Officers in local schools.
  - $57 million for community corrections programs.
  - $21 million for victim witness programs.
  - $16 million for domestic violence support services.

Health and Human Resources

- Medicaid
  - $840 million GF and $485 million of other state nongeneral funds to fully-fund Medicaid and Children's Health Insurance, including a $95 million GF Medicaid reserve for enrollment uncertainty.
- Behavioral health
  - $634 million in total funds to provide 3,440 Developmental Disability Waiver slots and other waiver services.
  - $74.3 million to expand Crisis Services, including mobile crisis teams, crisis receiving centers, and STEP-VA services.
  - $72.8 million to support the behavioral health workforce, including $47 million in salary increases at state facilities and Comprehensive Services Boards.
  - $28.9 million in Opioid Response and Prevention funding.

- Other HHR investments
  - 97 million to fully fund mandatory caseload and cost increases in the Children's Services Act.
  - $34 million in GF support for kinship and foster care families.

Conservation and Resiliency Funding

- Over $800 million in conservation and resiliency investments including:
  - $400 million in state support for upgrades to wastewater projects for Chesapeake Bay nutrient reduction (also noted in capital below).
  - Nearly $201.1 million in state support towards water quality improvement activities, including fully funding agricultural best management practices based on the latest needs assessment.
  - $100 million in state support for the Virginia Community Flood Preparedness Fund.
  - $25 million in state support to the City of Norfolk to support the Norfolk Coastal Storm Risk Management Project.
  - $50 million in state support for the Richmond Combined Sewer Overflow project.
  - $26.5 million in state support for the City of Bristol landfill remediation.

Economic Development

- $175 million over the biennium for the Virginia Housing Trust Fund.
- $114 million to enhance "Virginia's Research Hub," a biotechnology, life sciences, and pharmaceutical manufacturing network among University of Virginia, Virginia Tech, Old Dominion University, and Virginia Commonwealth University.
- $40 million to support the development of Business Ready Sites, continuing funding for an over-subscribed program that allows localities to develop shovel-ready sites that house employers seeking to expand or relocate in the Commonwealth.
- Authorizes a $40 million treasury loan to the City of Newport News to help secure a federal investment of up to $400 million from the U.S. Navy to build housing infrastructure for sailors while stationed at the shipyard.
- $30 million for the Virginia Make Ready initiative, providing critical funding to connect Virginians in underserved communities to the digital economy.
- $14 million to promote Industrial Site Revitalization across the Commonwealth.

Transportation

- Hampton Roads Toll Relief
  - $101 million for expansion of the existing Toll Relief Program to provide a 100 percent toll rebate on up to 14 trips per week through the Elizabeth River Tunnels for eligible drivers in Norfolk and Portsmouth who earn less than $50,000 per year.
  - $144.7 million in state funding to address Metro's current operating shortfall and relieve the burden on local governments in Northern Virginia that are members of the WMATA compact.
- I-81
  - $245 million to accelerate construction projects within the Interstate 81 Corridor Improvement Program including a $70 million deposit to the I-81 Corridor Improvement fund in FY 2025 and the dedication of $175 million in future general fund revenue collections if the official General Fund forecast is exceeded.
- The Washington Metropolitan Area Transit Authority (WMATA)
  - $144.7 million in state funding to address Metro's current operating shortfall and relieve the burden on local governments in Northern Virginia that are members of the WMATA compact.

Public Employee Salary Increases (excluding K-12)

- $545.2 million for the biennium to provide a three percent increase each year.
  - $178.8 million in adjustments to employee compensation for FY 2025.
  - $366.4 million in adjustments to employee compensation for FY 2026.

Capital Outlay Investments

- $1.9 billion in general fund cash and tax-supported debt for projects:
  - $571.9 million for renovation, replacement, and improvement projects at state agencies and institutions of higher education across the Commonwealth.
  - $464 million GF for maintenance reserve.
  - $400 million in bonds for improvements to wastewater treatment plants.
  - $108.2 million GF for equipment to support the opening of completed projects.
  - $280 million GF to supplement construction cost increases on previously authorized projects.
  - Total state-supported debt is $900.9 million over the biennium, though the $400 million of debt approved for wastewater treatment plants is subject to a switch to cash funding dependent upon final FY 2024 revenue collections.
- The Commonwealth's current debt capacity is approximately $1.0 billion per year.

The 2024 Appropriation Act assumes a general fund balance at the end of the 2024-2026 biennium of $17.6 million.

The table on the following page summarizes Chapter 2 (2024 Special Session I).

2024 Appropriation Act
(Chapter 2, 2024 Acts of Assembly, Special Session I)

	FY 2025	FY 2026	Total
GENERAL FUND			
Revenue			
Unrestricted Beginning Balance	$2,989,627,272	$0	$2,989,627,272
Additions to balance	47,000,000	(500,000)	46,500,000
Official revenue estimate	28,563,750,000	30,275,550,000	58,839,300,000
Transfers	1,128,073,149	1,714,755,410	2,842,828,559
Total general fund resources available for appropriation	$32,728,450,421	$31,989,805,410	$64,718,255,831
Appropriations			
Legislative	$150,483,367	$130,308,367	$280,791,734
Judicial	653,077,430	659,976,612	1,313,054,042
Executive	30,944,929,522	31,095,722,325	62,040,651,847
Independent Agencies	36,231,579	78,231,579	114,463,158
Sub-total operating expenses	$31,784,721,898	$31,964,238,883	$63,748,960,781
Capital Outlay	691,677,311	260,000,000	951,677,311
Total appropriations	$32,476,399,209	$32,224,238,883	$64,700,638,092
NONGENERAL FUNDS			
Revenue			
Balance June 30, 2024	$12,189,205,926	$0	$12,189,205,926
Official revenue estimate	50,242,785,460	52,470,704,871	102,713,490,331
Lottery Proceeds Fund	877,926,201	852,926,201	1,730,852,402
Internal Service Fund	2,547,892,953	2,613,216,074	5,161,109,027
Bond proceeds	834,497,540	200,000,000	1,034,497,540
Total nongeneral fund revenue available for appropriation	$66,692,308,080	$56,136,847,146	$122,829,155,226
Appropriations			
Legislative	$5,305,295	$5,305,295	$10,610,590
Judicial	41,225,251	41,225,251	82,450,502
Executive Department	52,948,941,033	54,273,744,215	107,222,685,248
Independent Agencies	2,761,036,241	2,842,439,601	5,603,475,842
Sub-total operating expenses	$55,756,507,820	$57,162,714,362	$112,919,222,182
Capital Outlay	1,302,519,634	503,300,000	1,805,819,634
Total appropriations	$57,059,027,454	$57,666,014,362	$114,725,041,816

2025 Introduced Budget

On December 18, 2024, Governor Youngkin announced his amendments to the 2024-2026 biennium budget. The proposed budget amendments provide additional funding for Medicaid and other forecasted items, behavioral health, education, economic development, conservation efforts, and capital outlay. The Governor's plan also includes over $1 billion in additional tax relief. The top 25 General Fund operating amendments included in the Governor's proposed budget make-up over 97 percent of the total proposed change in General Fund operating budgets and include the following:

- Provide funding for Car Tax Credits - $1.1 billion
- Fund Medicaid utilization and inflation - $632.2 million
- Appropriate required Revenue Reserve Fund deposit - $294.5 million
- Appropriate general fund surplus dedicated to Interstate 81 - $175 million
- Increase appropriation for the replacement of revenue management system - $131 million
- Update English Language Learner data - $110.7 million
- Fund forecast for services provided to at risk youth - $105.4 million
- Appropriate general fund surplus dedicated to waiver programs - $90 million
- Implement new state assessment contract - $66 million
- Establish School Performance and Support Framework Resource Hub - $51.3 million
- Appropriate surplus funds to support the Richmond Combined Sewer Overflow project - $50 million
- Provide Virginia Opportunity Scholarships - $50 million
- Expand the Virginia Business Ready Sites Program - $50 million
- Fund medical assistance services for low-income children utilization and inflation - $47.6 million
- Fund Family Access to Medical Insurance Security utilization and inflation - $40.7 million
- Adjust funding for agency health insurance premium costs - $40.5 million
- Update sales tax revenue for public education - $38.4 million
- Provide funding for special conservators of the peace at private hospitals - $35.2 million
- Support life sciences in the Commonwealth - $35 million
- Update Average Daily Membership projections based on actual Fall Membership - $33.8 million
- Deposit part of the surplus to the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund - $26.3 million
- Establish and capitalize the Disaster Assistance Fund - $25 million
- Establish new Lab Schools in partnership with Historically Black Colleges and Universities - $25 million
- Deposit part of the surplus to the Water Quality Improvement Fund to support the Enhanced Nutrient Removal Certainty Program - $17.4 million
- Sustain and expand high school student access to community college dual enrollment and workforce credential programs - $15 million

General Fund investments in capital outlay include the following:

- Supplement and adjust scope for existing projects - $80.4 million
- Upgrades, repairs, and life-safety investments - $255.2 million
- New projects - $517.1 million
- Address Capitol Square area facilities - $68 million
- Equipment for new facilities - $14.5 million
- Planning for potential future projects - $31.9 million

The General Assembly will consider the Governor's proposed budget amendments during the 2025 session that convened on January 8, 2025. The final form of the 2024-2026 biennium budget amendments may be different from the Governor's proposed amendments.

2025 Budget Bill
(House Bill 1600 / Senate Bill 800 Introduced)

	FY 2025	FY 2026	Total
GENERAL FUND			
Revenue			
Unrestricted Beginning Balance	$12,757,442,466	$0	$12,757,442,466
Additions to balance	(8,257,735,067)	(500,000)	(8,258,235,067)
Official revenue estimate	30,648,436,462	31,406,549,381	62,054,985,843
Transfers	1,354,680,474	1,541,043,937	2,895,724,411
Total general fund resources available for appropriation	$36,502,824,335	$32,947,093,318	$69,449,917,653
Appropriations			
Legislative	$150,483,367	$130,365,920	$280,849,287
Judicial	653,795,430	666,762,286	1,320,557,716
Executive	33,596,405,890	31,804,033,453	65,400,439,343
Independent Agencies	36,231,579	78,231,579	114,463,158
Sub-total operating expenses	$34,436,916,266	$32,679,393,238	$67,116,309,504
Capital Outlay	2,058,855,915	260,000,000	2,318,855,915
Total appropriations	$36,495,772,181	$32,939,393,238	$69,435,165,419
NONGENERAL FUNDS			
Revenue			
Balance June 30, 2024	$12,329,216,528	$0	$12,329,216,528
Official revenue estimate	55,998,845,003	57,228,674,579	113,227,519,582
Lottery Proceeds Fund	943,824,250	875,335,350	1,819,159,600
Internal Service Fund	2,548,392,953	2,661,451,414	5,209,844,367
Bond proceeds	666,029,060	206,085,243	872,114,303
Total nongeneral fund revenue available for appropriation	$72,486,307,794	$60,971,546,586	$133,457,854,380
Appropriations			
Legislative	$5,305,295	$5,305,295	$10,610,590
Judicial	42,884,198	42,886,325	$85,770,523
Executive Department	55,349,115,388	56,171,014,062	$111,520,129,450
Independent Agencies	2,768,561,451	3,200,011,869	$5,968,573,320
Sub-total operating expenses	$58,165,866,332	$59,419,217,551	$117,585,083,883
Capital Outlay	1,197,183,505	612,065,051	$1,809,248,556
Total appropriations	$59,363,049,837	$60,031,282,602	$119,394,332,439

Source: Department of Planning and Budget.

INDEBTEDNESS OF THE COMMONWEALTH

Section 9 of Article X of the Constitution of Virginia provides for the issuance of debt by or on behalf of the Commonwealth. Sections 9(a), (b) and (c) provide for the issuance of debt to which the Commonwealth's full faith and credit is pledged and Section 9(d) provides for the issuance of debt not secured by the full faith and credit of the Commonwealth, but which may be supported by and paid from Commonwealth tax collections subject to appropriations by the General Assembly. The Commonwealth may also enter into leases and contracts that are classified on its financial statements as long-term indebtedness. Certain authorities and institutions of the Commonwealth may also issue debt. This section discusses the provisions for and limitations on the issuance of general obligation debt and other types of debt of the Commonwealth and its authorities and institutions.

Section 9(a) Debt

Section 9(a) of Article X provides that the General Assembly may contract general obligation debt: (1) to meet certain types of emergencies, (2) to meet casual deficits in the revenue or in anticipation of the collection of revenues of the Commonwealth and (3) to redeem a previous debt obligation of the Commonwealth. Total indebtedness issued pursuant to Section 9(a) (2) may not exceed 30 percent of an amount equal to 1.15 times the annual tax revenues derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the preceding fiscal year and any such indebtedness shall mature within twelve months from the date of its incurrence.

Section 9(b) Debt

Section 9(b) of Article X provides that the General Assembly may authorize the creation of general obligation debt for capital projects. Such debt is required to be authorized by an affirmative vote of a majority of the members elected to each house of the General Assembly and approved in a statewide referendum. The outstanding amount of such debt is limited in the aggregate to an amount equal to 1.15 times the average annual tax revenues derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three immediately preceding fiscal years (“the 9(b) Debt Limit”). Thus, the amount of such debt that can be issued is the 9(b) Debt Limit less the total amount of such debt outstanding ("Debt Margin"). There is an additional 9(b) debt restriction on the amount of such debt that the General Assembly may authorize in any year. The additional authorization restriction is limited to 25% of the 9(b) Debt Limit less any 9(b)- debt authorized in the current and prior three fiscal years.

The phrase "taxes on income and retail sales" is not defined in the Constitution or by statute. The record made in the process of adopting the Constitution, however, suggests an intention to include only income taxes payable by individuals, fiduciaries and corporations and the state sales and use tax.

Section 9(c) Debt

Section 9(c) of Article X provides that the General Assembly may authorize the creation of general obligation debt for revenue producing capital projects for executive branch agencies and institutions of higher learning. Such debt is required to be authorized by an affirmative vote of two-thirds of the members elected to each house of the General Assembly and approved by the Governor. The Governor must certify before the enactment of the bond legislation and again before the issuance of the bonds that the net revenues pledged are expected to be sufficient to pay principal and interest on the bonds issued to finance the projects.

The outstanding amount of Section 9(c) debt is limited in the aggregate to an amount equal to 1.15 times the average annual tax revenues derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three immediately preceding fiscal years (“the 9(c) Debt Limit”). While the debt limits under Sections 9(b) and 9(c) are each calculated as the same percentage of the same average tax revenues, these debt limits are separately computed and apply separately to each type of debt.

Effect of Refunding Debt

In general, when the Commonwealth issues bonds to refund outstanding bonds issued pursuant to Section 9(b) or 9(c) of Article X of the Constitution, the refunded bonds are considered paid for purposes of the constitutional limitations upon debt incurrence, and the refunding bonds are counted in the computations of such limitations. Section 9(a) (3) provides that in the case of the refunding of debt incurred in accordance with Section 9(c) of Article X, the debt evidenced by the refunding bonds will be counted against the 9(c) Debt Limit unless the Governor does not provide the net revenue sufficiency certification, in which case the debt evidenced by the refunding bonds will be counted against the 9(b) Debt Limit.

General Obligation Debt Limit and Debt Margin

Using individual and fiduciary income, corporate income and the state sales and use tax revenues as the sources of "taxes on income and retail sales", as of June 30, 2024, the debt limits pursuant to Article X, Section 9 of the Constitution of Virginia are as follows:

COMPUTATION OF LEGAL DEBT LIMIT AND DEBT MARGIN
(in thousands)

	Fiscal Year Ended June 30,		
Taxes	**2022**	**2023**	**2024**
Individual and Fiduciary Income [1]	$19,361,618	$20,032,168	$20,310,406
Corporation Income [2]	1,978,697	2,031,120	1,907,065
State Sales and Use [3]	5,080,554	5,291,556	5,283,496
Total	$26,420,869	$27,354,844	$27,500,967
Average tax revenues for the three fiscal years			$27,092,227
Section 9(a)(2) General Obligation Debt Issuance Limit and Margin [4]:			
Debt Issuance Limit:			
30% of 1.15 times annual tax revenues for fiscal year 2024			$9,487,834
Less 9(a)(2) Bonds Outstanding:			0
Debt Issuance Margin for Section 9(a)(2) General Obligation Bonds			$9,487,834
Section 9(b) General Obligation Debt Issuance Limit and Margin:			
Debt Issuance Limit:			
1.15 times the average tax revenues for three fiscal years as calculated above			$31,156,061
Less 9(b) Bonds Outstanding at June 30, 2024:			
Public Facilities Bonds [6]		$120,065	
Transportation Facilities Refunding Bonds [5][6]		0	
Bond Anticipation Notes		0	
Total 9(b) Bonds Outstanding at June 30, 2024			120,065
Debt Issuance Margin for Section 9(b) General Obligation Bonds			$31,035,996
Debt Authorization Limit:			
25% of 1.15 times average tax revenues for three fiscal years as calculated above			$7,789,015
Less 9(b) debt authorized during the three prior fiscal years			0
Maximum additional 9(b) debt that may be authorized by the General Assembly (subject to referendum):			7,789,015
Section 9(c) General Obligation Debt Issuance Limit and Margin:			
Debt Issuance Limit:			
1.15 times the average tax revenues for three fiscal years as calculated above			$31,156,061
Less 9(c) Bonds Outstanding at June 30, 2024:			
Parking Facilities [6]		$3,582	
Transportation Facilities [6]		0	
Higher Educational Institutions [6]		929,445	
Bond Anticipation Notes		0	
Total 9(c) Bonds Outstanding at June 30, 2024			933,027
Debt Issuance Margin for Section 9(c) General Obligation Bonds			$30,223,034

[1] Includes taxes imposed pursuant to Articles 2 and 9 of Chapter 3, Title 58.1 of the Code of Virginia.
[2] Includes taxes imposed pursuant to Article 10 of Chapter 3, Title 58.1 of the Code of Virginia.
[3] Includes taxes imposed pursuant to Chapter 6, Title 58.1 of the Code of Virginia, less taxes identified in Sections 58.1-605 and 58.1-638.
[4] Debt limit applies only to debt authorized pursuant to Article X, Section 9(a)(2) of the Constitution of Virginia.
[5] These bonds refunded certain Section 9(c) debt and because the Governor did not certify the feasibility of the refinanced project, it must be applied against the Section 9(b) Debt Limit.
[6] Net of unamortized discounts and premiums.

Sources: Department of Accounts and Department of the Treasury.

Tax-Supported Debt–General Obligation

Tax-supported debt of the Commonwealth includes both general obligation debt and debt of agencies, institutions, boards and authorities for which debt service is expected to be made in whole or in part from appropriations of tax revenues.

Outstanding Section 9(b) debt as of June 30, 2024, includes the unamortized portion of $120.1 million of general obligation bonds. In November 1992, $613.0 million in general obligation bonds were authorized and approved by the voters. In November 2002, $1.0 billion in general obligation bonds were authorized and approved by the voters. Various series of refunding bonds were issued to refund certain series of bonds. Outstanding Section 9(c) debt as of June 30, 2024, includes various series of Higher Educational Institutions Bonds (including refunding bonds) issued from 2010 to 2024, and a series of Parking Facilities Bonds (including refunding bonds) issued in 2016. Outstanding general obligation debt does not include 9(b) and 9(c) advance refunded bonds for which funds have been deposited in irrevocable escrow accounts in amounts sufficient to meet all required future debt service.

State statutes limit the amount of debt the Commonwealth may issue for each specific type of general obligation debt. As of June 30, 2024, these statutory limits significantly exceed the Commonwealth's outstanding general obligation debt.

Other Tax-Supported Debt

Section 9(d) of Article X provides that the restrictions of Section 9 are not applicable to any obligation incurred by the Commonwealth or any of its institutions, agencies or authorities if the full faith and credit of the Commonwealth is not pledged or committed to the payment of such obligation.

There are currently outstanding various types of 9(d) revenue bonds issued by authorities, political subdivisions and agencies to which the Commonwealth's full faith and credit is not pledged. Certain of these bonds, however, are paid in part or in whole from revenues received as appropriations by the General Assembly from general tax revenues, while others are paid solely from revenues derived from enterprises related to the operation of the financed capital projects or other non-General Fund revenues.

The debt repayments of the Virginia Public Building Authority, the Virginia College Building Authority 21st Century College and Equipment Programs, the Virginia Biotechnology Research Partnership Authority and several other long-term capital leases or notes have been supported all or in large part by General Fund appropriations.

The Commonwealth Transportation Board ("CTB") has issued various series of bonds authorized under the State Revenue Bond Act. These bonds are secured by and payable from funds appropriated by the General Assembly from the Transportation Trust Fund. The Transportation Trust Fund was established by the General Assembly in 1986 as a special non-reverting fund administered and allocated by the Transportation Board for the purpose of increased funding for construction, capital and other needs of state highways, airports, mass transportation and ports. As of June 30, 2024, $2.6 billion in CTB Tax-Supported bonds were outstanding. In 2007, the CTB was authorized by the General Assembly to issue up to $3.0 billion in Capital Projects Revenue Bonds, with an additional $180 million authorized in 2008 and an additional $150 million authorized in 2018 for a total authorization of $3.33 billion. In addition, in 2013, the CTB was authorized to issue up to $595.7 million in Transportation Revenue Bonds for the U.S. Route 58 Corridor Development Program, which the CTB began utilizing in 2022.

The Virginia Port Authority ("VPA") issues bonds secured by its share of the Transportation Trust Fund. As of June 30, 2024, $353.8 million of Commonwealth Port Fund ("CPF") Revenue Bonds were outstanding and there was no authorized but unissued CPF debt.

Leases and Contracts

Long-Term Leases. The Commonwealth is involved in numerous agreements to lease buildings, energy efficiency projects and equipment. For a detailed description, see "Notes to the Financial Statements" included in the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024. These lease agreements are for various terms, and each lease contains a non-appropriation clause indicating that continuation of the lease is subject to funding by the General Assembly. The Commonwealth implemented GASB Statement No. 87, Leases, in fiscal year 2022. This resulted in dramatic changes in categorizing leases and lease liability reporting. As a result of the changes the principal balance of all tax-supported Long-Term Leases outstanding as of June 30, 2024, was $614.9 million.

SBITAs. The Commonwealth has entered into contractual agreements with various vendors that convey control of the right-to-use another entity's IT asset, alone, or in conjunction with a tangible capital asset in an exchange or exchange-like transaction under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The Commonwealth has a variety of variable payment clauses within its SBITAs, including variable payments based on future performance, usage of the underlying asset, number of software licenses, or hours of access necessary. Such amounts are recognized as an expense in the period in which the obligation for those payments is incurred. The principal balance of tax- supported SBITAs outstanding was $237.3 million as of June 30, 2024.

Installment Purchases. The Commonwealth also finances the acquisition of certain personal property and equipment through installment purchase agreements. The length of the agreements and the interest rates charged vary. In most cases, the agreements are collateralized by the personal property and equipment acquired. Installment purchase agreements contain non-appropriation clauses indicating that continuation of the installment purchase is subject to funding by the General Assembly. The principal balance of tax-supported installment purchase obligations outstanding was $309.7 million as of June 30, 2024.

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Outstanding Tax-Supported Debt

The following table and chart summarize for the past five fiscal years the outstanding indebtedness of the Commonwealth, its agencies, institutions and authorities for which appropriated tax revenues are required to pay debt service. In certain instances, debt service may be paid with or payable from other non-tax sources (e.g., toll revenues, port revenues and user fees), but the underlying security remains the appropriation of tax revenues by the Commonwealth.

OUTSTANDING TAX-SUPPORTED DEBT

(in thousands)

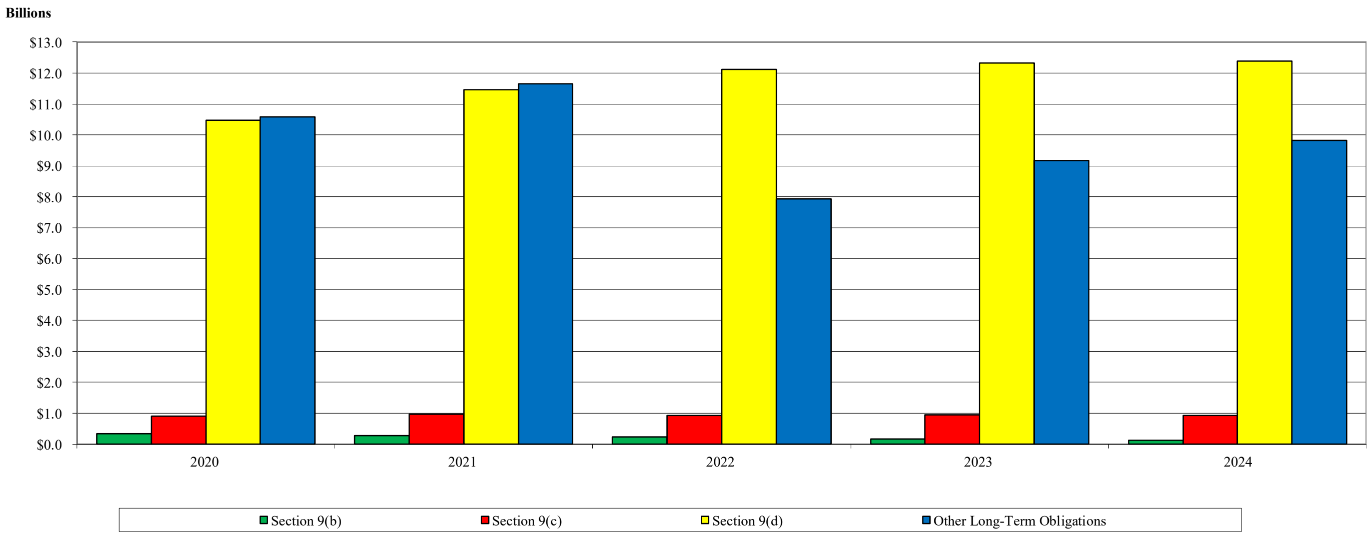
	2020	2021	2022	2023	2024
General Obligation Debt:					
Section 9(a)	-	-	-	-	-
Section 9(b) [1]	$ 330,934	$ 278,221	$ 225,600	$ 173,122	$ 120,065
Section 9(c) [1]					
Higher Educational Institutions	886,837	955,729	912,817	940,849	929,445
Transportation Facilities	3,083	-	-	-	-
Parking Facilities	7,583	$6,640	$5,664	$4,646	$3,582
Sub-Total 9(c) [1]	$ 897,503	$ 962,369	$ 918,481	$ 945,495	$ 933,027
Total General Obligation Debt [1]	$ 1,228,437	$ 1,240,590	$ 1,144,081	$ 1,118,617	$ 1,053,092
Section 9(d) Debt:					
Transportation [1]	$ 2,813,942	$ 2,661,007	$ 2,737,497	$ 2,802,412	$ 2,632,683
Virginia Public Building Authority [1]	3,028,198	3,472,631	3,780,877	3,519,630	3,524,062
Virginia Port Authority [1]	223,708	222,831	210,246	368,903	353,816
Virginia College Building Authority 21st Century/Equipment [1]	4,384,599	5,101,393	5,389,998	5,636,772	5,872,402
Virginia Biotechnology Research Partnership Authority [1]	9,669	4,903	-	-	-
Virginia Aviation Board [1]	-	-	-	-	-
Fairfax County Economic Development Authority [1]	15,624	7,542	-	-	-
Total Section 9(d) Debt	$ 10,475,740	$ 11,470,307	$ 12,118,618	$ 12,327,717	$ 12,382,963
Other Long-Term Obligations:					
Capital Leases (2)	$ 35,318	$ 42,290			
Long Term Lease Obligations(2)			555,071	604,124	614,948
Long-Term Subscription Based Information Technology Arrangements (5)	-	-	-	183,467	237,263
Installment Purchase Obligations	216,159	224,013	339,548	313,824	309,686
Compensated Absences	687,473	737,166	713,185	790,099	809,085
Pension Liability	7,294,376	8,348,881	4,369,154	5,466,431	6,030,110
Total OPEB Liability	665,099	556,946	439,039	354,843	343,604
Net OPEB Liability	1,644,462	1,693,093	1,474,595	1,422,284	1,444,939
Other Liabilities and Notes Payable	38,738	41,270	37,096	31,274	27,690
Total Other Long-Term Obligations	$ 10,581,625	$ 11,643,659	$ 7,927,688	$ 9,166,346	$ 9,817,325
Total Tax-Supported Debt	$ 22,285,802	$ 24,354,556	$ 21,190,387	$ 22,612,680	$ 23,253,380

(1) The general obligation debt is the only debt or long-term obligation that is backed by the full faith and credit of the Commonwealth.
(2) All amounts are net of unamortized discounts and premiums.
(3) As discussed in Note 28, certain balances above contain Direct Borrowings and Direct Placements.
(4) GASB Statement No. 87, *Leases*, was effective starting with fiscal year 2022. This statement changed the lease liability classifications.
(5) GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* was effective starting with fiscal year 2023.

Note: Net of unamortized discounts/premiums.
Source: Department of the Treasury; Department of Accounts.

Outstanding Tax-Supported Debt

(in thousands)



Outstanding Tax-Supported Debt Service

The following table summarizes annual debt service on outstanding tax-supported debt as of June 30, 2024. The table does not include debt service requirements for long-term lease liabilities, installment purchase obligations and subscription-based information technology arrangements payable from the General Fund of the Commonwealth.

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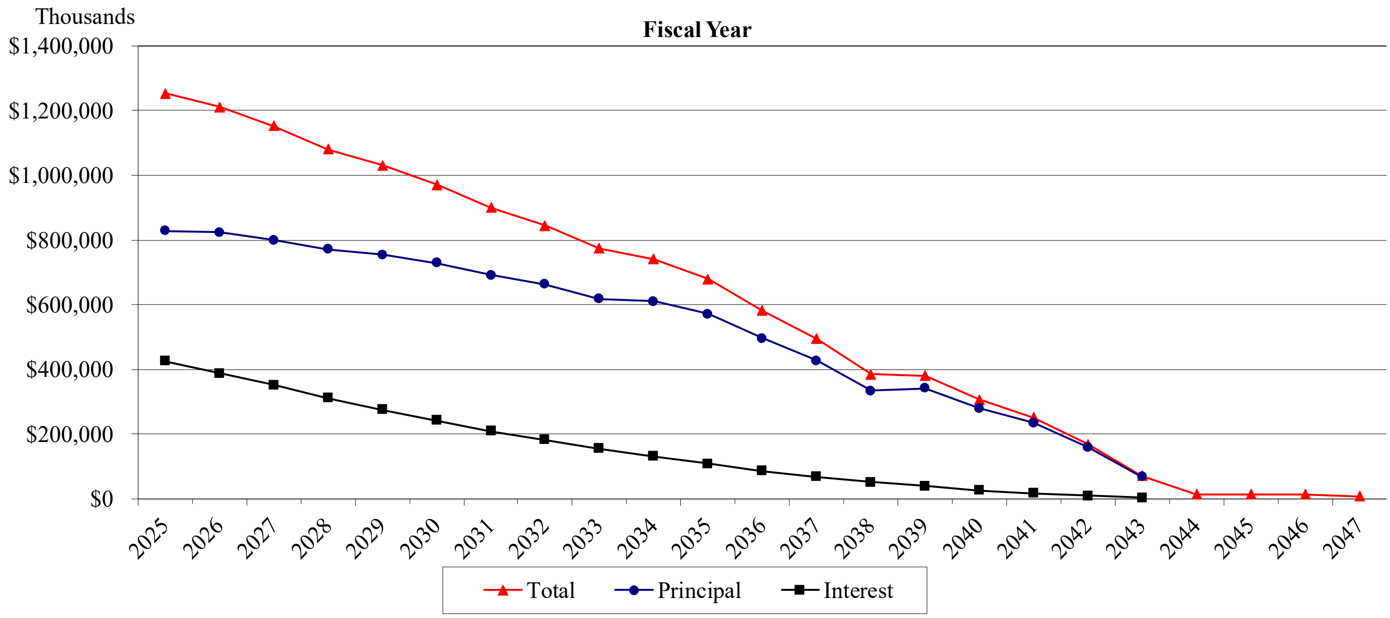
ANNUAL DEBT SERVICE REQUIREMENTS
Tax-Supported Debt Outstanding at June 30, 2024
($ in thousands)

Fiscal Year Ending June 30	General Obligation Debt Sections 9(a), 9(b) and 9 (c) [1] Principal	Interest	Total	Other Tax-Supported Debt Section 9(d) [1] [2] Principal	Interest	Total	Total Principal	Interest	Total
2025	110,020	38,452	148,472	778,934	467,267	1,246,201	888,954	505,719	1,394,673
2026	107,155	32,958	140,113	779,269	445,791	1,225,060	886,424	478,749	1,365,173
2027	98,860	28,272	127,132	767,456	409,987	1,177,443	866,316	438,259	1,304,575
2028	85,110	23,923	109,033	753,765	375,048	1,128,813	838,875	398,971	1,237,846
2029	72,700	20,602	93,302	746,240	339,554	1,085,794	818,940	360,156	1,179,096
2030	65,885	17,714	83,599	728,795	304,448	1,033,243	794,680	322,162	1,116,842
2031	62,380	15,274	77,654	689,235	269,964	959,199	751,615	285,238	1,036,853
2032	53,380	13,078	66,458	659,885	239,352	899,237	713,265	252,430	965,695
2033	53,665	11,211	64,876	626,850	210,984	837,834	680,515	222,195	902,710
2034	48,630	9,359	57,989	628,435	183,498	811,933	677,065	192,857	869,922
2035	42,745	7,764	50,509	601,965	157,587	759,552	644,710	165,351	810,061
2036	35,400	6,387	41,787	544,925	132,685	677,610	580,325	139,072	719,397
2037	27,720	5,252	32,972	488,620	110,847	599,467	516,340	116,099	632,439
2038	25,160	4,328	29,488	405,140	90,951	496,091	430,300	95,279	525,579
2039	22,070	3,432	25,502	421,860	74,228	496,088	443,930	77,660	521,590
2040	20,670	2,698	23,368	367,685	57,265	424,950	388,355	59,963	448,318
2041	12,285	2,031	14,316	335,605	43,036	378,641	347,890	45,067	392,957
2042	10,775	1,555	12,330	276,410	30,169	306,579	287,185	31,724	318,909
2043	5,845	1,100	6,945	189,540	19,211	208,751	195,385	20,311	215,696
2044	6,085	862	6,947	97,510	12,025	109,535	103,595	12,887	116,482
2045	1,340	612	1,952	59,315	7,798	67,113	60,655	8,410	69,065
2046	1,400	551	1,951	41,575	5,571	47,146	42,975	6,122	49,097
2047	1,465	488	1,953	37,945	3,753	41,698	39,410	4,241	43,651
2048	1,530	423	1,953	31,855	2,003	33,858	33,385	2,426	35,811
2049	1,605	346	1,951	18,515	486	19,001	20,120	832	20,952
2050	1,685	266	1,951	0	0	0	1,685	266	1,951
2051	1,770	182	1,952	0	0	0	1,770	182	1,952
2052	1,860	93	1,953	0	0	0	1,860	93	1,953
Subtotal	979,195	249,213	1,228,408	11,077,329	3,993,508	15,070,837	12,056,524	4,242,721	16,299,245
Add Accretion on CAB's	0	0	0	14,741	0	14,741	14,741	0	14,741
Add Unamortized Premium	73,897	0	73,897	1,290,893	0	1,290,893	1,364,790	0	1,364,790
TOTAL	$ 1,053,092	$ 249,213	$ 1,302,305	$ 12,382,963	$ 3,993,508	$ 16,376,471	$ 13,436,055	$ 4,242,721	$ 17,678,776

[1] Does not include long-term leases, installment purchase obligations, regional jail reimbursements under the original treasury board program, compensated absences, pension liability, OPEB liability, pollution rememdiation liability and other liabilities.

[2] Includes principal amount of $6,156,745 (dollars in thousands) for the primary government, net of acretion on capital appreciation and unamortized premiums and discounts.
Source: Department of the Treasury.

ANNUAL DEBT SERVICE REQUIREMENTS TAX-SUPPORTED DEBT OUTSTANDING AT JUNE 30, 2024 (in thousands)



Source: Department of Treasury.

RATIOS OF OUTSTANDING TAX-SUPPORTED DEBT TO POPULATION AND PERSONAL INCOME AT JUNE 30, 2024

Fiscal Year	Population	Personal Income	Outstanding Debt	Tax-Supported Debt/Capita	Debt/Income (%)
2015	8,382,993	$ 433,084,780	$ 19,750,033	$ 2,356	4.6%
2016	8,414,380	444,688,825	20,877,208	2,481	4.7%
2017	8,463,587	462,370,192	21,400,790	2,529	4.6%
2018	8,501,286	479,769,649	21,879,456	2,574	4.6%
2019	8,556,642	501,809,483	21,716,313	2,538	4.3%
2020	8,637,193	530,918,418	22,285,802	2,580	4.2%
2021	8,657,348	578,640,962	24,354,556	2,813	4.2%
2022	8,679,099	599,039,457	21,190,387	2,442	3.5%
2023	8,715,698	643,578,600	22,612,680	2,594	3.5%
2024	8,811,195	663,500,755	23,253,380	2,639	3.5%

Bureau of Economic Analysis SA1-3 Personal Income Summary, 2015-2024 revised population estimates as of December, 2024
BEA State Personal Income for 2015-2024 updated as December 2024, SA05N Personal Income by Major Source and Earnings

Source: Population Division, US Census, Data Release Date: December, 2024

Authorized and Unissued Tax-Supported Debt

As of June 30, 2024, the following tax-supported debt had been authorized by the General Assembly and remained unissued:

Authorized and Unissued Tax-Supported Debt
as of June 30, 2024
(in thousands)

	As of June 30, 2024
Section 9(b) Debt (Primary Government):	
Higher Educational Institution Bonds	$ -
Park and Recreational Facilities	-
Subtotal Section 9(b) Debt	-
Section 9(c) Debt (Primary Government):	
Higher Educational Institution Bonds	670,951
Parking Facilities Bonds	226
Subtotal Section 9(c) Debt	671,177
Section 9(d) Debt:	
Primary Government:	
Transportation Contract Revenue Bonds	
(Northern Virginia Transportation District Fund Program)	24,700
U.S. Route 58 Corridor Development Program	226,400
Transportation Capital Projects Revenue Bonds	146,634
Component Units:	
Virginia Public Building Authority (Projects)	1,563,436
Virginia Public Building Authority (Jails)	36,144
Virginia College Building Authority (21st Century)	812,610
Virginia College Building Authority (Equipment Program)	192,800
Virginia Port Authority	-
Subtotal Section 9(d) Debt	3,002,724
Total Authorized and Unissued Tax-Supported Debt	$ 3,673,901

Source: Department of Accounts and Department of Treasury.

Moral Obligation Debt

The Virginia Housing Development Authority, the Virginia Resources Authority and the Virginia Public School Authority are authorized to issue bonds secured in part by a moral obligation pledge of the Commonwealth. All three are designed to be self-supporting from their individual loan programs. The Commonwealth may fund deficiencies that may occur in debt service reserves for moral obligation debt. By the terms of the applicable statutes, the Governor is obligated to include in his annual budget submitted to the General Assembly the amount necessary to restore any such reported deficiency, but the General Assembly is not legally required to make any appropriation for such purpose. Neither the Virginia Housing Development Authority nor the Virginia Public School Authority have bonds outstanding that are secured by the moral obligation pledge. To date, the Virginia Resources Authority has not reported to the Commonwealth that any such reserve deficiencies exist. The table below summarizes the Commonwealth's outstanding moral obligation indebtedness for the past five fiscal years.

OUTSTANDING MORAL OBLIGATION DEBT
(in thousands)

Fiscal Year Ended June 30, 2024

	2020	2021	2022	2023	2024
Virginia Resources Authority [1]	$933,279	$914,377	$929,911	$906,848	$917,954
Total	$933,279	$914,377	$929,911	$906,848	$917,954

[1] Net of unamortized discounts and premiums costs.

Source: Virginia Resources Authority

Other Commonwealth Related Debt

There are several authorities and institutions of the Commonwealth that issue debt for which debt service is not paid through appropriations of state tax revenues and for which there is no moral obligation pledge to consider funding debt service or reserve fund deficiencies. A portion of the debt shown is additionally secured by a biennial contingent appropriation in the event available funds are less than the amount required to pay debt service. The following table summarizes for the past five fiscal years outstanding indebtedness of authorities and institutions whose debt falls into these categories.

a OUTSTANDING OTHER DEBT COMMONWEALTH RELATED ENTITIES
(in thousands)

	2020	2021	2022	2023	2024
Institutions of Higher Education [1]	$3,240,479	$4,106,374	$4,449,563	$4,425,416	$4,488,843
Virginia College Building Authority Public Higher Education Financing Program	1,522,505	1,442,450	1,403,940	1,467,225	1,351,660
Virginia College Building Authority Private College Program	563,777	525,865	532,025		
Virginia Housing Development Authority [1]	3,997,125	4,358,584	4,679,799	4,763,715	6,266,161
Virginia Public School Authority [1]	3,563,368	3,604,298	3,993,860	4,048,594	3,994,960
Virginia Port Authority	279,396	272,815	266,025	259,020	251,788
Commonwealth Transportation Board					
Grant Anticipation Notes (GARVEES) [1]	1,059,387	1,086,897	979,791	873,808	768,265
I-81 Revenue Bonds [1]			102,401	100,882	114,152
Hampton Roads Sanitation District	835,479	835,006	868,472	979,742	1,317,446
Total	$15,061,516	$16,232,289	$17,275,876	$16,918,402	$18,553,275

[1] Net of unamortized discounts and premium costs.

Source: Department of the Treasury.

Commonwealth Debt Management

Debt Capacity Advisory Committee

The Debt Capacity Advisory Committee (the “Committee”) is charged by statute with annually estimating the amount of tax-supported debt of the Commonwealth that may prudently be authorized for the next biennium, consistent with the financial goals, capital needs and policies of the Commonwealth. Such estimate is provided to the Governor and General Assembly. The Committee is also required to review annually the amount and condition of bonds, notes and other security obligations of the Commonwealth’s agencies, institutions, boards and authorities that are either secured by a moral obligation pledge to replenish reserve fund deficiencies or for which the Commonwealth has a contingent or limited liability. The Committee provides its recommendations on the prudent use of such obligations to the Governor and the General Assembly.

The Committee also reviews the amounts and condition of bonds, notes and other security obligations of the Commonwealth’s agencies, institutions, boards and authorities that are neither tax-supported debt nor obligations secured by a moral obligation pledge to replenish reserve fund deficiencies. The Committee may recommend limits, when appropriate, on these other obligations. The Committee’s latest report can be found at http://www.trs.virginia.gov/debt/dcac.aspx.

Capital Outlay Plan

The Department of Planning and Budget regularly prepares a Six-Year Capital Outlay Plan (the "Plan") for the Commonwealth. The Plan lists proposed capital projects, and it recommends how the proposed projects should be financed. More specifically, the Plan distinguishes between immediate demands and longer-term needs, assesses the state's ability to meet its highest priority needs, and outlines an approach for addressing priorities in terms of costs, benefits and financing mechanisms. The General Assembly has set out requirements for the funding of capital projects at a level not less than two percent of the General Fund revenues for the biennium, and the portion of that amount that may be recommended for bonded indebtedness.

RETIREMENT PLANS

The Commonwealth contributes to four pension plans each of which is administered by the Virginia Retirement System ("System"). The System acts as a common investment and administrative agent for the Commonwealth, local school boards and political subdivisions in Virginia. The plans administered by the System consist of the Virginia Retirement System ("VRS"), the State Police Officers Retirement System ("SPORS"), the Virginia Law Officers' Retirement System ("VaLORS") and the Judicial Retirement System ("JRS"). Membership in the VRS consists of Commonwealth employees, public school teachers and employees of political subdivisions that have voluntarily joined the system. Membership in SPORS consists of Commonwealth state police officers. Membership in VaLORS consists of law enforcement and corrections officers of the Commonwealth other than state police officers, and membership in JRS consists of judges in the Commonwealth's Circuit Courts, General District Courts, Court of Appeals and Supreme Court. Membership in the applicable retirement plans is mandatory for all eligible employees. VRS is the largest of four systems covering 358,182 active Commonwealth employees, school teachers and covered employees of local governments as of June 30, 2024, as compared with 9,601 active members of SPORS, VaLORS, and JRS combined. In addition, the four plans combined had approximately 224,182 inactive/deferred members who are no longer contributing but have not withdrawn previous contributions and may be eligible for a retirement benefit in the future.

ACTIVE MEMBER DISTRIBUTION OF RETIREMENT PLANS

Fiscal Year Ended June 30, 2024

	2024	2023
State Employees (VRS)……………………....	81,977	79,064
Teachers (VRS)……………………………....	156,377	152,954
Employees of Political Subdivisions (VRS)...	119,828	114,599
State Police Officers (SPORS)……………...	1,877	1,917
Virginia Law Officers (VaLORS)…………	7,255	7,524
Judges (JRS)………………………………....	469	457
Total	367,783	356,515

Source: Virginia Retirement System.

The System's Board of Trustees administers all four plans pursuant to statute. Each plan provides retirement, disability and death benefits. In addition, most members of all four plans are covered by group term life insurance.

The General Assembly established a new retirement plan (Hybrid Retirement Plan) for all new members hired on or after January 1, 2014, who are not in SPORS, VaLORS or VRS as a hazardous duty employee of a political subdivision. All new members hired on or after July 1, 2010, and before January 1, 2014, are in Plan 2. Vested members on January 1, 2013, with service before July 1, 2010, are in Plan 1. Non-vested members on January 1, 2013, with service before July 1, 2010, are in Plan 2. The different provisions for the retirement plans are set forth in the following table:

Retirement Benefit Plan Provisions

AS ESTABLISHED BY TITLE 51.1 OF THE *CODE OF VIRGINIA* (1950), AS AMENDED

All full-time, salaried permanent (professional) employees of state agencies, public school divisions and employees of participating employers are automatically covered by a pension plan upon employment. Members qualify for retirement when they become vested and meet the age and service requirements for their plan, as shown in the following table.

The System administers three different benefit structures for government employees: Plan 1, Plan 2 and the Hybrid Retirement Plan. Each of these is called a plan in statute and each has different provisions with a specific eligibility and benefit structure. These different benefit structures are set out in the following table:

Retirement Plan Provisions		
Plan 1	**Plan 2**	**Hybrid Retirement Plan**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses and any required fees.
Eligible Members Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.	**Eligible Members** Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Additionally, members are covered under Plan 2 if they have a membership date prior to July 1, 2010, but were not vested before January 1, 2013. Members covered under VaLORS, SPORS or VRS with enhanced hazardous duty benefits or the hazardous duty alternate option, and whose membership dates are on or after July 1, 2010, are in Plan 2 even if their membership dates are after December 31, 2013.	**Eligible Members** Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • State employees* • School division employees • Political subdivision employees* • Judges appointed or elected to an original term on or after January 1, 2014, regardless if vested to VRS Plan 1 or VRS Plan 2. • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. *** Non-Eligible Members** Some members are not eligible to participate in the Hybrid Retirement Plan. They include: • Members of the State Police Officers' Retirement System (SPORS) • Members of the Virginia Law Officers' Retirement System (VaLORS) • Political subdivision members who are covered by enhanced benefits for hazardous duty employees Members eligible for an optional retirement plan (ORP) must elect the ORP or the Hybrid Retirement Plan. If these members are credited with service that was earned, purchased or granted prior to January 1, 2014, they are not eligible to elect the Hybrid Retirement Plan, and must select Plan 1 or Plan 2 (as applicable) or ORP.

Retirement Plan Provisions, Cont.		
Plan 1	**Plan 2**	**Hybrid Retirement Plan**
Retirement Contributions Members, excluding state elected officials, judges in Plan 1 and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.	**Retirement Contributions** Same as Plan 1.* ** Plan 2 judges and elected officials pay their own member contributions*	**Retirement Contributions** *Defined Benefit Component:* Members contribute 4% of their compensation each month to their member contribution account through a pretax salary reduction. *Defined Contribution Component:* Members contribute 1% of their compensation each month to their account through a pretax salary reduction. In addition, 1% of the total actuarially determined employer contribution is a mandatory employer contribution to this component of the plan. Hybrid plan members may also elect to contribute an additional amount of up to 4% to a voluntary defined contribution plan. The voluntary component also has a mandatory employer match of 0.5% to 2.5% that is also deducted from the total actuarially determined employer contributions. Mandatory member contributions and the employer match on the mandatory and voluntary member contributions are recorded in a 401(a) account, along with the accrued net investment income. The voluntary member contributions and accrued net investment income are recorded in a 457(b) account. Members are responsible for investing their accounts using the various investment options that are available.

Retirement Plan Provisions, Cont.		
Plan 1	**Plan 2**	**Hybrid Retirement Plan**
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position.* It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine eligibility for retirement and to calculate the retirement benefit. It also may count toward eligibility for the health insurance credit in retirement if the employer offers the health insurance credit. ** JRS members in Plan 1, Plan 2 and the Hybrid Retirement Plan earn more than one month for each month they are employed in a covered position.*	**Service Credit** Same as Plan 1.	**Service Credit** *Defined Benefit Component:* Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine eligibility for retirement and to calculate the retirement benefit. It also may count toward eligibility for the health insurance credit in retirement if the employer offers the health insurance credit. *Defined Contribution Component:* Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	**Calculating the Benefit** Same as Plan 1.	**Calculating the Benefit** *Defined Benefit Component:* Same as Plan 1. *Defined Contribution Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

Retirement Plan Provisions, Cont.		
Plan 1	**Plan 2**	**Hybrid Retirement Plan**
Average Final Compensation A member’s average final compensation is the average of the 36 consecutive months of highest creditable compensation as a covered employee.	**Average Final Compensation** A member’s average final compensation is the average of the 60 consecutive months of highest creditable compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS Plan 1: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. SPORS, sheriffs and regional jail superintendents: The retirement multiplier is 1.85%. VaLORS: The retirement multiplier is 1.70% or 2.00%. • Members hired before July 1, 2001, have a 1.70% multiplier and are eligible for a hazardous duty supplement. They also had the option to elect the 2.00% multiplier and no supplement. • Members hired or rehired on or after July 1, 2001, have 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement. Political subdivision hazardous duty employees: The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer. JRS Plan 1: If appointed or elected to an original term prior to January 1, 2013, the retirement multiplier is 1.70%. If appointed or elected to an original term between January 1, 2013, and December 31, 2013, the retirement multiplier is 1.70% on non-JRS service earned, purchased or granted before the date of appointment or election to an original term, and 1.65% on JRS service earned, purchased or granted on or after the date of appointment or election to an original term.	**Service Retirement Multiplier** VRS Plan 2: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. SPORS, sheriffs and regional jail superintendents: Same as Plan 1. VaLORS: The retirement multiplier is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement. Political subdivision hazardous duty employees: Same as Plan 1. JRS Plan 2: Same as Plan 1.	**Service Retirement Multiplier** *Defined Benefit Component:* VRS: The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. SPORS, sheriffs and regional jail superintendents: Not applicable. VaLORS: Not applicable. Political subdivision hazardous duty employees: Not applicable. JRS: The retirement multiplier for the defined benefit component is 1.00%, beginning on the date of appointment or election to an original term. The member will retain the applicable multiplier on any covered service outside JRS. *Defined Contribution Component:* Not applicable.

<table>
<tr><th colspan="3">Retirement Plan Provisions, Cont.</th></tr>
<tr><th>Plan 1</th><th>Plan 2</th><th>Hybrid Retirement Plan</th></tr>
<tr>
<td>Normal Retirement Age
VRS: Age 65.
SPORS, VaLORS and political subdivision hazardous duty employees: Age 60.
JRS: Age 65; mandatory retirement age is 73.</td>
<td>Normal Retirement Age
VRS: Normal Social Security retirement age.
SPORS, VaLORS and political subdivision hazardous duty employees: Same as Plan 1.
JRS: Same as Plan 1.</td>
<td>Normal Retirement Age
Defined Benefit Component:
VRS: Same as Plan 2.
SPORS, VaLORS and political subdivision hazardous duty employees: Not applicable.
JRS: Same as Plan 1.
Defined Contribution Component:
Members are eligible to receive distributions upon leaving employment, subject to restrictions.</td>
</tr>
<tr>
<td>Earliest Unreduced Retirement Eligibility
VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.*
SPORS, VaLORS and political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.
JRS: Age 65 with at least five years of weighted service credit, or at age 60 with at least 30 years of weighted service credit.
Service earned under JRS is weighted. The weighting factors for a judge appointed prior to July 1, 2010, are as follows:
• 3.5 for JRS members appointed or elected to an original term before January 1, 1995.
• 2.5 for JRS members appointed or elected to an original term on or after January 1, 1995, but before July 1, 2010.
For members appointed or elected to an original term between July 1, 2010, and December 31, 2013, the weighting factors are:
• 1.5 if appointed or elected to an original term before age 45.
• 2.0 if appointed or elected to an original term between ages 45 and 54.
• 2.5 if appointed or elected to an original term at age 55 or older.
* Some political subdivision employers require employees to reach age 55 with at least 30 years of service credit to be eligible for an unreduced retirement benefit.</td>
<td>Earliest Unreduced Retirement Eligibility
VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.
SPORS, VaLORS and political subdivision hazardous duty employees: Sam e as Plan 1.
JRS: Age 65, with at least five years of weighted service credit, or age 60 with at least 30 years of weighted service credit.
Service earned under JRS is weighted. The weighting factors under Plan 2 are:
• 1.5 for JRS members appointed or elected to an original term before age 45.
• 2.0 for JRS members appointed or elected to an original term between ages 45 and 54.
2.5 for JRS members appointed or elected to an original term at age 55 or older.</td>
<td>Earliest Unreduced Retirement Eligibility
Defined Benefit Component:
VRS: Same as Plan 2.
SPORS, VaLORS and political subdivision hazardous duty employees: Not applicable.
JRS: Same as Plan 2.
Defined Contribution Component:
Members are eligible to receive distributions upon leaving employment, subject to restrictions.</td>
</tr>
</table>

Retirement Plan Provisions, Cont.		
Plan 1	**Plan 2**	**Hybrid Retirement Plan**
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. SPORS, VaLORS and political subdivision hazardous duty employees: Age 50 with at least five years of service credit. JRS: Age 55, with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** VRS: Age 60 with at least five years (60 months) of service credit. SPORS, VaLORS and political subdivision hazardous duty employees: Same as Plan 1. JRS: Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component:* VRS: Same as Plan 2. SPORS, VaLORS and political subdivision hazardous duty employees: Not applicable. JRS: Same as Plan 1. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. *Eligibility:* For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have fewer than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. *Exceptions to COLA Effective Dates:* The COLA is effective July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins, under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor, or beneficiary is eligible for a monthly death-in-service benefit.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. *Eligibility:* Same as Plan 1. *Exceptions to COLA Effective Dates:* Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Not applicable. *Eligibility:* Same as Plan 1. *Exceptions to COLA Effective Dates:* The COLA is effective July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins, under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. The member dies in service and the member's survivor, or beneficiary is eligible for a monthly death-in-service benefit.

Retirement Plan Provisions, Cont.		
Plan 1	**Plan 2**	**Hybrid Retirement Plan**
Disability Coverage For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability	**Disability Coverage** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. JRS is covered under disability retirement.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit, if offered by the employer. Only active members are eligible to purchase prior	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component:* Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component:* Not applicable.

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CONTRIBUTIONS

Members and employers are required to contribute to the retirement plans as provided by Title 51.1 of the *Code of Virginia* (1950), as amended. The member contribution is 5.00% of compensation, contributed by members or employers each month to members' contribution accounts. Members leaving covered employment are eligible to request a refund of their member contribution account balance. Vested members and those involuntarily separated from employment for causes other than job performance or misconduct are eligible for a full refund. Non-vested members are eligible for a refund of their account balance, excluding any member contributions made by employers to their accounts after July 1, 2010, and the interest on those contributions.

Each participating employer is required to contribute the remaining amounts necessary to fund the pension plans using the entry age normal actuarial cost method adopted by the Board of Trustees. The System's former actuary, Cavanaugh Macdonald Consulting LLC, computed the amount of contributions to be provided by state agency, state police and Virginia law officer employers; each participating political subdivision employer; and state judicial employers. For state employees and teachers, the General Assembly-approved rate was greater than the actuarially determined rate.

The contribution rates for fiscal years 2024 and 2023 were based on the actuarial valuation as of June 30, 2021.

Contributions to the pension plans for the fiscal years ended June 30, 2024 and 2023, totaled $4,562.0 million and $4,424.2 million, respectively, in accordance with statutory requirements.

Employer contributions to the VRS cost-sharing pool for teachers in the fiscal year ended June 30, 2024, represented 16.62% of covered payrolls. This was the General Assembly-approved rate and was the same as the 16.62% contributed in the fiscal year ended June 30, 2023. Employer contributions for state employees represented 14.46% of covered payrolls and were based on the General Assembly-approved rate. Each political subdivision's contributions ranged from zero (0.00%) to 42.89% of covered payrolls. State employer contributions to SPORS, VaLORS and JRS represented 29.98%, 24.60% and 30.67%, respectively, for the fiscal year. For state and teacher employers and a majority of the political subdivisions, these rates reflected the normal cost and the amortization of a portion of the unfunded actuarial accrued liability of each of the plans based on the June 30, 2021 actuarial valuation. For a small number of political subdivisions, the rates reflect modified actuarial assumptions. Member contributions for both years represented 5.00% of covered payrolls.

The latest valuations of the pension plans were performed by Gabriel, Roeder, Smith & Company under the provisions of the new Government Accounting Standards Board (GASB) Statement No. 67 using June 30, 2023 data, rolled forward to June 30, 2024. The plan fiduciary net position as a percentage of the total pension liability was 83.45% for the VRS state plan, 84.52% for the VRS teacher plan, 92.41% for the aggregate total of the VRS political subdivision plans, 74.34% for SPORS, 75.70% for VaLORS and 88.35% for JRS. The calculations reflect an assumed rate of return on investments of 6.75%. For further discussion of the funding of the pension programs, see "Retirement and Pension Systems" in the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Investments Allocations and Returns. The target asset allocation is set by the Board of Trustees, with no legal limit imposed by the General Assembly. The actual allocation takes into account that private market investments are made gradually in order to prudently reach the target level over multiple years. Amounts not yet invested in private markets are currently allocated to public equity and fixed income.

Asset Allocation for FY 2023/2024

	Actual allocation as of 06/30/2024	**Target allocation range**
Public Equity	32.0%	26% - 40%
Credit Strategies	16.0%	7 %- 21%
Fixed Income	16.0%	12% - 23%
Real Assets	15.0%	7% - 21%
Private Equity	15.0%	9% - 23%
Diversifying Strategies	6.0%	1% -9%
PIP – Private Investment Partnership	1.0%	0% - 4%
Cash	2.0%	0%-7%
Leverage	-3.0%	0%-3%
Total	100.0%	

As of June 30, 2024, the rates of return (on an unaudited basis, expressed in percentages and net of fees) on the System's investments are as follows:

	1 Yr.	**3 Yr.**	**5 Yr.**	**10 Yr.**
Total VRS Fund	9.9%	5.5%	8.7%	7.6%

Source: Virginia Retirement System.

The System's rate of return on investments during the fiscal year ended June 30, 2024, was 9.9% compared to a return of 6.1% for the fiscal year ending June 30, 2023. The increase was due primarily to the performance of the public and private equity fixed income investments in the portfolio.

SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY BY SYSTEM AND PLAN

AS OF JUNE 30, 2023

(EXPRESSED IN THOUSANDS)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Employers' Net Pension Liability/ (Asset) (a-b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (b/a)	Covered Payroll (c)	New Pension Liability/(Asset) as a % of the Covered Payroll (a-b)/(c)
Virginia Retirement System:						
State	$ 28,411,528	$ 23,351,827	$ 5,059,701	82.19%	$ 5,069,435	99.81%
Teacher	57,574,609	47,467,405	10,107,204	82.45%	9,970,623	101.37%
Political Subdivisions*	29,704,278	27,308,038	2,396,240	91.93%	6,337,774	37.81%
Total Virginia Retirement System	**$ 115,690,415**	**$ 98,127,270**	**$ 17,563,145**		**$ 21,377,832**	
State Police Officers' Retirement System	1,462,948	1,079,755	383,193		156707	
Virginia Law Officers' Retirement System	2,577,980	1,931,061	646,919	74.91%	369,142	175.25%
Judicial Retirement System	767,857	677,958	89,899	88.29%	84,059	106.95%
Grand Total	**$ 120,499,200**	**$ 101,816,044**	**$ 18,683,156**		**$ 21,987,740**	

*Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith & Compnay

In addition to the defined benefit programs described above, the Commonwealth also makes contributions to a defined contribution retirement plan for political appointees. Contributions for this plan are based on 12.3% of each appointee's salary. At June 30, 2023, this plan had 479 accounts and total assets of approximately $26,362,344.

The most recent five fiscal years. For similar information from prior fiscal years, see the annual financial reports prepared by the System at www.varetire.org.

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

(IN THOUSANDS)

VRS State	2024	2023	2022	2021	2020
Total pension liability:					
Service cost	$ 444,253	$ 425,233	$ 413,902	$ 404,703	$ 406,776
Interest	1,889,090	1,803,758	1,779,933	1,704,842	1,666,047
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	763,030	706,071	(247,391)	(281,382)	(12,440)
Assumption changes	—	—	—	412,575	—
Benefit payments	(1,710,387)	(1,610,266)	(1,536,665)	(1,486,951)	(1,427,873)
Refunds of contributions	(28,149)	(31,014)	(31,680)	(29,065)	(27,427)
Net change in total pension liability	1,357,837	1,293,782	378,099	724,722	605,083
Total pension liability – beginning	**28,411,528**	**27,117,746**	**26,739,647**	**26,014,925**	**25,409,842**
Total pension liability – ending (a)	**$ 29,769,365**	**$ 28,411,528**	**$ 27,117,746**	**$ 26,739,647**	**$ 26,014,925**
Plan fiduciary net position:					
Contributions – employer	$ 752,394	$ 683,049	$ 633,738	$ 609,778	$ 576,443
Contributions – member	257,469	234,317	217,945	207,065	210,896
Contributions – non-employer	—	73,052	219,156	—	—
Net investment income	2,237,565	1,437,612	(21,579)	5,055,163	361,061
Benefit payments	(1,710,387)	(1,610,266)	(1,536,665)	(1,486,951)	(1,427,873)
Refunds of contributions	(28,149)	(31,014)	(31,680)	(29,065)	(27,427)
Administrative expense	(15,340)	(14,498)	(14,302)	(12,904)	(12,603)
Other	(1,595)	249	296	(737)	(539)
Net change in plan fiduciary net position	1,491,957	772,501	(533,091)	4,342,349	(320,042)
Plan fiduciary net position – beginning	**23,351,827**	**22,579,326**	**23,112,417**	**18,770,068**	**19,090,110**
Plan fiduciary net position – ending (b)	**$ 24,843,784**	**$ 23,351,827**	**$ 22,579,326**	**$ 23,112,417**	**$ 18,770,068**
Net pension liability – ending (a-b)	**$ 4,925,581**	**$ 5,059,701**	**$ 4,538,420**	**$ 3,627,230**	**$ 7,244,857**
Plan fiduciary net position as a percentage of the total pension liability (b/a)	83.45 %	82.19 %	83.26 %	86.44 %	72.15 %
Covered payroll (c)	$ 5,622,270	$ 5,069,435	$ 4,661,991	$ 4,399,969	$ 4,440,135
Net pension liability as a percentage of covered payroll ((a-b)/c)	87.61 %	99.81 %	97.35 %	82.44 %	163.17 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

(IN THOUSANDS)

	VRS Political Subdivisions				
	2024	2023	2022	2021	2020
Total pension liability:					
Service cost	$ 805,681	$ 725,694	$ 640,327	$ 613,227	$ 603,766
Interest	2,006,300	1,900,513	1,840,834	1,674,640	1,593,594
Benefit changes	4,867	2,891	9,042	13,157	19,657
Difference between actual and expected experience	977,207	363,648	(294,247)	(164,895)	221,364
Assumption changes	(1)	691	(15)	1,003,382	—
Benefit payments	(1,531,981)	(1,395,124)	(1,307,581)	(1,237,074)	(1,157,505)
Refunds of contributions	(41,948)	(43,391)	(48,297)	(42,460)	(38,323)
Net change in total pension liability	2,220,125	1,554,922	840,063	1,859,977	1,242,553
Total pension liability – beginning	**29,704,278**	**28,149,356**	**27,309,293**	**25,449,316**	**24,206,763**
Total pension liability – ending (a)	**$ 31,924,403**	**$ 29,704,278**	**$ 28,149,356**	**$ 27,309,293**	**$ 25,449,316**
Plan fiduciary net position:					
Contributions – employer	$ 814,134	$ 736,843	$ 608,879	$ 579,989	$ 521,543
Contributions – member	329,309	302,890	276,350	258,562	258,408
Net investment income	2,639,598	1,678,096	(26,243)	5,779,327	405,051
Benefit payments	(1,531,981)	(1,395,124)	(1,307,581)	(1,237,074)	(1,157,505)
Refunds of contributions	(41,948)	(43,391)	(48,297)	(42,460)	(38,323)
Administrative expense	(17,267)	(16,656)	(16,525)	(14,411)	(13,842)
Other	408	349	264	161	(274)
Net change in plan fiduciary net position	2,192,253	1,263,007	(513,153)	5,324,094	(24,942)
Plan fiduciary net position – beginning	**27,308,038**	**26,045,031**	**26,558,184**	**21,234,090**	**21,259,032**
Plan fiduciary net position – ending (b)	**$ 29,500,291**	**$ 27,308,038**	**$ 26,045,031**	**$ 26,558,184**	**$ 21,234,090**
Net pension liability – ending (a-b)	**$ 2,424,112**	**$ 2,396,240**	**$ 2,104,325**	**$ 751,109**	**$ 4,215,226**
Plan fiduciary net position as a percentage of the total pension liability (b/a)	92.41 %	91.93 %	92.52 %	97.25 %	83.44 %
Covered payroll (c)	7,046,820	6,337,774	5,699,596	$ 5,403,267	$ 5,368,250
Net pension liability as a percentage of covered payroll ((a-b)/c)	34.40 %	37.81 %	36.92 %	13.9 %	78.52 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

(IN THOUSANDS)

	VRS Teacher				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 920,742	$ 901,517	$ 823,885	$ 948,915	$ 938,143
Interest	3,847,616	3,660,139	3,568,410	3,355,158	3,269,776
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	1,266,547	1,099,742	(361,725)	(178,349)	(404,985)
Assumption changes	—	—	—	845,179	—
Benefit payments	(2,941,708)	(2,773,752)	(2,635,945)	(2,553,153)	(2,448,204)
Refunds of contributions	(45,546)	(45,366)	(43,437)	(38,464)	(36,211)
Net change in total pension liability	3,047,651	2,842,280	1,351,188	2,379,286	1,318,519
Total pension liability – beginning	**57,574,609**	**54,732,329**	**53,381,141**	**51,001,855**	**49,683,336**
Total pension liability – ending (a)	**$ 60,622,260**	**$ 57,574,609**	**$ 54,732,329**	**$ 53,381,141**	**$ 51,001,855**
Plan fiduciary net position:					
Contributions – employer	$ 1,702,445	$ 1,576,963	$ 1,485,307	$ 1,416,135	$ 1,327,774
Contributions – member	499,610	465,101	439,139	419,415	418,909
Contributions - non-employer	—	147,457	442,371	61,344	—
Net investment income	4,582,867	2,913,862	(66,609)	9,887,249	689,010
Benefit payments	(2,941,709)	(2,773,752)	(2,635,945)	(2,553,153)	(2,448,204)
Refunds of contributions	(45,546)	(45,366)	(43,437)	(38,464)	(36,211)
Administrative expense	(30,412)	(28,677)	(27,876)	(24,543)	(23,649)
Other	666	86	737	832	(1,169)
Net change in plan fiduciary net position	3,767,921	2,255,674	(406,313)	9,168,815	(73,540)
Plan fiduciary net position – beginning	**47,467,405**	**45,211,731**	**45,618,044**	**36,449,229**	**36,522,769**
Plan fiduciary net position – ending (b)	**$ 51,235,326**	**$ 47,467,405**	**$ 45,211,731**	**$ 45,618,044**	**$ 36,449,229**
Net pension liability – ending (a-b)	**$ 9,386,934**	**$ 10,107,204**	**$ 9,520,598**	**$ 7,763,097**	**$ 14,552,626**
Plan fiduciary net position as a percentage of the total pension liability (b/a)	84.52 %	82.45 %	82.61 %	85.46 %	71.47 %
Covered payroll (c)	$ 10,700,769	$ 9,970,623	$ 9,319,260	$ 8,843,887	$ 8,766,667
Net pension liability as a percentage of covered payroll ((a-b)/c)	87.72 %	101.37 %	102.16 %	87.78 %	166. %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

(IN THOUSANDS)

	SPORS				
	2024	2023	2022	2021	2020
Total pension liability:					
Service cost	$ 27,276	$ 25,401	$ 23,688	$ 22,042	$ 22,167
Interest	97,847	90,683	86,396	79,549	77,231
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	54,371	66,727	25,538	(9,431)	4,466
Assumption changes	—	—	—	58,257	—
Benefit payments	(80,552)	(75,578)	(71,466)	(73,227)	(64,991)
Refunds of contributions	(716)	(240)	(378)	(271)	(552)
Net change in total pension liability	98,226	106,993	63,778	76,919	38,321
Total pension liability – beginning	**1,462,948**	**1,355,955**	**1,292,177**	**1,215,258**	**1,176,937**
Total pension liability – ending (a)	**$ 1,561,174**	**$ 1,462,948**	**$ 1,355,955**	**$ 1,292,177**	**$ 1,215,258**
Plan fiduciary net position:					
Contributions – employer	$ 50,767	$ 46,936	$ 36,494	$ 33,788	$ 32,497
Contributions – member	8,546	7,952	7,131	6,489	6,600
Contributions – special	—	3,653	10,958	—	—
Net investment income	103,488	66,245	(902)	229,138	16,333
Benefit payments	(80,552)	(75,578)	(71,466)	(73,227)	(64,991)
Refunds of contributions	(717)	(240)	(378)	(271)	(552)
Administrative expense	(646)	(595)	(602)	(531)	(360)
Other	(105)	(1)	—	—	(38)
Net change in plan fiduciary net position	80,781	48,372	(18,765)	195,386	(10,511)
Plan fiduciary net position – beginning	**1,079,755**	**1,031,383**	**1,050,148**	**854,762**	**865,273**
Plan fiduciary net position – ending (b)	**$ 1,160,536**	**$ 1,079,755**	**$ 1,031,383**	**$ 1,050,148**	**$ 854,762**
Net pension liability – ending (a-b)	**$ 400,638**	**$ 383,193**	**$ 324,572**	**$ 242,029**	**$ 360,496**
Plan fiduciary net position as a percentage of the total pension liability (b/a)	74.34 %	73.81 %	76.06 %	81.27 %	70.34 %
Covered payroll (c)	$ 169,503	$ 156,707	$ 138,644	$ 128.252	$ 130,759
Net pension liability as a percentage of covered payroll ((a-b)/c)	236.36 %	244.53 %	234.10 %	188.71 %	275.69 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

(DOLLARS IN THOUSANDS)

VaLORS	2024	2023	2022	2021	2020
Total pension liability:					
Service cost	$ 48,553	$ 46,317	$ 44,326	$ 47,606	$ 48,003
Interest	$ 171,987	165,299	159,759	149,677	143,708
Benefit changes	$ —	—	—	—	—
Difference between actual and expected experience	$ 102,193	35,308	15,632	(25,405)	22,645
Assumption changes	$ —	—	—	66,216	—
Benefit payments	$ (152,250)	(138,022)	(129,974)	(124,045)	(117,137)
Refunds of contributions	$ (4,922)	(4,990)	(6,284)	(5,791)	(4,893)
Net change in total pension liability	$ 165,561	103,912	83,459	108,258	92,326
Total pension liability – beginning	**2,577,980**	**2,474,068**	**2,390,609**	**2,282,351**	**2,190,025**
Total pension liability – ending (a)	**$ 2,743,541**	**$ 2,577,980**	**$ 2,474,068**	**$ 2,390,609**	**$ 2,282,351**
Plan fiduciary net position:					
Contributions – employer	$ 97,758	$ 90,433	$ 73,960	$ 76,415	$ 79,914
Contributions – member	20,044	18,769	17,276	17,602	18,712
Contributions – special	—	6,629	19,887	—	—
Net investment income	185,066	118,276	(1,666)	405,217	28,579
Benefit payments	(152,250)	(138,022)	(129,974)	(124,045)	(117,137)
Refunds of contributions	(4,922)	(4,990)	(6,284)	(5,791)	(4,893)
Administrative expense	(1,143)	(1,063)	(1,074)	(943)	(623)
Other	1,118	(12)	(8)	—	(73)
Net change in plan fiduciary net position	145,671	90,020	(27,883)	368,455	4,479
Plan fiduciary net position – beginning	**1,931,061**	**1,841,041**	**1,868,924**	**1,500,469**	**1,495,990**
Plan fiduciary net position – ending (b)	**$ 2,076,732**	**$ 1,931,061**	**$ 1,841,041**	**$ 1,868,924**	**$ 1,500,469**
Net pension liability – ending (a-b)	**$ 666,809**	**$ 646,919**	**$ 633,027**	**$ 521,685**	**$ 781,882**
Plan fiduciary net position as a percentage of the total pension liability (b/a)	75.7 %	74.91 %	74.41 %	78.18 %	65.74 %
Covered payroll (c)	$ 398,027	$ 369,142	$ 338,768	$ 348,650	$ 369,996
Net pension liability as a percentage of covered payroll ((a-b)/c)	167.53 %	175.25 %	186.86 %	149.63 %	211.32 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

(IN THOUSANDS)

	JRS				
	2024	2023	2022	2021	2020
Total pension liability:					
Service cost	$ 20,305	$ 19,735	$ 18,630	$ 19,335	$ 20,650
Interest	51,365	50,938	50,036	44,788	44,234
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	26,621	(12,421)	(7,256)	(10,245)	(9,446)
Assumption changes	—	—	—	53,040	—
Benefit payments	(54,211)	(50,572)	(47,679)	(47,750)	(46,546)
Refunds of contributions	(173)	(15)	(41)	(135)	(12)
Net change in total pension liability	43,907	7,665	13,690	59,033	8,880
Total pension liability – beginning	**767,857**	**760,192**	**746,502**	**687,469**	**678,589**
Total pension liability – ending (a)	**$ 811,764**	**$ 767,857**	**$ 760,192**	**$ 746,502**	**$ 687,469**
Plan fiduciary net position:					
Contributions – employer	$ 26,926	$ 25,705	$ 24,016	$ 22,856	$ 24,819
Contributions – member	2,590	2,320	2,033	1,868	3,436
Contributions – special	—	2,083	6,250	—	—
Net investment income	64,466	41,850	(477)	147,200	10,491
Benefit payments	(54,211)	(50,572)	(47,678)	(47,750)	(46,546)
Refunds of contributions	(173)	(15)	(41)	(135)	(12)
Administrative expense	(383)	(378)	(386)	(343)	(232)
Other	(9)	—	97	—	(42)
Net change in plan fiduciary net position	$ 39,206	$ 20,993	$ (16,186)	123,696	(8,086)
Plan fiduciary net position – beginning	**677,958**	**656,965**	**673,151**	**549,455**	**557,541**
Plan fiduciary net position – ending (b)	**$ 717,164**	**$ 677,958**	**$ 656,965**	**$ 673,151**	**$ 549,455**
Net pension liability – ending (a-b)	**$ 94,600**	**$ 89,899**	**$ 103,227**	**$ 73,351**	**$ 138,014**
Plan fiduciary net position as a percentage of the total pension liability (b/a)	88.35 %	88.29 %	86.42 %	90.17 %	79.92 %
Covered payroll (c)	$ 89,093	$ 84,059	$ 79,540	$ 74,594	$ 74,769
Net pension liability as a percentage of covered payroll ((a-b)/c)	106.18 %	106.95 %	129.78 %	98.33 %	184.59 %

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OTHER LONG-TERM LIABILITIES

Employee Benefits Other than Pension Benefits

Employees of the Commonwealth accrue annual leave at a rate of four to nine hours semi-monthly, depending on their length of service. The maximum accumulation is dependent on years of service, but in no case may it exceed 54 days. All employees hired after January 1, 1999, are required to enroll in the Virginia Sickness and Disability Program ("VSDP"). Under the VSDP, employees receive a specified number of sick and personal leave hours, depending on their length of service, and any balances at the end of the calendar year revert. Individuals employed at January 1, 1999, had the option of converting to the VSDP or remaining in the original sick leave plan. If converting, the employee's sick leave balance could be used to purchase retirement credits or be converted to disability credits. If an employee opted to remain in the original sick leave program, sick leave accrues at a rate of five hours semimonthly. Employees who leave State service after a minimum of five years employment receive the lesser of 25 percent of the value of their disability credits or accumulated sick leave at the current earnings rate or $5,000. All employees leaving State service are paid for accrued annual leave up to the lessor of the maximum calendar year limit or 42 days at their current earnings rate.

The VSDP was established for all full-time, classified state employees, including state police officers, and other state law enforcement and correctional officers. Part-time, classified state employees who work at least 20 hours per week on a salaried basis and who accrue leave are also covered. After a seven calendar-day waiting period following the first incident of disability, the VSDP provides short-term disability benefits from 60% to 100% of compensation up to a maximum of 125 workdays. After a 180-calendar day waiting period, eligible employees receive long-term disability benefits equal to 60% of compensation until they return to work, until age 65 (age 60 for state police officers and other state law enforcement and correctional officers), or until death. Eligibility periods for non-work-related disability coverage and certain income replacement levels apply for employees hired on or after July 1, 2009.

In addition to providing pension benefits, the Commonwealth provides life insurance for active and retired employees and a retiree health insurance credit to offset a portion of the cost of health insurance premiums for qualifying state retirees under VRS, SPORS, JRS and VaLORS. The estimated costs of these benefits are funded over the working lives of the employees through employer contributions and investment income.

Self-Insurance

The Commonwealth provides several types of self-insurance for the benefit of state agencies and institutions. The Department of the Treasury, Division of Risk Management, administers self-insurance programs for general (tort) liability, medical malpractice and automobile liability. The Department of Human Resource Management administers the state employee health care self-insurance fund. At June 30, 2024, $571 million was reported as the combined estimated claims payable for self- insurance.

Medicaid Payable

The Department of Medical Assistance Services estimates, based on past experience, the total amount of claims that will be paid from the Medicaid program in the future that relate to services provided before year end. At June 30, 2024, the estimated liability related to normal operations totaled $3.1 billion. Of this amount, $651 million is reflected in the General Fund, $2.1 billion in the Federal Trust Special Revenue Fund and $350 million in the Health and Social Services Fund (nonmajor special revenue).

For a more detailed explanation of Other Long-Term Liabilities, see "Notes to the Financial Statements" in The Commonwealth Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Other Post-Employment Benefits (OPEB) – Financial Statement Reporting

The Commonwealth currently has five postemployment benefit programs other than the retirement plans described above ("OPEB Programs"). They are: Retiree Health Insurance Credit, Group Life Insurance, Virginia Sickness and Disability Program, Pre-Medicare Retiree Health Insurance Program and Line of Duty Death and Health Insurance Benefit.

The Governmental Accounting Standards Board (GASB) issued accounting and reporting standards for other postemployment benefits. The VRS implemented GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, in their published financial statements for the fiscal year ended June 30, 2017. The Commonwealth, as an employer, implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* for the fiscal year ended June 30, 2018. Updated data has been included by VRS and the Commonwealth in their reports for subsequent fiscal years.

SCHEDULE OF EMPLOYERS' NET OPEB LIABILITY BY PROGRAM AND PLAN
AS OF JUNE 30, 2023

(EXPRESSED IN THOUSANDS)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Employers' Net OPEB Liability/ (Asset) (a-b)	Plan Fiduciary Net OPEB as a % of the Total OPEB Liability (b/a)	Covered Payroll (c)	New Opeb Liability/(Asset) as a % of the Covered Payroll (a-b)/ (c)
Group Life Insurance Fund	**$ 3,907,052**	**$ 2,707,739**	**$ 1,199,913**	**69.30%**	**$ 23,592,896**	5.08%
Health Insurance Credit Fund:						
State	1,102,220	280,599	821,621	25.46%	8,241,227	9.97%
Teacher	1,475,471	264,054	1,211,417	17.90%	9,971,090	12.15%
Political Subdivisions*	77,344	40,057	37,287	51.79%	1,755,661	2.12%
Constitutional Officers	40,001	9,767	30,234	24.42%	847,657	3.57%
Social Services Employees	14,972	5,145	9,827	34.36%	342,719	2.87%
Registrars	558	256	302	45.88%	19,199	1.57%
Total Health Insurance Credit	**$ 2,710,566**	**$ 599,878**	**$ 2,110,688**		**$ 21,177,553**	
Disability Insurance Trust Fund	**$ 318,901**	**$ 634,779**	**$ (315,878)**	**199.05%**	**$ 5,103,828**	-6.19%
Virginia Local Disability Program:						
Teacher	10,672	10,007	665	93.77%	933,836	0.07%
Political Subdivisions	9,525	11,134	(1,609)	116.89%	612,072	-0.26%
Total Virginia Local Disability Program	**$ 20,197**	**$ 21,141**	**$ (944)**		**$ 1,545,908**	
Line of Duty Act Trust Fund	**$ 406,211**	**$ 5,311**	**$ 400,900**	**1.31%**	**	N/A
Grand Total	**$ 7,362,927**	**$ 3,968,848**	**$ 3,394,679**		**$ 51,420,185**	

*Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith & Compnay
**Contributions into the Line of Duty Act Trust Fund are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.

Source: VRS ACFR Statement of Changes in Fiduciary Net Position: Defined Benefit Pension Trust Funds and Other Employee Benefits Trust Funds VRSACFR Schedule of Employers' Net OPEB Liabilities by Program and Plan.

The following schedules present comparative information for the most recent five fiscal years. For similar information from prior fiscal years, see the annual financial reports prepared by the System at www.varetire.org.

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

Change in the Net OPEB Liability	Group Life Insurance Fund 2024	Group Life Insurance Fund 2023	Group Life Insurance Fund 2022	Group Life Insurance Fund 2021	Group Life Insurance Fund 2020
Total OBEB liability:					
Service cost	$ 85,358	$ 88,493	$ 79,890	$ 96,894	$ 98,367
Interest	263,497	247,906	241,074	232,052	221,684
Changes in benefit terms	—	—	—	—	—
Difference between actual and expected experience	117,650	74,372	(54,700)	63,189	25,709
Changes of assumptions	—	—	—	(166,464)	—
Benefit payments	(177,502)	(175,804)	(171,525)	(172,263)	(212,060)
Net change in total OPEB liability	289,003	234,967	94,739	53,408	133,700
Total OPEB liability - beginning	3,907,052	3,672,085	3,577,346	3,523,938	3,390,238
Total OPEB liability - ending (a)	$ 4,196,055	$ 3,907,052	$ 3,672,085	$ 3,577,346	$ 3,523,938
Plan fiduciary net position:					
Contributions - employer	$ 139,355	$ 127,427	$ 117,664	$ 111,797	$ 107,252
Contributions - member	131,142	108,029	86,846	86,509	162,925
Contributions – special employer	—	3,053	9,154	—	—
Contributions – non-employer contributing entity	—	7,093	21,284	—	—
Net investment income	282,777	173,481	(5,235)	534,709	36,276
Benefit payments	(177,502)	(175,804)	(171,525)	(172,263)	(212,060)
Third Party Administrator charges	—	—	—	—	—
Administrative expense	(1,180)	(1,268)	(1,184)	(862)	(824)
Other	(2,198)	(2,261)	(2,089)	(1,918)	(1,439)
Net change in plan fiduciary net position	372,394	239,750	54,915	557,972	92,130
Plan fiduciary net position - beginning	2,707,739	2,467,989	2,413,074	1,855,102	1,762,972
Plan fiduciary net position - ending (b)	$ 3,080,133	$ 2,707,739	$ 2,467,989	$ 2,413,074	$ 1,855,102
Net OPEB liability - ending (a-b)	$ 1,115,922	$ 1,199,313	$ 1,204,096	$ 1,164,272	$ 1,668,836
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	73.41 %	69.3 %	67.21 %	67.45 %	52.64 %
Covered payroll (c)	$ 25,719,148	$ 23,592,896	$ 21,787,891	$ 20,679,890	$ 20,612,888
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	4.34 %	5.08 %	5.53 %	5.63 %	8.1 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

Change in the Net OPEB Liability		Disability Insurance Trust Fund 2024		Disability Insurance Trust Fund 2023		Disability Insurance Trust Fund 2022		Disability Insurance Trust Fund 2021		Disability Insurance Trust Fund 2020
Total OBEB liability:										
Service cost	$	37,701	$	33,331	$	30,802	$	32,679	$	32,988
Interest		23,034		21,978		19,115		17,222		18,774
Changes in benefit terms		—		—		—		—		—
Difference between actual and expected experience		(9,933)		(13,168)		20,274		(22,057)		(46,473)
Changes of assumptions		—		—		—		(1,387)		—
Benefit payments		(30,696)		(31,004)		(29,625)		(28,790)		(27,804)
Net change in total OPEB liability		20,106		11,137		40,566		(2,333)		(22,515)
Total OPEB liability - beginning		318,901		307,764		267,198		269,531		292,046
Total OPEB liability - ending (a)	$	339,007	$	318,901	$	307,764	$	267,198	$	269,531
Plan fiduciary net position:										
Contributions - employer	$	34,657	$	31,138	$	28,249	$	26,542	$	26,994
Contributions - member		—		—		—		—		—
Contributions – special employer		—		—		—		—		—
Contributions – non-employer contributing entity		—		—		—		—		—
Net investment income		61,089		38,938		(507)		131,373		9,445
Benefit payments		(30,696)		(31,004)		(29,625)		(28,790)		(27,804)
Third Party Administrator charges		(7,708)		(7,350)		(7,247)		(7,137)		(6,611)
Administrative expense		(470)		(797)		(483)		(600)		(631)
Other		1,219		938		610		311		586
Net change in plan fiduciary net position		58,091		31,863		(9,003)		121,699		1,979
Plan fiduciary net position - beginning		634,779		602,916		611,919		490,220		488,241
Plan fiduciary net position - ending (b)	$	692,870	$	634,779	$	602,916	$	611,919	$	490,220
Net OPEB liability - ending (a-b)	$	(353,863)	$	(315,878)	$	(295,152)	$	(344,721)	$	(220,689)
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)		204.38 %		199.05 %		195.90 %		229.01 %		181.88 %
Covered payroll (c)	$	5,693,402	$	5,103,828		4,637,755	$	4,355,154	$	4,365,296
Net OPEB liability as a percentage of covered payroll ((a-b)/c)		(6.22)%		(6.19)%		(6.36)%		(7.92)%		(5.06)%

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

	Disability Program				
	Teachers	**Teachers**	**Teachers**	**Teachers**	**Teachers**
Change in the Net OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total OBEB liability:					
Service cost	$ 2,291	$ 1,950	$ 1,598	$ 1,366	$ 1,109
Interest	835	586	411	237	144
Changes in benefit terms	—	—	—	—	—
Difference between actual and expected experience	140	1,888	1,102	(379)	406
Changes of assumptions	—	—	—	339	—
Benefit payments	(1,197)	(959)	(788)	(366)	(213)
Net change in total OPEB liability	2,069	3,465	2,323	1,197	1,446
Total OPEB liability - beginning	10,672	7,207	4,884	3,687	2,241
Total OPEB liability - ending (a)	$ 12,741	$ 10,672	$ 7,207	$ 4,884	$ 3,687
Plan fiduciary net position:					
Contributions - employer	$ 5,154	$ 4,387	$ 3,783	$ 3,166	$ 2,426
Contributions - member	—	—	—	—	—
Contributions – special employer	—	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—	—
Net investment income	1,019	547	(56)	1,031	45
Benefit payments	(1,197)	(959)	(788)	(366)	(213)
Third Party Administrator charges	(1,250)	(1,176)	(1,116)	(988)	(935)
Administrative expense	(96)	(112)	(93)	(140)	(97)
Other	—	—	—	—	—
Net change in plan fiduciary net position	3,630	2,687	1,730	2,703	1,226
Plan fiduciary net position - beginning	10,007	7,320	5,590	2,887	1,661
Plan fiduciary net position - ending (b)	$ 13,637	$ 10,007	$ 7,320	$ 5,590	$ 2,887
Net OPEB liability - ending (a-b)	$ (896)	$ 665	$ (113)	$ (706)	$ 800
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	107.03 %	93.77 %	101.57 %	114.46 %	78.3 %
Covered payroll (c)	$ 1,079,152	$ 933,836	$ 804,858	$ 672,908	$ 591,499
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	(0.08)%	0.07 %	(0.01)%	(0.10)%	0.14 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

	Virginia Local Disability Program				
	Political Subdivisions	Political Subdivisions	Political Subdivisions	Political Subdivisions	Political Subdivisions
Change in the Net OPEB Liability	**2023**	**2022**	**2021**	**2020**	**2019**
Total OPEB liability:					
Service cost	$ 2,585	$ 2,039	$ 1,820	$ 1,553	$ 1,191
Interest	633	458	278	261	105
Changes in benefit terms	—	—	—	—	—
Difference between actual and expected experience	83	517	(603)	(1,250)	1,224
Changes of assumptions	—	—	(271)	—	69
Benefit payments	(1,136)	(810)	(385)	(236)	(188)
Net change in total OPEB liability	2,165	2,204	839	328	2,401
Total OPEB liability - beginning	7,360	5,156	4,317	3,989	1,588
Total OPEB liability - ending (a)	$ 9,525	$ 7,360	$ 5,156	$ 4,317	$ 3,989
Plan fiduciary net position:					
Contributions - employer	$ 5,200	$ 3,888	$ 3,338	$ 2,684	$ 2,226
Contributions - member	—	—	—	—	—
Contributions – special employer	—	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—	—
Net investment income	649	(56)	1,086	48	93
Benefit payments	(1,136)	(811)	(385)	(236)	(188)
Third Party Administrator charges	(1,394)	(1,146)	(1,042)	(1,034)	(940)
Administrative expense	(133)	(93)	(148)	(107)	(45)
Other	—	—	—	—	—
Net change in plan fiduciary net position	3,186	1,782	2,849	1,355	1,146
Plan fiduciary net position - beginning	7,948	6,166	3,317	1,962	816
Plan fiduciary net position - ending (b)	$ 11,134	$ 7,948	$ 6,166	$ 3,317	$ 1,962
Net OPEB liability - ending (a-b)	$ (1,609)	$ (588)	$ (1,010)	$ 1,000	$ 2,027
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	116.89 %	107.99 %	119.59 %	76.84 %	49.19 %
Covered payroll (c)	$ 612,072	$ 468,489	401,715	$ 372,635	$ 309,020
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	(0.26)%	(0.13)%	(0.25)%	0.27 %	0.66 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

(DOLLARS IN THOUSANDS)

Change in the Net OPEB Liability	Health Insurance Credit State 2024	State 2023	State 2022	State 2021	State 2020
Total OPEB liability:					
Service cost	$ 20,233	$ 17,076	$ 18,311	$ 20,432	$ 20,143
Interest	73,134	68,998	69,707	68,014	67,289
Changes in benefit terms	—	68,280	—	—	—
Difference between actual and expected experience	(23,546)	(18,609)	(34,169)	(20,219)	(5,703)
Changes of assumptions	—	—	13,522	12,326	—
Benefit payments	(77,968)	(77,273)	(76,023)	(71,536)	(70,440)
Net change in total OPEB liability	(8,147)	58,472	(8,652)	9,017	11,289
Total OPEB liability - beginning	1,102,220	1,043,748	1,052,400	1,043,383	1,032,094
Total OPEB liability - ending (a)	$ 1,094,073	$ 1,102,220	$ 1,043,748	$ 1,052,400	$ 1,043,383
Plan fiduciary net position:					
Contributions – employer	$ 102,236	$ 92,376	$ 85,324	$ 81,191	$ 84,849
Contributions – special employer	52,800	27,159	8,523	38,656	—
Contributions – non-employer contributing entity	—	—	—	—	—
Net investment income	27,632	14,169	(358)	34,790	2,185
Benefit payments	(77,968)	(77,273)	(76,023)	(71,536)	(70,440)
Administrative expense	(444)	(374)	(357)	(589)	(230)
Transfers	—	(18)	(387)	—	—
Other	(35)	(15)	(7)	(30)	(9)
Net change in plan fiduciary net position	104,221	56,024	16,715	82,482	16,355
Plan fiduciary net position - beginning	280,599	224,575	207,860	125,378	109,023
Plan fiduciary net position - ending (b)	$ 384,820	$ 280,599	$ 224,575	$ 207,860	$ 125,378
Net OPEB liability - ending (a-b)	$ 709,253	$ 821,621	$ 819,173	$ 844,540	$ 918,005
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	35.17 %	25.46 %	21.52 %	19.75 %	12.02 %
Covered payroll (c)	$ 9,115,841	$ 8,241,227	$ 7,612,495	$ 7,239,781	$ 7,237,090
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	7.78 %	9.97 %	10.76 %	11.67 %	12.68 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

	Health Insurance Credit				
Change in the Net OPEB Liability	**Teacher 2024**	**Teacher 2023**	**Teacher 2022**	**Teacher 2021**	**Teacher 2020**
Total OPEB liability:					
Service cost	$ 18,141	$ 18,138	$ 18,621	$ 21,713	$ 21,738
Interest	97,525	97,248	97,797	94,626	93,964
Changes in benefit terms	—	—	—	—	—
Difference between actual and expected experience	(15,447)	(14,161)	(38,198)	(9,325)	(13,054)
Changes of assumptions	—	—	10,085	15,792	—
Benefit payments	(97,585)	(96,645)	(95,288)	(93,607)	(92,086)
Net change in total OPEB liability	2,634	4,580	(6,983)	29,199	10,562
Total OPEB liability - beginning	1,475,471	1,470,891	1,477,874	1,448,675	1,438,113
Total OPEB liability - ending (a)	$ 1,478,105	$ 1,475,471	$ 1,470,891	$ 1,477,874	$ 1,448,675
Plan fiduciary net position:					
Contributions – employer	$ 130,582	$ 120,623	$ 112,832	$ 107,172	$ 105,210
Contributions – special employer	—	—	—	—	—
Contributions – non-employer contributing entity	—	4,004	12,013	—	—
Net investment income	25,776	14,645	(919)	37,093	2,291
Benefit payments	(97,586)	(96,645)	(95,289)	(93,607)	(92,086)
Administrative expense	(365)	(359)	(334)	(501)	(258)
Transfers	—	(38)	(755)	—	—
Other	(4)	(21)	(8)	(13)	(12)
Net change in plan fiduciary net position	58,403	42,209	27,540	50,144	15,145
Plan fiduciary net position - beginning	264,054	221,845	194,305	144,161	129,016
Plan fiduciary net position - ending (b)	$ 322,457	$ 264,054	$ 221,845	$ 194,305	$ 144,161
Net OPEB liability - ending (a-b)	$ 1,155,648	$ 1,211,417	$ 1,249,046	$ 1,283,569	$ 1,304,514
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	21.82 %	17.90 %	15.08 %	13.15 %	9.95 %
Covered payroll (c)	$ 10,713,832	$ 9,971,090	$ 9,320,159	$ 8,843,941	$ 8,766,759
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	10.79 %	12.15 %	13.40 %	14.51 %	14.88 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

	Health Insurance Credit				
	Political Subdivisions	Political Subdivisions	Political Subdivisions	Political Subdivisions	Political Subdivisions
Change in the Net OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total OPEB liability:					
Service cost	$ 1,153	$ 1,134	$ 1,545	$ 1,532	$ 1,063
Interest	5,132	5,968	5,468	5,113	2,797
Changes in benefit terms	228	97	1,513	—	32,238
Difference between actual and expected experience	(3,586)	(15,216)	(2,642)	(669)	624
Changes of assumptions	(6)	(9)	6,225	1,656	220
Benefit payments	(4,465)	(4,303)	(4,460)	(3,098)	(2,996)
Net change in total OPEB liability	(1,544)	(12,329)	7,649	4,534	33,946
Total OPEB liability - beginning	77,344	89,673	82,024	77,490	43,544
Total OPEB liability - ending (a)	$ 75,800	$ 77,344	$ 89,673	$ 82,024	$ 77,490
Plan fiduciary net position:					
Contributions – employer	$ 7,600	$ 6,752	$ 5,683	$ 5,239	$ 2,553
Contributions – special employer	—	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—	—
Net investment income	3,964	2,236	3	6,711	490
Benefit payments	(4,465)	(4,303)	(4,460)	(3,098)	(2,996)
Administrative expense	(56)	(55)	(62)	(86)	(47)
Transfers	—	(113)		—	—
Other	(2)	—	1,142	2	(2)
Net change in plan fiduciary net position	7,041	4,517	2,306	8,768	(2)
Plan fiduciary net position - beginning	40,057	35,540	33,234	24,466	24,468
Plan fiduciary net position - ending (b)	$ 47,098	$ 40,057	$ 35,540	$ 33,234	$ 24,466
Net OPEB liability - ending (a-b)	$ 28,702	$ 37,287	$ 54,133	$ 48,790	$ 53,024
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	62.13 %	51.79 %	39.63 %	40.52 %	31.57 %
Covered payroll (c)	$ 1,965,836	$ 1,755,661	$ 1,574,328	$ 1,489,771	$ 1,477,727
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	1.46 %	2.12 %	3.44 %	3.27 %	3.59 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

	Health Insurance Credit				
	Constitutional Officers	Constitutional Officers	Constitutional Officers	Constitutional Officers	Constitutional Officers
Change in the Net OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total OPEB liability:					
Service cost	$ 758	$ 637	$ 920	$ 776	$ 746
Interest	2,680	2,261	2,257	2,118	2,050
Changes in benefit terms	—	6,010	—	—	—
Difference between actual and expected experience	(297)	(727)	(1,240)	(241)	223
Changes of assumptions	—	—	492	567	—
Benefit payments	(2,125)	(2,069)	(2,121)	(2,047)	(1,969)
Net change in total OPEB liability	1,016	6,112	308	1,173	1,050
Total OPEB liability - beginning	40,001	33,889	33,581	32,408	31,358
Total OPEB liability - ending (a)	$ 41,017	$ 40,001	$ 33,889	$ 33,581	$ 32,408
Plan fiduciary net position:					
Contributions – employer	$ 3,488	$ 3,101	$ 2,836	$ 2,666	$ 2,526
Contributions – special employer	1,576	92	276	—	—
Contributions – non-employer contributing entity	—	—	—	—	—
Net investment income	1,488	925	(27)	954	87
Benefit payments	(2,125)	(2,069)	(2,121)	(2,047)	(1,970)
Administrative expense	(24)	(24)	(27)	(16)	(9)
Transfers	—	138	—	—	—
Other	(2)	—	(1)	(1)	—
Net change in plan fiduciary net position	4,401	2,163	936	1,556	634
Plan fiduciary net position - beginning	9,767	7,604	6,668	5,112	4,479
Plan fiduciary net position - ending (b)	$ 14,168	$ 9,767	$ 7,604	$ 6,668	$ 5,113
Net OPEB liability - ending (a-b)	$ 26,849	$ 30,234	$ 26,285	$ 26,913	$ 27,295
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	34.54 %	24.42 %	22.44 %	19.86 %	15.78 %
Covered payroll (c)	$ 929,716	$ 847,657	$ 774,013	$ 733,933	$ 719,390
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	2.89 %	3.57 %	3.40 %	3.67 %	3.79 %

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REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(IN THOUSANDS)

Change in the Net OPEB Liability	Health Insurance Credit Social Services Employees 2024	Social Services Employees 2023	Social Services Employees 2022	Social Services Employees 2021	Social Services Employees 2020
Total OPEB liability:					
Service cost	$ 181	$ 180	$ 290	$ 301	$ 291
Interest	987	982	993	964	958
Changes in benefit terms	—	—	—	—	—
Difference between actual and expected experience	201	(15)	(524)	(254)	(106)
Changes of assumptions	—	—	276	229	—
Benefit payments	(1,072)	(1,074)	(1,113)	(1,078)	(1,058)
Net change in total OPEB liability	297	73	(78)	162	85
Total OPEB liability - beginning	14,972	14,899	14,977	14,815	14,730
Total OPEB liability - ending (a)	$ 15,269	$ 14,972	$ 14,899	$ 14,977	$ 14,815
Plan fiduciary net position:					
Contributions – employer	$ 1,386	$ 1,876	$ 1,212	$ 1,160	$ 689
Contributions – special employer	724	1,032	122	—	—
Contributions – non-employer contributing entity	—	—	—	—	—
Net investment income	346	743	(4)	335	34
Benefit payments	(1,072)	(1,074)	(1,113)	(1,078)	(1,058)
Administrative expense	(6)	(20)	(5)	(6)	(3)
Transfers	—	30	—	—	—
Other	—	—	—	—	—
Net change in plan fiduciary net position	1,378	2,587	212	411	(338)
Plan fiduciary net position - beginning	5,145	2,558	2,346	1,935	2,273
Plan fiduciary net position - ending (b)	$ 6,523	$ 5,145	$ 2,558	$ 2,346	$ 1,935
Net OPEB liability - ending (a-b)	$ 8,746	$ 9,827	$ 12,341	$ 12,631	$ 12,880
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	42.72 %	34.36 %	17.17 %	15.66 %	13.06 %
Covered payroll (c)	$ 374,068	$ 342,719	$ 314,734	$ 300,727	$ 298,257
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	2.34 %	2.87 %	3.92 %	4.20 %	4.32 %

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The Commonwealth's OPEB programs promise benefits to individuals who perform services for government today to be paid following the conclusion of their service. Historically, the Commonwealth and most other government employers financed other post-employment benefit programs on a pay-as-you-go basis. The new reporting standards require expenses associated with these programs to be calculated and reported on an actuarial basis even though payment is deferred until after an individuals' service ends. As of June 30, 2024, the Commonwealth's estimated annual required OPEB contribution was $386.2 million and the estimated Net OPEB liabilities were $3.4 billion.

For a more detailed explanation of Other Post-Employment Benefits (OPEB), see "Notes to the Financial Statements" in Commonwealth Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

LABOR RELATIONS

It is against public policy for Commonwealth or local officials to recognize any labor union as a representative of public employees or to engage in collective bargaining with any labor union. Public employee of the Commonwealth do not have a legal right to strike, and no strike by employees of the Commonwealth has ever taken place. Any such employee who engages in any organized strike or willfully refuses to perform his duties shall, according to state law, be deemed to have terminated his employment. However, the General Assembly in the 2020 session, passed a bill permitting counties, cities, towns, and local school boards to adopt a local ordinance to permit collective bargaining by employees of those governing bodies. The bill was signed into law by the Governor with an effective date of May 1, 2021.

LITIGATION

The Commonwealth, its officials and employees are named as defendants in legal proceedings that occur in the normal course of governmental operations, some of which involve claims for substantial amounts. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the Commonwealth with respect to these lawsuits. However, any ultimate liability resulting from these suits is not expected to have a material adverse effect on the financial condition of the Commonwealth.

APPENDIX C

COMMONWEALTH OF VIRGINIA
DEMOGRAPHIC AND ECONOMIC INFORMATION

Report Date: January 30, 2025

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APPENDIX C
TABLE OF CONTENTS

INTRODUCTION

The following demographic and economic information is provided by the Commonwealth of Virginia, its agencies, institutions, and authorities (the "Commonwealth"). The data were compiled by the Department of the Treasury and were not independently verified; however, the Department of the Treasury has no reason to believe that such data are not true and correct in all material respects.

DEMOGRAPHIC CHARACTERISTICS

General

The Commonwealth is divided into five distinct geographic regions. The Tidewater region is a coastal plain cut into peninsulas by four large tidal rivers. It includes the Eastern Shore and estuaries of the Chesapeake Bay. The Piedmont Plateau region is the largest geographical land of the state, and is characterized by low, rolling hills. The Blue Ridge Mountain region, which lies to the west of the Piedmont Plateau region, is the main eastern mountain range of the Appalachian Mountains. The Appalachian Ridge and Valley region stretches from southwest to northeast along Virginia's western border and includes the Shenandoah Valley. The Appalachian Plateau region lies in the far southwestern portion of Virginia. In Kentucky it is called the Cumberland Plateau. The topography of this region is characterized by rivers, streams, and forests. Approximately one-third of all land in Virginia is used for farming and other agricultural services. This variety of terrain, the location of the Commonwealth on the Atlantic Seaboard at the southern extremity of the northeast population corridor, and its close proximity to the nation's capital all have had a significant influence on the development of the present economic structure of the Commonwealth.

According to the U.S. Census Bureau, the Commonwealth's 2024 estimated population was 8,811,195, which was 2.60 percent of the United States total population. Among the 50 states, it ranked twelfth in population size. With 39,490 square miles of land area, its 2024 population density was 220.7 persons per square mile, compared with 98 persons per square mile for the United States generally.

Population Trends

From 2015 to 2024, Virginia's population increased 5.1 percent versus 5.9 percent for the nation. Population trends since 2015 for the Commonwealth and the United States are shown in the following table:

POPULATION TRENDS

	Virginia		United States	
Year	Population	Increase Over Preceding Year	Population	Increase Over Preceding Year
2015	8,382,993	0.7	321,039,839	0.8
2016	8,414,380	0.4	323,405,935	0.7
2017	8,463,587	0.6	324,985,539	0.5
2018	8,501,286	0.4	326,687,501	0.5
2019	8,556,642	0.7	328,239,523	0.5
2020*	8,637,193	0.9	331,526,933	1.0
2021*	8,657,348	0.2	332,048,977	0.2
2022*	8,679,099	0.3	333,271,411	0.4
2023*	8,715,698	0.4	334,914,895	0.5
2024*	8,811,195	1.1	340,110,988	1.6

Source: U.S. Census Bureau.
**Virginia 2020 - 2024 estimates through July 1, 2024; Census Data Release Date: December 2024*

Age Distribution of Population

Compared to the national average, a higher proportion of of the Commonwealth's population is in the adult/working ages of 20 through 64. A proportion of Virginia's population, comprised of persons ages 65 and older and of persons ages 5 through 19 is comparable to the United States average. As of May 2024, the population of the Commonwealth and of the United States was distributed by age as follows:

AGE DISTRIBUTION

2023

Age	Virginia		United States	
Under 5 years	5.47	%	5.47	%
5 through 19 years	18.80		18.86	
20 through 44 years	33.65		33.35	
45 through 64 years	24.88		24.60	
65 years and older	17.20		17.71	
	100.00	%	100.00	%

Source: Virginia and US Data as of 2023 ; US Census Bureau
Data Release Date: May 2024

Geographic Distribution of Population

The Commonwealth has a high percentage of its citizens living in urban areas. Virtually all the Commonwealth's population growth between 1950 and 1970 occurred in urban areas. During the 1970s, however, non-metropolitan areas grew at a slightly faster rate than metropolitan areas. Since 1980, this trend has reversed with the metropolitan areas growing at three times the rate of the rest of the Commonwealth. Of the Commonwealth's total population, 79 percent resides in eleven metropolitan statistical areas (MSAs).

The largest metropolitan area in the Commonwealth is the Northern Virginia portion of the Washington-Arlington-Alexandria MSA. In 2023 the entire metropolitan area had an estimated population of 6.4 million, of which, approximately 41% lived in the Northern Virginia portion. Northern Virginia has long been characterized by the large number of people employed in both civilian and military work with the federal government. It is also one of the nation's leading high-technology centers for computer software and telecommunications. This region is also the home of George Mason University, one of Virginia's largest universities and the Commonwealth's largest public research university by student population.

Spanning Hampton Roads is the Virginia Beach-Norfolk-Newport News MSA, which has large military installations and major port facilities. It had an estimated 2023 population of 1.8 million and is an important center of manufacturing and tourism. The Richmond MSA is the third largest metropolitan area with an estimated 2023 population of 1.3 million. The Richmond MSA is a leading center of diversified manufacturing activity including chemicals, tobacco, printing, paper, metals, and machinery. Richmond is also the capital of the Commonwealth and its financial center, which includes the Fifth District Federal Reserve Bank. The Roanoke MSA is the manufacturing, trade, and transportation center for the western part of the Commonwealth. Other manufacturing centers located in the western part of the Commonwealth are the Lynchburg and Kingsport-Bristol-Bristol MSAs, and total estimated 2023 population for these three MSA's was just under 900,000. Located at the foot of the Blue Ridge Mountains is the Charlottesville MSA, a community with an estimated 2023 population of approximately 225,000 and home of the University of Virginia and significant manufacturing industries. Just west of the Charlottesville MSA is the Staunton-Waynesboro MSA with an estimated 2023 population of approximately 127,000.

The Harrisonburg and Winchester MSAs are located along the northwestern corridor of Virginia with a combined 2023 population of just under 300,000. These MSAs are the main retail, service, and manufacturing centers in the Shenandoah Valley. With an estimated 2023 population of 165,000, the Blacksburg-Christiansburg-Radford MSA is located in the New River Valley in southwestern Virginia. The Town of Blacksburg is the home of Virginia Polytechnic Institute & State University, Virginia's second largest public university and ranked as one of the nation's leading research institutions. The 2023 population figures for all eleven Commonwealth MSAs are shown below.

Distributed throughout Virginia are smaller urban areas, most of which historically have been trade centers for the surrounding areas and continue to be so today. These communities have attracted many of the new manufacturing facilities located in the Commonwealth in recent years. The remainder of the Commonwealth's population lives in rural areas, including most of the towns and the remaining smaller cities.

2023 METROPOLITAN STATISTICAL AREA
POPULATION AND PER CAPITA INCOME

MSA	Population	Per Capita Income
Blacksburg-Christiansburg-Radford	165,812	$50,496
Charlottesville	225,127	90,472
Harrisonburg	137,650	51,573
Kingsport-Bristol-Bristol	313,025	50,922
Lynchburg	264,590	51,243
Richmond	1,349,732	59,820
Roanoke	314,314	59,820
Staunton - Waynesboro	127,344	55,929
Virginia Beach-Norfolk-Newport News	1,806,890	62,575
Washington-Arlington-Alexandria	6,413,831	89,396
Winchester	146,455	59,702
MSA Total	11,264,770	
Commonwealth of Virginia	8,715,698	$73,841

Kingsport-Bristol-Bristol MSA includes Tennessee.
Washington-Arlington-Alexandria MSA includes Washington and Maryland.
Population data Statistics for 2023 as of November 2024, Revised Statistics for 2009-2023.
Per Capita Statistics for 2023 as of November 2024
Source: U.S. Bureau of Economic Analysis – St. Louis FED.

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ECONOMIC FACTORS

Taxable Retail Sales

Over the past ten years, taxable retail sales in Virginia increased by $37.6 billion, or 34.4 percent. This growth is greater than the cumulative rate of inflation for this same period. The following table illustrates the changes in taxable retail sales for calendar years 2014 through 2023.

Taxable Retail Sales 2014-2023

Calendar Year	Taxable Retail Sales	% Change
2014	96,243,826,673	1.7
2015	100,219,956,703	4.1
2016	101,740,768,841	1.5
2017	103,741,107,029	2.0
2018	106,075,146,508	2.2
2019	107,779,678,044	1.6
2020	104,358,304,833	(3.2)
2021	118,655,571,778	13.7
2022	129,002,040,313	8.7
2023	133,864,997,686	3.8

Source: Virginia Department of Taxation, January 2024.

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Personal Income

According to the U.S. Bureau of Economic Analysis, estimated personal income for all Virginians in 2023 was over $650 billion, resulting in a per capita income of $73,841. The Commonwealth's per capita income ranked twelfth among all fifty states and was greater than the national average of $69,810.

From 2014 to 2023, the Commonwealth averaged an annual rate of growth of 4.3 percent in per capita income, which was lower than the national average annual rate of growth of 4.6 percent for the same period.

PERSONAL INCOME TRENDS

2014-2023

	Virginia		United States	
Year	Per Capita Personal Income	Change Over Preceding Year (%)	Per Capita Personal Income	Change Over Preceding Year (%)
2014	50,318	3.6	46,887	4.7
2015	52,238	3.8	48,725	3.9
2016	53,268	2.0	49,613	1.8
2017	54,879	3.0	51,550	3.9
2018	56,619	3.2	53,786	4.3
2019	59,073	4.3	56,250	4.6
2020	62,189	5.3	59,765	6.2
2021	66,305	6.6	64,143	7.3
2022	68,985	4.0	65,470	2.1
2023	73,841	7.0	69,810	6.6

Source: Bureau of Economic Analysis revised estimates for 2014-2023; Date Release Date: December 2024

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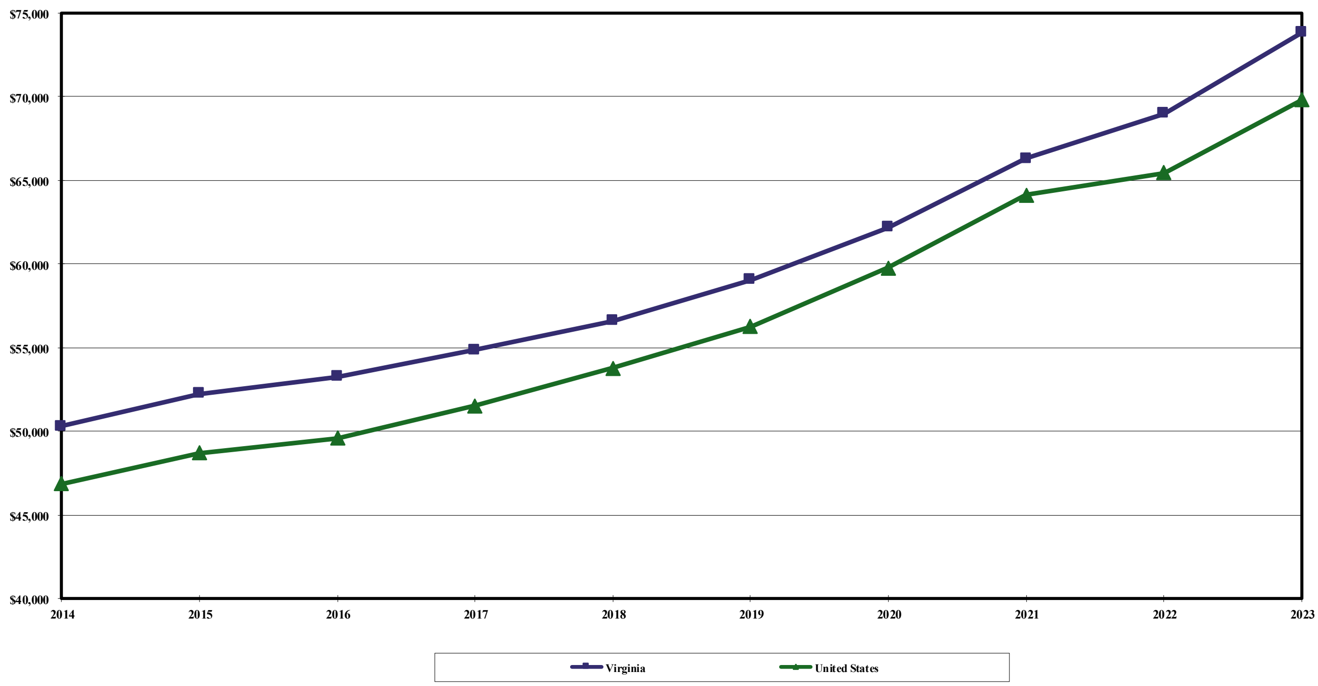
PERSONAL INCOME TRENDS
2023



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Sources of Personal Income

The sources of personal income in the Commonwealth and the comparable sources of personal income for the United States for 2024 are shown in the following table. The pie chart on the following page represents the nonagricultural personal income by major industry.

SOURCES OF PERSONAL INCOME
2024

	Virginia (in Millions)	Percentage of Personal Income Before Residence Adjustment [1]: Virginia	Percentage of Personal Income Before Residence Adjustment [1]: United States
Forestry, fisheries, related activities and other	$ 486	0.1 %	0.3 %
Construction	25,111	5.8	6.2
Farming	445	0.1	0.1
Finance and insurance	24,520	5.7	7.1
Government:			
State and local	44,654	10.3	11.1
Federal, civilian	33,927	7.8	2.7
Federal, military	15,138	3.5	1.0
Manufacturing	23,196	5.4	8.9
Mining	809	0.1	1.2
Services	216,066	49.9	46.4
Transportation, warehousing & utilities	13,869	3.6	5.1
Wholesale and retail trade	34,416	8.0	9.9
Subtotal	$ 432,638	100.0 % *	100.0 %
Less:			
Contributions for government social insurance	(50,805)		
Plus:			
Dividends, interest and rent	131,841		
Transfer payments	97,721		
Personal income before residence adjustment	$ 611,394		
Residence adjustment [1]	20,732		
Total Personal Income	$ 632,126		

[1] Total personal income is reported by place of residence. However, income by industry is shown by place of work. Thus, this adjustment was necessary to account for income earned by Virginia residents who worked outside the Commonwealth. These were primarily federal government employees who lived in Northern Virginia but worked in Washington, D.C.

Source: Bureau of Economic Analysis esimates for 2023 Data Release Date, November 2024.

*Numbers may not add to 100 due to rounding.

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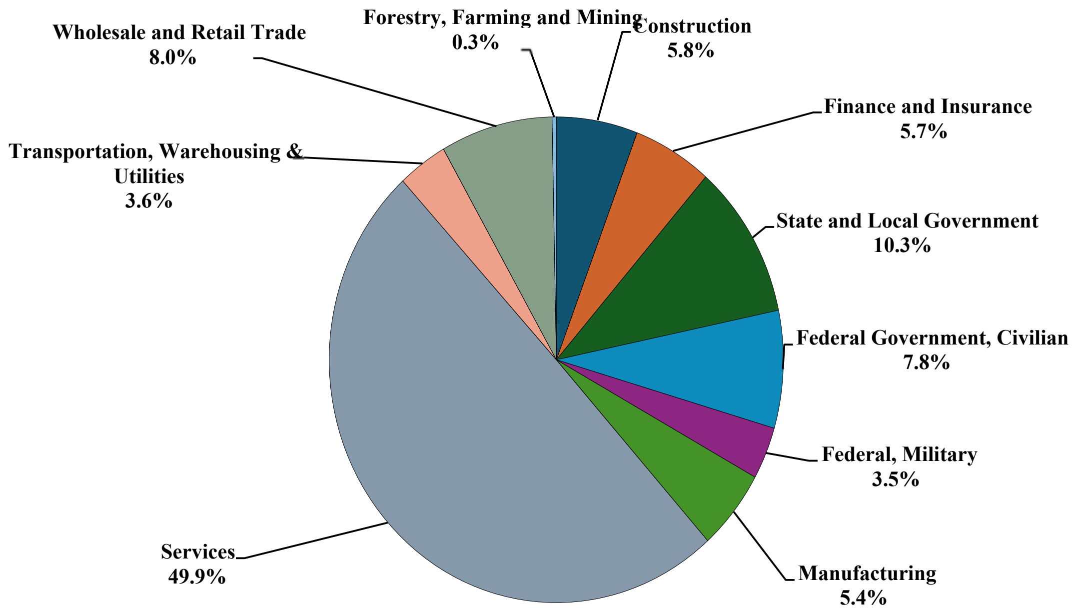
DISTRIBUTION OF VIRGINIA NONAGRICULTURAL SOURCES OF GROSS PERSONAL INCOME BY MAJOR INDUSTRY 2024



Source: Bureau of Economic Analysis estimates for 2023. Data Release Date, November 2024
Numbers may not add to 100 due to rounding.

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Residential Construction

New home construction activity in Virginia was strong in 2021 and 2022 outpacing prior years. In 2023, permits decreased at -5.2% with a higher demand for housing than available inventory.

AGGREGATE VALUE OF AND BUILDING PERMITS ISSUED FOR RESIDENTIAL CONSTRUCTION IN VIRGINIA [1]

Year	Value of Construction in in Current Dollars (in millions)	Percent Change from Preceding Year	Number of Permits Issued	Percent Change from Preceding Year
2014	$4,564	(10.7%)	28,673	(12.5%)
2015	4,530	(0.8%)	28,704	0.1%
2016	5,473	20.8%	31,132	8.5%
2017	5,747	5.0%	33,760	8.4%
2018	5,831	1.5%	31,977	(5.3%)
2019	5,794	(0.6%)	32,418	1.4%
2020	5,385	(7.0%)	33,443	3.2%
2021	7,061	31.1%	35,765	6.9%
2022	7,994	13.2%	38,070	6.4%
2023	7,433	(7.0%)	36,096	(5.2%)

(1) Excludes mobile homes.

Source: US Census Bureau 2022 and 2023.Weldon Cooper Center Annual Report Years 2014-2023

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Assessed Value of Locally Taxed Property

The Constitution of Virginia provides that real estate, coal and other mineral lands and tangible personal property, except the rolling stock of public service corporations, are reserved for taxation by cities, counties, towns, and other local government entities. Shown below are the assessed value of real estate and personal property as determined by the various taxing jurisdictions and the combined value of real estate and personal property for public service corporations as determined by the State Corporation Commission. Cities and counties are required by law to assess real estate at 100 percent of market value.

ASSESSED VALUES OF REAL ESTATE AND TANGIBLE PERSONAL PROPERTY

Tax Year Ended 31-Dec	Real Estate	Public Service Corporations	Personal Property	Total
2014	1,001,173,297,581	42,105,842,848	81,234,501,278	1,124,513,641,707
2015	1,031,975,708,795	44,154,961,529	84,093,951,056	1,160,224,621,380
2016	1,060,436,113,127	46,266,995,318	88,866,533,959	1,195,569,642,404
2017	1,091,729,146,212	48,006,343,392	92,876,379,259	1,232,611,868,863
2018	1,130,944,150,752	50,028,306,681	97,202,215,738	1,278,174,673,171
2019	1,172,449,791,555	49,209,543,843	98,726,651,736	1,320,385,987,134
2020	1,218,079,093,525	51,149,852,247	100,052,236,313	1,369,281,182,085
2021	1,272,652,328,700	51,229,623,564	117,434,111,165	1,441,316,063,429
2022	1,391,780,142,396	52,339,281,584	139,776,943,386	1,583,896,367,366
2023	1,822,070,737,925	62,779,818,282	Not Available	Not Available

Source: Department of Taxation's 2023 Annual Report. 2023 Personal Property amount not yet available.
Annual Report for 2024 not yet available.

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Employment

According to the Virginia Employment Commission monthly employment report released in December 2024, 4.5 million residents of the Commonwealth were estimated to be in the civilian labor force, which includes agricultural and nonagricultural employment, the temporarily unemployed, the self-employed and residents who commute to jobs in other states.

Virginia is a "right-to-work" state with diverse sources of income. In part because of its proximity to Washington DC, Virginia has a larger share of federal and military employees than most states. More than ten percent of Virginia's workers are federal employees or active military.

Of the eleven MSAs included in the table on page C-4, seasonally adjusted total nonfarm employment data is produced for ten of them; no data is produced for the Kingston-Bristol MSA.

Over the year November 2023 to November 2024, eight of ten MSAs experienced job gains, and the data for two MSAs were unavailable. The largest job gain occurred in Charlottesville (+3.3%). The second largest job gain occurred in Richmond (+2.2%). The third largest job gain occurred in Virginia Beach-Norfolk-Newport News (+1.8%). The other gains were in Northern Virginia (+1.0%); Harrisonburg (+1.5%); Roanoke (+1.0%); Lynchburg (+0.8%) The Blacksburg-Christiansburg-Radford MSA remained unchanged at (0.1%). Information for Winchester and Staunton was unavailable.

The following table and chart indicate the distribution by category of nonagricultural employment in the Commonwealth and the table shows comparative information to the United States.

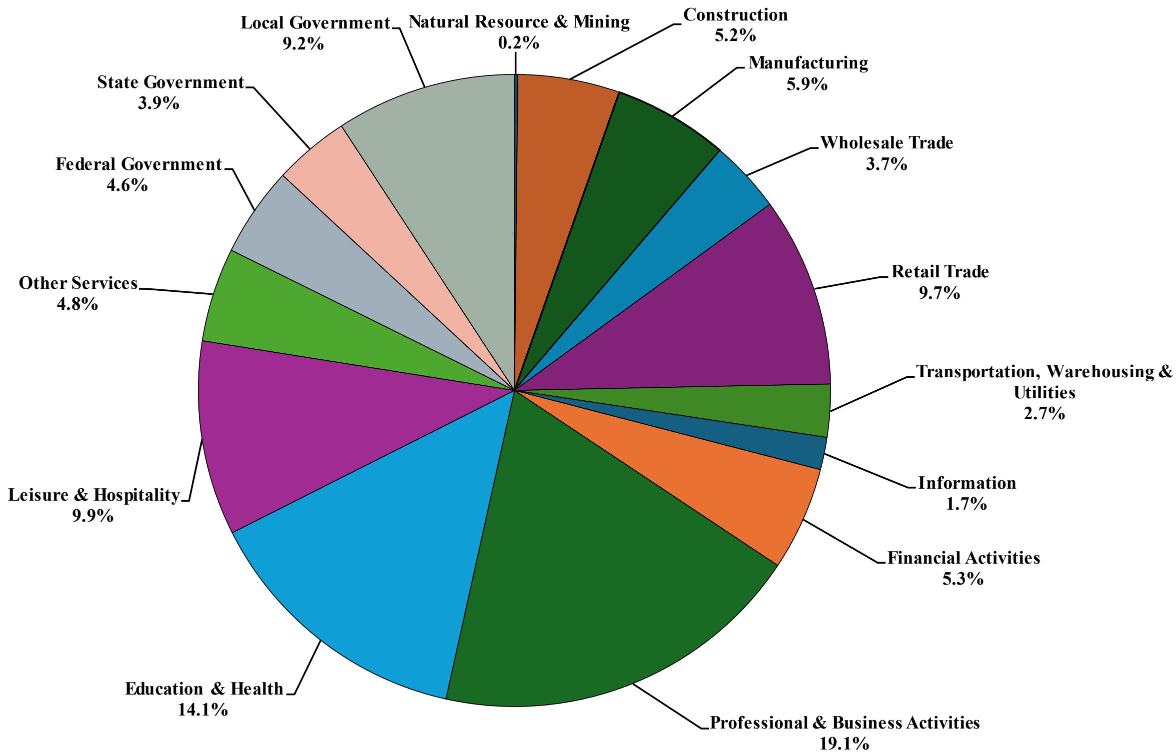
DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT
2024

	Virginia	United States
Natural Resource & Mining	0.2 %	0.4 %
Construction	5.2	5.2
Manufacturing	5.9	8.1
Wholesale Trade	3.7	3.9
Retail Trade	9.7	9.8
Transportation, Warehousing & Utilities	2.7	4.5
Information	1.7	1.9
Financial Activities	5.3	5.8
Professional & Business Activities	19.1	14.4
Education & Health	14.1	16.8
Leisure & Hospitality	9.9	10.7
Other Services	4.8	3.7
Federal Government	4.6	1.9
State Government	3.9	3.5
Local Government	9.2	9.4
	100.0 %	100.0 %

Source: Bureau of Labor Statistics. 2024 Data as of November 2024. Data Release Date: December 2024.

DISTRIBUTION OF VIRGINIA NONAGRICULTURE EMPLOYMENT

2024



Source: Bureau of Labor Statistics. 2024 Data as of November 2024. Data Release Date: December 2024.

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The table below shows employment trends in the Commonwealth during the five last years from 2020 to 2024. The most significant growth has occurred in the Construction, Leisure and Hospitality, Education and Health and Other Services sectors.

DISTRIBUTION OF VIRGINIA NONAGRICULTURAL EMPLOYMENT BY MAJOR INDUSTRY

	2020	2021	2022	2023	2024	% Change 2020-2024
Natural Resource & Mining	6,800	7,900	7,400	7,300	7,400	**8.8** %
Construction	201,200	205,200	210,500	217,900	230,700	**14.7**
Manufacturing	233,000	237,300	240,200	246,600	248,000	**6.4**
Wholesale Trade	147,890	150,305	154,307	155,135	155,986	**5.5**
Retail Trade	387,408	393,734	404,217	406,386	408,616	**5.5**
Transportation & Warehousing, Utilities	107,703	150,305	112,376	112,979	113,599	**5.5**
Information Services	65,900	67,700	70,600	69,300	70,000	**6.2**
Financial Activities	208,900	204,200	205,000	222,200	220,400	**5.5**
Professional & Business Activities	757,200	785,400	793,500	801,600	816,800	**7.9**
Education & Health	524,700	540,600	571,300	589,800	608,700	**16.0**
Leisure & Hospitality	325,600	361,000	408,500	416,600	422,400	**29.7**
Other Services	180,400	183,000	191,500	201,300	203,700	**12.9**
Public Administration						
Federal Government	192,000	186,100	189,138	192,175	195,706	**1.9**
State Government	153,800	157,100	159,664	162,229	165,209	**7.4**
Local Government	363,500	373,600	379,698	385,796	392,885	**8.1**
Total	**3,856,000**	**4,003,444**	**4,097,900**	**4,187,300**	**4,260,100**	**10.5** %

Source: Bureau of Labor Statistics. 2024 Data as of November 2024

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Largest Employers

The ten largest private and public sector employers in the Commonwealth, each of which employed 1,000 or more persons, are shown below.

TOP TEN PRIVATE SECTOR EMPLOYERS
2024

Rank	Name	Industry
1	Walmart	General Merchandise Stores
2	Sentara Healthcare	Hospitals
3	Huntington Ingalls/ Newport News Shipbuilding	Transportation Equipment Manufacturing
4	Amazon Fulfillment Services Inc.	General Merchandise E-commence
5	Invoca Health System	Hospitals
6	Food Lion	Food and Beverage Stores
7	HCA Virginia Health System	Hospitals
8	Bond Secours Health System Inc.	Hospitals
9	Capital One Bank	Credit Intermediation and Related Activities
10	Booz, Allen and Hamilton	Consulting

Source: Virginia Employment Commission Community Profile as of Second Quarter 2024, Data Release Date: January 2025

TOP TEN PUBLIC SECTOR EMPLOYERS
2024

Rank	Name	Industry
1	U.S. Department of Defense	National Security and International Affairs
2	Fairfax County Public Schools	Educational Services
3	University of Virginia /Blue Ridge Hospital	Hospitals
4	U.S. Department of Homeland Defense	Administration of Security
5	Loudoun County Schools	Educational Services
6	County of Fairfax	Executive, Legislative and other General Gov't Support
7	Prince William County School Board	Educational Services
8	Postal Service	Postal Service
9	VCU Health System	Hospitals
10	U.S. Department of Veterans Affairs	Veterans Services

Source: Virginia Employment Commission Community Profile as of Second Quarter 2024, Data Release Date: January 2025

Unemployment

The Commonwealth is one of 26 states with a Right-to-Work Law and has a record of good labor-management relations. The Commonwealth's favorable business climate is reflected in the relatively small number of strikes and other work stoppages it experiences.

The Commonwealth is one of the least unionized of the more industrialized states. Three major reasons for this situation are: the Right-to-Work Law; the importance of manufacturing industries such as textiles, apparel, electric and electronic equipment, and lumber, which are not highly unionized in the Commonwealth; and the importance of federal civilian and military employment. Typically, the percentage of nonagricultural employees belonging to unions in the Commonwealth has been approximately half the U.S. average.

The following table shows the size of the Commonwealth's total civilian labor force from 2015 through 2024, the percentage unemployed during this period and the comparable national unemployment rate.

UNEMPLOYMENT TRENDS

Year	Virginia's Civilian Labor Force(1)	Unemployment Virginia(2)	Unemployment United States(2)
2015	4,222,819	4.2	5.0
2016	4,261,091	4.2	4.6
2017	4,308,950	3.7	4.1
2018	4,359,062	2.8	3.7
2019	4,441,018	2.6	3.5
2020	4,286,658	4.9	6.7
2021	4,259,504	3.4	4.2
2022	4,357,319	3.0	3.5
2023	4,492,524	2.9	3.7
2024	4,492,524	2.9	3.7

(1)Virginia Employment Commission Release Date, December, 2024

(2) Bureau of Labor Statistics, Release Date, December, 2024

MAJOR ECONOMIC SECTORS

Energy

As directed by the Virginia General Assembly, every four years the Virginia Department of Energy develops a comprehensive energy plan. On behalf of the Department, Governor Youngkin released in October 2022 the new "Commonwealth of Virginia's 2022 Energy Plan" (the "Plan"). The Plan describes its purpose as providing (i) an analytical assessment of the current state of the Commonwealth's energy economy, (ii) a practical approach for Virginia to base future policy decisions, and (iii) a series of commonsense recommendations for policymakers and industry participants. The Plan recommends that the Commonwealth pursue an "all of the above" approach to energy production with the intent of providing a flexible path to respond to the changing and growing needs of customers. The Plan describes its guiding principles as reliability, affordability, innovation, competition, and environmental stewardship. The Plan recommends requiring periodic reassessments of Virginia's energy portfolio to remain current with the evolution of energy production and transmission. Further, the Plan recommends that the Commonwealth make strategic investments in innovative, emerging technologies, including hydrogen, carbon capture, storage and utilization, and small modular nuclear reactors ("SNRs"). In particular, the Plan supports the goal of deploying a commercial SNR in southwestern Virginia within ten years. The Plan also supports leveraging Virginia's planned offshore wind project to add additional offshore wind generation. The Plan advocates that the Commonwealth encourage competition within the current regulatory structure to provide customers flexibility while considering the cumulative impacts of energy generation on land, air, and water.

In May 2023, Dominion Energy (formerly Virginia Power), released its Integrated Resource Plan (IRP) which presents a suite of strategic pathways to ensure the utility's generation fleet is positioned to provide consistent delivery of electricity to Virginia's families and businesses. The IRP includes expanded need for baseload generation technologies such as natural gas and nuclear, in addition to renewable technologies like wind, solar, and storage, in all its pathways. Governor Youngkin called Dominion's Plan a validation of the 2022 Energy Plan.

In 2024, the Governor's "all-of-the-above" energy strategy expanded to include innovation in the following sectors.

Nuclear Innovation – announced partnerships with Amazon Web Services (AWS), Dominion Energy and X-Energy aiming to develop operation of small nuclear reactor (SNR) technology near the Dominion North Anna power station. Similar plans have been announced for an Appalachian Power SNR Project in Campbell County in 2025.

Clean Energy Financing – Virginia Energy has established and enhanced a number of initiatives including the Virginia Clean Energy Innovation Bank (VCEIB) to accelerate the deployment of clean power energy generation and energy infrastructure across the commonwealth, a $156 million Solar for All Program through the EPA's Greenhouse Gas Reduction Fund designed to benefit underserved communities and low-income households, and further, the Virginia Power Innovation Program which will fund research and development of technologies, including nuclear, hydrogen, carbon capture and utilization and energy storage.

In December 2024, Virginia announced a groundbreaking development: the world's first commercial fusion power plant will be built in Chesterfield County, Virginia. This landmark project-made possible through by a partnership between the Virginia Department of Energy's VCEIB, Chesterfield County, the Virginia Economic Development Partnership, and Dominion Energy-represents $3.2 billion in private investment.

Utilities: Over the last decade, Virginia opened the door to electric utility deregulation; however, the competition did not materialize as anticipated. Therefore, the Virginia General Assembly enacted "re-regulation legislation," which has re-established retail rate regulation. The legislation permits provider choice for large commercial and industrial customers with demands exceeding five megawatts (MW). The measure provides flexible and innovative forms of ratemaking that could provide incentives for utility operational efficiencies and for generation plant construction. The legislation also creates incentives for the development of renewable energy resources and for energy efficiency and conservation programs.

Dominion Energy's 2024 Integrated Resource Plan – outlines plans for significant expansion of carbon-free energy sources, including megawatt increases in new offshore wind, new solar and new battery storage. Additional detail can be found Dominion Energy's Website (2024 IRP).

In September 2023, the average cost per unit of electricity for the industrial sector was 9.07 cents in Virginia, compared to 8.53 cents for the national average. As of September 2024, the U.S. Energy Information Administration (EIA) estimate for Virginia was 8.74 cents while the national average was 8.51 cents. All transmission-owning utilities in Virginia have taken the important step of joining PJM, North America's largest regional transmission manager, which oversees the grid across a vast area from Illinois to North Carolina. The PJM Interconnection's 2024 forecast of peak and overall energy load is projected to grow by close to 5% and 7.3%, respectively, over the next decade driven primarily by the growth of data centers, locating in the Commonwealth, up slightly from last year's forecast.

Electric power is available throughout the Commonwealth through the investor-owned utilities of Dominion Energy (Dominion) and Appalachian Power (APCO), 13 electric cooperatives that distribute power in rural districts, and 16 municipalities that have their own distribution systems with power purchased primarily from the previously mentioned companies. The electric utilities serving the Commonwealth are interconnected with neighboring utilities, both within and outside of the Commonwealth, for reliability of service.

Virginia is served by eight regulated natural gas utility companies that provide an extensive network of underground pipes and other gas facilities. In 2021, Virginia's industrial sector accounted for nearly 20 percent of natural gas consumption in the state. Industrial sector consumption has increased by nearly 42% over the past five years and remains the second largest natural gas consuming sector behind the electric power sector. Virginia's natural gas suppliers specialize in serving industrial customers and provide expert advice in engineering, construction, and inspection.

Waterworks

With few exceptions, Virginia's municipalities and several of its highly urbanized counties own their own waterworks systems. In some instances, the municipality's system also serves nearby communities and suburban areas. Most subdivision systems are privately owned and operated. Some federal installations and many industrial plants have their own water supplies. Larger municipalities usually depend on surface water or surface water supplemented by groundwater. There are approximately 2,700 public community water supplies in Virginia, serving approximately 87 percent of the state's population. Virginia has more than 50,000 miles of freshwater streams producing greater than 25 billion gallons per day of freshwater flow.

All cities, many towns, and some counties have their own sewage collection systems. Existing or planned facilities provide wastewater treatment that meets or will meet established water quality standards.

Transportation

Strategically located on the U.S. East Coast and adjacent to Washington, D.C., Virginia's integrated transportation system of highways, railroads, airports, and seaports provide logistical advantages for companies in every industry. As a result of the Commonwealth having the second densest interstate system Southeast, one of the deepest, widest, and most active of the East Coast ports, more than 3,000 miles of railway with two Class 1 Railroads, and nonstop connections to more than 150 destinations by air daily, the Commonwealth is recognized annually for its favorable business climate and its quality-of-life opportunities.

Rail: Two of the nation's largest Class I railroads operate in Virginia: CSX Corporation Railroad has offices in Richmond, and Norfolk Southern Corporation is headquartered in Norfolk. Both have extensive infrastructure throughout the Commonwealth. Eight shortline railroads also provide freight rail service. Nearly 3,400 miles of railway (excluding trackage rights) traverse the state In January 2022, the Commonwealth announced the finalized definitive agreement with Norfolk Southern Corporation to expand passenger rail services to the New River Valley area of southwestern Virginia for the first time since 1979. The investment of Southwest Virginia's rail network, called the "Western Rail Initiative", will add a second state-supported round-trip train between Roanoke and Boston later in 2022, which will be extended to the New River Valley upon completion of a new station, track, and signal improvements. The expanded intercity rail service, which will create significant economic benefits and provide additional multimodal options for travelers along the Interstate 81 and Route 29 corridors, is expected to allow a third train to operate in the future and add approximately 80,000 new passengers in the first year after service is extended to the New River Valley. Norfolk Southern Corporation's Heartland Corridor double-stack rail project is a $290 million public private partnership that offers efficient routing between the Port of Virginia and the Midwest markets. In a major engineering feat, clearances were raised in 29 tunnels to make way for double stacked intermodal trains. Cargo can now be transported via double-stack rail with next morning service to Columbus, Ohio and second-morning service to Chicago, Illinois while existing rail lines can handle increasing container volumes.

Norfolk Southern's Crescent Corridor Project, a $2.5 billion infrastructure project, expanded the existing 2,500-mile rail network with thirty new lanes to enhance the Company's high-capacity intermodal system. The Crescent Corridor traverses 11 states from Louisiana to New Jersey and touches 26 percent of the nation's population and 26 percent of the nation's manufacturing output. To increase rail capacity on the Crescent's route through Virginia, Norfolk Southern spent $47.1 million to upgrade track and signals.

In December 2019, the Commonwealth and CSX signed an agreement to expand reliability and service on Virginia's rail lines, creating a pathway to separate passenger and freight operations along the Richmond to Washington D.C. corridor. The agreement between the Commonwealth and CSX outlines a $3.7 billion investment that includes building a new Virginia-owned Long Bridge across the Potomac River with tracks dedicated exclusively to passenger and commuter rail; the acquisition of more than 350 miles of railroad right-of-way and 225 miles of track; and 37 miles of new track improvements, including a Franconia-Springfield bypass.

Air: Virginia is served by 16 commercial airports (including those just across the state line at Bluefield, West Virginia; Blountville, Tennessee; Greensboro and Raleigh-Durham, North Carolina; and Baltimore, Maryland). Scheduled commercial airline service is provided to over 100 domestic destinations around the world. Two of the nation's largest airports, Dulles International and Ronald Reagan Washington National offer fights to more than 50 destinations on a daily basis. The commercial airports are supplemented by 57 general aviation airports licensed for public use throughout the Commonwealth. With 2,328 more flights in 2023 versus 2019, Washington Dulles International has become one of the fastest growing airports in the country.

Location: The state's location in the Eastern Time Zone puts Virginia within one day's travel of 47% of the entire U.S. population. As the nation's third largest state-maintained transportation network, Virginia's highway system includes more than 70,000 miles of primary and secondary roads and six major north-south and east-west interstate routes. The Commonwealth is within easy reach of the nation's leading industrial and distribution centers. For example, Richmond is only 338 miles from New York City to the north, 623 miles from Detroit to the west, and 521 miles from Atlanta to the south.

Port Facilities

The Port of Virginia is the deepest water harbor on the U.S. East Coast. It shelters the world's largest naval base, the largest shipbuilding and repair industrial base, a thriving export coal and bulk trade, and the sixth-largest containerized operation in the United States. Centered around the busy Norfolk Harbor, commercial vessels also steadily move cargo up the James and York Rivers, as well as down the branches of the Elizabeth River.

The Port of Virginia is the second-largest port on the East Coast by tonnage, due in large part to the export of coal, and the third-largest port on the East Coast by container volume, with more than 3.7 million twenty-foot equivalent units ("TEU") of cargo moving through its container terminals in 2022. The Port is made up of over 55 public and private marine terminals, with the Virginia Port Authority ("VPA") operating four deep-water marine terminals, an upriver terminal, and an inland intermodal terminal. Virginia's 50-foot channels and unobstructed terminal access have allowed the size of the vessels calling at the Port of Virginia to increase significantly.

The Port of Virginia plays a key role in the Commonwealth's economy and generates significant economic benefits, both direct and spin-off, to the Commonwealth, through the transportation of export and import cargo within Virginia and across it from other states and countries, the export of goods made in Virginia, and the added processing and distribution of imports retained in the Commonwealth. Annually, Port-related business and activity directly and indirectly contributes to Virginia's economy

The Port of Virginia is largely responsible for the Commonwealth's strong ties with international commerce. The Port is serviced by more than 30 international steamship lines with connections to more than 200 countries around the world. In addition to having the distinction of being a Hub Port, the Port of Virginia is also the largest intermodal Rail Port on the East Coast. Since 2017 more than 34% of the cargo arriving and departing the Port does so by rail. Class 1 rail partners, Norfolk Southern and CSX offer double stack intermodal service on almost seven miles of on dock track to key inland markets in the Midwest, Ohio Valley and Southeast.

VPA operates and either owns or leases four marine terminals (collectively, such marine terminals are referred to herein as the "Terminals"): Norfolk International Terminals, Portsmouth Marine Terminal, Newport News Marine Terminal, and VIG Terminal. All of the Terminals are accessible through two deep water channels currently dredged to 50 feet with Congressional authorization to dredge to 55 feet, allowing the harbor of Hampton Roads to accommodate the largest container ships currently in operation.

Norfolk International Terminals ("NIT"). Located in Hampton Roads Harbor on 567 acres along the Elizabeth and Lafayette Rivers, NIT is the Port of Virginia's largest terminal and has fourteen of the biggest, most efficient cranes in the world. The General Assembly in 2016 authorized the financing of a $350 million expansion of the cargo capacity at NIT. The money will be used to reconfigure the South Berth, increasing the cargo capacity at NIT by 46% to approximately two million TEUs. Out of the Port's $1.4 billion modernization project, a $650 million North NIT renovation has begun. Projected completion of the two-phase project is 2027 by which time annual TEU capacity will be expanded to 1.4 million. With the purchase of additional rail mounted gantry cranes, capacity and efficiency increased. The main channel leading to the terminal is 50 feet deep and is currently undergoing a dredging and widening project scheduled for completion in 2024.

Portsmouth Marine Terminal ("PMT"). PMT has 3,540 feet of wharf, three berths, and six cranes, direct access to both CSX and Norfolk Southern railways, and will soon connect to the Commonwealth Railway, a 19-mile short line. PMT is a focal point in the Port of Virginia's effort to become the primary logistics center for the Mid-Atlantic's growing offshore-wind energy industry. PMT is being repurposed to handle the size and weight of the components used in the construction of offshore wind turbines. In October 2023, PMT received the first shipment of components for Dominion Energy's Coastal Virginia Offshore Wind ("CVOW") project. Plans for the CVOW Project call for the construction of 176 offshore wind turbines situated on a lease site 27 miles off the coast of Virginia Beach.

Newport News Marine Terminal ("NNMT"). NNMT provides 42,720 feet of direct cargo loading on and off ships to and from the CSX break-bulk rail service, and 3,480 feet of total pier space serviced by four cranes, covered storage, container storage, and accessibility from three major Virginia roadways.

Virginia International Gateway (VIG). The 576-acre terminal is recognized as the most technologically advanced marine cargo facility in the Americas and provides on-site rail with links to Norfolk Southern and CSX. VIG has a current capacity of over one million TEUs annually. In January 2018, four new 170-foot-tall ship-to-shore cranes arrived at the Port, which are the largest on the U.S. East Coast and will be able to service container vessels, regardless of their size, for decades to come. In 2019, the VPA completed a $320 million 800-foot berth extension at VIG container terminal in Portsmouth, Virginia. The project also includes 26 new rail-mounted gantry cranes, which support 13 new container stacks, increasing cargo and container capacity at its two major terminals.

Craney Island Marine Terminal ("CIMT"). In 2012, the Port of Virginia and the U.S. Army Corps of Engineers signed a partnership agreement for the Craney Island Eastward Expansion project in Portsmouth, Virginia. The future CIMT is the largest fully permitted port expansion project on the East Coast. The need for additional container terminal capacity in Virginia is necessitated by global growth, the arrival of larger vessels and expansion in international trade. Widening of the Panama Canal and the potential future influx of cargo to the East Coast means that the Port of Virginia will work to position itself with additional capacity to be the front-runner, among competing ports, to take advantage of these new opportunities. The future CIMT is expected to maximize the natural advantages the port has with its deep water, absence of overhead restrictions and prime distribution position along the Mid-Atlantic Coast. This multi-phase project is expected to result in the newest, most modern marine terminal in the United States. The terminal will be built in four phases with Phase One completion scheduled in 2040.

The Virginia Inland Port ("VIP"). In Front Royal is an intermodal container transfer facility that complements the Port of Virginia's marine terminal services. VIP occupies 161 acres of land and is approximately 60 miles west of Washington, D.C. The terminal brings the Port of Virginia 220 miles closer to inland markets by providing rail service to the terminals in Hampton Roads. It also consolidates and containerizes local cargo for export. VIP serves markets in northern Virginia, West Virginia, Maryland, Pennsylvania, and Eastern Ohio. The facility also contains 17,820 feet of on-site rail served by Norfolk Southern and is located within one mile of I-66 and five miles of I-81. The VIP is a U.S. Customs-designated port of entry and provides the full range of customs functions to customers.

Virginia Commercial Space Flight Authority. The Virginia Commercial Space Flight Authority (VCSFA), also known as 'Virginia Space,' was created by the General Assembly of the Commonwealth of Virginia in 1995, with the legislated mission of promoting commercial space activity, economic development, and aerospace research within the Commonwealth. Virginia Space began its lease at Wallops Island in 1997 and continually expanded the Mid-Atlantic Regional Spaceport (MARS) facilities to its present-day level of capabilities, with two launch facilities (one mid-class and one small class launch facility), as well as access to support infrastructure facilities through agreements with NASA, such as vehicle and payload processing integration facilities, support instrumentation and emergency facilities. MARS is licensed by the FAA Office of Commercial Space Transportation for launches to orbital trajectories. MARS is only one of four spaceports in the U.S. that is currently licensed to launch to orbit and is only one of two on the East Coast. Building upon a 55-year legacy of experience gained during over 16,000 rockets launched from NASA Wallops Flight Facility (WFF), MARS provides a competitive alternative for responsive, cost effective, reliable, and mission capable Space Access.

In 2023, Virginia Space commissioned the Old Dominion University Dragas Center for Economic Analysis and Policy to conduct a study of the economic impact of the Wallops Island Aerospace Cluster (WIAC). The results showed that the WIAC economic impact has grown significantly from 2018 through 2022 and continues to have a positive impact on the Virginia (and Maryland) economy. The study concluded that the WIAF contributed between $888 million and $1.03 billion on average each year to the surrounding Virginia and Maryland counties and around 6,000 direct and indirect jobs. The total economic impact of the activity in and around the WIAC is about $1.37 billion with projected impact nearing $2 billion annually by 2030.

In October 2024 Virginia Spaceport was one of eight commercial spaceports located across five continents to sign a Memorandum of Understanding (MOU). The MOU will establish a forum to explore potential strategic collaboration in a range of areas of common interest and introduce a dialogue on establishing international spaceport standards. The signatories believe these discussions will strengthen assured access to space and improve affordability.

In March 2024 –Rocket Lab's Electron rocket successfully launched from the Mid-Atlantic Regional Spaceport (MARS). The NROL-123/Live & Let Fly mission is carrying three collaborative research missions on the rocket acquired through the National Reconnaissance Office's Rapid Acquisition of a Small Rocket (RASR) contract. This launch marked the 4th Electron rocket launched from MARS since its inaugural launch from the spaceport in January 2023.

In August 2023, Northrop Grumman's Antares 230+ rocket carrying the Cygnus Spacecraft S.S. Laurel Clark successfully launched from the Mid-Atlantic Regional Spaceport (MARS). The NG-19 mission delivered more than 8,200 pounds of research experiments, supplies, and vehicle hardware to the International Space Station (ISS). This launch marked 10 years of Antares rocket launches from MARS, and the last launch of the Antares 230+ rocket. In August 2021, Northrup Grumman launched the NG-16 Cygnus Cargo Vehicle, the S.S Ellison Onizuka, on a mission from WFF's Mid-Atlantic Regional Spaceport Pad OA to the International Space Station. The mission was the 16th resupply mission to the ISS from the facility. The activation of Rocket Lab's first launch facility in the United States, located at Wallops Island, was announced in December 2019. Rocket Lab is a global leader in small satellite launch. The company began construction on the launch pad, known as Launch Complex 2 (LC-2) in February 2019, together with the (VCSFA). The site is used to launch Rocket Lab's 57-foot-tall Electron rocket capable of carrying up to 500 pounds of satellite payload to orbit.

An Integration and Control Facility located at Wallops Research Park is also under construction. The facility will be able to accommodate the simultaneous integration of multiple Electron launch vehicles containing an operations control center connected to LC-2. In July 2018, the Commonwealth opened the Mid Atlantic Regional Spaceport Payload Processing Facility (MARS PPF) at WFF. The Commonwealth, through the VCSFA and in partnership with NASA, has invested heavily in the development of the MARS PFF. The MARS PFF will provide government and commercial business with secure mission processing for multiple payloads in one facility from arrival to encapsulation. The Commonwealth has invested over $80 million in state funds that were used for the construction of the new Pad 0A to support Orbital Science Corporation's contract with NASA for eight resupply missions to the International Space Station. With NASA turning to the commercial aerospace industry to conduct many of its mission critical activities, the Commonwealth believes that it is well situated to serve a vital role in the future of the nation's space program. MARS PFF, with its strategic location, serves not only as a valuable asset to the U.S. space program, but also as a crucial link in Virginia's job creation and economic development efforts.

Telecommunications/Broadband

Virginia is reported to be one of the most "connected" states in the nation with access to a robust fiber network that matches or exceeds virtually every domestic market and most major financial centers around the world. The Commonwealth hosts prominent commercial internet exchange points, and 70 percent of the world's internet traffic passes through the Metropolitan Area Exchange East located in Ashburn, Virginia. The Richmond area has been connected to Ashburn with "dark fiber," opening opportunities along the I-95 corridor. In Southern and Southwest Virginia, the benefits of a 1,500+ mile advanced fiber-optic broadband network connects more than 100 certified GigaParks.

Customers in the Commonwealth have access to a full range of high quality, technologically advanced communication services. Virtually all major cities and towns are linked by fiber-optic lines crisscrossing the Commonwealth, which, in turn, are tied into recently constructed national fiber optic networks. In the September 2024 Digital States Survey, the latest biennial survey, Virginia received a ranking of "A", an improvement from the "B+" ranking received in 2022.

In December 2024 Virginia's Broadband Equity Access and Deployment Program (BEAD) launched its application process for access to $1.48 billion in BEAD Funds available to make long-term transformational investments into broadband affordability and adoption throughout the commonwealth. Like VATI, BEAD operates out of the Virginia Department of Housing and Community Development.

Since 2017, the Virginia Telecommunication Initiative (VATI) has awarded 39 projects in 41 different counties, supported by over $94 million in matching private and local funds. These grants, leveraging over $103 million in private/local matching funds, have connected over 140,895 homes, businesses, and community anchors to broadband. Also, in coordination with VATI, the Commonwealth has launched a multi-million-dollar capital campaign, the Commonwealth Connect Fund, to match corporate and philanthropic donors with localities struggling to put together the resources to expand broadband infrastructure. To date, over $1 million has been pledged to connect communities across the Commonwealth.

Since 2006, the Mid-Atlantic Broadband Cooperative (MBC), nationally renowned as a model for rural economic development, has provided world-class fiber-optic backbone network infrastructure to Southern Virginia. This cable network provides opportunities for the region to connect directly with major Tier 1 peering and carrier collocation centers. MBC owns and operates more than 1,800 miles of advanced, open-access fiber network in 31 counties in Southern Virginia that reaches 100% of the business, industrial, and technology parks in the region. Backed by grants from the U.S. Department of Commerce and the Virginia Tobacco Commission, MBC continues to grow and expand.

Efforts are underway to further expand and enhance Southwest Virginia's technological capabilities. Grants from the Virginia Tobacco Commission and the Virginia Coalfield Economic Development Authority are expected to enable electronic upgrades as well as "last mile" connections.

The Bristol Virginia Utilities (BVU) Authority is a public utility company in Southwest Virginia that expanded its broadband infrastructure 900 miles into eight neighboring counties. That network – called OptiNet and CPC OptiNet in four of the counties – now provides fiber-optic speeds of up to 1 Gbps (gigabit per second) to customers in the city of Bristol and the counties of Bland, Buchanan, Dickenson, Russell, Smyth, Tazewell, Washington, and Wythe, positioning Southwest Virginia for economic growth. Monetary grant awards of nearly $40 million from the Virginia Tobacco Commission since 2003 have helped to fund the existing 900-mile OptiNet infrastructure. In July 2010, the Virginia Tobacco Commission continued its support of OptiNet by providing another $5 million, facilitating acquisition of a Recovery Act grant of $22 million from the National Telecommunications and Information Administration. The monies have been applied toward construction of 388 miles of middle-mile fiber into seven of OptiNet's rural counties. This project paves the way for eventual fiber-to-the-home connectivity across Southwest Virginia. In August 2018, Sunset Digital Communications completed the $50 million acquisition of all of BVU Authority's OptiNet and CPC OptiNet assets, which are now owned and operated by the private Duffield, Virginia-based firm, and ITC Capital Partners of Georgia. Sunset Digital Communications has reported plans to add more than 30,000 customers within the next five years.

Citizens is a regional full-service communications provider offering land-line telephone, VoIP, IPTV Video, web and e-mail hosting, DSL, and FTTP (Fiber to the Premises: Business Ethernet and FTTH, Fiber to the Home), serving seven counties in Southwest Virginia. In addition, Citizens operates a 248-mile regional open access fiber network in six Virginia counties including eight industrial parks. Citizens provides wholesale transport and internet bandwidth to a variety of service providers and partners with other open access networks, like MBC and BVU, to provide high-capacity optical transport services that are necessary to assist in the economic revitalization efforts of Southwest and Southside Virginia.

Research and Development

The Commonwealth is home to many internationally recognized research and development (R&D) facilities. Federally funded R&D facilities, coupled with the research from Virginia universities, provide Virginia businesses access to leading researchers and technologies. Virginia is home to hundreds of private sector R&D operations, 11 federally funded R&D Centers, and 23 Federal Laboratory Consortium Laboratories such as the Homeland Security Institute, NASA Langley Research Center, and the Thomas Jefferson National Accelerator Facility. Unique university research parks across the state offer private companies' opportunities for co-location and cooperative relationships with Virginia universities, federal labs, and other research consortia.

The Virginia BioTechnology (Biotech) Park in downtown Richmond is home to nearly 70 life science companies, research institutes and state/federal labs, employing over 2,400 scientists, engineers, and researchers. The Park features nine buildings on a 34-acre campus adjacent to the medical campus of Virginia Commonwealth University, a "Top 100" life sciences research center. Members include early and mid-stage companies; multinational pharmaceutical, environmental and consumer product companies; national healthcare organizations, such as the Altria Center for Research and Technology and the United Network for Organ Sharing, as well as a number of international companies. The Biotech Park is the hub of Activation Capital; a political subdivision of the

Commonwealth originally named the Virginia Biotechnology Research Partnership Authority when it was established in 1993. Activation Capital's mission is to grow life sciences and other advanced technology innovations by promoting scientific research and economic development that attracts and creates new jobs and companies.

The National Institute of Aerospace (NIA) is a non-profit research and graduate education institute headquartered in Hampton, Virginia, near NASA's Langley Research Center. NIA's mission is to conduct leading-edge aerospace and atmospheric research, develop new technologies for the nation and help inspire the next generation of scientists and engineers. NIA was formed in 2002 by a consortium of research universities to ensure a national capability to support NASA's mission by expanding collaboration with academia and leveraging expertise inside and outside of NASA. NIA performs research in a broad range of disciplines including space exploration, systems engineering, nanoscale materials science, flight systems, aerodynamics, air traffic management, aviation safety, planetary and space science, and global climate change.

SRI Shenandoah Valley in Harrisonburg, Virginia focuses on health and biomedical research and drug discovery and development with the ultimate goal of bringing new therapies and diagnostics to market. As part of SRI Biosciences, the research complements capabilities at other SRI locations, including SRI's Menlo Park, California headquarters. SRI's state-of-the-art 40,000-square-foot research facility is located on a 25-acre campus in the Innovation Village at Rockingham. The facility provides a convenient base for collaboration with academia, entrepreneurs, government, industry, and investors in Virginia and the greater Washington, D.C. area. SRI moved into its Shenandoah Valley laboratory facility in 2009 and further expanded in 2011 and 2013 to accommodate growth in its R&D programs. Scientific research at SRI Shenandoah Valley focuses on prevention, detection, and treatment of diseases. Activities span basic research in emerging infectious disease, metabolic disease, and proteomics; applied research in therapeutics including drugs, biologics, and vaccines; and personalized medicine through the development of companion diagnostics and biomarkers.

The Commonwealth Center for Advanced Manufacturing (CCAM) located in a state-of-the-art research facility in Prince George County, Virginia, is an applied research center that bridges the gap between fundamental research typically performed at universities and product development routinely performed by companies. CCAM provides production-ready advanced manufacturing solutions to member companies across the globe. Members guide the research, leveraging talent and resources within CCAM and at Virginia's top universities, through a collaborative model that enables them to pool R&D efforts to increase efficiencies.

Following the model of CCAM, the Commonwealth Center for Advanced Logistics Systems was established in 2013 in Prince George County, Virginia. This public-private alliance focuses on solving logistics challenges and bringing solutions to market more quickly by partnering Virginia's leading universities and logistics companies. Founding members include Longwood University, the University of Virginia, Virginia Commonwealth University, Virginia State University, Logistics Management Resources, and LMI.

Business Climate

As of July 2024, Virginia is headquarters to 24 Fortune "Elite" 500 companies and 39 Fortune 1000 companies and is ranked highly in two of the most comprehensive and impartial independent studies evaluating America's top states for business: Forbes.com and CNBC. In just the past ten years, more than 500 companies have relocated to or expanded their headquarters offices in Virginia. In 2024, Virginia represents a diversified ecosystem of more than 800 corporate headquarters in a broad cross-section of industries.

According to CNBC, Virginia is one of "America's Top States for Business" ranking #1 in 2024, #2 in 2023, #3 in 2022 and #1 in 2021. The Commonwealth has now earned the top spot six times in 2007, 2009, 2011, 2019, 2021 and now 2024, more than any other state. For 2024 the study ranked the Commonwealth # 1 for Education. All 50 states are ranked on 60 measures of competitiveness, using input from business groups, economic development experts, companies, and the states themselves. The network separates those measures into 10 broad categories: cost of doing business, workforce, quality of life, economy, infrastructure, technology and innovation, education, business friendliness, access to capital, and cost of living.

In August 2023, and again in 2024, Business Facilities Magazine (BFM) ranked the Commonwealth of Virginia third in state rankings for "Best Business Climate". In each of the past three years Virginia has ranked in the top three nationally. The Commonwealth retained its No. 1 ranking in Customized Workforce Training and Cybersecurity and remains in the top three for Tech Talent Pipeline and AI Growth Hubs. Additionally, Virginia was ranked in the Top Ten in Installed Solar Capacity (M/W) for 2024. These results were founded on the work done by the local and statewide economic development councils as part of the Virginia Tech

Talent Accelerator Program, launched in 2019, by the Virginia Economic Development Partnership (VEDP). Coupled with Virginia's quality higher education institutions as well as proximity to federal government agencies and resources, the Tech Talent Investment Program has become a powerful strategic initiative for the Commonwealth. BFM cited Virginia's coordinated focus in the cybersecurity sector and the fact that nearly 50 Virginia colleges and universities have established cyber degrees, as an example of the Commonwealth's focus on expanding tech talent to meet a specific need.

In June 2024 it was announced that 11 Virginia companies graduated from the VEDP Virginia Leaders in Export Trade (VALET) Program. VALET is a two-year international business acceleration program facilitates access to international markets by providing resources and developmental strategy assistance to Virginia companies committed to increasing their international export sales – at little to no cost to the company. With the class of 2024 VALET has now graduated more than 400 Virginia companies.

Education/Information Technology

Virginia has been "Top Ranked" in CNBC's Annual State Competitiveness Rankings more than any other state since the study began in 2007. One of the state's greatest strengths has been the ability to nurture and retain workforce talent. Virginia offers employers one of the best-educated workforces in the country with 39% of workers holding a bachelor's degree or higher. The Commonwealth also boasts the nation's third -highest concentration of science, technology, engineering, and math (STEM) workers, according to the U.S. Bureau of Labor Statistics.

Working in coordination with the Virginia Economic Development Partnership, the Virginia Department of Labor, and the Virginia Department of Education as well as many others, the Virginia Office of Education Economics (VOEE) leverages data to inform educational programming, policy, and workforce partnerships across the Commonwealth. Products such as the "High Demand Occupations Dashboard" provide a unified, consistent source of data analysis for policy development and implementation which allows for a better understanding of education and labor markets, and their alignment as it relates to talent development.

Virginia is committed to technology and innovation and is already at the forefront of emerging sectors like cloud computing and cybersecurity. Virginia is the leading data center market in the U.S. and is home to more than 20% of all known hyperscale data centers worldwide. With its proximity to the federal government, it is no surprise Virginia has emerged as a leader in areas such a cybersecurity and has amassed the highest concentration of tech workers in the nation. The Commonwealth is preparing for future growth in "next generation" IT through its top-ranked higher education system's ability to continue to recruit and develop a pipeline of technology talent.

Amazon Web Services (AWS): The Commonwealth of Virginia has long been an important place for Amazon Web Services (AWS). In addition to corporate offices in Fairfax County and a second headquarters in Arlington County, the Commonwealth has hosted the AWS data center expansion beginning in 2006. AWS infrastructure plays a large role in bringing cloud computing to people around the globe with approximately 70% of global internet traffic moving through data centers in Virginia daily. AWS invested $51.9 billion in Virginia from 2011-2021, including capital and operational expenses related to AWS's data center infrastructure in the state's Fairfax, Loudoun, and Prince William counties. In turn, that investment has generated an estimated $8.2 billion in total gross domestic product (GDP) across Virginia, supporting at least 7,340 full-time equivalent (FTE) jobs on an average annual basis at local businesses throughout the Commonwealth. AWS announced that it planned to invest an additional $35 billion in Virginia to establish multiple data center campuses in new locations across Virginia by 2040. AWS in Virginia by the numbers……

- **$51.9 billion:** AWS's data center investment in Virginia from 2011-2021.
- **$8.2 billion:** Gross Domestic Product (GDP) contributed to Virginia by AWS investment 2011-2021.
- **$334 million:** Business personal property taxes paid by AWS in 2022 in connection with its data centers located in Virginia.
- **8,800 and counting:** The number of AWS employees in Virginia.
- **100+:** The Virginia businesses AWS relies on to support the construction and operation of its data centers. AWS's investment directly supports jobs in these businesses, and employment in associated sectors of the Virginia economy.
- **276,000:** The equivalent number of U.S. homes powered by 18 Amazon solar farms in Virginia. These solar farms are expected to generate more than 2.9 million megawatt-hours of clean energy each year.
- **123:** The number of colleges and universities in Virginia that offer AWS Academy, an education program with curricula developed by AWS Training and Certification.
- **9,000+:** Students who have access to AWS Think Big Spaces each academic year at Arlington County, Loudoun County, and Prince William County.

The Constitution of Virginia vests the supervision of public elementary and secondary schools in local school boards. The State Board of Education is, however, required to prescribe standards of quality and has prescribed minimum competency tests for high school graduation. Virginia's public schools are financed through a combination of state, local and federal funds. The private sector also contributes through partnerships with schools and school divisions. The apportionment of the state funds for public education is the responsibility of the General Assembly, through the Appropriations Act. General fund appropriations serve as the mainstay of state support for the commonwealth's public schools, augmented by retail sales and use tax revenues, state lottery proceeds, and other sources. Historically, state funding for public education represents about one-third of the state general fund budget.

Counties, cities, and towns comprising school divisions also support public education by providing the locality's share to maintain an educational program meeting the commonwealth's Standards of Quality. While public education is primarily a state and local responsibility, the federal government provides assistance to state and local education agencies in support of specific federal initiatives and mandates.

In the 2024-25 academic year, an estimated 381,505 students were enrolled in the Commonwealth's 39 public colleges, community colleges and universities. Of these students, an estimated 154,239 attended 23 community colleges on 40 campuses within the Virginia Community College System. A total of 1,261,387 students attended public elementary and secondary schools. The following table illustrates enrollment levels for all educational levels for the last 10 academic years.

ENROLLMENT FOR PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION AND PUBLIC PRIMARY AND SECONDARY SCHOOLS

Academic	Higher Education [1]			Public [2] Primary and
Year	Public	Private	Total	Secondary
2015-16	393,545	135,121	528,666	1,284,680
2016-17	388,749	132,144	520,893	1,288,481
2017-18	388,334	133,110	521,444	1,293,049
2018-19	384,200	137,271	521,471	1,290,513
2019-20	383,865	141,470	525,335	1,298,083
2020-21	224,551	145,628	370,179	1,252,752
2021-22	221,946	148,795	370,741	1,251,970
2022-23	221,119	149,370	370,489	1,263,367
2023-24	223,180	155,091	378,271	1,262,011
2024-25	227,266	154,239	381,505	1,261,387

Source: [1] State Council for Higher Education in Virginia; [2] Virginia Department of Education

In 2022, Smart Asset ranked Virginia No. 2 in its best states for Higher Education after being ranked No. 1 in 2021. This makes eight years in a row in which Virginia was ranked the best or second-best state for higher education. The study compares four-year public colleges and universities in each state using multiple metrics, including the undergraduate graduation rate, the average net price, the 20-year return on investment and the student-faculty ratio. Of these metrics Virginia had the highest graduation rate in the study at 73%.

Natural Resources and other Economic Assets

Virginia’s geologic resources provide a wealth of opportunities for mineral and energy development. The historic contributions of these resources to economic growth is measured not only in the dollar value of the minerals produced each year, but also in the direct and indirect benefits of jobs created, support industries, new business opportunities, and revenues for local governments that provide community services. The total value of energy and mineral resources produced in 2021 was estimated to be $3.3 billion. The value of mined coal was estimated to be $1.3 billion, while oil and natural gas production was valued at $403 million. The US Geological Survey estimated the value of non-fuel mineral production in 2021 to be about $1.6 billion. Non-fuel minerals include crushed stone, sand and gravel aggregate, clays and shale, and a diverse range of industrial minerals such as kyanite, vermiculite, dimension stone, titanium, and zirconium sands, among others. Energy markets continue to evolve with greater utilization of renewable sources. Natural gas and coal will remain important fuels for electricity generation in the near future.

For 2021 the total economic impact, direct and indirect, of Virginia Forestry was valued at $106 billion with approximately 490,000 Virginians employed in the sector. Total direct economic benefit for the year was valued at $55 billion and 185,000 employed. In addition, the nearly 16 million acres of forestland provide citizens environmental benefits, such as water quality and air quality, habitat for wildlife and plants, recreational opportunities, aesthetic beauty, and long-term carbon sequestration through forest management.

The Virginia seafood industry is one of the oldest industries in the United States and Virginia is one of the largest seafood production states on the East Coast. According to the most recent economic impact study by the Virginia Seafood Agricultural Research and Extension Center (VSAREC), the Seafood Industry provided a $1.1 billion boost to the Virginia Economy in 2019. According to the U.S Department of Commerce and the National Marine Fisheries Service, in 2020, the Port of Reedville, Virginia was ranked 4th nationally for Port Volume and 10th for value of seafood landed at $64 million. Overall, Virginia ports are rarely closed in the winter. Virginia's catch is widely diversified, preventing dependence on any one species. Among the 50 commercially valuable seafood species harvested from some 620,000 acres of water in or around Virginia are sea scallops, eastern oysters, blue crabs, menhaden, northern quahog clam, summer flounder, striped bass, and Atlantic croaker. Also, in 2020 the Commonwealth was ranked 6th nationally for Recreational Trips with nearly 8.2 million angler trips.

***Agriculture*:** The agricultural industry is Virginia's largest private industry, which has an economic impact of $82.3 billion annually and provides nearly 382,000 jobs in the Commonwealth. The industries of agriculture and forestry together have a total economic impact of almost $106 billion. Every job in agriculture and forestry supports 1.6 jobs elsewhere in the Virginia economy.

Production agriculture employs nearly 55,000 farmers and workers in Virginia and generates approximately $3.8 billion in total output. Value-added industries, those that depend on farm commodities, employ an additional 69,000 workers. When the employment and value-added impact of agriculture and forestry are considered together, they make up 9.3 percent of the state's total gross domestic product.

Wine and Craft Beer: A 2022 National Economic Impact Study of the Wine Industry commissioned by Wine America: the National Association of Wineries, showed that a burgeoning wine industry is proving to be increasingly important to Virginia's economy. The study reported that close to $6.4 billion in total economic activity could be attributed to the Virginia Wine Industry. The study reported that industries as varied as farming, banking, accounting, manufacturing, packaging, transportation, and tourism all depend on the wine industry as part of their livelihoods. Virginia's wine industry is comprised of 274 wine producers operating on 578 acres of vineyards. The industry directly employs as many as 25,961 people with an additional 8,716 jobs involved in supplier and ancillary industries. Virginia's wine country generated 1.45 million tourist visits in 2022 with an estimated $492.7 million in tourist expenditures.

Another burgeoning industry in the Commonwealth is the Craft Beer Industry. As of 2023, with 344 licensed craft breweries and employment in excess of 14,000, the industry produces more than 460,000 barrels of beer annually. Virginia craft beer industry is growing with $1.7 billion total economic impact in brewing, distribution, and retail and related businesses. Virginia is ranked No. 1 in the South for breweries per capita and ranks 17th on the national scale.

***Tourism*:** Another of Virginia's most important economic assets is the travel and tourism industry. In the 2021 Economic Impact Study commissioned by the Virginia Tourism Corporation, tourism's total economic impact in Virginia in 2021 was valued at $39.4 billion with employment estimated at nearly 275,000 jobs, including employment in such travel-related businesses as lodging establishments, restaurants, museums, amusement parks, retail stores and gasoline service stations. In direct expenditures, the state's visitors spent more than $25 billion across the Virginia economy, a 44% increase from 2020, with overnight visitation up 31% vs 2020. Travelers spent $69 million per day in Virginia in 2021, up from $48 million per day in 2020. Tourism is also a significant source of government revenues and was responsible for $1.8 billion in combined state and local tax revenues in 2021, a 28% increase over 2020

ECONOMIC DEVELOPMENT ANNOUNCEMENTS

In December 2024: Commonwealth Fusion Systems (CFS), an American fusion power company, announced plans to build a multi-billion, grid-scale commercial fusion power plant at the James City Industrial Center in Chesterfield County, Virginia. The site is owned by Dominion Energy. CFS was founded in 2018 after a spin-off from the Massachusetts Institute of Technology whose stated goal is to build a small fusion powered plant based upon the ARC tokamak design.

In November 2024: Mircoporous LLC, a leading manufacturer of battery separators, announced plans to invest $1.35 billion to establish a new advanced manufacturing plant in Pittsylvania County. Development is expected to occur in two phases and create 2,015 new jobs.

In September 2024: Optimum Technologies LLC, a professional technical services company specializing in aerospace solutions, announced plans to expand its existing satellite manufacturing facility in Loudoun County. The $1 million expansion is projected to increase plant capacity by 5 times.

Also, CNX Resources, one of the largest producers of natural gas in the United States, has announced plans to build a new regional headquarters in Southwest Virginia. The Richlands, Virginia facility will enhance energy production in the region by extracting clean natural gas from coalbed methane found in local coal deposits or seams.

In July 2024: Submarine cable manufacturer, LS Greenlink USA, Inc, plans to invest $681 million in the construction of a 750,000 square foot cable manufacturing facility to serve the global offshore wind industry. The facility will be located on approximately 100 acres of brownfield in the City of Chesapeake.

In November 2023, PGT Innovations, a national leader in the premium window, door, and garage door industry, announced the establishment of Triple Diamond Glass, A PGT Innovations Company. Triple Diamond Glass will offer innovative solutions to window and door manufacturers in the areas of energy efficiency, security, and sound abatement applications. The new facility will be strategically located in Prince George’s County, Virginia and will eventually lead to the creation of 650 jobs.

In January 2022, Kamine Development Corporation and Nicollet Industries, LLC, green infrastructure and sustainable development leaders, announced the investment of $267 million to establish a joint venture paperboard recycling and production facility, Celadon Development Corporation, at the Chesapeake Deepwater Terminal site in the City of Chesapeake, Virginia. The capital investment is expected to create 210 new jobs and environmental stewardship opportunities, while building a cleaner economy. Celadon’s state-of-the-art operation will produce in-demand fibers from recycled paper products, benefitting the environment and positioning Chesapeake and the Commonwealth’s recycling technology in the U.S. Celadon’s 335,000 square-foot facility will utilize the most efficient processes, creating a closed loop, waste-free industry. At the facility’s peak, the operations may use up to 300 rail cars per month and export 80,000 TEUs, or twenty-foot equivalent units, per year, equivalent to 10 cargo ships, through The Port of Virginia. At full capacity, Celadon would represent one of the largest exporters in Virginia, with approximately $200 million in export value annually.

CoStar Group, Inc., (NASDAQ: CSGP) a leading provider of real estate information and analytics, and an online marketplace, announced in December 2021 its investment of $460 million to expand its operations, including a research and technology center expansion, in Richmond, Virginia. The Company broke ground on the project in November 2022. CoStar plans to establish a Corporate Campus that will include sales, marketing, software development, customer service and support functions on four acres adjacent to its current facility, which serves as the company’s headquarters for research and data analytics. The new campus will represent approximately 750,000 square feet of new office and retail space and is expected to include a 26-story, LEED-certified office building and a six-story, multipurpose building for a central location for employee amenities. The expansion project is expected to create 2,000 new jobs in the Commonwealth.

In January 2021, the nonprofit pharmaceutical manufacturer, Civica, announced that it will invest $124.5 million to establish its first in-house pharmaceutical manufacturing operation in the City of Petersburg, creating approximately 186 new jobs. In 2024 the facility opened with the capacity to produce 90 million vials and 50 million pre-filled syringes of medicines annually. Civica was launched in 2018 to address the problem of chronic generic drug shortages and high drug prices and is a key partner for the new U.S. government-funded partnership with Phlow Corporation, Medicines for All Institute, and AMPAC Fine Chemicals. Civica has announced plans to construct a 120,000 square-foot state-of-the-art manufacturing facility adjacent to Phlow’s future operation and

AMPAC's existing facility. In September 2022, the Company announced plans to invest $27.8 million to establish a new laboratory testing facility in Chesterfield County. The 55,000 square foot facility will create approximately 51 new jobs and support the Company's Petersburg operation.

Rocket Lab USA announced in February 2022 that it had selected Wallops Island as the location for its launch site and extensive manufacturing and operations facilities for its Neutron rocket, creating up to 250 jobs. In April 2022, ground was broken for construction of a 250,000 square foot manufacturing and operations facility adjacent to the Wallops Flight Facility. Plans are for the first launch to take place no earlier than 2024.

In June 2022, the LEGO Group announced plans to invest $1 billion to establish its first U.S. manufacturing plant in Chesterfield County, including a new 1.7 million-square-foot precision manufacturing facility creating over 1,760 new jobs. Ground-breaking for the carbon-neutral run factory occurred in April 2023 with opening set for 2025.

Aerospace leaders Boeing and Raytheon Technologies announced in June 2022 plans to move their global headquarters to Arlington, VA from Chicago, and Boston, respectively. Raytheon's new office will be located in Arlington's Rossyln neighborhood alongside its existing intelligence and space business. Raytheon completed its move to Northern Virginia and changed its name to RTX in 2023. Boeing has also completed its move to the Arlington Crystal City area.

DISCLOSURE STATEMENTS

Cyber Security Risk

Computer networks and data transmission and collection are vital to the efficient operation of the Commonwealth and the provision of government services. The Virginia Information Technologies Agency (VITA) is charged with the development, delivery and maintenance of information technology, security, policy and governance, and procurement services for Virginia's executive branch. VITA develops and manages a portfolio of tools and processes designed to secure Commonwealth data and systems against unauthorized use, disclosure, modification, damage, or loss.

Despite the implementation of various security measures across the networks used by the Commonwealth and its agencies, the Commonwealth's computer and information technology systems may be vulnerable to deliberate attacks by hackers, malware, ransomware, or computer viruses, or may otherwise be breached due to employee error, malfeasance, or other disruptions. Any such attack or breach could compromise the networks used by the Commonwealth and its agencies, and the information stored thereon could be disrupted, accessed, publicly disclosed, lost, or stolen. Further, a successful cyberattack or an unintentional breach may require the Commonwealth to expend an unpredictable amount of money and time to resolve, substantially interrupting operations of the Commonwealth and its agencies and subjecting the Commonwealth to legal action.

As cybersecurity threats continue to evolve, the Commonwealth anticipates a continuing need to provide additional resources to modify and strengthen security measures, investigate, and remediate potential vulnerabilities, and invest in new technology designed to mitigate security risks.

Environmental and Severe Weather Risks

The natural resources of the Commonwealth are integral to the agricultural, industrial, and commercial sectors of the Virginia economy, as well as necessary to the promotion of continued economic development. To ensure the continued vitality of these valuable resources, the Virginia Department of Environmental Quality administers state and federal laws and regulations to promote and improve air quality, water quality, water supply, renewable energy, and land protection, as well as to mitigate various environmental risks.

Certain geographic areas of the Commonwealth are susceptible from time to time to the effects of coastal and inland flooding, wind damage, widespread power outages and other damaging effects resulting from severe weather events such as tornadoes, winter storms and hurricanes. The coastal areas of the Commonwealth may also experience increased mitigation costs and declining real property values as a result of rising sea levels over the long-term. The Commonwealth has been able to respond effectively to prior weather events through a combination of its emergency response systems, existing programs to address weather and environmental risks, and state-level financial resources, supported as well as by federal disaster relief programs.

There is no basis to predict the frequency or scope of future severe weather events and the effect on the Commonwealth's economy, finances, and operations. Further, there is no basis to estimate the direct and indirect costs to be incurred by the Commonwealth from its ongoing efforts to mitigate other known and unknown risks to the environment.

APPENDIX D

COMMONWEALTH OF VIRGINIA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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Report of the Comptroller to the Governor of Virginia

An Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Glenn Youngkin
Governor

Stephen E. Cummings
Secretary of Finance

Sharon H. Lawrence
Acting Comptroller

Table of Contents

Introductory Section

Financial Section

Illustrations

INTRODUCTORY SECTION

COMMONWEALTH of VIRGINIA

Office of the Comptroller

SCOTT L. ADAMS, CPA
COMPTROLLER

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

December 13, 2024

The Honorable Glenn Youngkin, Governor
Members of the Virginia General Assembly
Citizens of Virginia

It is my pleasure to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, in accordance with Section 2.2-813 of the *Code of Virginia*. This report consists of management's representations concerning the Commonwealth of Virginia's finances. Management assumes full responsibility for the completeness and reliability of all information presented. This report reflects my commitment to you, to the citizens of the Commonwealth, and to the financial community to maintain our financial statements in conformance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB). Data presented in this report is believed to be accurate in all material respects, and all disclosures that are necessary to enable the reader to obtain a thorough understanding of the Commonwealth's financial activities have been included.

The 2024 ACFR is presented in three sections. The Introductory Section includes this transmittal letter and organization charts for state government. The Financial Section includes the State Auditor's Report, management's discussion and analysis (MD&A), audited government-wide and fund financial statements and notes thereto, required supplementary information other than MD&A, and the underlying combining and individual fund financial statements and supporting schedules. The Statistical Section sets forth selected unaudited economic, financial trend, and demographic information for the Commonwealth on a multi-year basis.

The Commonwealth's management is responsible for the establishment and maintenance of internal accounting controls that ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. To ensure that the costs of controls do not exceed the benefits obtained, management is required to use cost estimates and judgments to attain reasonable assurance as to the adequacy of such controls. The Commonwealth's established internal controls fulfill these requirements and provide reasonable, but not absolute assurance, that the accompanying financial statements are free of material misstatement.

In accordance with Section 30-133 of the *Code of Virginia*, the Auditor of Public Accounts has audited the Commonwealth's financial statements for the year ended June 30, 2024. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The auditor's opinion is included in the Financial Section of this report. Audit testing for compliance with the U. S. Office of Management and Budget Compliance Supplement and the related Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, is performed at the statewide level. The Commonwealth's Single Audit Report will be issued at a later date. I would like to acknowledge the Auditor of Public Accounts' staff for their many contributions to the preparation of this report.

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. In addition to the financial analysis addressing the Commonwealth's governmental and business-type activities, the MD&A focuses on the Commonwealth's major funds: General, Commonwealth Transportation Special Revenue, Federal Trust Special Revenue, Literary Special Revenue, Virginia Lottery, Virginia College Savings Plan, and Unemployment Compensation. The Commonwealth's MD&A can be found on page 27 immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT

Reporting Entity

For financial reporting purposes, the Commonwealth's reporting entity consists of (1) the primary government, (2) component unit organizations for which the primary government is financially accountable or for which the resources of the component unit primarily benefit the primary government (blended component units), and (3) other component unit organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete (discrete component units). The funds and accounts of all agencies, boards, commissions, foundations, and authorities that have been identified as part of the primary government or a component unit have been included. Further information can be found in Note 1.B. to the Financial Statements.

Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* describes the criteria for determining which organizations, functions, and activities should be considered part of the Commonwealth for financial reporting purposes. The basic criteria include appointing a voting majority of an organization's governing body, as well as the Commonwealth's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Commonwealth. The Commonwealth's discretely presented major component units are the Virginia Housing Development Authority, Virginia Public School Authority, Virginia Resources Authority, and Virginia College Building Authority.

The Commonwealth and its component units provide a wide range of services and funding to its citizens, including elementary, secondary and higher education; health and human services; economic development; environmental and natural resources; public safety, corrections, and regulation; transportation; agriculture; and general government services. The financial activities associated with these services are reflected in both summary and detail throughout the ACFR.

Budgetary Control

In addition to the internal controls previously discussed, the Commonwealth maintains budgetary controls to ensure compliance with the legal provisions of the Commonwealth's Appropriation Act, which reflects the General Assembly's approval of a biennial budget. The financial transaction process begins with development and approval of the budget, after which budgetary control is maintained through a formal appropriation and allotment system. The budgeted amounts reflected in the accompanying financial statements represent summaries of agency budgets.

The Commonwealth's budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly on a biennial basis at the program level. The Commonwealth monitors spending activity to ensure the expenditures do not exceed the appropriated amounts at the agency level. The State Comptroller maintains a central general ledger that records total appropriations and related expenditures for all agencies and institutions included in the approved budget. Systemic controls are in place to prevent disbursements that exceed authorized appropriations. Additional information regarding the Commonwealth's budgetary process can be found in Note 1.E. to the Financial Statements.

ECONOMIC REVIEW

Local Economy

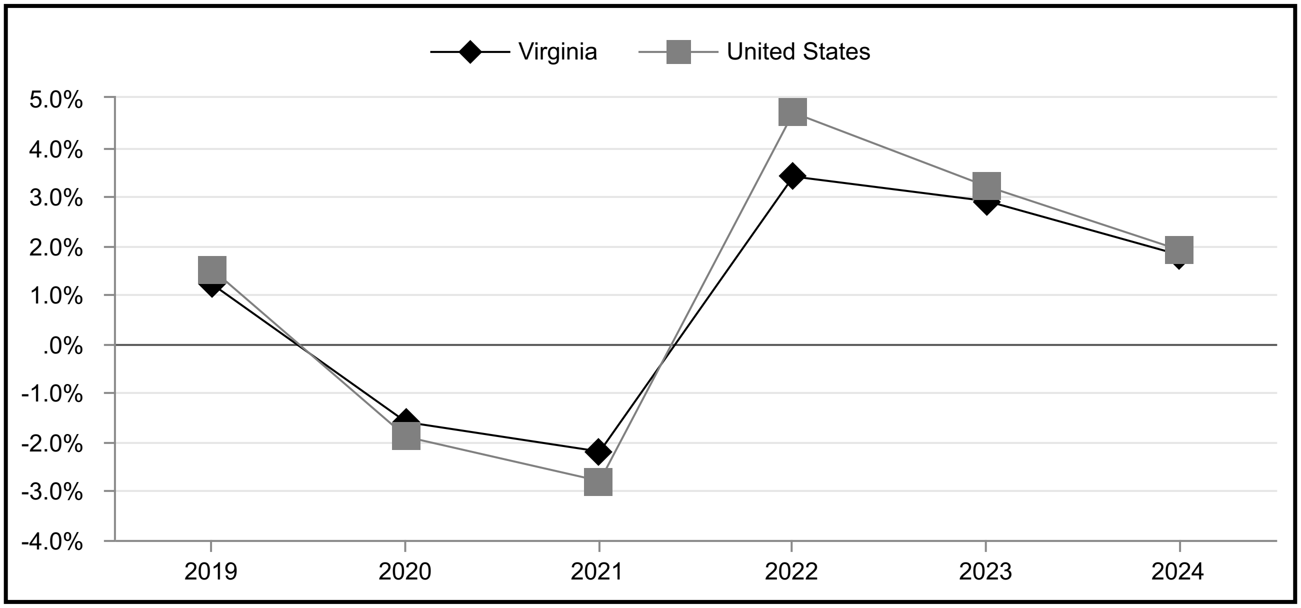
Introduction

This overview of the economy of the Commonwealth of Virginia was prepared by the Weldon Cooper Center for Public Service at the University of Virginia. In fiscal year 2024, Virginia's economy expanded for the third consecutive year after the pandemic. The Federal Reserve raised the benchmark federal funds rate to 5.3-5.5 percent at the beginning of the fiscal year and held it at that level to combat post-pandemic inflation. The inflation rate drifted towards the Fed's 2.0 percent target during the fiscal year and national employment growth slowed. Virginia employment growth slowed from the previous fiscal year, while personal income growth increased. The state unemployment rate did not change. Other state economic activity measures, such as real taxable sales and residential building permits, decreased. High mortgage interest rates chilled Virginia home sales and building activity. However, limited housing inventory continued to support rising home prices. The Federal Reserve hinted towards the end of the fiscal year that it could ease monetary policy in the near future, as the 2.0 percent inflationary target came into view and labor market activity weakened. Evidence suggests that the economy was headed towards a "soft landing" in the next fiscal year, whereby the economy would slow before resuming a more sustainable pace of growth without high inflation.

Employment

Virginia non-farm employment grew at a rate of 1.8 percent in fiscal year 2024 (**Figure 1**). This represented a gradual slowdown from the rapid 3.4 percent rate of growth in fiscal year 2022 and 2.9 percent in fiscal year 2023 following the pandemic. The state deceleration paralleled the national trend. The national rate of employment growth slowed from 4.7 percent in fiscal year 2022 to 3.2 percent in fiscal year 2023 and 1.9 percent in fiscal year 2024.

Figure 1
Annual Percentage Change in Nonfarm Payroll Employment
Fiscal Years 2019 – 2024



Source: U. S. Bureau of Labor Statistics

Virginia gained 74,100 jobs in fiscal year 2024, which brought total employment to over 4.2 million, another all-time high. Although this increase was smaller than the previous two fiscal years, it was still high by the standards of recent history, outpacing the average of approximately 44.7 thousand jobs created over the fiscal years 2012 through 2020 period.

Figure 2 illustrates changes in Virginia's nonfarm employment by industry for fiscal years 2019 through 2024, along with the employment change between fiscal years 2023 and 2024 for Virginia and the U.S. The largest employment gain occurred in education and health services (26,100). The leisure and hospitality sector saw an increase of 12,200 jobs. This represented a slowing of the rapid growth during the previous two fiscal years but resulted in the sector recovering above its pre-pandemic level. Other growing sectors included local and state government (8,100 and 5,400 respectively), construction (6,100), other services (5,800), federal government (3,200), transportation and utilities (3,100), financial activities (2,100), manufacturing (2,000), wholesale trade (1,300) and professional and business services (400). Mining and logging employment held steady between fiscal year 2023 and 2024, while two sectors experienced job losses, including information (-800) and retail trade (-900). Virginia's changes generally followed those of the U.S. However, U.S. sectoral growth was realized in some sectors such as mining and logging and retail trade where Virginia remained constant or shrank, while Virginia's transportation and utilities sector employment grew while it declined nationwide.

Figure 2
Nonfarm Payroll Employment in Virginia's Industries
Fiscal Years 2019 – 2024

	Virginia Employment (000)						Change, FY 2023 to FY 2024		
							Virginia		
Industry (1)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	Number (000)	Percent	U.S., Percent
Mining and logging	7.9	7.5	6.9	7.0	7.3*	7.3	0.0	0.0%	2.1%
Construction	201.1	203.2*	204.7*	207.7*	213.2*	219.3	6.1	2.9%	3.0%
Manufacturing	243.3	238.4	235.3*	240.7	246.0*	248.0	2.0	0.8%	0.2%
Wholesale trade	110.1	108.8	106.5	110.3	114.0*	115.3	1.3	1.1%	1.4%
Retail trade	409.9*	394.2*	396.6*	398.0	396.9*	396.0	-0.9	-0.2%	0.5%
Transportation and utilities	139.9*	141.8*	144.9*	152.5*	160.1*	163.2	3.1	1.9%	-0.6%
Information	67.4*	67.1	65.2	68.4	70.8*	70.0	-0.8	-1.1%	-2.1%
Financial activities	210.0	211.9	209.5	213.9*	220.0*	222.1	2.1	1.0%	1.0%
Professional and business services	758.0	765.3	765.1*	793.0*	810.5*	810.9	0.4	0.0%	0.7%
Education and health services	550.0*	541.9	530.5*	545.4*	569.3*	595.4	26.1	4.6%	4.2%
Leisure and hospitality	412.0*	371.4*	331.7*	378.2*	403.2*	415.4	12.2	3.0%	3.2%
Other services	198.3	189.1*	181.1*	188.2*	195.8*	201.6	5.8	3.0%	1.9%
Federal government	180.7	183.5	187.6	186.2*	187.8*	191.0	3.2	1.7%	2.8%
State government	160.6*	161.5	154.0	151.7	152.1*	157.5	5.4	3.6%	3.8%
Local government	385.6	383.0*	362.5	374.2*	385.2*	393.3	8.1	2.1%	2.4%
Total	4,034.8	3,968.6	3,882.1	4,015.4	4,132.2	4,206.3	74.1	1.8%	1.9%

Source: U. S. Bureau of Labor Statistics

(1) North American Industry Classification System (NAICS)

*Some prior year numbers were revised to reflect the incorporation of newly available and revised source data.

Figure 3 shows the annual percentage change in nonfarm employment for 10 of the 11 Metropolitan Statistical Areas (MSAs) in Virginia. The Kingsport-Bristol MSA is not included in this table because most of it is located in Tennessee, and data for this indicator are not reported separately for the Virginia portion of the MSA. All 10 of the remaining Virginia metropolitan areas saw employment growth during the fiscal year, a pattern that has been repeated each of the previous two years. The largest percentage increases occurred in the Blacksburg-Christiansburg-Radford MSA (3.9 percent) followed by the Charlottesville (3.1 percent), Winchester (2.3 percent), Harrisonburg (2.2 percent), and Roanoke and Virginia Beach-Norfolk-Newport News (2.0 percent) MSAs. The remaining metropolitan areas experienced growth rates below the Virginia average of 1.8 percent, including the Richmond (1.7 percent), Northern Virginia (1.5 percent), Lynchburg (1.3 percent), and Staunton-Waynesboro (0.8 percent) MSAs. The Blacksburg-Christiansburg-Radford, Charlottesville, and Lynchburg MSAs grew faster in fiscal year 2024 than the previous year.

Figure 3
Annual Percentage Change in Nonfarm Payroll Employment in Virginia's MSAs
Fiscal Years 2019 – 2024

Area	2019	2020	2021	2022	2023	2024
Virginia	1.2%	-1.6%*	-2.2%	3.4%	2.9%*	1.8%
Metropolitan areas (a)						
Blacksburg-Christiansburg-Radford	1.2%	-2.5%	-0.8%	5.3%*	2.6%*	3.9%
Charlottesville	1.6%	-1.2%*	-4.6%	4.9%*	2.9%*	3.1%
Harrisonburg	1.5%	-1.5%	-2.3%	4.1%*	2.4%*	2.2%
Lynchburg	1.2%	-2.4%	-2.7%	2.2%*	1.2%*	1.3%
Northern Virginia	1.9%	-1.0%	-2.0%	3.8%	3.3%*	1.5%
Richmond	1.6%*	-1.9%	-2.5%*	4.1%	3.5%*	1.7%
Roanoke	0.8%	-2.2%	-1.8%	2.4%*	2.6%*	2.0%
Staunton-Waynesboro	1.7%*	-1.5%*	-2.1%	3.2%*	4.7%*	0.8%
Virginia Beach-Norfolk-Newport News (b)	0.7%	-2.1%	-2.3%	2.8%*	2.3%*	2.0%
Winchester (c)	1.8%	0.2%	0.8%	3.4%*	3.9%*	2.3%

Source: U. S. Bureau of Labor Statistics

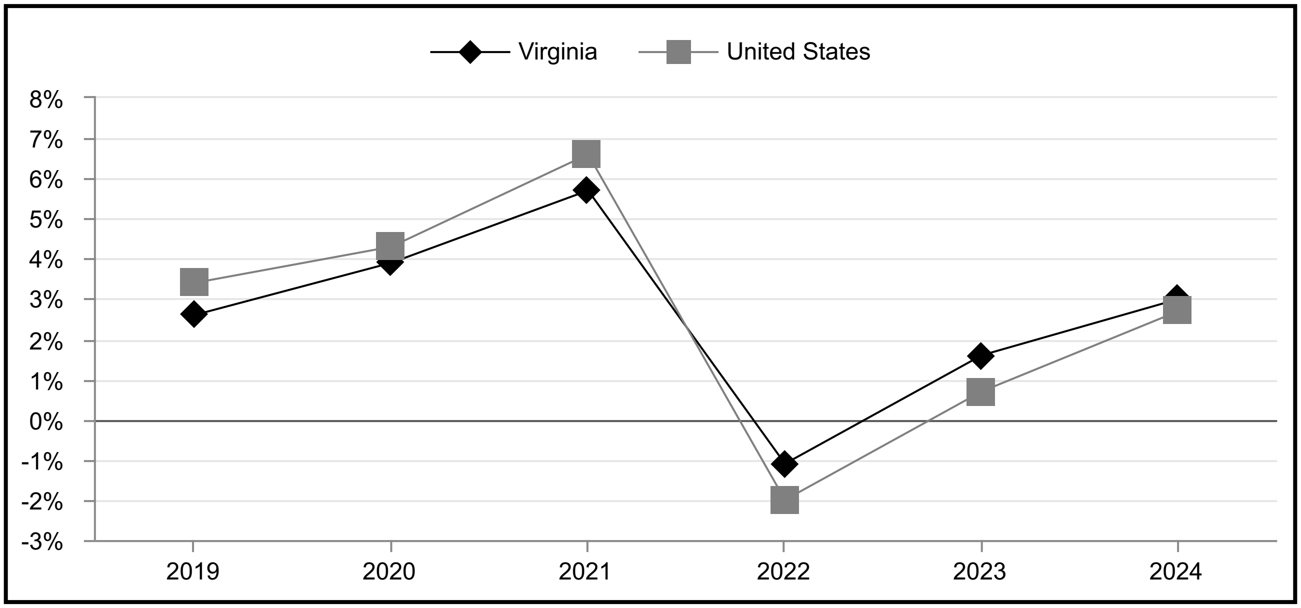
*Some prior year numbers were revised to reflect the incorporation of newly available and revised source data.

(a) Excludes Kingsport-Bristol MSA, and TN-VA, most of which is located in Tennessee
(b) Includes portion in North Carolina
(c) Includes portion in West Virginia

Personal Income

Personal income provides another important gauge of the health of Virginia's economy. It is also a key determinant of consumer spending, which accounts for approximately 70.0 percent of GDP at the national level. Furthermore, changes in personal income are also strongly correlated with state government revenues such as income tax and retail sales tax collections. As shown in **Figure 4**, state real personal income increased by 3.0 percent in fiscal year 2024. This follows a 1.6 percent increase in fiscal year 2023. In comparison, real personal income grew at the national level by 2.7 percent in fiscal year 2024. Real wages and salaries, which make up most of total personal income, grew 3.9 percent in fiscal year 2024, significantly faster than the average 2.1 percent growth rate during the previous five fiscal years (2019-2023). The next largest component is dividends, interest, and rent, which increased by 3.8 percent. Among other components, supplements to wages and salaries (which includes employer contributions to employee pensions, health insurance, social security/Medicare and other benefits) grew by 5.1 percent, while proprietors' income increased by just 1.7 percent.

Figure 4
Annual Percentage Change in Real Personal Income
Fiscal Years 2019 – 2024

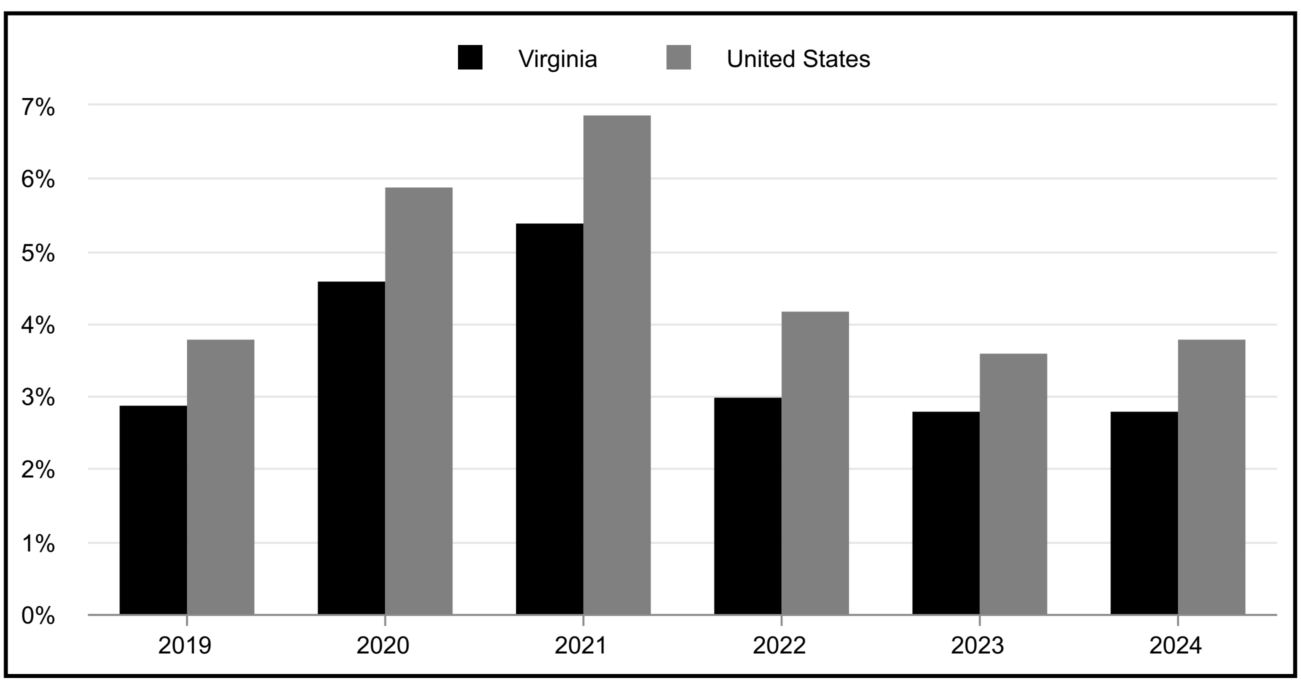


Source: U.S. Bureau of Economic Analysis, Billions of Chained 2017 Dollars

Unemployment

Virginia's unemployment rate remained the same in fiscal year 2024 as the year before. **Figure 5** shows that the state unemployment rate was 2.8 percent, the lowest since fiscal year 2001's unemployment rate of 2.4 percent. The state unemployment rate was lower than the national rate (3.8 percent), with the latter increasing slightly from 3.6 percent the year before. This largely reflects the fact that labor market slackness represented by the number of unemployed persons increased more in the U.S. (8.6 percent increase) than in Virginia (0.5 percent).

Figure 5
Civilian Unemployment Rate
Fiscal Years 2019 – 2024



Source: U.S. Bureau of Labor Statistics

Figure 6 shows unemployment rates for Virginia's metropolitan and non-metropolitan regions. Unemployment rates remained steady in both metropolitan and non-metropolitan areas. Three metropolitan areas had unemployment rates above the statewide average, including the Lynchburg (3.4 percent), Kingsport-Bristol, Virginia Beach-Norfolk-Newport News, and Richmond (each with 3.0 percent), and Harrisonburg (2.9 percent) metropolitan areas. All of the metro areas experienced steady or slightly decreasing unemployment rates from fiscal year 2023 to fiscal year 2024 except the Winchester MSA, which increased from 2.5 percent to 2.6 percent in 2024.

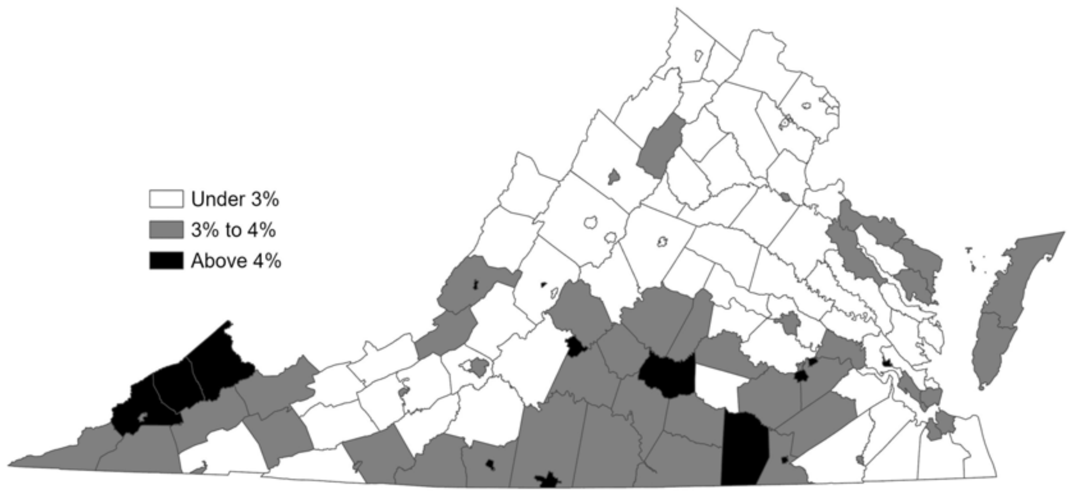
Figure 6
Civilian Unemployment Rate for Virginia's MSAs
Fiscal Years 2019 – 2024

Area	2019	2020	2021	2022	2023	2024
Virginia	2.9%	4.6%	5.4%	3.0%	2.8%	2.8%
Metropolitan Areas	2.8%	4.5%	5.4%	2.9%	2.8%	2.8%
Blacksburg-Christiansburg-Radford	3.0%	4.7%	4.4%	2.8%	2.9%	2.8%
Charlottesville	2.6%	4.2%	4.8%	2.7%	2.7%	2.5%
Harrisonburg	2.8%	4.3%	4.3%	2.8%	2.9%	2.9%
Kingsport-Bristol	3.4%	5.0%	5.0%	3.0%	3.1%	3.0%
Lynchburg	3.3%	4.8%	5.3%	3.2%	3.4%	3.4%
Northern Virginia	2.4%	4.1%	5.0%	2.6%	2.5%	2.5%
Richmond	3.0%	4.9%	5.9%	3.1%	3.0%	3.0%
Roanoke	2.8%	4.6%	5.1%	2.9%	2.8%	2.8%
Staunton-Waynesboro	2.7%	4.1%	4.5%	2.7%	2.6%	2.5%
Virginia Beach-Norfolk-Newport News	3.2%	5.1%	6.2%	3.3%	3.1%	3.0%
Winchester	2.8%	4.1%	4.0%	2.5%	2.5%	2.6%
Non-metropolitan Areas	3.5%	5.4%	5.8%	3.4%	3.4%	3.4%

Source: U.S. Bureau of Labor Statistics; some prior year numbers were revised to reflect the incorporation of newly available and revised source data

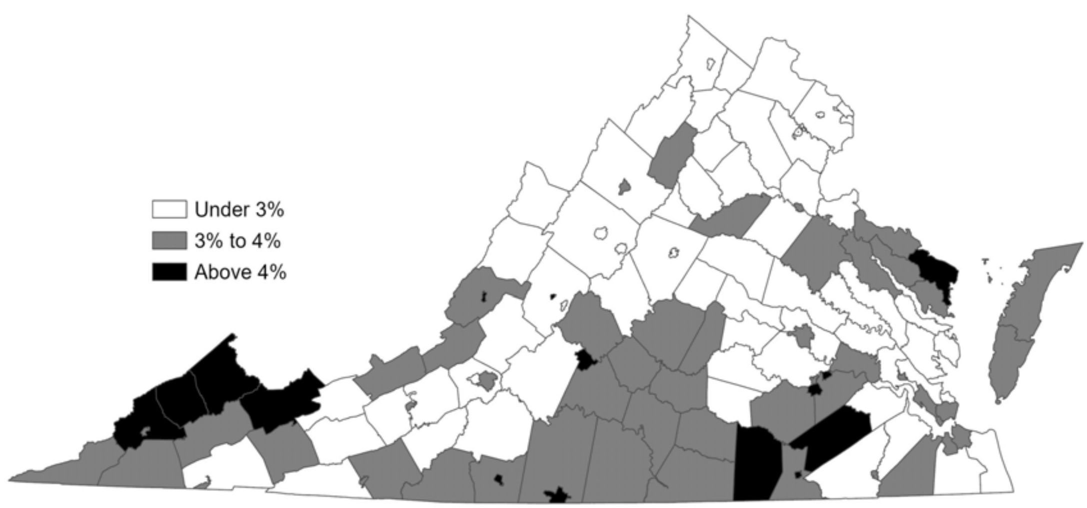
Figures 7a and **7b** show changes in the spatial pattern of unemployment rates in Virginia during the last two fiscal years using locality-level data. The maps show that spatial patterns were similar between fiscal years 2023 and 2024. Fourteen localities had unemployment rates above 4.0 percent in fiscal year 2024 compared to fifteen in fiscal year 2023. Reflecting long-standing trends, unemployment rates were generally higher in the Southside and Southwestern regions. The state's highest unemployment rates continued to be found in several independent cities, including Petersburg (5.4 percent), Danville and Emporia (4.7 percent), Martinsville (4.6 percent), and Hopewell and Lexington (4.3 percent each). Forty-four localities experienced unemployment rate increases in fiscal year 2024, although the increases were quite small. The largest increase was in Essex County (3.5 percent in fiscal year 2023 to 3.8 percent in fiscal year 2024).

Figure 7a
Unemployment Rate by Locality
Fiscal Year 2024



Source: Virginia Employment Commission

Figure 7b
Unemployment Rate by Locality
Fiscal Year 2023

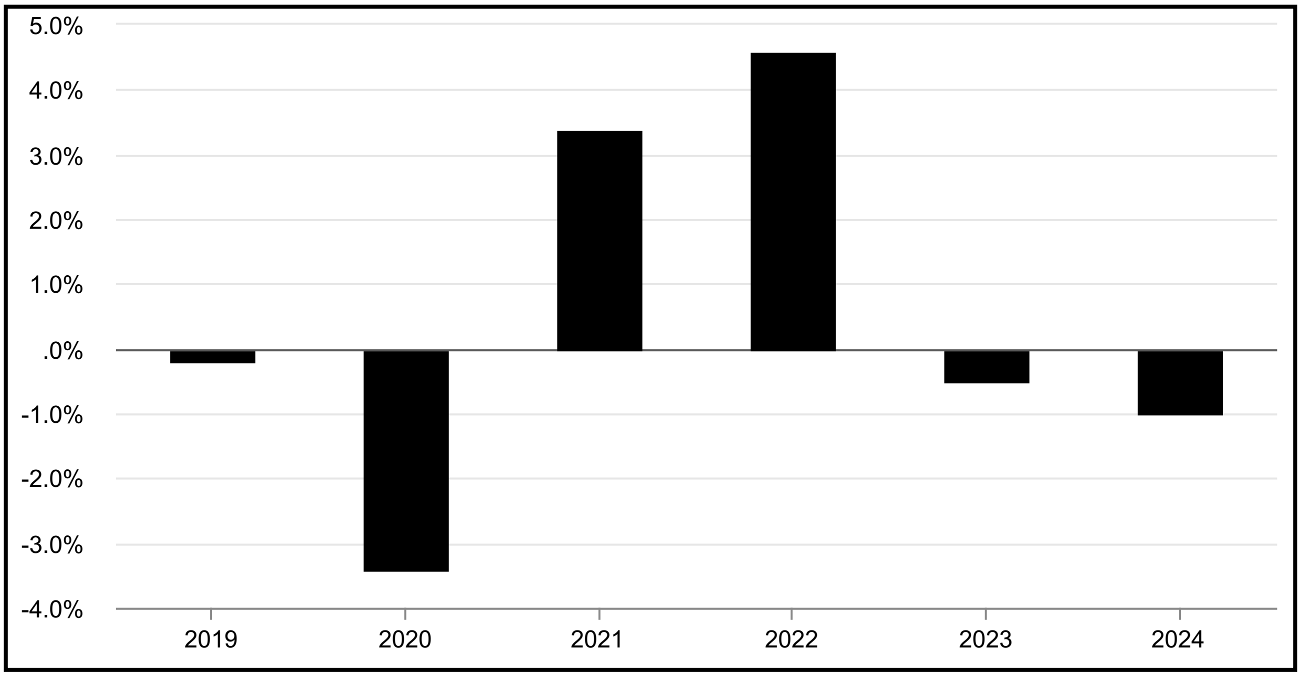


Source: Virginia Employment Commission

Taxable Sales

Changes in state retail sales are represented here using information on real taxable sales. This measure is a useful proxy for retail sales, but omits some goods (e.g., motor vehicles, motor fuel sales) that appear in the comparable national measure and includes some services (e.g., restaurant sales, lodging sales) not included in that measure. **Figure 8** shows that the real taxable sales decreased by 1.0 percent during fiscal year 2024 compared to a 0.5 percent rate of decrease the previous fiscal year This decrease is consistent with the national pattern of declining real retail sales. National Real Retail and Food Services Sales, which covers many of the same types of sales as the taxable sales measure, decreased 0.3 percent in fiscal year 2024. These decreases likely reflect the continued shift of consumer purchases from goods to services as a result of post-pandemic spending pattern changes and a weakening in sales to lower income consumers due to inflationary pressures.

Figure 8
Annual Percentage Change in Real Taxable Sales in Virginia
Fiscal Years 2019 - 2024



Source: Virginia Department of Taxation.

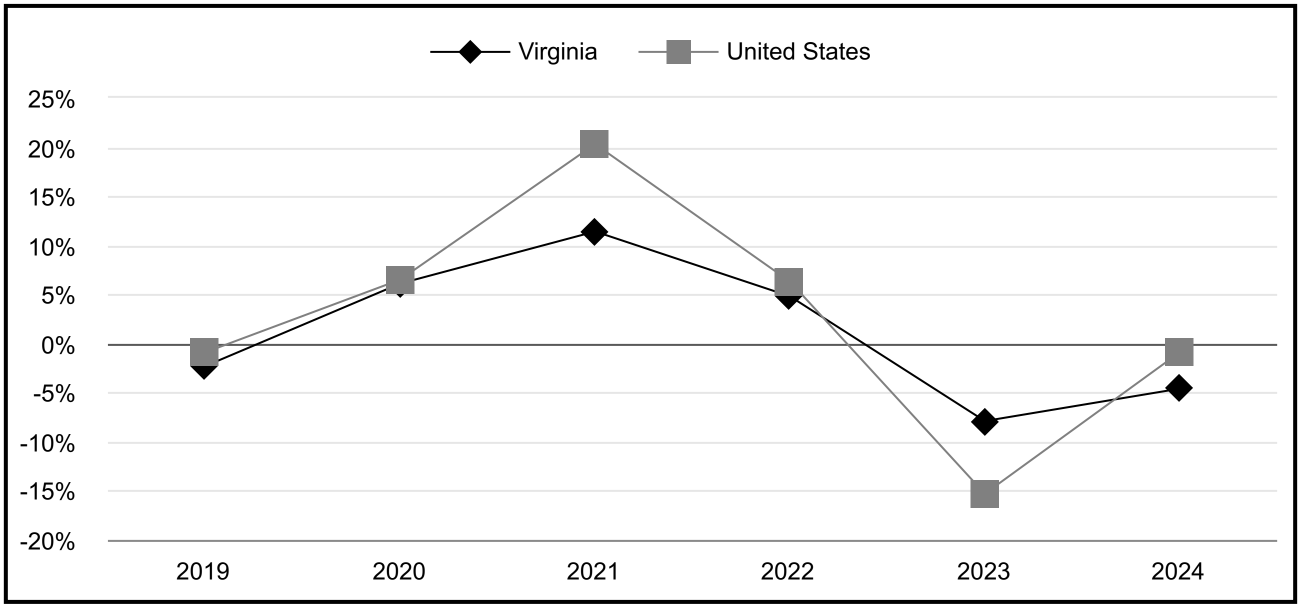
Taxable sales are adjusted for inflation using the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, All Items.

Housing Market

Virginia's housing market activity continued to weaken during fiscal year 2024 but the rate of decline slowed. Sales of existing homes and residential building permit issuance decreased. According to data available from the Virginia Association of Realtors, sales of single-family homes, townhomes, and condos decreased from 107,571 units in fiscal year 2023 to 98,702 units in fiscal year 2024. This represents a 8.2 percent rate of decrease compared to a 26.3 percent rate of decrease in fiscal year 2023. Building permit data show the number of new privately-owned housing units authorized for construction in Virginia decreased by 4.6 percent in fiscal year 2024 (**Figure 9**). This follows a steeper decrease of 7.9 percent in fiscal year 2023. The drop in Virginia building permits was relatively larger than the national 0.9 percent decline in fiscal year 2024.

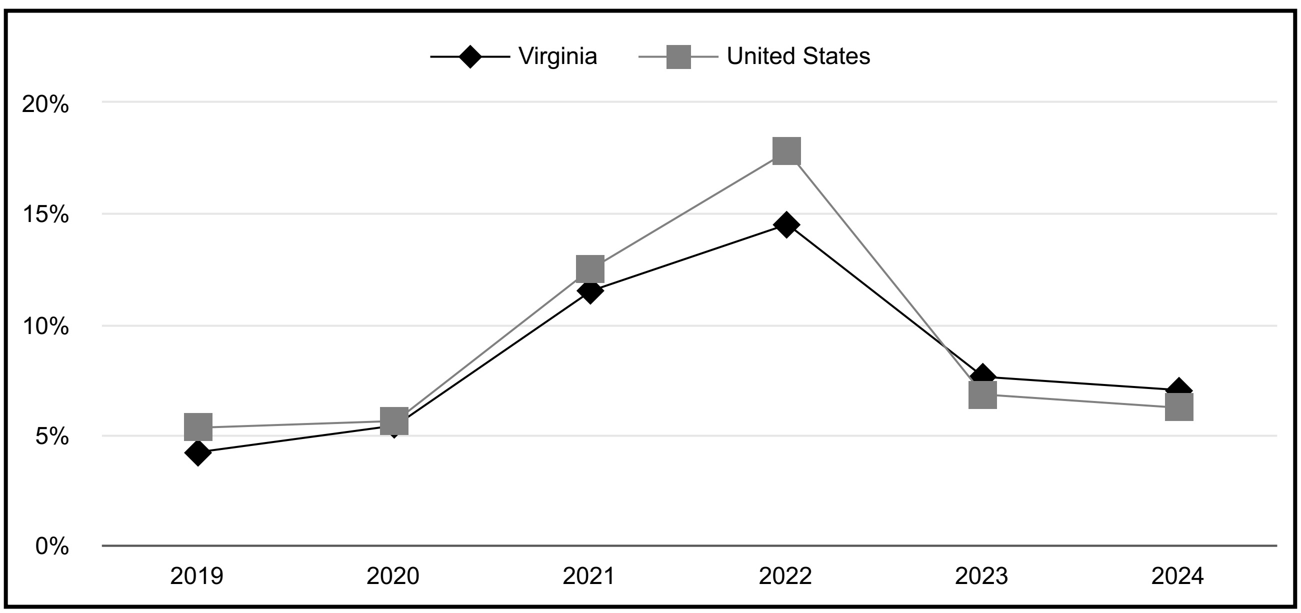
Data from the Federal Housing Finance Agency show that housing prices continued to outpace inflation. **Figure 10** shows the percentage change in housing prices for Virginia and the nation. Virginia housing prices increased 7.0 percent in fiscal year 2024, down only slightly from 7.6 percent in fiscal year 2023. This rate was higher than the 6.2 percent national growth rate in fiscal year 2024. Housing demand was dampened by continued high mortgage rates and a cooling labor market during the fiscal year. However, inventories of homes remained below normal levels.

Figure 9
New Privately Owned Housing Units Authorized, Annual Percentage Change
Fiscal Years 2019 – 2024



Source: U.S. Census Bureau

Figure 10
Annual Percentage Change in Housing Prices
Fiscal Years 2019 – 2024



Source: Federal Housing Finance Agency

Conclusion

Virginia's economy expanded for the third year in a row in fiscal year 2024. Employment grew 1.8 percent compared to 2.9 percent the year before, indicating a gradual cooling in the labor market. On the other hand, real personal incomes increased by 3.0 percent compared to 1.6 percent in fiscal year 2023 showing that the economy retained some buoyancy. Some other economic metrics were not as positive. Real taxable sales decreased by 1.0 percent, perhaps reflecting a combination of continued post-pandemic consumer spending shifts towards services and a weakening in spending by lower income consumers. Virginia housing market activity adjusted somewhat to higher mortgage interest rates. Existing home sales, and residential building permit issuance decreased, albeit at a slower pace than the year before. The rate of housing price appreciation also slowed a bit, but limited housing inventories continued to put pressure on housing prices.

Inflation began to ease during fiscal year 2024 as a result of the Federal Reserve's continued restrictive monetary policy. The Fed had begun raising its benchmark federal funds interest rate in March 2022, with the last quarter percentage point increase occurring in July 2023. Towards the end of fiscal year 2024, inflationary gauges such as the Personal Consumption Expenditures (PCE) Price Index and Consumer Price Index (CPI) were approaching the Fed target of two percent. This progress was achieved by slowing employment growth but not tipping the economy into recession. The success in taming inflation opened the possibility that the Fed would lower interest rates in the next fiscal year, creating conditions that are favorable for the economy to experience a "soft landing." Continued Fed monetary easing could support economic growth in the next fiscal year.

MAJOR INITIATIVES

The ACFR has received unmodified audit opinions from fiscal year 1986 through fiscal year 2023. During this period, the Commonwealth has also received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. While we are very proud of these unmodified audit opinions and awards, we must be mindful of the fact that they are not automatic. The successes of the State Comptroller's office are directly attributable to not only the professionalism, experience and integrity of the State Comptroller's technical and accounting personnel, but also to the professionalism, experience and integrity of the financial and accounting personnel throughout the Commonwealth. These major initiatives will support efforts to continue our legacy of quality financial management.

Long-term Financial Planning

In 1992, an amendment to the Constitution of Virginia required the establishment of a Revenue Stabilization Fund. Annually, revenue collections are evaluated to determine whether deposits are required to the Fund. Withdrawals can only occur if the general fund revenues appropriated exceed the revised general fund revenue forecast by more than 2.0 percent of the certified tax revenues collected in the most recently ended fiscal year. Additionally, a withdrawal from the Fund cannot compensate for more than one-half of the difference between the general fund appropriations and revised estimate nor can it exceed more than one-half of the Fund balance. Further, pursuant to the constitutional amendment of Article X, Section 8, effective January 1, 2011, the amount on deposit cannot exceed 15.0 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years.

During fiscal year 2018, the Code of Virginia established the Revenue Reserve Fund to mitigate certain anticipated revenue shortfalls when appropriations based on previous revenue forecasts exceed expected revenues in subsequent forecasts. Annually, revenue collections are evaluated to determine whether deposits are required to the Fund. Generally, withdrawals can only occur if a revised general fund revenue forecast is less than appropriated general fund revenues and the decrease is 2.0 percent or less of general fund revenues collected in the most recently ended fiscal year. Additionally, a withdrawal from the Fund may not exceed more than one-half of the Fund balance. The combined balance of the Revenue Reserve Fund and Revenue Stabilization Fund cannot exceed 20.0 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years.

A deposit of $289.6 million was made during fiscal year 2024. This amount represents the fiscal year 2023 revenue collected in excess of the estimate reduced by the statutory deposit to the Water Quality Fund for excess revenues. Additionally, there was a withdrawal of $498.7 million for the advance reservation to the Revenue Stabilization Fund per Chapter 1, 2022 Acts of Assembly Special Session I, for the fiscal year 2024 mandatory deposit.

Enterprise Application Project

The Cardinal Project represents a shared vision between the offices of the Secretary of Transportation, Secretary of Finance, Secretary of Administration, and the Virginia Information Technologies Agency to replace aging statewide enterprise applications. This effort began with the effort to replace the Commonwealth's financial system (CARS) and the Virginia Department of Transportation's (VDOT) financial system with a modern, enterprise-wide financial system (base financial system). The base financial system provides a solid foundation for the Commonwealth to expand system functionality and facilitates better integration of key administrative systems across the state. This foundation enables the Commonwealth to re-engineer activities to include taking advantage of shared services, increasing functionality for better fiscal management, and reducing redundant agency financial systems and related cost. Effective July 1, 2016 (fiscal year 2017), Cardinal Financials became the official general ledger accounting system for the Commonwealth, and CARS was retired. VDOT implemented broader system functionality, and the

Commonwealth intended to expand to other Commonwealth agencies. However, functional roll-out to other agencies was paused in order to focus attention to payroll and benefits. As a result, many agencies use non-Cardinal transactional applications to interface their data into Cardinal Financials.

The most recent phase of this project involved a partnership between the Department of Accounts (DOA) and the Department of Human Resource Management (DHRM) to replace the existing statewide payroll system (CIPPS), along with the Commonwealth's statewide Personnel Management Information System (PMIS) and Benefits Eligibility System (BES), by integrating the required functions into Cardinal. As a result, the Human Capital Management System (Cardinal HCM) was implemented in three phases from October 2021 through October 2022. Effective October 3, 2022, Cardinal HCM became the official payroll, benefits, human resource, and time and absence management system for the Commonwealth.

A Cardinal Governance Committee (Committee), co-chaired by me as the State Comptroller, and Janet Lawson as head of the DHRM has been formed. Through coordination with the Committee and Secretaries of Finance and Administration, the Department of Accounts is leading the effort to identify the business needs of our agencies to evaluate the potential to decommission agency-based systems and expand Cardinal Financials functionality. Conclusion of this analysis and recommendations regarding future actions will be provided in fiscal year 2025.

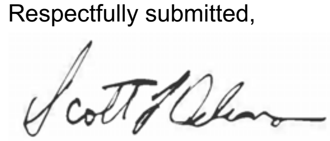
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Commonwealth for its ACFR for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report that conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Commonwealth has received a Certificate of Achievement for the last 38 consecutive years (fiscal years 1986-2023). I believe that this year's report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

This report could not have been prepared without the full cooperation of all state agencies within the Executive Branch, the Legislature, the Judiciary, the Component Units, and especially the dedication and professionalism of the financial reporting staff in the Department of Accounts.

Respectfully submitted,



Scott L. Adams
Comptroller of the Commonwealth of Virginia

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Commonwealth of Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

Organization Charts

Organization of Executive Branch of Government

As of June 30, 2024

Attorney General — Office of the State Inspector General

Governor — Chief of Staff

Lieutenant Governor — Office of Intergovernmental Affairs

Secretary of the Commonwealth

Counselor to the Governor

Chief Transformation Officer

Chief Diversity, Opportunity and Inclusion Officer

Secretary of Administration
- Compensation Board
- Department of Elections
- Department of General Services
- Department of Human Resource Management
- Virginia Information Technologies Agency

Secretary of Agriculture and Forestry
- Agricultural Council
- Department of Agriculture and Consumer Services
- Department of Forestry
- Virginia Racing Commission

Secretary of Commerce and Trade
- Center for Rural Virginia
- Department of Housing and Community Development
- Department of Energy
- Department of Small Business and Supplier Diversity
- Tobacco Region Revitalization Commission
- Virginia Economic Development Partnership
- Virginia Housing Development Authority
- Virginia Innovation Partnership Authority
- Virginia Tourism Corporation

Secretary of Health and Human Resources
- Assistive Technology Loan Fund Authority
- Department for Aging and Rehabilitative Services
- Department for the Blind and Vision Impaired
- Department for the Deaf and Hard-of-Hearing
- Department of Behavioral Health and Developmental Services
- Department of Health
- Department of Health Professions
- Department of Medical Assistance Services
- Department of Social Services
- Office of Children's Services
- Opioid Abatement Authority
- Virginia Board for People with Disabilities
- Virginia Foundation for Healthy Youth
- Virginia Rehabilitation Center for the Blind and Vision Impaired
- Wilson Workforce and Rehabilitation Center

Secretary of Education
- Christopher Newport University
- Department of Education
- Frontier Culture Museum of Virginia
- George Mason University
- Gunston Hall
- Institute for Advanced Learning and Research
- James Madison University
- Jamestown-Yorktown Foundation
- Longwood University
- New College Institute
- Norfolk State University
- Old Dominion University
- Radford University
- Richard Bland College
- Roanoke Higher Education Authority
- Southern Virginia Higher Education Center
- Southwest Virginia Higher Education Center
- State Council of Higher Education for Virginia
- The College of William and Mary
- The Library of Virginia
- The Science Museum of Virginia
- University of Mary Washington
- University of Virginia
- Virginia Commission for the Arts
- Virginia Commonwealth University
- Virginia Community College System
- Virginia Institute of Marine Science
- Virginia Military Institute
- Virginia Museum of Fine Arts
- Virginia Museum of Natural History
- Virginia Polytechnic Institute and State University
- Virginia School for the Deaf and the Blind
- Virginia State University

Secretary of Finance
- Board of Accountancy
- Department of Accounts
- Department of Planning and Budget
- Department of Taxation
- Department of the Treasury
- Virginia College Building Authority
- Virginia Public Building Authority
- Virginia Public School Authority
- Virginia Resources Authority

Secretary of Natural and Historic Resources
- Department of Conservation and Recreation
- Department of Environmental Quality
- Department of Historic Resources
- Department of Wildlife Resources
- Marine Resources Commission

Secretary of Public Safety and Homeland Security
- Commonwealth Attorneys' Services Council
- Department of Corrections
- Department of Criminal Justice Services
- Department of Emergency Management
- Department of Fire Programs
- Department of Forensic Science
- Department of Juvenile Justice
- Department of State Police
- Virginia Alcoholic Beverage Control Authority
- Virginia Cannabis Control Authority
- Virginia Correctional Enterprises
- Virginia Parole Board

Secretary of Transportation
- Department of Aviation
- Department of Motor Vehicles
- Department of Rail and Public Transportation
- Department of Transportation
- Motor Vehicle Dealer Board
- Office of Intermodal Planning and Investment
- Office of Public-Private Partnerships
- Virginia Commercial Space Flight Authority
- Virginia Passenger Rail Authority
- Virginia Port Authority

Secretary of Veterans and Defense Affairs
- Department of Military Affairs
- Department of Veterans Services

Secretary of Labor
- Department of Labor and Industry
- Department of Professional and Occupational Regulation
- Virginia Employment Commission

Organization of Government
Selected Government Officials - Executive Branch

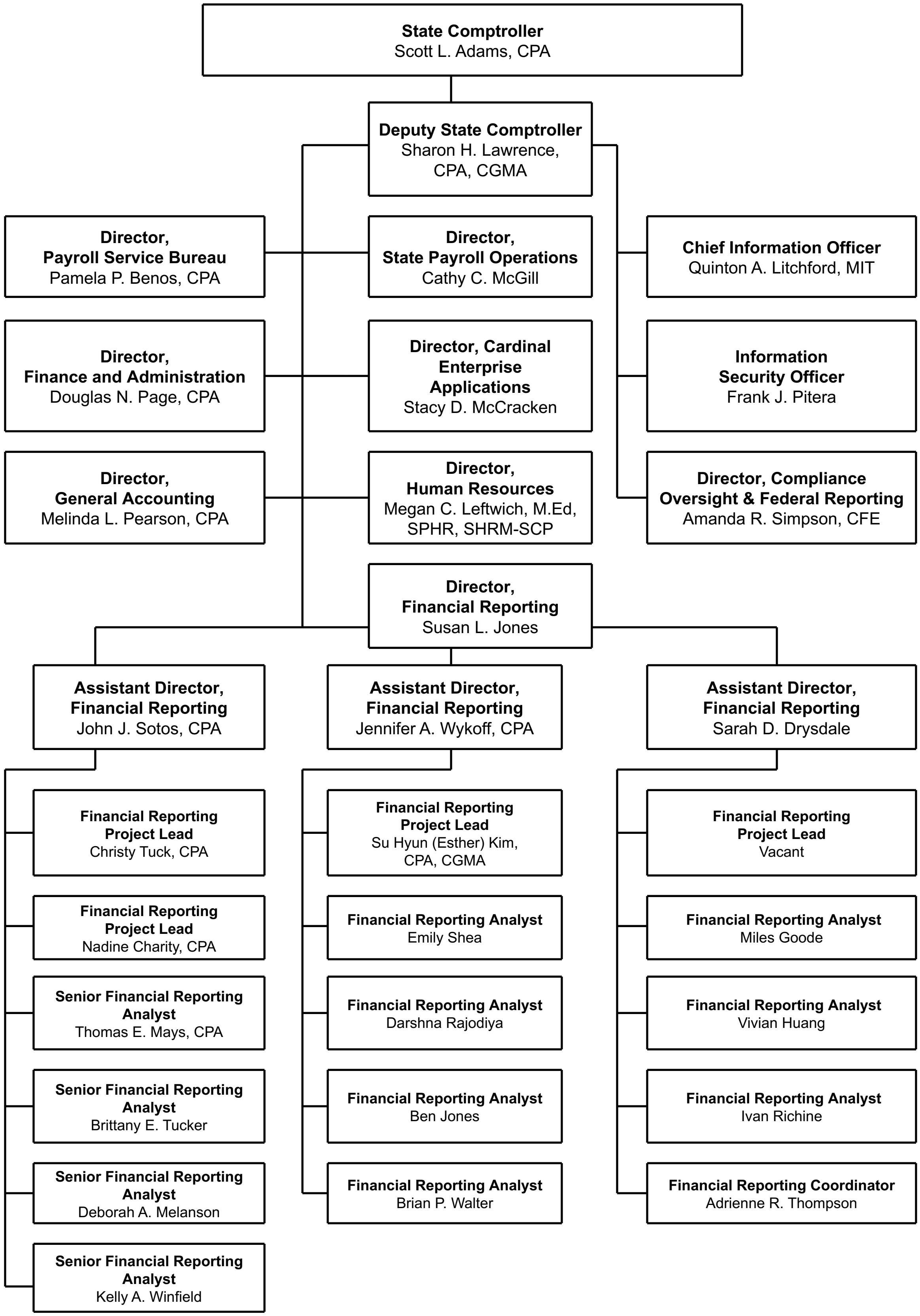
As of December 13, 2024

Citizens of Virginia

- **Attorney General**
  Jason S. Miyares
- **Governor**
  Glenn Youngkin
  - **Counselor to the Governor**
    Richard Cullen
  - **Chief of Staff**
    John Littel
  - **Secretary of the Commonwealth**
    Kelly Gee
  - **Chief Transformation Officer**
    Robert Ward
  - **Secretary of Administration**
    Margaret "Lyn" McDermid
  - **Secretary of Agriculture and Forestry**
    Matthew Lohr
  - **Secretary of Commerce and Trade**
    Caren Merrick
  - **Secretary of Education**
    Aimee Rogstad Guidera
  - **Secretary of Health and Human Resources**
    Janet Kelly
  - **Secretary of Natural and Historic Resources**
    Travis A. Voyles
  - **Secretary of Public Safety and Homeland Security**
    Terrance C. Cole
  - **Secretary of Transportation**
    W. Sheppard Miller III
  - **Secretary of Labor**
    George "Bryan" Slater
  - **Secretary of Finance**
    Stephen E. Cummings
    - **State Comptroller**
      Scott L. Adams, CPA
    - **State Tax Commissioner**
      James Alex
    - **State Treasurer**
      David L. Richardson
    - **Director, Department of Planning and Budget**
      Michael Maul
  - **Secretary of Veterans and Defense Affairs**
    Craig Crenshaw
  - **Chief Diversity, Opportunity, and Inclusion Officer**
    Martin Brown
- **Lieutenant Governor**
  Winsome Earle-Sears

Organization of the Department of Accounts

As of December 13, 2024



FINANCIAL SECTION

Independent Auditor’s Report
Management’s Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Combining and Individual Fund Statements and Schedules

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 13, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Scott L. Adams
State Comptroller

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Virginia as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain blended and discretely presented component units of the Commonwealth, which are discussed at Note 1.B. These component units account for the following percentages of total assets and deferred outflows of resources; revenues, additions, and other financing sources; and net position/fund balance of the opinion units affected as of June 30, 2024.

Opinion Unit	Total Assets and Deferred Outflows	Net Position/Fund Balance	Revenues, Additions, and Other Financing Sources
Governmental Activities	2.09 %	3.74 %	0.48 %
Aggregate Remaining Fund Information	1.18 %	1.26 %	0.77 %
Aggregate Discretely Presented Component Units	31.39 %	24.22 %	12.52 %

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for certain blended and discretely presented component units of the Commonwealth, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in <u>Government Auditing Standards</u> issued by the Comptroller General of the United States (<u>Government Auditing Standards</u>). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commonwealth of Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The financial statements of Danville Science Center Inc., Library of Virginia Foundation, Science Museum of Virginia Foundation, and Virginia Museum of Fine Arts Foundation, which were audited by other auditors upon whose reports we are relying, were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 2 of the accompanying financial statements, the Commonwealth of Virginia implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and GASB Implementation Guide No. 2021-1 Question 5.1, relating to capitalizing groups of assets. Our opinions are not modified with respect to these matters.

Correction of 2023 Financial Statements

As discussed in Note 2 of the accompanying financial statements, the fiscal year 2023 governmental activities, business-type activities, nonmajor enterprise fund, and the component unit financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Investments with Values that are not Readily Determined

As discussed in Note 7, the Virginia College Savings Plan major fund includes investments valued at $1.8 billion (57.5 percent and 28.0 percent of the major fund and business-type activity total assets, respectively) and $323.2 million for the private purpose trust fund (3.4 percent of the aggregate remaining fund information's total assets), whose fair values have been estimated by management in the absence of readily determinable values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinions are 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commonwealth of Virginia's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commonwealth of Virginia'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 judgement, there are conditions or events considered in the aggregate that raise substantial doubt about the Commonwealth of Virginia'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 following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 27 through 37; Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Major Special Revenue Funds; Schedule of Changes in Employer's Net Pension Liability; Schedule of Employer Contributions - Pension Plans; Schedule of Changes in Employers' Net Other Postemployment Benefit Liability (Asset); Schedule of the Commonwealth's Proportionate Share of the Net Other Postemployment Benefit Liability; Schedule of Employer Contributions - Other Postemployment Benefit Plans; Schedule of Changes in Employers' Total Other Postemployment Benefit Liability; Claims Development Information - Risk Management; Claims Development Information - Health Care; Claims Development Information - Line of Duty; and Notes to the Required Supplementary Information schedules on pages 201 through 244. 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 opinions on the financial statements that collectively comprise the Commonwealth of Virginia's basic financial statements. The Combining and Individual Fund Statements and Schedules are presented for the 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 Combining and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, our report dated December 13, 2024, on our consideration of the Commonwealth of Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters is issued in the Commonwealth of Virginia Single Audit Report. We anticipate releasing that report on or before February 11, 2025. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commonwealth of Virginia's internal control over financial reporting and compliance.

Staci A. Henshaw

AUDITOR OF PUBLIC ACCOUNTS

Management's Discussion and Analysis
(Unaudited)

The following is a discussion and analysis of the Commonwealth of Virginia's (the Commonwealth) financial performance, including an overview and analysis of the financial activities of the Commonwealth for the fiscal year ended June 30, 2024. Readers should consider this information in conjunction with the transmittal letter, which is located in the Introductory Section of this report, and the Commonwealth's financial statements, including the notes to the financial statements, which are located after this analysis.

Financial Highlights

Government-wide Highlights

The primary government's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024, by $50.7 billion. Net position of governmental activities increased by $4.9 billion and net position of business-type activities increased by $152.4 million. Component units reported an increase in net position of $4.5 billion from June 30, 2023.

Fund Highlights

At the end of the fiscal year, the Commonwealth's governmental funds reported a combined ending fund balance of $25.6 billion, an increase of $3.4 billion in comparison with the prior year. Of this total fund balance, $757.0 million represents nonspendable fund balance, $6.0 billion represents restricted fund balance, $16.0 billion represents committed fund balance, and $2.9 billion represents assigned fund balance. The Enterprise Funds reported net position at June 30, 2024, of $3.5 billion, an increase of $155.6 million during the year which is primarily attributable to increases for the Virginia College Savings Plan Fund (major). See page 33 for additional information regarding the Virginia College Savings Plan.

The General Fund recognized higher total fund assets, expenditures, and revenues as well as lower total fund liabilities, when compared to fiscal year 2023. See page 34 for additional information.

Long-term Debt

The Commonwealth's total debt rose during the fiscal year to $57.5 billion, an increase of $2.1 billion, or 3.8 percent. During the fiscal year, the Commonwealth issued new debt in the amount of $1.4 billion and $4.6 billion for the primary government and component units, respectively. Debt balances for the primary government increased to $17.9 billion. Debt balances for the component units increased to $39.6 billion.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Commonwealth's basic financial statements, which include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The report also contains additional required supplementary information and other information.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commonwealth's finances in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Commonwealth's financial position which helps readers determine whether the Commonwealth's financial position has improved or deteriorated during the fiscal year. These statements include all non-fiduciary financial activity on the full accrual basis of accounting. This means that all revenue and expenditures are reflected in the financial statements even if the related cash has not been received or paid as of June 30.

The Statement of Net Position (pages 40 and 41) presents information on all of the Commonwealth's assets and deferred outflows of resources, and liabilities and deferred inflows of resources; net position represents the difference between all other elements in a statement of financial position and is displayed in three components – net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may indicate whether the financial position of the Commonwealth is improving or deteriorating.

The Statement of Activities (pages 42 through 44) presents information showing how the Commonwealth's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Position and Statement of Activities report three separate activities. These activities are described as follows:

Governmental Activities – account for functions of the Commonwealth that are primarily supported by taxes and intergovernmental revenues. The majority of the Commonwealth's basic services, such as education, individual and family services, transportation, resources and economic development, administration of justice, and general government, fall within this category.

Business-type Activities – account for functions that are intended to recover all or a significant portion of their costs through user fees and charges. The major business-type activities of the primary government include the Virginia Lottery, Virginia College Savings Plan, and Unemployment Compensation Fund.

Discretely Presented Component Units – account for functions of legally separate entities for which the Commonwealth is financially accountable. The Commonwealth has 25 non-higher education and 21 higher education component units that are reported as discretely presented component units. Information regarding the individual financial statements of the component units is presented in the notes to the financial statements.

This report includes two schedules (pages 48 and 52) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (full accrual accounting). The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Long-term liabilities, unless due and payable, are not included in the fund financial statements. These liabilities are only included in the government-wide statements.
- Internal service funds are reported as governmental activities in the government-wide statements, but are reported as proprietary funds in the fund financial statements.
- Other long-term assets that are not available to pay for current period expenditures are deferred in the governmental fund statements, but not deferred in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures in the fund financial statements.
- Bond proceeds provide current financial resources on the fund financial statements, but are recorded as long-term liabilities in the government-wide financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commonwealth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Commonwealth's funds can be divided into three categories: governmental, proprietary, and fiduciary. Each of these categories uses different accounting approaches. Fund financial statements begin on page 46 and provide detailed information about the major individual funds.

- **Governmental funds** – Most of the basic services provided by the Commonwealth are reported in the governmental funds. These statements provide a detailed, short-term view of the functions reported as governmental activities in the government-wide financial statements. The government-wide financial statements are reported using the full accrual basis of accounting, but the governmental fund financial statements are reported using the modified accrual basis of accounting. This allows the reader to focus on assets that can be readily converted to cash and determine whether there are adequate resources to meet the Commonwealth's current needs.

  Because the focus of governmental funds is more limited than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison can help readers better understand the long-term impact of the Commonwealth's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

  The Commonwealth reports 15 individual governmental funds. Information is presented separately in the governmental fund statements for the General, Commonwealth Transportation, Federal Trust, and Literary funds, which are all considered major funds. Data from the other 11 governmental funds are aggregated into a single column on the fund statements. Individual fund data for these nonmajor governmental funds is provided in the combining financial statements immediately following the required supplementary information.

- **Proprietary funds** – The Commonwealth maintains two different types of proprietary funds: enterprise and internal service. These funds report activities that operate more like those of private-sector business and use the full accrual basis of accounting.

  Enterprise funds report activities that charge fees for supplies or services to the general public like the Virginia Lottery. Enterprise funds are reported as business-type activities on the government-wide financial statements. The enterprise funds use the full accrual basis of accounting and the only differences between amounts reported on the government-wide statements and the enterprise fund statements are due to internal service fund activity (see reconciliations on pages 54 and 56).

  Internal service funds report activities that charge fees for supplies and services to other Commonwealth agencies, like Fleet Management. Internal service funds are reported as governmental activities in the government-wide statements because these types of services predominantly benefit governments rather than business-type functions.

  The Commonwealth reports 26 individual proprietary funds. Information is presented separately in the proprietary fund statements for the Virginia Lottery, Virginia College Savings Plan, and Unemployment Compensation Funds, all of which are considered major funds. Data from the other enterprise funds is aggregated into a single column on the fund statements. All internal service funds are aggregated into a single column on the fund statements. Individual fund data for all nonmajor proprietary funds is provided in the combining financial statements immediately following the required supplementary information.

- **Fiduciary funds** – These funds are used to account for resources held for the benefit of parties outside the government and use the full accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*. Fiduciary funds are excluded from the government-wide financial statements because the resources of these funds are restricted and cannot be used to finance the Commonwealth's operations. The Commonwealth's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position beginning on page 64.

  The Commonwealth's fiduciary funds are the:

  - Private Purpose Trusts, which reports the activities for four separate funds and accounts for transactions of trust arrangements in which the principal and income benefit individuals, private organizations, or other governments;
  - Pension and Other Employee Benefit Trusts, which reports the activities of nine separate pension and other employment retirement plans for employees;
  - Custodial Funds - External Investment Pool, which accounts for the activity of the external investment pool not meeting the GASB Statement No. 84 trust criteria; and,
  - Custodial Funds - Other, which accounts for 10 separate funds similar to Private Purpose Trust Funds except they do not have a trust that meets GASB Statement No. 84 criteria.

  Individual fund data for all fiduciary funds is provided in the combining financial statements immediately following the required supplementary information.

- **Component Units** – The government-wide financial statements report information for all component units aggregated in a single column. Information is provided separately in the component unit fund statements for the Virginia Housing Development Authority, Virginia Public School Authority, Virginia Resources Authority, and Virginia College Building Authority, all of which are considered major component units. Data from the other component units is aggregated into a single column on the fund statements. Individual fund data for all nonmajor component units is provided in the combining financial statements immediately following the required supplementary information.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles fund balances at June 30. It also includes information concerning net pension liability, other postemployment benefit liability plans, and employer contributions for pension and other postemployment benefit plans, as well as trend information for Commonwealth-managed risk pools.

Other Information

The combining statements referred to earlier in connection with nonmajor funds and component units can be found beginning on page 248 of this report. The individual fund information is aggregated into a single total on the combining financial statements, which carries forward to the fund financial statements.

Government-wide Financial Analysis

The primary government's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $50.7 billion during the fiscal year. The net position of the governmental activities increased $4.9 billion, or 11.7 percent, primarily due to increases in cash, cash equivalents, and investments related to General Fund (major) and Transportation Fund (major), receivables predominantly relating to Federal Trust Fund (major), and capital assets, which were offset by increases in long-term liabilities outstanding. Additionally, the change was due to GASB Implementation Guide 2021-1, Question 5.1 regarding group assets discussed further in Note 2. The General Fund is discussed further on page 34. Capital assets are discussed further on page 35, and long-term liabilities are discussed further on page 36. Business-type activities had an increase of $152.4 million, or 4.5 percent, primarily due to increases in the Virginia College Savings Plan (major). See page 33 for additional information regarding the Virginia College Savings Plan. As discussed in Note 2, the government-wide beginning balance was restated for GASB Implementation Guide 2021-1, Question 5.1 regarding group assets and the correction of prior year errors to arrive at a restated beginning balance of $45.8 billion. Fiscal year 2023 amounts in figures 11 and 12 do not include impacts for prior year adjustments made for restatements associated with changes in accounting principle or reporting entities.

Figure 11
Net Position as of June 30, 2024 and 2023
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023 as restated	2024	2023 as restated	2024	2023 as restated
Current and other assets	$ 45,565,875	$ 42,436,188	$ 5,831,712	$ 5,646,418	$ 51,397,587	$ 48,082,606
Capital assets	41,430,290	39,689,461	521,188	556,966	41,951,478	40,246,427
Total Assets	86,996,165	82,125,649	6,352,900	6,203,384	93,349,065	88,329,033
Deferred outflows of resources	1,780,038	1,807,397	60,606	55,910	1,840,644	1,863,307
Total assets and deferred outflows of resources	88,776,203	83,933,046	6,413,506	6,259,294	95,189,709	90,192,340
Long-term liabilities outstanding	15,839,041	15,469,399	2,098,858	2,172,620	17,937,899	17,642,019
Other liabilities	16,385,347	16,516,647	779,807	687,696	17,165,154	17,204,343
Total Liabilities	32,224,388	31,986,046	2,878,665	2,860,316	35,103,053	34,846,362
Deferred inflows of resources	9,368,742	9,697,517	26,999	43,561	9,395,741	9,741,078
Total liabilities and deferred inflows of resources	41,593,130	41,683,563	2,905,664	2,903,877	44,498,794	44,587,440
Net position:						
Net investment in capital assets	27,893,515	27,242,131	113,820	132,000	28,007,335	27,374,131
Restricted	6,065,418	5,342,626	1,471,131	1,503,800	7,536,549	6,846,426
Unrestricted	13,224,140	9,664,726	1,922,891	1,719,617	15,147,031	11,384,343
Total net position	$ 47,183,073	$ 42,249,483	$ 3,507,842	$ 3,355,417	$ 50,690,915	$ 45,604,900

The largest portion of the primary government's net position reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, construction-in-progress, right-to-use intangible assets, and intangible assets including water rights, easements and software), less any related outstanding debt and deferred inflows of resources used to acquire those assets. These assets are recorded net of depreciation and amortization in the financial statements. The primary government uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the primary government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (**Figure 11**).

An additional portion of the primary government's net position represents restricted net position. These resources are subject to external restrictions or constitutional provisions specifying how they may be used. The remaining balance of $15.1 billion is unrestricted net position (**Figure 11**). The significant increase in restricted net position is primarily due to the required constitutional deposit to the Revenue Stabilization Fund discussed in Note 5.

Approximately 49.4 percent of the primary government's total revenue came from taxes. While the primary government's expenses cover many services, the largest expenses are for individual and family services and education. General revenues normally fund governmental activities. For fiscal year 2024, program and general revenues exceeded governmental expenses by $3.6 billion. Program and general revenues exceeded expenses from business-type activities by $1.4 billion. The following condensed financial information (**Figure 12**) was derived from the Government-wide Statement of Activities and provides detail regarding the change in net position (see page 42).

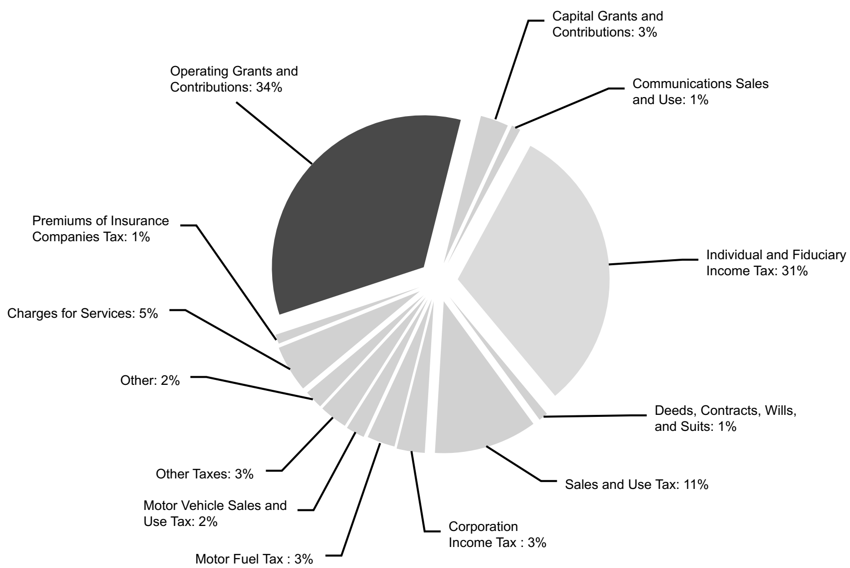
Figure 12
Changes in Net Position for the Fiscal Years Ended June 30, 2024 and 2023
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023 as restated	2024	2023 as restated	2024	2023 as restated
Revenues:						
Program Revenues:						
Charges for Services	$ 3,536,063	$ 3,303,121	$ 8,206,079	$ 7,294,570	$ 11,742,142	$ 10,597,691
Operating Grants and Contributions	24,040,638	24,071,390	3,709	6,329	24,044,347	24,077,719
Capital Grants and Contributions	1,808,955	1,976,822	—	—	1,808,955	1,976,822
General Revenues:						
Taxes:						
Individual and Fiduciary Income	21,673,352	17,846,206	—	—	21,673,352	17,846,206
Sales and Use	7,431,702	7,416,977	—	—	7,431,702	7,416,977
Corporation Income	2,003,036	2,071,744	—	—	2,003,036	2,071,744
Motor Fuel	2,013,651	1,883,633	—	—	2,013,651	1,883,633
Motor Vehicle Sales and Use	1,217,641	1,217,555	—	—	1,217,641	1,217,555
Communications Sales and Use	277,098	290,356	—	—	277,098	290,356
Deeds, Contracts, Wills, and Suits	499,016	526,020	—	—	499,016	526,020
Premiums of Insurance Companies	694,249	664,322	—	—	694,249	664,322
Alcoholic Beverage Sales	243,339	238,693	—	—	243,339	238,693
Tobacco Products	226,778	247,239	—	—	226,778	247,239
Public Service Corporations	123,868	121,361	—	—	123,868	121,361
Beer and Beverage Excise	38,467	38,645	—	—	38,467	38,645
Wine and Spirits/ABC Liter	30,674	32,070	—	—	30,674	32,070
Bank Stock	26,271	31,010	—	—	26,271	31,010
Other Taxes	2,065,828	1,731,292	9,141	9,142	2,074,969	1,740,434
Unrestricted Grants and Contributions	54,419	60,461	—	—	54,419	60,461
Investment Earnings	1,453,826	735,374	9,796	4,020	1,463,622	739,394
Miscellaneous	456,447	555,583	597	606	457,044	556,189
Total Revenues	69,915,318	65,059,874	8,229,322	7,314,667	78,144,640	72,374,541
Expenses:						
General Government	3,899,675	3,659,342	—	—	3,899,675	3,659,342
Education	17,873,724	16,863,177	—	—	17,873,724	16,863,177
Transportation	7,403,478	6,799,209	—	—	7,403,478	6,799,209
Resources and Economic Development	2,115,322	1,737,365	—	—	2,115,322	1,737,365
Individual and Family Services	30,790,097	30,192,055	—	—	30,790,097	30,192,055
Administration of Justice	3,993,657	3,714,460	—	—	3,993,657	3,714,460
Interest and Charges on Long-term Debt	282,678	309,967	—	—	282,678	309,967
Virginia Lottery	—	—	4,574,576	3,736,692	4,574,576	3,736,692
Virginia College Savings Plan	—	—	222,653	220,775	222,653	220,775
Unemployment Compensation	—	—	275,429	191,441	275,429	191,441
Alcoholic Beverage Control	—	—	1,020,997	1,021,781	1,020,997	1,021,781
Risk Management	—	—	11,981	5,869	11,981	5,869
Local Choice Health Care	—	—	550,938	524,575	550,938	524,575
Line of Duty	—	—	22,561	23,482	22,561	23,482
Advantage Vanpool Self Insurance Fund	—	—	145	183	145	183
Virginia Industries for the Blind	—	—	47,023	44,676	47,023	44,676
Consolidated Laboratory	—	—	14,575	13,791	14,575	13,791
eVA Procurement System	—	—	26,132	34,494	26,132	34,494
Department of Environmental Quality Title V	—	—	12,966	11,809	12,966	11,809
Wireless E-911	—	—	62,003	51,132	62,003	51,132
Museum and Library Gift Shops	—	—	9,076	8,125	9,076	8,125
Behavioral Health Canteen and Work Activity	—	—	283	272	283	272
Total Expenses	66,358,631	63,275,575	6,851,338	5,889,097	73,209,969	69,164,672
Excess before transfers	3,556,687	1,784,299	1,377,984	1,425,570	4,934,671	3,209,869
Transfers	1,226,145	1,122,156	(1,226,145)	(1,122,156)	—	—
Increase in net position	4,782,832	2,906,455	151,839	303,414	4,934,671	3,209,869
Net position, July 1, as restated	42,400,241	39,343,028	3,356,003	3,052,003	45,756,244	42,395,031
Net position, June 30	$ 47,183,073	$ 42,249,483	$ 3,507,842	$ 3,355,417	$ 50,690,915	$ 45,604,900

Governmental Activities Revenues

Figure 13 is a graphical representation of the Statement of Activities revenues for governmental activities. Governmental activities revenues increased by $4.9 billion, or 7.5 percent. The net increase is mainly attributable to increases in the General Fund (see page 34).

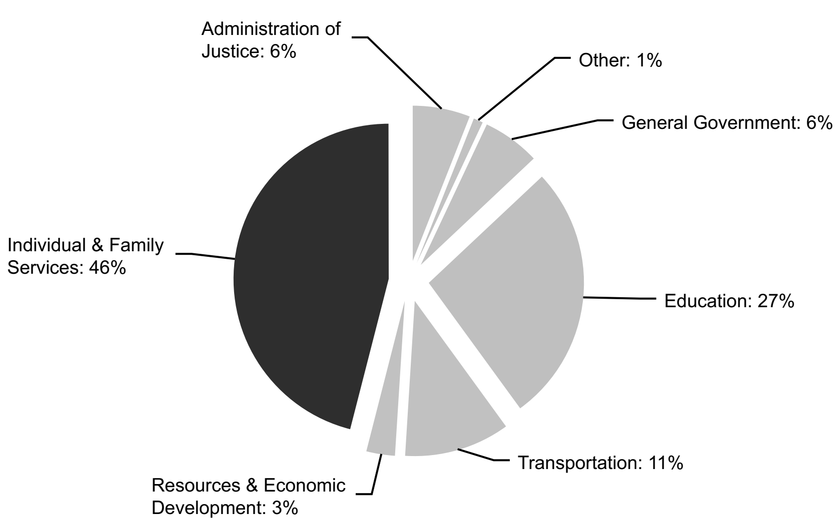
Figure 13
Revenues by Source – Governmental Activities
Fiscal Year 2024



Governmental Activities Expenses

Figure 14 is a graphical representation of the Statement of Activities expenses for governmental activities. Governmental activities expenses increased by $3.1 billion, or 4.9 percent. While there were increases in multiple expense types, the largest increase was in Education. See pages 34 and 35 for additional information.

Figure 14
Expenses by Type – Governmental Activities
Fiscal Year 2024



Net Position of Business-type Activities

Net position of business-type activities increased by $152.4 million during the fiscal year. As shown in **Figure 15**, highlights of the changes in net position for the major enterprise funds were as follows:

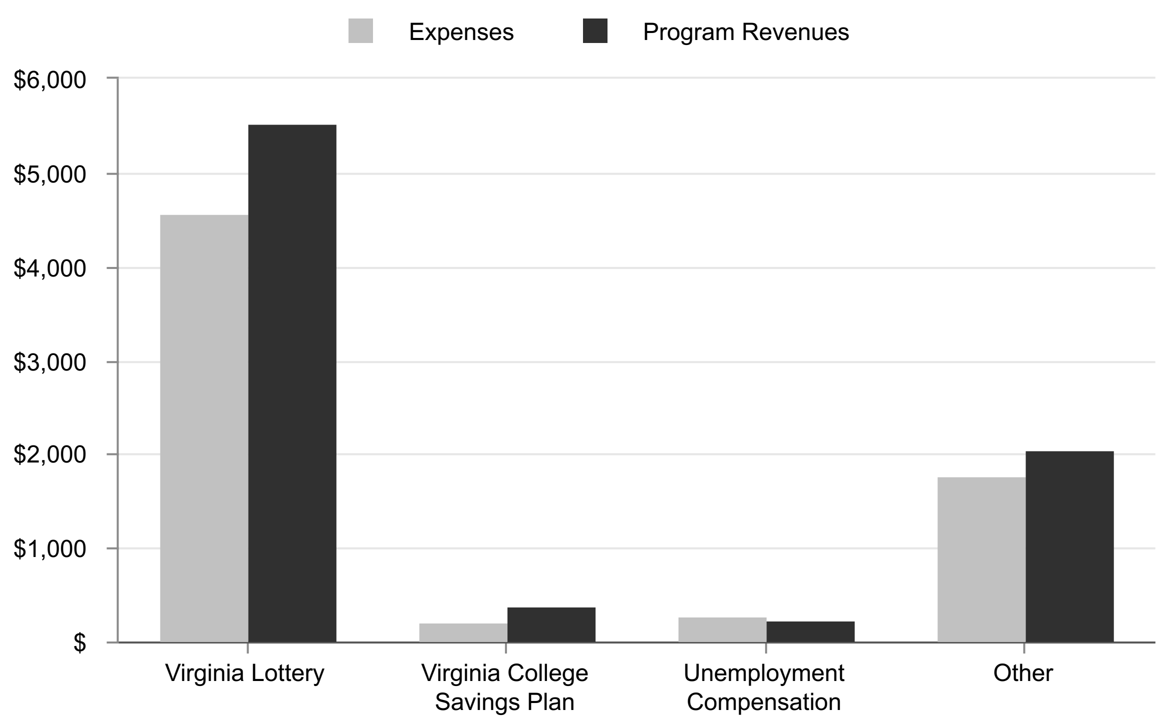
- Lottery sales were $5.5 billion, an increase of $909.0 million over the prior year. Income before transfers was $956.6 million, an increase of $74.0 million (8.4 percent) from fiscal year 2023. Sales of scratch games increased by $32.4 million (2.5 percent) and non-scratch game sales increased by $876.7 million (26.3 percent). Total expenses also increased by $840.3 million (22.5 percent), primarily attributable to the cost of prizes.

- Virginia College Savings Plan's net position increased by $160.8 million (9.7 percent) during the fiscal year as a result of total revenues exceeding incurred expenses. While Prepaid529 is closed to new participants, existing customers are still being serviced. Additionally, the Tuition Track Portfolio activity grew during fiscal year 2024 and is expected to continue growing in future years. However, the current year change was not significant to the total fund change. During the fiscal year, the majority of the net position increase is attributed to the long-term investment gains as compared to the previous year.

- Unemployment Compensation Fund net position decreased by $33.7 million during fiscal year 2024, as a result of benefits paid exceeding operating revenues.

  Over the one-year period from July 1, 2023, to June 30, 2024, the unemployment rate average was 2.9 percent. The amount of overall individuals receiving unemployment claims increased by 35,665 and the average benefit duration increased from 10.1 weeks to 12.2 weeks. Additionally, there was an increase in the average weekly benefit amounts from approximately $344.74 to $345.85 in fiscal year 2024. These multiple influences led to an increase in the total benefit payments of $84.0 million over the prior year.

Figure 15
Business-type Activities
Program Revenues and Expenses
Fiscal Year 2024
(Dollars in Thousands)



Fund Statements Financial Analysis

As of the end of the fiscal year, the primary government's governmental funds reported combined ending fund balances of $25.6 billion. The fund balance includes nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

General Fund Highlights

At the end of the fiscal year, the General Fund reported a combined ending fund balance of $14.9 billion, an increase of $2.4 billion in comparison with the prior year. Of this total fund balance, $151.0 million represents nonspendable fund balance, $2.9 billion represents restricted fund balance, $9.0 billion represents committed fund balance, and $2.8 billion represents assigned fund balance.

Fiscal year 2024 General Fund revenues were 15.7 percent, or $4.5 billion, higher than fiscal year 2023 revenues. This revenue change was due primarily to an overall increase in taxes collected of $3.8 billion, which was primarily attributable to a growth in employment and wages paired with a decrease in refunds due to policy changes within individual and fiduciary income taxes. This was coupled with an increase in interest, dividends, and rents of $705.3 million which was due to overall market interest rates.

Fiscal year 2024 expenditures increased by 9.4 percent, or $2.7 billion, when compared to fiscal year 2023. While most expenditures categories increased during fiscal year 2024, the largest increases were primarily attributable to education and individual and family services expenditures of $994.8 million and $1.2 billion, respectively. Net other financing sources and uses decreased by $257.2 million, which is primarily due to higher transfers out to other funds offset by an increased transfers in from other funds coupled with an increase in issuance of long-term subscription-based information technology arrangements (SBITAs).

Budget Highlights

The General Fund began the year with an original revenue budget that was $2.5 billion, or 9.3 percent, higher than the final fiscal year 2023 revenue budget. Additionally, the final revenue budget was higher ($984.3 million) than the original budget. The change between the original and final budget was primarily attributable to increases in the final budget for interest, dividends, and rents ($565.2 million) and corporation income ($423.2 million). Total actual General Fund revenues were higher than final budgeted revenues by $1.4 billion primarily due to individual and fiduciary income taxes ($1.2 billion), interest, dividends, and rents ($290.8 million), and sales use taxes ($216.9 million) which were offset by decreases in corporation income ($306.4 million).

Total final budget expenditures were higher than original budget expenditures by $4.7 billion, or 15.3 percent. This change between the original and final budget was primarily attributable to increases of budgeted expenditures for education of $1.9 billion, resources and economic development of $1.1 billion, capital outlay of $898.3 million, general government of $533.4 million, and administration of justice of $352.7 million. This was offset by decreases for individual and family services of $147.9 million.

The Commonwealth spent less than planned so actual expenditures were $4.0 billion, or 11.4 percent, lower than final budget expenditures. This was primarily attributable to capital outlay ($1.2 billion), resources and economic development ($978.5 million), education ($876.1 million), general government ($398.2 million), and individual and family services ($224.6 million).

Budget Outlook

For the third straight year, Virginia experienced economic growth in its recovery from the effects of the COVID-19 pandemic. Employment rates continued to rise, albeit at a slower rate, and real personal income increased during the fiscal year. The state's unemployment rate remained steady in both metropolitan and non-metropolitan areas. Some state economic activity measures, such as real taxable sales and residential building permits, continued to decline, however. Housing prices continued to outpace inflation, as available home inventories remained below normal levels. During fiscal year 2024, the two General Fund revenue sources that are most closely tied to current economic activity are individual income taxes and retail sales taxes. Individual income taxes increased by $1.3 billion, which was offset by retail sales taxes, decreasing by $24.9 million. The individual income tax collections were more than the estimated revenue by $1.2 billion (6.5 percent), and the retail sales taxes were more than the estimated revenue by $193.9 million (4.3 percent).

The fiscal year 2024 revenue collections exceeded the fiscal year 2024 collections estimate and increased from the fiscal year 2023 collections. Based on the most recent General Fund revenue estimate, the fiscal year 2025 revenue is projected to decrease by 3.0 percent when compared to the fiscal year 2024 revenue collections. This projected planned decrease is primarily a result of the economic uncertainty that is associated with leading economic indicators suggesting continued growth, albeit at a moderated pace. The Governor will release his amendments to the 2024-2025 biennial budget on December 18, 2024.

Major Special Revenue Fund Highlights

The Commonwealth Transportation Fund ended the fiscal year with a fund balance of $5.8 billion. Approximately $5.4 billion is contractually committed for various highways, public transportation, and rail preservation projects; $1.8 billion for individual contracts awarded with a contract value of $1.0 million or more for operational and tolling services, facilities, and other non-highway construction-type contracts (see Note 21). Additionally, revenues increased $275.1 million, or 3.2 percent, and expenditures increased $680.1 million, or 9.1 percent. The revenue increase was primarily due to increases in interest income of $150.2 million, or 111.6 percent, increases in receipts from localities of $142.5 million, or 30.0 percent, and tax collections of $134.1 million, or 2.4 percent, offset by a decrease in federal support of $236.4 million, or 16.8 percent. Expenditures increased mainly for highway maintenance, acquisition, and construction for $630.2 million and capital outlay for $41.0 million.

The Federal Trust Fund balance increased by $15.2 million, or 7.3 percent during the current year. The change is primarily due to an increase in non-reimbursement based grants relating to low-income home energy assistance and an increase in donated vaccines from the U.S Department of Health. The change in Federal Grants and Contracts ($245.8 million) is mainly attributed to decreases in funding received from the federal government for Medicaid and COVID-19. The Other revenue ($167.8 million) decrease is associated with timing of Medicaid Rebate collections. Expenditures decreased ($597.6 million) primarily due to Medicaid spending. Net other financing sources and uses experienced a decrease of $24.5 million, or 97.7 percent, primarily attributable to the reduction in long term Subscription-Based Information Technology Arrangements issued which decreased by $26.9 million or 84.2 percent. This was offset by higher transfers out to other funds.

The Literary Fund ending balance increased by $231.9 million, or 70.2 percent. The change is primarily due to transfers from unclaimed property and lottery for $220.5 million. Revenue exceeded expenditures by $11.4 million in fiscal year 2024, which is $24.9 million more than fiscal year 2023. Additionally, loans of $195.3 million owed to the Virginia Public School Authority (major component unit) increased by $3.6 million, or 1.9 percent.

Capital Asset and Long-term Debt

Capital Assets. The primary government's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to $42.0 billion (net of accumulated depreciation and amortization totaling $21.2 billion). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, construction-in-progress, and intangible assets including water rights, easements, and software, as well as intangible right-to-use assets. Infrastructure assets are items that are normally immovable such as roads, bridges, drainage systems, and other similar assets. The increase in the primary government's net investment in capital assets was primarily attributable to the addition of infrastructure of $1.2 billion. The primary government reports equipment with a value of $50,000 or greater (individually or in aggregate) and an expected useful life of two or more years. The primary government capitalizes all land, buildings, infrastructure, and non right-to-use intangible assets that have a cost or value greater than $100,000, and an expected useful life of two or more years. In addition, the primary government reports right-to-use intangible assets of equipment, land, and buildings with a present value of $50,000 or greater, subscription-based information technology arrangements with a present value of $5,000 or greater and an expected useful life of greater than one year. Additional information on the primary government's capital assets can be found in Note 13, Capital Assets.

Figure 16
Capital Assets as of June 30, 2024
(Net of Depreciation and Amortization)
(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total
Land	$ 4,111,180	$ 11,033	$ 4,122,213
Buildings	3,105,545	55,743	3,161,288
Equipment	752,034	38,204	790,238
Water Rights/Easements	127,868	—	127,868
Infrastructure	28,130,149	—	28,130,149
Intangible Assets	533,597	15,829	549,426
Right-to-Use Intangible Assets	648,398	397,791	1,046,189
Construction-in-Progress	4,021,519	2,588	4,024,107
Total	$ 41,430,290	$ 521,188	$ 41,951,478

Long-term Debt. The Commonwealth is prohibited from issuing general obligation bonds for operating purposes. At the end of the current fiscal year, the Commonwealth had total debt outstanding of $57.5 billion, including total tax-supported debt of $23.2 billion and total debt not supported by taxes of $34.3 billion. Bonds backed by the full faith and credit of the government and tax-supported total $1.1 billion. Debt is considered tax-supported if Commonwealth tax revenues are used or pledged for debt service payments. An additional $918.0 million is considered moral obligation debt which is not tax-supported. The Commonwealth has no direct or indirect pledge of tax revenues to fund reserve deficiencies. However, in some cases, the Commonwealth has made a moral obligation pledge to consider funding deficiencies in debt service reserves that may occur. The remainder of the Commonwealth's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

During fiscal year 2024, the Commonwealth issued $6.0 billion of new debt for various projects. Of this new debt, $1.4 billion was for the primary government and $4.6 billion for the component units. Additional information on the Commonwealth's outstanding debt can be found in Note 27, Long-Term Liabilities, as well as in the Debt Schedules beginning on page 314. The Commonwealth maintains a "triple A" bond rating for general obligation debt from the three rating agencies: Moody's Investors Service, S & P Global Ratings, and Fitch Ratings.

State statutes limit the amount of general obligation debt the Commonwealth may issue for each specific type of debt. The 9(a) bonds, which may be issued to fund the defense of the Commonwealth, to meet casual deficits in revenue or in anticipation of the collection of revenues, or to redeem previous debt obligations, are limited to 30.0 percent of 1.15 times the annual tax revenues for fiscal year 2024. The 9(b) bonds, which have been authorized by the citizens of Virginia through bond referenda to finance capital projects, are limited to 1.15 times the average of selected tax revenues for fiscal years 2022, 2023, and 2024. The 9(c) bonds, which have been issued to finance capital projects that will generate revenue upon their completion, are limited to 1.15 times the average of selected tax revenues for fiscal years 2022, 2023, and 2024. The current debt limitation for the Commonwealth is shown below for the 9(a), 9(b), and 9(c) general obligation bond issues. These limits significantly exceed the Commonwealth's outstanding general obligation debt.

Figure 17
Debt Issuance Margin and Outstanding Debt as of June 30, 2024
General Obligation Bonds
(Dollars in Thousands)

		Outstanding Debt			
		Primary Government			
	Debt Issuance Margin	Governmental Activities	Business-type Activities	Total	Component Units
General obligation bonds					
9(a)	$ 9,487,834	$ —	$ —	$ —	$ —
9(b)	31,035,996	120,065	—	120,065	—
9(c)	30,223,034	3,582	—	3,582	929,445
Total		$ 123,647	$ —	$ 123,647	$ 929,445

Economic Factors and Review

Virginia's economy continued its path of employment growth in fiscal year 2024, although the rate of increase at 1.8 percent represented a slowing from the 2.9 percent the year before. Real personal incomes increased by 3.0 percent, due in large part to the role of the increase in real wages and salaries. Other economic metrics were not as favorable. Real taxable sales decreased by 1.0 percent, perhaps due to continued trends in post-pandemic consumer spending. Virginia housing market activity adjusted slightly to the effects of rising mortgage interest rates. Existing home sales and residential building permit issuance decreased at a slower rate than the prior year. Although housing price appreciation slowed, limited inventory continued to affect housing prices. Inflation began to ease some by the end of fiscal year 2024. Continued restrictive monetary policies by the Federal Reserve helped slow inflation during fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of the Commonwealth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the State Comptroller's Office, Commonwealth of Virginia, P. O. Box 1971, Richmond, Virginia 23218. This report is also available for download at www.doa.virginia.gov.

The Commonwealth's component units issue their own separate financial statements. Contact information regarding each component unit is provided in Note 1.B.

Government-wide Financial Statements

Statement of Net Position

June 30, 2024

(Dollars in Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents (Notes 1 and 7)	$ 15,532,323	$ 2,437,582	$ 17,969,905	$ 4,955,739
Investments (Notes 1 and 7)	15,720,009	2,920,529	18,640,538	18,918,261
Assets Held Pending Distribution (Note 1)	4,927	192,721	197,648	—
Receivables, Net (Notes 1 and 8)	11,168,366	302,185	11,470,551	3,101,780
Contributions Receivable, Net (Notes 1 and 9)	—	—	—	610,568
Internal Balances (Note 1)	152,186	(152,186)	—	—
Due from Primary Government (Note 10)	—	—	—	988,643
Due from Component Units (Note 10)	38,839	—	38,839	83,875
Due from External Parties (Fiduciary Funds) (Note 10)	624	—	624	—
Inventory (Note 1)	292,682	115,596	408,278	223,138
Prepaid Items (Note 1)	449,616	5,956	455,572	204,915
Other Assets (Notes 1 and 11)	5,436	466	5,902	288,470
Loans Receivable from Primary Government (Notes 1 and 10)	—	—	—	195,335
Restricted Cash and Cash Equivalents (Notes 7 and 12)	1,524,489	—	1,524,489	4,629,035
Restricted Investments (Notes 7 and 12)	489,301	—	489,301	10,043,166
Restricted Receivables, Net (Note 12)	—	—	—	15,917,172
Other Restricted Assets (Note 12)	187,077	8,863	195,940	566,804
Nondepreciable Capital Assets (Notes 1 and 13)	12,227,674	13,621	12,241,295	6,053,132
Other Capital Assets, Net (Notes 1 and 13)	29,202,616	507,567	29,710,183	25,921,709
Total Assets	86,996,165	6,352,900	93,349,065	92,701,742
Deferred Outflows of Resources (Notes 1, 14, 15, 16, and 18)	1,780,038	60,606	1,840,644	1,072,385
Total Assets and Deferred Outflows of Resources	$ 88,776,203	$ 6,413,506	$ 95,189,709	$ 93,774,127
Liabilities and Deferred Inflows of Resources				
Accounts Payable (Notes 1 and 25)	1,794,799	140,143	1,934,942	1,790,375
Amounts Due to Other Governments	2,530,383	78,890	2,609,273	137,797
Due to Primary Government (Note 10)	—	—	—	38,839
Due to Component Units (Note 10)	988,643	—	988,643	83,875
Due to External Parties (Fiduciary Funds) (Note 10)	39,159	1,503	40,662	36,623
Unearned Revenue (Note 1)	2,342,421	8,051	2,350,472	816,035
Obligations Under Securities Lending (Notes 1 and 7)	3,270,599	159,604	3,430,203	125,154
Due to Claimants, Participants, Escrows and Providers (Note 1)	362,548	149,336	511,884	—
Other Liabilities (Notes 1, 15, and 26)	4,348,248	146,982	4,495,230	2,226,664
Loans Payable to Component Units (Notes 1 and 10)	195,335	—	195,335	—
Insurance Claims Payable (Notes 1 and 24):				
Due Within One Year	197,048	64,082	261,130	22,689
Due in More Than One Year	316,164	31,216	347,380	32,900
Long-term Liabilities (Notes 1, 22, 23, and 27):				
Due Within One Year	858,201	240,672	1,098,873	2,259,792
Due in More Than One Year	14,980,840	1,858,186	16,839,026	37,316,592
Total Liabilities	32,224,388	2,878,665	35,103,053	44,887,335
Deferred Inflows of Resources (Notes 1, 14, 15, 16, 18, and 38)	9,368,742	26,999	9,395,741	1,071,645
Total Liabilities and Deferred Inflows of Resources	$ 41,593,130	$ 2,905,664	$ 44,498,794	$ 45,958,980

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net Position				
Net Investment in Capital Assets	27,893,515	113,820	28,007,335	17,309,996
Restricted For:				
Nonexpendable:				
Higher Education	—	—	—	6,368,276
Permanent Funds	48,843	—	48,843	—
Other	—	—	—	192,803
Expendable:				
Agriculture and Forestry	11,552	—	11,552	—
Bond Indenture	—	—	—	3,327,419
Capital Projects/Construction/Capital Acquisition	23,100	—	23,100	2,792,701
Contract and Debt Administration	15,813	—	15,813	—
COVID-19	9,287	—	9,287	—
Debt Service	75,684	—	75,684	188,477
Economic and Technological Development	158	—	158	—
Educational and Training Programs	4,195	—	4,195	—
Employee Benefit Administration	6,583	—	6,583	—
Environmental Quality and Natural Resource Preservation	13,526	—	13,526	—
Gifts and Grants	114,378	—	114,378	235,035
Health and Public Safety	230,428	—	230,428	—
Higher Education	—	—	—	10,974,632
Literary Fund	590,287	—	590,287	—
Lottery Proceeds Fund	99,905	—	99,905	—
Net Other Postemployment Benefit - Virginia Sickness and Disability Program	189,545	8,100	197,645	120,888
Permanent Funds	2,234	—	2,234	—
Revenue Stabilization Fund	2,767,048	—	2,767,048	—
Transportation Activities	1,749,646	—	1,749,646	—
Unclaimed and Escheats	97,853	—	97,853	—
Unemployment Compensation Trust Fund	—	1,463,031	1,463,031	—
Virginia Pooled Investment Program	—	—	—	7,959
Virginia Water Supply Assistance Grant Fund	11,961	—	11,961	—
Other	3,392	—	3,392	74,651
Unrestricted	13,224,140	1,922,891	15,147,031	6,222,310
Total Net Position	$ 47,183,073	$ 3,507,842	$ 50,690,915	$ 47,815,147

Statement of Activities

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

		Program Revenues		
	Expenses	Charges for Services (Note 1)	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government				
Governmental Activities				
General Government	$ 3,899,675	$ 391,540	$ 423,433	$ 61,455
Education	17,873,724	790,738	2,795,039	4,534
Transportation	7,403,478	951,521	87,761	1,729,411
Resources and Economic Development	2,115,322	669,572	289,896	13,136
Individual and Family Services	30,790,097	442,099	20,254,873	419
Administration of Justice	3,993,657	290,593	189,636	—
Interest and Charges on Long-term Debt	282,678	—	—	—
Total Governmental Activities	66,358,631	3,536,063	24,040,638	1,808,955
Business-type Activities				
Virginia Lottery	4,574,576	5,520,908	431	—
Virginia College Savings Plan	222,653	382,813	217	—
Unemployment Compensation	275,429	244,014	1,119	—
Alcoholic Beverage Control	1,020,997	1,258,372	1,601	—
Risk Management	11,981	15,256	13	—
Local Choice Health Care	550,938	565,586	19	—
Line of Duty	22,561	22,474	—	—
Advantage Vanpool Self Insurance Fund	145	680	—	—
Virginia Industries for the Blind	47,023	47,155	44	—
Consolidated Laboratory	14,575	17,613	56	—
eVA Procurement System	26,132	28,232	59	—
Department of Environmental Quality Title V	12,966	12,871	103	—
Wireless E-911	62,003	80,223	16	—
Museum and Library Gift Shops	9,076	9,583	31	—
Behavioral Health Canteen and Work Activity	283	299	—	—
Total Business-type Activities	6,851,338	8,206,079	3,709	—
Total Primary Government	$ 73,209,969	$ 11,742,142	$ 24,044,347	$ 1,808,955
Component Units				
Virginia Housing Development Authority	$ 638,469	$ 423,179	$ 181,296	$ —
Virginia Public School Authority	143,526	135,011	7,421	—
Virginia Resources Authority	139,019	105,586	52,677	323,401
Virginia College Building Authority	771,563	46,038	41,803	16,369
Nonmajor	21,309,334	13,982,655	4,237,885	1,556,562
Total Component Units	$ 23,001,911	$ 14,692,469	$ 4,521,082	$ 1,896,332

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (3,023,247)	$ —	$ (3,023,247)	$ —
(14,283,413)	—	(14,283,413)	—
(4,634,785)	—	(4,634,785)	—
(1,142,718)	—	(1,142,718)	—
(10,092,706)	—	(10,092,706)	—
(3,513,428)	—	(3,513,428)	—
(282,678)	—	(282,678)	—
(36,972,975)	—	(36,972,975)	—
—	946,763	946,763	—
—	160,377	160,377	—
—	(30,296)	(30,296)	—
—	238,976	238,976	—
—	3,288	3,288	—
—	14,667	14,667	—
—	(87)	(87)	—
—	535	535	—
—	176	176	—
—	3,094	3,094	—
—	2,159	2,159	—
—	8	8	—
—	18,236	18,236	—
—	538	538	—
—	16	16	—
—	1,358,450	1,358,450	—
$ (36,972,975)	$ 1,358,450	$ (35,614,525)	$ —
$ —	$ —	$ —	$ (33,994)
—	—	—	(1,094)
—	—	—	342,645
—	—	—	(667,353)
—	—	—	(1,532,232)
—	—	—	(1,892,028)

Continued on next page

Statement of Activities *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
General Revenues				
Taxes				
Individual and Fiduciary Income	$ 21,673,352	$ —	$ 21,673,352	$ —
Sales and Use	7,431,702	—	7,431,702	—
Corporation Income	2,003,036	—	2,003,036	—
Motor Fuel	2,013,651	—	2,013,651	—
Motor Vehicle Sales and Use	1,217,641	—	1,217,641	—
Communications Sales and Use	277,098	—	277,098	—
Deeds, Contracts, Wills, and Suits	499,016	—	499,016	—
Premiums of Insurance Companies	694,249	—	694,249	—
Alcoholic Beverage Sales	243,339	—	243,339	—
Tobacco Products	226,778	—	226,778	—
Public Service Corporations	123,868	—	123,868	—
Beer and Beverage Excise	38,467	—	38,467	—
Wine and Spirits/ABC Liter	30,674	—	30,674	—
Bank Stock	26,271	—	26,271	—
Other Taxes	2,065,828	9,141	2,074,969	—
Operating Appropriations from Primary Government	—	—	—	4,053,693
Unrestricted Grants and Contributions	54,419	—	54,419	306,637
Investment Earnings (Note 1)	1,453,826	9,796	1,463,622	1,402,220
Miscellaneous	456,447	597	457,044	295,536
Transfers	1,226,145	(1,226,145)	—	—
Contributions to Permanent and Term Endowments	—	—	—	348,243
Total General Revenues, Transfers, and Contributions	41,755,807	(1,206,611)	40,549,196	6,406,329
Change in Net Position	4,782,832	151,839	4,934,671	4,514,301
Net Position, July 1, as restated (Note 2)	42,400,241	3,356,003	45,756,244	43,300,846
Net Position, June 30	$ 47,183,073	$ 3,507,842	$ 50,690,915	$ 47,815,147

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

Governmental Funds

General Fund

The General Fund accounts for transactions related to resources received and used for those services traditionally provided by a state government, which are not accounted for in any other fund.

Special Revenue Funds

Special Revenue Funds account for specific revenue sources that are restricted or committed to finance particular functions and activities of the Commonwealth.

The Commonwealth Transportation Fund accounts for the revenues and expenditures associated with highway operations, maintenance, construction, and other transportation related activities. Funding for these programs is provided from highway user taxes, fees, and funds received from the federal government.

The Federal Trust Fund accounts for all federal dollars, including the COVID-19 funding, received by the Commonwealth except those received by the Commonwealth Transportation Fund, the Unemployment Compensation Fund, certain Medicaid reimbursements recorded in the General Fund, the Grant Anticipation Revenue Notes and Build America Bond Subsidies reported in the Debt Service Fund, and institutions of higher education. The entire fund is restricted pursuant to federal regulations.

The Literary Fund accounts for revenues from fines, forfeitures, and proceeds from unclaimed property used primarily to support public education in the Commonwealth. This fund provides low interest loans to school divisions for construction, renovations, and expansion of school buildings. The entire fund is constitutionally restricted for public schools.

Nonmajor Governmental Funds include those Special Revenue, Debt Service, Capital Projects, and Permanent Funds listed on page 247 in the Combining and Individual Fund Statements and Schedules section of this report.

Balance Sheet - Governmental Funds

June 30, 2024

(Dollars in Thousands)

	General	Special Revenue: Commonwealth Transportation	Special Revenue: Federal Trust	Special Revenue: Literary
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents (Notes 1 and 7)	$ 2,320,694	$ 7,140,096	$ 1,942,084	$ 799,525
Investments (Notes 1 and 7)	15,383,755	—	27,384	—
Assets Held Pending Distribution (Note 1)	—	231	—	—
Receivables, Net (Notes 1 and 8)	3,766,644	2,560,559	3,741,858	87,691
Due from Other Funds (Note 10)	92,480	59,527	655	1,046
Due from Component Units (Note 10)	—	34	—	—
Due from External Parties (Fiduciary Funds) (Note 10)	132	—	—	—
Interfund Receivable (Note 10)	—	—	—	—
Inventory (Note 1)	46,824	118,636	101,428	—
Prepaid Items (Note 1)	104,159	156,928	6,793	—
Other Assets (Notes 1 and 11)	1,398	280	3,090	—
Restricted Cash and Cash Equivalents (Notes 7 and 12)	—	176,443	—	—
Total Assets	21,716,086	10,212,734	5,823,292	888,262
Deferred Outflows of Resources (Notes 1 and 14)	203	—	—	—
Total Assets and Deferred Outflows of Resources	$ 21,716,289	$ 10,212,734	$ 5,823,292	$ 888,262
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts Payable (Notes 1 and 25)	$ 576,530	$ 573,527	$ 186,844	$ —
Amounts Due to Other Governments	545,723	265,700	1,109,338	1
Due to Other Funds (Note 10)	44,040	90,062	15,949	—
Due to Component Units (Note 10)	45,662	35,724	735	—
Due to External Parties (Fiduciary Funds) (Note 10)	25,530	6,493	3,455	—
Interfund Payable (Note 10)	18,000	4,700	49,214	—
Unearned Revenue (Note 1)	—	364,071	1,667,868	—
Obligations Under Securities Lending Program (Notes 1 and 7)	2,304,864	607,496	10,791	102,612
Due to Claimants, Participants, Escrows and Providers (Note 1)	—	—	2,207	—
Other Liabilities (Notes 1 and 26)	1,642,749	36,362	2,163,778	—
Loans Payable to Component Units (Notes 1 and 10)	—	—	—	195,335
Long-term Liabilities Due Within One Year (Notes 1, 22, and 27)	1,688	776	258	—
Total Liabilities	5,204,786	1,984,911	5,210,437	297,948
Deferred Inflows of Resources (Notes 1, 14, and 38)	1,624,163	2,397,920	389,135	27,831
Total Liabilities and Deferred Inflows of Resources	6,828,949	4,382,831	5,599,572	325,779
Fund Balances (Notes 1 and 3):				
Nonspendable	150,983	275,564	108,221	—
Restricted	2,878,914	241,298	115,499	562,483
Committed	9,049,677	5,312,056	—	—
Assigned	2,807,766	985	—	—
Total Fund Balances	14,887,340	5,829,903	223,720	562,483
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 21,716,289	$ 10,212,734	$ 5,823,292	$ 888,262

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 3,688,941	$ 15,891,340
798,171	16,209,310
4,696	4,927
926,450	11,083,202
70,239	223,947
—	34
217	349
341,343	341,343
6,516	273,404
166,830	434,710
668	5,436
—	176,443
6,004,071	44,644,445
—	203
$ 6,004,071	$ 44,644,648
$ 114,836	$ 1,451,737
17,147	1,937,909
61,665	211,716
1,247	83,368
3,067	38,545
20,000	91,914
226,668	2,258,607
161,683	3,187,446
358,898	361,105
429,513	4,272,402
—	195,335
232	2,954
1,394,956	14,093,038
499,639	4,938,688
1,894,595	19,031,726
222,189	756,957
2,162,283	5,960,477
1,668,117	16,029,850
56,887	2,865,638
4,109,476	25,612,922
$ 6,004,071	$ 44,644,648

Reconciliation of the Balance Sheet – Governmental Funds to the Government-wide Statement of Net Position

June 30, 2024

(Dollars in Thousands)

Total fund balances - governmental funds (see Balance Sheet - Governmental Funds)	$	25,612,922
When the amount employers have paid into an other post-employment benefit (OPEB) plan combined with the plan's assets exceeds the amount that is required to pay the actuarially determined future benefits, the cost of employer contributions are reported as expenditures in the governmental funds. However, the Statement of Net Position includes the Net OPEB asset among the assets of the primary government as a whole.		183,826
When capital assets (land, buildings, equipment, construction-in-progress, intangible assets, right-to-use intangible assets, and/or infrastructure) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the primary government as a whole.		
Nondepreciable Capital Assets		12,225,908
Other Capital Assets		28,682,874
Assets to be received for Long-term Debt Service requirements are not reported in the fund statements.		22,581
Deferred outflows associated with pension and other postemployment benefit related costs are long-term in nature and, therefore, not reported in the funds.		1,744,190
Deferred outflows associated with loss on debt refundings are long-term in nature and, therefore, not reported in the funds.		16,161
Long-term liabilities applicable to the primary government's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Net Pension Liability		(3,703,078)
Net OPEB Liability		(760,505)
Total OPEB Liability		(188,106)
Long-term Leases		(65,647)
Long-term SBITAs		(190,990)
Installment Purchases		(56,329)
Compensated Absences		(374,931)
Uninsured Employer's Fund		(23,569)
Bonds		(9,962,749)
Accrued Interest Payable		(74,916)
Pollution Remediation Liability		(4,115)
Internal service funds are used by the primary government to charge costs to individual funds. The assets and deferred outflows, and liabilities and deferred inflows of internal service funds are included in governmental activities in the Statement of Net Position.		201,048
Other long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(1,683,819)
Deferred inflows are not available to pay for current period expenditures and, therefore, are not reported in the funds.		2,631,301
Deferred inflows associated with Service Concession Arrangements capital assets are long-term in nature and, therefore, not reported in the funds.		(5,805,518)
Deferred inflows associated with pension and other postemployment benefit related costs are long-term in nature and, therefore, not reported in the funds.		(1,183,829)
Deferred inflows associated with gain on debt refundings are long-term in nature and, therefore, not reported in the funds.		(59,637)
Net position of governmental activities (see Government-wide Statement of Net Position)	$	47,183,073

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

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	General	Special Revenue: Commonwealth Transportation	Special Revenue: Federal Trust	Special Revenue: Literary
Revenues				
Taxes	$ 30,902,342	$ 5,820,218	$ —	$ —
Rights and Privileges	120,541	851,526	4	778
Institutional Revenue	39,326	—	38	—
Interest, Dividends, Rents, and Other Investment Income (Note 1)	1,255,816	284,805	4,991	44,291
Federal Grants and Contracts	13,853	1,174,826	22,712,471	—
Other (Note 28)	543,168	759,444	488,235	40,295
Total Revenues	32,875,046	8,890,819	23,205,739	85,364
Expenditures				
Current:				
General Government	2,777,821	100,264	328,417	4,045
Education	13,694,848	1,744	2,694,011	69,932
Transportation	32,822	7,951,598	21,100	—
Resources and Economic Development	946,076	26,039	524,044	—
Individual and Family Services	9,459,626	—	19,419,257	—
Administration of Justice	3,686,906	10,806	147,814	—
Capital Outlay	395,616	78,952	41,197	—
Debt Service:				
Principal Retirement	24,589	14,370	13,504	—
Interest and Charges	4,675	1,473	1,792	—
Total Expenditures	31,022,979	8,185,246	23,191,136	73,977
Revenues Over (Under) Expenditures	1,852,067	705,573	14,603	11,387
Other Financing Sources (Uses)				
Transfers In (Note 34)	1,271,952	334,285	6,493	220,538
Transfers Out (Note 34)	(806,085)	(568,593)	(11,063)	—
Notes Issued	2,887	—	—	—
Insurance Recoveries	2	4	109	—
Long-term Leases Issued	2,266	1,917	—	—
Long-term SBITAs Issued	43,262	6,477	5,044	—
Bonds Issued	—	14,959	—	—
Premium on Debt Issuance	—	—	—	—
Refunding Bonds Issued	—	—	—	—
Sale of Capital Assets	3,274	10,522	—	—
Payment to Refunded Bond Escrow Agents	—	—	—	—
Total Other Financing Sources (Uses)	517,558	(200,429)	583	220,538
Net Change in Fund Balances	2,369,625	505,144	15,186	231,925
Fund Balance, July 1	12,517,715	5,324,759	208,534	330,558
Fund Balance, June 30	$ 14,887,340	$ 5,829,903	$ 223,720	$ 562,483

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,757,389	$ 38,479,949
393,079	1,365,928
133,385	172,749
215,326	1,805,229
132,793	24,033,943
1,277,758	3,108,900
3,909,730	68,966,698
239,993	3,450,540
41,517	16,502,052
15,592	8,021,112
586,097	2,082,256
2,145,370	31,024,253
130,772	3,976,298
969,009	1,484,774
503,666	556,129
371,280	379,220
5,003,296	67,476,634
(1,093,566)	1,490,064
1,136,136	2,969,404
(340,042)	(1,725,783)
—	2,887
393	508
94	4,277
75,179	129,962
487,524	502,483
108,642	108,642
590,295	590,295
160	13,956
(662,089)	(662,089)
1,396,292	1,934,542
302,726	3,424,606
3,806,750	22,188,316
$ 4,109,476	$ 25,612,922

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Government-wide Statement of Activities

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

Net Change in fund balances - total government funds (See Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds)	$ 3,424,606
When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation and amortization expense charged for the year.	
Nondepreciable Capital Assets Constructed/Acquired	2,277,271
Nondepreciable Capital Assets Disposed	(61,810)
Other Capital Assets Acquired	1,079,981
Other Capital Assets Disposed	(7,092)
Depreciation and Amortization Expense	(1,676,448)
Debt proceeds provide current financial resources to governmental funds by issuing debt, which increases long-term debt in the Statement of Net Position.	
Debt Issuance	(502,483)
Long-term Lease Proceeds	(4,277)
Long-term SBITA Proceeds	(129,962)
Bond Premiums	(108,642)
Refunding Bonds Issued	(590,295)
Installment Purchase Proceeds	(2,887)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position.	556,129
In-substance debt defeasance	6,425
Payment to Refunded Bond Escrow Agent is an expenditure in the governmental funds, but the refunding reduces long-term debt in the Statement of Net Position.	662,089
Some revenues in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment.	(157,467)
Increases/decreases of expenses reported in the Statement of Activities that do not require the use of, or provide, current financial resources and, therefore, are not reported in the governmental funds.	
Increase (Decrease) in Net OPEB Asset	15,485
(Increase) Decrease in Net Pension Liability	221,240
(Increase) Decrease in Net OPEB Liability	(10,859)
(Increase) Decrease in Total OPEB Liability	117,981
(Increase) Decrease in Other Long-term Liabilities	32,133
(Increase) Decrease in Compensated Absences	(12,912)
(Increase) Decrease in Interest Expense, Amortization of Long-term Debt premium and discounts, and Accrued Interest Liability	91,850
(Increase) Decrease in Other Liabilities	(59,970)
Net (increase) decrease in Due to Component Units for capital and other projects resulting from appropriation reductions or amounts which are not reported as expenditures in the fund statements.	(327,491)
Net revenue (expenses) of certain activities of internal service funds is reported within governmental activities.	(116,350)
Deferred inflows and outflows associated with pension and OPEB costs are not included in the funds.	(43,143)
Amortization of deferred inflows and/or outflows associated with Service Concession Arrangements capital assets are not included in the funds.	109,730
Change in net position of governmental activities (See Government-wide Statement of Activities)	$ 4,782,832

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

Proprietary Funds

The Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

Major Enterprise Funds

The Virginia Lottery accounts for receipts and expenses from the operations of the Virginia Lottery, excluding activity related to the regulation and compliance monitoring of casinos and sports betting.

The Virginia College Savings Plan administers the Defined Benefit 529 Program, which consists of two savings options: Prepaid529 and Tuition Track Portfolio. Prepaid529 services contracts that provide for full future tuition and mandatory fee payments at Virginia's higher education institutions and differing payouts at private or out-of-state institutions using actuarially determined amounts. Prepaid529 is closed to new contracts. The Tuition Track Portfolio allows for the purchase of units to be redeemed for future tuition costs. The value of a unit is tied to the average tuition inflation rate of Virginia four year institutions.

The Unemployment Compensation Fund administers the temporary partial income replacement payments to unemployed covered workers.

Nonmajor Enterprise Funds include those operations of state agencies which are listed on page 259 in the Combining and Individual Fund Statements and Schedules section of this report.

Internal Service Funds include those operations of state agencies which are listed on page 275 in the Combining and Individual Fund Statements and Schedules section of this report.

Statement of Fund Net Position - Proprietary Funds

June 30, 2024

(Dollars in Thousands)

	Business-type Activities Enterprise Funds			
	Virginia Lottery	Virginia College Savings Plan	Unemployment Compensation	Nonmajor
Assets and Deferred Outflows of Resources				
Current Assets:				
Cash and Cash Equivalents (Notes 1 and 7)	$ 275,892	$ 158,211	$ 1,629,903	$ 373,576
Investments (Notes 1 and 7)	—	3,310	—	—
Assets Held Pending Distribution (Note 1)	13,109	—	—	—
Receivables, Net (Notes 1 and 8)	87,069	44,497	48,027	83,744
Due from Other Funds (Note 10)	382	—	1,413	1,582
Due from External Parties (Fiduciary Funds) (Note 10)	—	—	—	—
Due from Component Units (Note 10)	—	—	—	—
Inventory (Note 1)	—	—	—	115,596
Prepaid Items (Note 1)	426	3,953	—	1,577
Other Assets (Notes 1 and 11)	1	—	—	465
Total Current Assets	376,879	209,971	1,679,343	576,540
Noncurrent Assets:				
Investments (Notes 1 and 7)	—	2,917,219	—	—
Assets Held Pending Distribution (Note 1)	179,612	—	—	—
Receivables, Net (Notes 1 and 8)	—	38,848	—	—
Other Assets (Notes 1 and 11)	1,439	773	—	6,651
Nondepreciable Capital Assets (Notes 1 and 13)	—	1,930	—	11,691
Other Capital Assets, Net (Notes 1 and 13)	14,452	4,599	—	488,516
Total Noncurrent Assets	195,503	2,963,369	—	506,858
Total Assets	572,382	3,173,340	1,679,343	1,083,398
Deferred Outflows of Resources (Notes 1, 14, 15, 16, and 18)	9,570	4,733	—	46,303
Total Assets and Deferred Outflows of Resources	581,952	3,178,073	1,679,343	1,129,701
Liabilities and Deferred Inflows of Resources				
Current Liabilities:				
Accounts Payable (Notes 1 and 25)	43,926	2,207	19	93,991
Amounts Due to Other Governments	—	—	67,933	10,957
Due to Other Funds (Note 10)	76,884	119	185	14,507
Due to External Parties (Fiduciary Funds) (Note 10)	245	130	—	1,128
Interfund Payable (Note 10)	—	6,000	—	54,755
Unearned Revenue (Note 1)	2,008	—	—	6,043
Due to Claimants, Participants, Escrows and Providers (Note 1)	—	1,161	148,175	—
Obligations Under Securities Lending Program (Notes 1 and 7)	126,194	1,967	—	31,443
Other Liabilities (Notes 1 and 26)	120,974	25,897	—	111
Insurance Claims Payable Due Within One Year (Notes 1 and 24)	—	—	—	64,082
Long-term Liabilities Due Within One Year (Notes 1, 22, and 27)	17,210	182,156	—	41,306
Total Current Liabilities	387,441	219,637	216,312	318,323
Noncurrent Liabilities:				
Interfund Payable (Note 10)	—	—	—	—
Insurance Claims Payable Due in More Than One Year (Notes 1 and 24)	—	—	—	31,216
Long-term Liabilities Due in More Than One Year (Notes 1, 22, and 27)	212,111	1,137,989	—	508,086
Total Noncurrent Liabilities	212,111	1,137,989	—	539,302
Total Liabilities	599,552	1,357,626	216,312	857,625
Deferred Inflows of Resources (Notes 1, 14, 15, 16, and 18)	4,126	2,075	—	20,798
Total Liabilities and Deferred Inflows of Resources	603,678	1,359,701	216,312	878,423
Net Position				
Net Investment in Capital Assets	8,877	3,927	—	101,016
Restricted for Net Other Postemployment Benefit - Virginia Sickness and Disability Program	1,434	726	—	5,940
Restricted for Unemployment Compensation	—	—	1,463,031	—
Unrestricted	(32,037)	1,813,719	—	144,322
Total Net Position (Deficit) (Note 4)	$ (21,726)	$ 1,818,372	$ 1,463,031	$ 251,278

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund assets and liabilities are included in business-type activities.

Net position of business-type activities

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

	Governmental Activities
Total	**Internal Service Funds**
$ 2,437,582	$ 989,030
3,310	—
13,109	—
263,337	62,583
3,377	80,822
—	275
—	36,789
115,596	19,278
5,956	14,906
466	28,095
2,842,733	1,231,778
2,917,219	—
179,612	—
38,848	—
8,863	3,251
13,621	1,766
507,567	519,742
3,665,730	524,759
6,508,463	1,756,537
60,606	19,484
6,569,069	1,776,021
140,143	174,088
78,890	3
91,695	4,735
1,503	614
60,755	63,296
8,051	94,639
149,336	—
159,604	83,153
146,982	835
64,082	197,048
240,672	51,269
1,141,713	669,680
—	125,378
31,216	316,164
1,858,186	454,493
1,889,402	896,035
3,031,115	1,565,715
26,999	12,371
3,058,114	1,578,086
113,820	86,915
8,100	3,376
1,463,031	—
1,926,004	107,644
$ 3,510,955	$ 197,935

(3,113)	
$ 3,507,842	

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Business-type Activities Enterprise Funds			
	Virginia Lottery	Virginia College Savings Plan	Unemployment Compensation	Nonmajor
Operating Revenues				
Charges for Sales and Services	$ 5,520,866	$ 99,808	$ 200,842	$ 2,008,349
Interest, Dividends, Rents, and Other Investment Income (Note 1)	—	216,854	43,172	—
Other (Note 28)	—	66,104	—	35,558
Total Operating Revenues	5,520,866	382,766	244,014	2,043,907
Operating Expenses				
Cost of Sales and Services	254,491	—	—	742,611
Prizes and Claims (Note 30)	4,225,206	—	275,429	553,270
Educational Benefits Expense	—	180,323	—	—
Personal Services	39,270	20,827	—	226,005
Contractual Services	42,853	15,957	—	91,025
Supplies and Materials	501	87	—	11,934
Depreciation and Amortization (Note 31)	10,466	1,819	—	53,063
Rent, Insurance, and Other Related Charges	1,877	—	—	21,826
Interest Expense	—	—	—	38
Non-recurring Cost Estimate Payments to Providers	—	—	—	53,282
Other (Note 32)	—	3,256	—	4,705
Total Operating Expenses	4,574,664	222,269	275,429	1,757,759
Operating Income (Loss)	946,202	160,497	(31,415)	286,148
Nonoperating Revenues (Expenses)				
Interest, Dividends, Rents, and Other Investment Income	9,838	47	—	14,437
Other (Note 33)	523	7	1,119	(6,274)
Total Nonoperating Revenues (Expenses)	10,361	54	1,119	8,163
Income (Loss) Before Transfers	956,563	160,551	(30,296)	294,311
Transfers In (Note 34)	139	—	—	676
Transfers Out (Note 34)	(955,007)	(292)	(3,402)	(268,259)
Change in Net Position	1,695	160,259	(33,698)	26,728
Total Net Position (Deficit), July 1, as restated (Note 2)	(23,421)	1,658,113	1,496,729	224,550
Total Net Position (Deficit), June 30 (Note 4)	$ (21,726)	$ 1,818,372	$ 1,463,031	$ 251,278

Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

Change in Net Position of business-type activities

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

	Governmental Activities
Total	Internal Service Funds
$ 7,829,865	$ 2,784,117
260,026	—
101,662	72
8,191,553	2,784,189
997,102	73,521
5,053,905	2,016,592
180,323	—
286,102	74,920
149,835	460,343
12,522	8,200
65,348	104,241
23,703	118,085
38	1
53,282	—
7,961	32,081
6,830,121	2,887,984
1,361,432	(103,795)
24,322	37,242
(4,625)	(35,466)
19,697	1,776
1,381,129	(102,019)
815	388
(1,226,960)	(17,864)
154,984	(119,495)
3,355,971	317,430
$ 3,510,955	$ 197,935
(3,145)	
$ 151,839	

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Business-type Activities Enterprise Funds			
	Virginia Lottery	Virginia College Savings Plan	Unemployment Compensation	Nonmajor
Cash Flows from Operating Activities				
Receipts for Sales and Services	$ 5,509,342	$ 98,533	$ 229,973	$ 2,012,135
Receipts from Investments	—	—	43,128	—
Internal Activity-Receipts from Other Funds	—	—	1,981	10,084
Internal Activity-Payments to Other Funds	—	—	—	(3,326)
Payments to Suppliers for Goods and Services	(254,289)	(873)	—	(760,899)
Payments for Contractual Services	(19,766)	(12,976)	—	(85,078)
Payments for Prizes, Claims, and Loss Control (Note 36)	(4,246,664)	—	(264,100)	(562,202)
Payments for Educational Benefits	—	(180,323)	—	—
Payments to Employees	(41,306)	(21,293)	—	(216,724)
Payments to Providers for Non-recurring Cost Estimates	—	—	—	(51,514)
Payments for Interest	—	—	—	—
Other Operating Revenue (Note 36)	—	4	—	8,894
Other Operating Expense (Note 36)	—	(2,926)	—	(36,812)
Net Cash Provided by (Used for) Operating Activities	947,317	(119,854)	10,982	314,558
Cash Flows from Noncapital Financing Activities				
Transfers In from Other Funds	139	—	—	677
Transfers Out to Other Funds	(965,633)	(292)	(1,119)	(610,154)
Other Noncapital Financing Receipt Activities (Note 36)	994	2,000	1,119	407,722
Other Noncapital Financing Disbursement Activities (Note 36)	—	—	—	(58,347)
Net Cash Provided by (Used for) Noncapital Financing Activities	(964,500)	1,708	—	(260,102)
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(1,038)	(2,219)	—	(4,075)
Payment of Principal and Interest on Bonds and Notes	(6,525)	(1,570)	—	(46,765)
Proceeds from Sale of Capital Assets	35	—	—	79
Other Capital and Related Financing Receipt Activities (Note 36)	—	—	—	1,587
Net Cash Used for Capital and Related Financing Activities	(7,528)	(3,789)	—	(49,174)
Cash Flows from Investing Activities				
Purchase of Investments	(5,613)	(2,065,723)	—	—
Proceeds from Sales or Maturities of Investments	13,861	2,071,465	—	—
Investment Income on Cash, Cash Equivalents, and Investments	9,795	144,052	—	10,942
Net Cash Provided by Investing Activities	18,043	149,794	—	10,942
Net Increase (Decrease) in Cash and Cash Equivalents	(6,668)	27,859	10,982	16,224
Cash and Cash Equivalents, July 1	156,367	128,385	1,618,921	326,339
Cash and Cash Equivalents, June 30	$ 149,699	$ 156,244	$ 1,629,903	$ 342,563
Reconciliation of Cash and Cash Equivalents				
Per the Statement of Net Position:				
Cash and Cash Equivalents	$ 275,892	$ 158,211	$ 1,629,903	$ 373,576
Cash and Travel Advances	1	—	—	430
Less:				
Securities Lending Cash Equivalents	(126,194)	(1,967)	—	(31,443)
Cash and Cash Equivalents per the Statement of Cash Flows	$ 149,699	$ 156,244	$ 1,629,903	$ 342,563

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

Total	Governmental Activities Internal Service Funds
$ 7,849,983	$ 964,669
43,128	—
12,065	1,754,401
(3,326)	(7,015)
(1,016,061)	(129,599)
(117,820)	(508,825)
(5,072,966)	(1,928,873)
(180,323)	—
(279,323)	(78,808)
(51,514)	—
—	(1)
8,898	82
(39,738)	(31,631)
1,153,003	34,400
816	388
(1,577,198)	(17,864)
411,835	1,668
(58,347)	(25,573)
(1,222,894)	(41,381)
(7,332)	(3,632)
(54,860)	(76,712)
114	3,135
1,587	—
(60,491)	(77,209)
(2,071,336)	—
2,085,326	—
164,789	33,265
178,779	33,265
48,397	(50,925)
2,230,012	956,802
$ 2,278,409	$ 905,877
$ 2,437,582	$ 989,030
431	—
(159,604)	(83,153)
$ 2,278,409	$ 905,877

Continued on next page

Statement of Cash Flows - Proprietary Funds *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Business-type Activities Enterprise Funds			
	Virginia Lottery	Virginia College Savings Plan	Unemployment Compensation	Nonmajor
Reconciliation of Operating Income To Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ 946,202	$ 160,497	$ (31,415)	$ 286,148
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization	10,466	1,819	—	53,063
Interest, Dividends, Rents, and Other Investment Income	(2,840)	(216,854)	—	—
Miscellaneous Nonoperating Income	—	—	—	344
Other	(171)	—	—	(423)
Change in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources				
(Increase) Decrease in Accounts Receivable	(11,104)	15,543	14,581	(8,453)
(Increase) Decrease in Due from Other Funds	—	—	202	(205)
(Increase) Decrease in Due from External Parties (Fiduciary Funds)	—	—	—	—
(Increase) Decrease in Due from Component Units	—	—	—	—
(Increase) Decrease in Other Assets: Due Within One Year	—	—	—	(6)
(Increase) Decrease in Other Assets: Due in More Than One Year	(61)	(66)	—	(571)
(Increase) Decrease in Inventory	201	—	—	(3,562)
(Increase) Decrease in Prepaid Items	161	(456)	—	(183)
(Increase) Decrease in Deferred Outflows of Resources	(693)	(608)	—	(3,394)
Increase (Decrease) in Accounts Payable	5,108	765	—	(14,557)
Increase (Decrease) in Amounts Due to Other Governments	—	—	950	1,140
Increase (Decrease) in Due to Other Funds	211	3	(45)	(196)
Increase (Decrease) in Due to External Parties (Fiduciary Funds)	(10)	(1)	—	(45)
Increase (Decrease) in Interfund Payables: Due Within One Year	—	—	—	—
Increase (Decrease) in Unearned Revenue	(419)	—	—	(951)
Increase (Decrease) in Due to Claimants, Participants, Escrows and Providers	—	1,069	26,709	—
Increase (Decrease) in Other Liabilities	7,281	48	—	(11)
Increase (Decrease) in Insurance Claims Payable: Due Within One Year	—	—	—	2,261
Increase (Decrease) in Insurance Claims Payable: Due in More Than One Year	—	—	—	167
Increase (Decrease) in Long-term Liabilities: Due Within One Year	(432)	(3,706)	—	627
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	(3,555)	(76,480)	—	15,467
Increase (Decrease) in Deferred Inflows of Resources	(3,028)	(1,427)	—	(12,102)
Net Cash Provided by (Used for) Operating Activities	$ 947,317	$ (119,854)	$ 10,982	$ 314,558
Noncash Investing, Capital, and Financing Activities:				
The following transactions occurred prior to the Statement of Net Position date:				
Long-term Subscription-Based Technology Arrangements Used to Finance Capital Assets	$ 544	$ 3,040	$ —	$ 6,245
Long-term Leases Used to Finance Capital Assets	389	—	—	29,000
Trade-ins of Used Equipment on New Equipment	—	—	—	—
Installment Purchases Used to Finance Capital Assets	—	—	—	—
Change in Fair Value of Investments	—	84,058	—	—
Other	—	—	—	1,601
Total Noncash, Investing, Capital, and Financing Activities	$ 933	$ 87,098	$ —	$ 36,846

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

	Governmental Activities
Total	Internal Service Funds
$ 1,361,432	$ (103,795)
65,348	104,241
(219,694)	110
344	1,031
(594)	(7,455)
10,567	(47,815)
(3)	(2,615)
—	(12)
—	(7,897)
(6)	9,213
(698)	(119)
(3,361)	3,508
(478)	(796)
(4,695)	(4,999)
(8,684)	66,680
2,090	(6)
(27)	(342)
(56)	16
—	40,000
(1,370)	(17,304)
27,778	—
7,318	173
2,261	34,161
167	(10,118)
(3,511)	(22,338)
(64,568)	7,395
(16,557)	(6,517)
$ 1,153,003	$ 34,400
$ 9,829	$ 799
29,389	40,292
—	1
—	12,774
84,058	—
1,601	—
$ 124,877	$ 53,866

Fiduciary Funds

Private Purpose Trust Funds

Private Purpose Trust Funds reflect funds that benefit individuals, organizations, and other governments; have a trust that meets GASB Statement No. 84, Fiduciary Activities, criteria; and are not required to be reported in another fiduciary fund type.

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds reflect activities of the pension, other postemployment, and employee benefit plans with trusts that meet GASB Statement No. 84 criteria, and are administered by the Virginia Retirement System.

Custodial Funds - External Investment Pool

Custodial Funds - External Investment Pool reflects the external portion of the Local Government Investment Pool sponsored by the Commonwealth. This fund does not have a trust that meets GASB Statement No. 84 criteria.

Custodial Funds - Other

Custodial Funds - Other reflect funds that are similar to Private Purpose Trust Funds, except they do not have a trust that meets GASB Statement No. 84 criteria.

A listing of all Fiduciary Funds is located on pages 284-285 in the Combining and Individual Fund Statements and Schedules section of this report. Combining financial statements for all Fiduciary Funds begin on page 286.

Statement of Fiduciary Net Position - Fiduciary Funds

June 30, 2024

(Dollars in Thousands)

	Private Purpose Trust Funds	Pension and Other Employee Benefit Trust Funds	Custodial Funds: External Investment Pool	Custodial Funds: Other
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents (Notes 1 and 7)	$ 486,408	$ 594,001	$ 3,109,784	$ 223,690
Investments (Notes 1 and 7):				
Bonds and Mortgage Securities	535,573	21,768,287	193,780	15,927
Stocks	1,592	26,997,486	—	19,753
Fixed Income Commingled Funds	1,094,764	—	—	—
Index and Pooled Funds	4,639,884	14,464,051	—	10,583
Real Estate	75,543	14,133,904	—	10,341
Private Equity	—	38,448,581	—	28,131
Mutual and Money Market Funds	675,324	—	—	—
Short-term Investments	—	4,353,660	8,182,465	3,538
Other	1,841,137	—	—	—
Total Investments	8,863,817	120,165,969	8,376,245	88,273
Assets Held Pending Distribution (Note 1)	4,911	—	—	498,251
Receivables, Net (Notes 1 and 8):				
Accounts	1	—	—	97
Contributions	—	344,147	—	—
Interest and Dividends	30,769	321,615	36,193	235
Security Transactions	—	4,107,116	—	3,005
Taxes	—	—	—	202,711
Other Receivables	768	64,232	—	33
Total Receivables	31,538	4,837,110	36,193	206,081
Due from Internal Parties (Governmental Funds and Business-type Activities) (Note 10)	—	40,320	—	342
Due from Component Units (Note 10)	—	36,623	—	—
Other Assets (Notes 1 and 11)	—	—	—	11
Property, Plant, Furniture, Equipment, and Intangibles	—	19,110	—	—
Total Assets	9,386,674	125,693,133	11,522,222	1,016,648
Deferred Outflows of Resources (Note 1)	—	—	—	—
Total Assets and Deferred Outflows of Resources	9,386,674	125,693,133	11,522,222	1,016,648
Liabilities and Deferred Inflows of Resources				
Accounts Payable (Notes 1 and 25)	7,331	57,258	—	2,971
Amounts Due to Other Governments	—	—	—	372,852
Due to Internal Parties (Governmental Funds and Business-type Activities) (Note 10)	—	275	16	333
Obligations Under Securities Lending (Notes 1 and 7)	243	4,529,900	—	4,701
Due to Claimants, Participants, Escrows and Providers (Note 1)	2,537	—	—	185
Other Liabilities (Notes 1 and 26)	15	30,491	—	2,500
Retirement Benefits Payable	—	549,633	—	—
Refunds Payable	—	5,262	—	—
Compensated Absences Payable (Notes 1 and 22)	—	4,940	—	2
Insurance Premiums and Claims Payable	—	119,374	—	64
Payable for Security Transactions	6,930	6,275,893	—	4,592
Lease Liabilities	—	2,785	—	—
Subscription-Based Information Technology Arrangement Liabilities	—	886	—	—
Total Liabilities	17,056	11,576,697	16	388,200
Deferred Inflows of Resources (Note 1)	—	—	—	—
Total Liabilities and Deferred Inflows of Resources	17,056	11,576,697	16	388,200
Net Position Restricted for:				
Pensions	—	109,533,834	—	—
Other Employment Benefits	—	4,582,602	—	—
Pool Participants, Individuals, Organizations, and Other Governments	9,369,618	—	11,522,206	628,448
Total Net Position	$ 9,369,618	$ 114,116,436	$ 11,522,206	$ 628,448

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

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Private Purpose Trust Funds	Pension and Other Employee Benefit Trust Funds	Custodial Funds External Investment Pool	Custodial Funds Other
Additions:				
Investment Income:				
Interest, Dividends, and Other Investment Income (Note 1)	$ 1,013,600	$ 11,123,139	$ 510,923	$ 7,552
Total Investment Income	1,013,600	11,123,139	510,923	7,552
Less Investment Expenses	8,869	903,438	1,124	465
Net Investment Income	1,004,731	10,219,701	509,799	7,087
Contributions:				
Participants	1,063,526	—	—	—
Member	—	1,324,020	—	61
Employer	—	3,945,800	—	1,192
Total Contributions	1,063,526	5,269,820	—	1,253
Shares Sold	—	—	12,830,228	—
Reinvested Distributions	—	—	509,298	—
Other Revenue (Note 28)	79	3,956	—	16,554
Sales Tax Collections for Other Governments	—	—	—	1,848,731
Child Support Collections	—	—	—	589,685
Legal Settlement Collections	2,940	—	—	—
Collections for Inmates and Wards	—	—	—	5,102
Collections for Behavioral Health Patients	—	—	—	2,911
Collateral Received and Related Additions	—	—	—	260,083
Fee Collections for Other Governments	—	—	—	10,782
Collections for Veterans' Care Center Residents	—	—	—	1,343
Other Additions	—	—	—	6,163
Transfers In	—	1,189	—	—
Total Additions	2,071,276	15,494,666	13,849,325	2,749,694
Deductions:				
Educational Expense Benefits	655,259	—	—	—
Retirement Benefits	—	6,471,090	—	—
Refunds to Former Members	—	121,455	—	683
Retiree Health Insurance Credits	—	183,252	—	—
Insurance Premiums and Claims	—	269,290	—	—
Beneficiary Payments	375	—	—	—
Administrative Expenses	—	68,779	—	610
Other Expenses (Note 32)	—	3,904	—	—
Shares Redeemed	46,095	—	11,741,763	—
Long-term Disability Benefits	—	43,864	—	—
Sales Tax Payments to Other Governments	—	—	—	1,848,725
Child Support Payments to Individuals	—	—	—	586,175
Legal Settlement Payments to Injured Parties	134	—	—	—
Payments for Inmates and Wards	—	—	—	7,420
Payments for Behavioral Health Patients	—	—	—	2,953
Collateral Disbursed and Related Deductions	—	—	—	266,012
Distributions to Shareholders from Net Investment Income	—	—	509,799	—
Fee Payments to Other Governments	—	—	—	9,872
Payments for Veterans' Care Center Residents	—	—	—	1,591
Other Deductions	23	—	—	6,158
Transfers Out	—	1,189	—	—
Total Deductions	701,886	7,162,823	12,251,562	2,730,199
Net Increase (Decrease) in Fiduciary Net Position	1,369,390	8,331,843	1,597,763	19,495
Net Position, July 1	8,000,228	105,784,593	9,924,443	608,953
Net Position, June 30	$ 9,369,618	$ 114,116,436	$ 11,522,206	$ 628,448

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

Component Units

Component Units are organizations that are legally separate from the primary government. Each discrete component unit serves or benefits those outside of the primary government.

The Virginia Housing Development Authority provides financing for the acquisition, construction and rehabilitation of affordable housing for home ownership or occupancy by low or moderate income Virginians.

The Virginia Public School Authority provides financing to cities and counties for capital construction of primary and secondary schools.

The Virginia Resources Authority provides financing for the construction of local water supply and wastewater treatment facilities and other local infrastructure projects.

The Virginia College Building Authority provides financing of capital projects and equipment purchases by state-supported colleges and universities.

Nonmajor Component Units include those listed on pages 300-301 in the Combining and Individual Fund Statements and Schedules section of this report.

Statement of Net Position - Component Units

June 30, 2024

(Dollars in Thousands)

	Virginia Housing Development Authority	Virginia Public School Authority	Virginia Resources Authority
Assets and Deferred Outflows of Resources			
Cash and Cash Equivalents (Notes 1 and 7)	$ 145,360	$ 37,841	$ 8,637
Investments (Notes 1 and 7)	42,908	—	31,436
Receivables, Net (Notes 1 and 8)	436,653	60,502	34,007
Contributions Receivable, Net (Notes 1 and 9)	—	—	—
Due from Primary Government (Note 10)	—	—	—
Due from Component Units (Note 10)	—	—	—
Inventory (Note 1)	—	—	—
Prepaid Items (Note 1)	112	—	66
Other Assets (Notes 1 and 11)	33,888	—	610
Loans Receivable from Primary Government (Notes 1 and 10)	—	195,335	—
Restricted Cash and Cash Equivalents (Notes 7 and 12)	1,418,752	345,947	793,054
Restricted Investments (Notes 7 and 12)	1,151,486	82,353	521,397
Restricted Receivables, Net (Note 12)	7,639,048	3,677,962	4,443,677
Other Restricted Assets (Note 12)	13,848	—	—
Nondepreciable Capital Assets (Notes 1 and 13)	2,943	—	—
Other Capital Assets, Net (Notes 1 and 13)	24,546	—	971
Total Assets	10,909,544	4,399,940	5,833,855
Deferred Outflows of Resources (Notes 1, 14, 15, 16, and 18)	7,607	51,043	27,610
Total Assets and Deferred Outflows of Resources	10,917,151	4,450,983	5,861,465
Liabilities and Deferred Inflows of Resources			
Accounts Payable (Notes 1 and 25)	38,387	188	47
Amounts Due to Other Governments	—	136,492	—
Due to Primary Government (Note 10)	—	—	—
Due to Component Units (Note 10)	—	—	—
Due to External Parties (Fiduciary Funds) (Note 10)	—	—	—
Unearned Revenue (Note 1)	—	—	—
Obligations Under Securities Lending Program (Notes 1 and 7)	—	—	—
Other Liabilities (Notes 1, 15, and 26)	492,775	56,311	24,576
Insurance Claims Payable (Notes 1 and 24):			
Due Within One Year	—	—	—
Due in More Than One Year	—	—	—
Long-term Liabilities (Notes 1, 22, and 27):			
Due Within One Year	196,407	349,326	195,037
Due in More Than One Year	6,257,298	3,840,969	3,058,694
Total Liabilities	6,984,867	4,383,286	3,278,354
Deferred Inflows of Resources (Notes 1, 14, 15, 16, 18, and 38)	72,812	150	24,858
Total Liabilities and Deferred Inflows of Resources	7,057,679	4,383,436	3,303,212
Net Position			
Net Investment in Capital Assets	7,577	—	(40)
Restricted For:			
Nonexpendable:			
Higher Education	—	—	—
Other	—	—	—
Expendable:			
Bond Indenture	3,327,419	—	—
Capital Projects/Construction/Capital Acquisition	—	—	2,516,709
Debt Service	—	29,731	—
Gifts and Grants	—	—	—
Higher Education	—	—	—
Net Other Postemployment Benefit - Virginia Sickness and Disability Program	—	—	—
Virginia Pooled Investment Program	—	—	7,959
Other	12,601	—	610
Unrestricted	511,875	37,816	33,015
Total Net Position (Deficit) (Note 4)	$ 3,859,472	$ 67,547	$ 2,558,253

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

Virginia College Building Authority	Nonmajor Component Units	Total
$ 207	$ 4,763,694	$ 4,955,739
—	18,843,917	18,918,261
3,246	2,567,372	3,101,780
—	610,568	610,568
735	987,908	988,643
—	83,875	83,875
—	223,138	223,138
—	204,737	204,915
—	253,972	288,470
—	—	195,335
657,188	1,414,094	4,629,035
—	8,287,930	10,043,166
—	156,485	15,917,172
—	552,956	566,804
—	6,050,189	6,053,132
—	25,896,192	25,921,709
661,376	70,897,027	92,701,742
13,587	972,538	1,072,385
674,963	71,869,565	93,774,127
—	1,751,753	1,790,375
—	1,305	137,797
—	38,839	38,839
83,875	—	83,875
—	36,623	36,623
—	816,035	816,035
—	125,154	125,154
88,382	1,564,620	2,226,664
—	22,689	22,689
—	32,900	32,900
411,750	1,107,272	2,259,792
5,460,652	18,698,979	37,316,592
6,044,659	24,196,169	44,887,335
24,799	949,026	1,071,645
6,069,458	25,145,195	45,958,980
—	17,302,459	17,309,996
—	6,368,276	6,368,276
—	192,803	192,803
—	—	3,327,419
—	275,992	2,792,701
—	158,746	188,477
—	235,035	235,035
575,663	10,398,969	10,974,632
—	120,888	120,888
—	—	7,959
—	61,440	74,651
(5,970,158)	11,609,762	6,222,310
$ (5,394,495)	$ 46,724,370	$ 47,815,147

Statement of Activities - Component Units

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions (Note 1)	Capital Grants and Contributions	Net (Expenses) Revenue
Virginia Housing Development Authority	$ 638,469	$ 423,179	$ 181,296	$ —	$ (33,994)
Virginia Public School Authority	143,526	135,011	7,421	—	(1,094)
Virginia Resources Authority	139,019	105,586	52,677	323,401	342,645
Virginia College Building Authority	771,563	46,038	41,803	16,369	(667,353)
Total Major Component Units	1,692,577	709,814	283,197	339,770	(359,796)
Nonmajor Component Units:					
Higher Education	19,570,233	12,669,247	4,106,922	1,232,800	(1,561,264)
Other	1,739,101	1,313,408	130,963	323,762	29,032
Total Nonmajor Component Units	21,309,334	13,982,655	4,237,885	1,556,562	(1,532,232)
Total Component Units	$ 23,001,911	$ 14,692,469	$ 4,521,082	$ 1,896,332	$ (1,892,028)

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

General Revenues							
Operating Appropriations from Primary Government	Unrestricted Grants and Contributions	Investment Earnings (Note 1)	Miscellaneous	Contributions to Permanent and Term Endowments	Change in Net Position	Net Position (Deficit) July 1 (as restated) (Note 2)	Net Position (Deficit) June 30 (Note 4)
$ —	$ —	$ 108,319	$ —	$ —	$ 74,325	$ 3,785,147	$ 3,859,472
—	—	21,130	247	—	20,283	47,264	67,547
—	—	—	—	—	342,645	2,215,608	2,558,253
562,948	—	—	—	—	(104,405)	(5,290,090)	(5,394,495)
562,948	—	129,449	247	—	332,848	757,929	1,090,777
3,241,634	106,860	1,124,844	287,205	335,755	3,535,034	37,478,387	41,013,421
249,111	199,777	147,927	8,084	12,488	646,419	5,064,530	5,710,949
3,490,745	306,637	1,272,771	295,289	348,243	4,181,453	42,542,917	46,724,370
$ 4,053,693	$ 306,637	$ 1,402,220	$ 295,536	$ 348,243	$ 4,514,301	$ 43,300,846	$ 47,815,147

Index to the Notes to the Financial Statements

Notes to the Financial Statements

June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

B. Reporting Entity

For financial reporting purposes, the Commonwealth of Virginia's (the Commonwealth's) reporting entity consists of (1) the primary government, (2) component unit organizations for which the primary government is financially accountable or for which the resources of the component unit primarily benefit the primary government (blended component units), and (3) other component unit organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading, and they are financially accountable to the primary government (discrete component units). The funds of all agencies, boards, commissions, foundations, and authorities that have been identified as part of the primary government or a component unit have been included. GASB standards require the inclusion of numerous organizations that raise and hold funds for the direct benefit of the primary government.

Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification) describes the criteria for determining which organizations, functions, and activities should be considered part of the Commonwealth for financial reporting purposes. The basic criteria include appointing a voting majority of an organization's governing body, and the Commonwealth's ability to impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Commonwealth. Additionally, in instances where the voting majority is not appointed, the above benefit/burden criteria apply. If the organization's assets are also held for, or can be accessed by, the Commonwealth, the organization is considered part of the reporting entity.

(1) Primary Government – A primary government consists of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, and departments are, for financial reporting purposes, part of the primary government.

(2) Blended Component Units – Though legally separate entities, these component units are, in substance, part of the primary government's operations. The blended component units serve or benefit the primary government almost exclusively. Financial information from these units is combined with that of the primary government. The Commonwealth's blended component units are:

Virginia Public Building Authority (nonmajor governmental fund) – The Authority was created as a body politic and corporate and is fiscally independent. A government instrumentality, the Authority finances the acquisition and construction of buildings for the use of the Commonwealth and other approved purposes. The Governor appoints the 7-member board, and the primary government is able to impose its will on the Authority. The Auditor of Public Accounts (APA) audits the Authority, and a separate report is issued from the Department of the Treasury, Post Office Box 1879, Richmond, Virginia 23218-1879.

Hampton Roads Transportation Accountability Commission (nonmajor governmental fund) – The Commission is a political subdivision of the Commonwealth of Virginia, created by the Hampton Roads Transportation Accountability Commission Act. The Commission has a 23-member board comprised primarily of representatives from participating localities in Planning District 23. Its primary function is determining how the Hampton Roads Transportation Fund regional sales and use tax and fuel tax monies will be invested in new construction projects to provide the greatest impact on reducing congestion for the greatest number of citizens residing within Planning District 23. Based on the projects that the Commission is presently funding, the majority of capital assets funded by the Commission are reported as Commonwealth assets by the Virginia Department of Transportation (VDOT) (part of primary government). Accordingly, while the Commonwealth is not obligated to pay the Commission's debt, it would be misleading to exclude the Commission from the Commonwealth's financial statements. The administrative offices of the Commission are located at 723 Woodlake Drive, Chesapeake, Virginia 23320. The Commission is audited by PBMares, LLP.

Virginia Alcoholic Beverage Control Authority (nonmajor enterprise fund) – The Authority was created as an independent political subdivision of the Commonwealth, exclusive of the legislative, executive, or judicial branches of state government. A government instrumentality, the Authority controls the possession, sale, transportation, distribution, and delivery of alcoholic beverages in the Commonwealth. The Governor appoints the 5-member board, and while an independent entity, the Authority works in concert with all branches of the government. Additionally, all net profits of the Authority are transferred to the General Fund of the Commonwealth after required disbursements are made in accordance with the Appropriations Act. The administrative offices of the Authority are located at 7450 Freight Way, Mechanicsville, Virginia 23116. The Auditor of Public Accounts (APA) audits the Authority, and a separate report is issued.

(3) Discrete Component Units – Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. They are financially accountable to the primary government, or have relationships with the primary government such that exclusion would cause the reporting entity's financial statements to be misleading. These discrete component units serve or benefit those outside of the primary government.

GASB statements generally require any organization that raises and holds economic resources for the direct benefit of the reporting entity to be reported as a component unit, even if the reporting entity is not financially accountable for the organization. The entities are included in the Commonwealth's reporting entity as nonprofit charitable organizations and exist solely to support the Commonwealth's higher education institutions and certain state agencies. The higher education institution nonprofit organizations are included in the applicable higher education institution's column in the accompanying financial statements. In all instances where separate disclosure of these nonprofit organizations is required in the accompanying footnotes, the entities' totals are aggregated and disclosed as "foundations".

The criteria for reporting certain component units as major component units focuses on the nature and significance of the component unit's relationship to the primary government versus other component units.

Discretely presented component units are:

Virginia Housing Development Authority (major) – The Authority was created as a political subdivision and instrumentality of the Commonwealth and is granted both politic and corporate powers by the *Code of Virginia*. The Governor appoints a majority of the Authority's board members and the remaining board members are ex-officio. The Commonwealth may make grants to the Authority including, but not limited to, reserve funds, which is a potential financial benefit/burden to the primary government. The Commonwealth is not legally obligated by the debt of the Authority. The Authority was created in the public interest to provide the financing for the acquisition, construction, and rehabilitation of affordable housing for home ownership or occupancy by low or moderate income Virginians. The administrative offices of the Authority are located at 601 South Belvidere Street, Richmond, Virginia 23220. CliftonLarsonAllen, LLP audits the Authority, and a separate report is issued.

Virginia Public School Authority (major) – The Authority was created as a public body corporate, and an agency and instrumentality of the Commonwealth to finance capital projects of city and county school boards. The Governor appoints the board members, who serve at his pleasure. Therefore, the primary government is able to impose its will on the Authority. The Auditor of Public Accounts (APA) audits the Authority, and a separate report is issued from the Department of the Treasury, Post Office Box 1879, Richmond, Virginia 23218-1879.

Virginia Resources Authority (major) – The Authority was created as a public body corporate and a political subdivision of the Commonwealth to provide financing of infrastructure projects for water supply, wastewater, storm water, solid waste treatment, airports, public safety, brownfields remediation and redevelopment, and other infrastructure projects. The Governor appoints the 11-member board and the Executive Director of the Authority. The primary government is able to impose its will on the Authority, and there is a financial benefit/burden to the primary government. The Commonwealth does not guarantee any bonds issued by the Authority, however, the Authority has outstanding bonds that are backed by the moral obligation of the Commonwealth. The administrative offices of the Authority are located at 1111 East Main Street, Suite 1920, Richmond, Virginia 23219. CliftonLarsonAllen, LLP audits the Authority, and a separate report is issued.

The Authority issued bonds through the Virginia Green Communities Program (VGCP), which uses the Commonwealth's allocation of Qualified Energy Conservation Bonds to provide subsidized financing for energy efficiency, renewable energy, alternative fueling, and other qualified conservation purposes. The Authority is a conduit issuer for public borrowers with a third-party funding source providing financing for eligible projects. The terms of the VGCP bonds stipulate that the Authority does not guarantee repayment of principal and interest to the bondholders. In accordance with GASB Statement 91, conduit debt liabilities and the associated loan assets are not recorded on the Statement of Net Position.

Virginia College Building Authority (major) – The Authority was created as a public body corporate, a political subdivision, and an agency and instrumentality of the Commonwealth. The Governor appoints a majority of the board and members serve at his pleasure. Therefore, the primary government is able to impose its will on the Authority. The Authority finances certain capital projects and equipment purchases of state-supported colleges and universities. The Auditor of Public Accounts (APA) audits the Authority, and a separate report is issued from the Department of the Treasury, Post Office Box 1879, Richmond, Virginia 23218-1879.

Only the activity of the Authority that relates to the financing of capital projects and equipment purchases by state-supported colleges and universities is included in the accompanying financial statements. The state-supported colleges and universities reported revenue from the Authority of $464.0 million as Program Revenue Capital Grants and Contributions for the 21st Century Program and $103.0 million as Program Revenue Operating Grants and Contributions for equipment. The Authority reported Operating Appropriations from Primary Government of approximately $562.9 million. In addition, the Authority reported approximately $31.5 million in payments from the state-supported colleges and universities for 21st Century and Equipment Program debt service costs and approximately $3.9 million in interest on Build America Bonds. Eliminations have been made related to the Pooled Bond program to prevent the overstatement of assets and liabilities since higher education institutions also report assets and liabilities related to this program.

The Authority assists private institutions of higher education in the financing and refinancing of a broad range of facilities. The Authority is authorized to issue obligations and lend the proceeds to private institutions; however, such financings or refinancings are not obligations of the primary government nor the Authority, but are payable solely from the revenues pledged by the respective private institution. This indebtedness, totaling $592.2 million, is not included in the accompanying financial statements.

Higher Education Institutions (nonmajor) – The Commonwealth's higher education institutions are granted broad corporate powers by state statutes. The Governor appoints the members of each institution's board of trustees. In addition to the annual appropriations to support the institutions' operations, the Commonwealth provides funding for, and construction of, major academic plant facilities for the institutions. Institutions reported Operating Appropriations from the Primary Government of approximately $3.2 billion and Program Revenue Capital Grants and Contributions of approximately $578.1 million. Therefore, there is a financial benefit/burden to the primary government. The higher education institutions are: the University of Virginia, including the University of Virginia Medical Center and the University of Virginia's College at Wise; Virginia Polytechnic Institute and State University; Virginia Commonwealth University, including the Virginia Commonwealth University Health System Authority; the College of William & Mary, including Richard Bland College and the Virginia Institute of Marine Science; Virginia Military Institute; Virginia State University; Norfolk State University; University of Mary Washington; James Madison University; Radford University; Old Dominion University; George Mason University; Virginia Community College System; Christopher Newport University; and Longwood University. The Southwest Virginia Higher Education Center, Roanoke Higher Education Authority, Institute for Advanced Learning and Research, Southern Virginia Higher Education Center, and New College Institute are also included as higher education institutions. The colleges and universities are funded through state appropriations, tuition, federal grants, and private donations and grants. As previously noted, certain foundations are considered component units of the higher education institutions, and are included in the accompanying financial statements as well as the higher education institutions' separately issued financial statements. The Auditor of Public Accounts (APA) does not audit the Roanoke Higher Education Authority, the Institute for Advanced Learning and Research, and the component units of the higher education institutions, including foundations, but relies on the reports issued by other auditors to render their opinion.

The APA audits the colleges and universities, and individual reports are issued under separate cover. Complete financial statements for each institution may be obtained from their respective administrative offices. The addresses for these institutions may be obtained from the Department of Accounts, 101 North 14th Street, Richmond, Virginia 23219-3638.

Virginia Innovation Partnership Authority (nonmajor) - The Authority provides a collaborative, consistent, and consolidated approach that assists the Commonwealth in identifying its entrepreneurial strengths, including the identification of talents and resources that make Virginia a unique place to grow and attract technology-based business. The Governor and Joint Rules Committee appoint the 11-member board, and the primary government can impose its will on the Authority. The Authority's combined financial statements include the accounts of the Virginia Innovation Partnership Corporation (VIPC) after elimination of all significant intercompany balances and transactions. VIPC is a non-stock, not-for-profit corporation, which acts as the operating arm of the Authority. The address for the administrative offices of the Authority is 2214 Rock Hill Road, Suite 600, Herndon, Virginia 20170. The Auditor of Public

Accounts (APA) audits the Authority, and a separate report is issued.

Virginia Economic Development Partnership (nonmajor) – The Partnership was created as a body corporate and operates to encourage, stimulate, and support the development and expansion of both domestic and international commerce in the Commonwealth. The Governor and the General Assembly appoint the 17-member board, and there is a financial benefit/burden to the primary government. The administrative offices are located at 901 East Cary Street, Suite 900, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Partnership, and a separate report is issued.

Virginia Outdoors Foundation (nonmajor) – The Foundation was created as a body politic and is administratively assigned to the Department of Conservation and Recreation (part of primary government) and charged with promoting preservation through the acceptance of donated conservation easements and raising funds for the purchase of preservation land. The Governor appoints the 7-member board of trustees, and the primary government can impose its will on the Foundation. The administrative offices of the Foundation are located at 39 Garrett Street, Suite 200, Warrenton, Virginia 20186. Hicok, Brown & Company CPAs audits the Foundation, and a separate report is issued.

Virginia Port Authority (nonmajor) – The Authority was established as a political subdivision of the Commonwealth of Virginia and operates to serve the citizens and promote, develop and increase commerce at the ports of Virginia and other port related industries in the Commonwealth. The Governor appoints a majority of the 13-member board, and the primary government is able to impose its will on the Authority. There is also a financial benefit/burden to the primary government. The administrative offices of the Authority are located at 600 World Trade Center, Norfolk, Virginia 23510. PBMares, LLP, audits the Authority, and a separate report is issued.

Virginia Passenger Rail Authority (nonmajor) - The Authority is responsible for promoting, sustaining, and expanding the availability of passenger and commuter rail service including the administration of the capital expansion, infrastructure, and land acquisitions related to the Commonwealth's Transforming Rail in Virginia initiative. The Governor appoints the majority of the board, and the primary government is able to impose its will on the Authority. The address for the administrative offices of the Authority is 919 East Main Street, Suite 2400, Richmond, Virginia 23219. PBMares, LLP audits the Authority, and a separate report is issued.

Virginia Tourism Authority (nonmajor) – The Authority was created as a public body corporate and as a political subdivision of the Commonwealth. The Authority encourages, stimulates, and promotes tourism and film production industries of the Commonwealth. The Governor appoints all of the board members, and there is a financial benefit/burden to the primary government. The administrative offices are located at 901 East Cary Street, Suite 900, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Authority.

Virginia Foundation for Healthy Youth (nonmajor) – The Foundation was created as a body corporate and as a political subdivision of the Commonwealth. The Foundation was established to determine the appropriate recipients of monies in the Virginia Tobacco Settlement Fund and to distribute monies in this fund for such efforts as reducing and preventing the use of tobacco and substance products by minors and to promote healthy lifestyles. The Governor appoints the majority of the Board of Trustees, and there is a financial benefit/burden to the primary government. The administrative offices are located at 701 East Franklin Street, Suite 500, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Foundation.

Tobacco Region Revitalization Commission (nonmajor) – The Commission was created as a body corporate and as a political subdivision of the Commonwealth. The Commission was established to determine the appropriate recipients of the monies in the Tobacco Indemnification and Community Revitalization Fund. This fund provides monies to revitalize tobacco dependent communities. The Governor appoints the majority of the board, and there is a financial benefit/burden to the primary government. The administrative offices are located at 701 East Franklin Street, Suite 501, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Commission.

Hampton Roads Sanitation District Commission (nonmajor) – The Commission was established as a political subdivision of the Commonwealth and a government instrumentality. The Commission, which is the governing board of the district, was granted corporate powers by the *Code of Virginia*. The Governor appoints the Commission members, who serve at his pleasure. Therefore, the primary government is able to impose its will on the Commission. The Commonwealth is not obligated by the debt of the Commission. The Commission was established to benefit the inhabitants of the district and operates a wastewater treatment system for 20 localities in the Chesapeake Bay area. The address for the administrative offices of the Commission is 1434 Air Rail Avenue, Virginia Beach, Virginia 23455.

Cherry Bekaert, LLP, audits the Commission, and a separate report is issued.

Virginia Biotechnology Research Partnership Authority (nonmajor) – The Authority is a legally separate, political subdivision of the Commonwealth created by the General Assembly to assist in the development of a biotechnology research park. The Governor appoints the board members of the Authority, and there is a potential financial benefit/burden to the primary government. The administrative offices of the Authority are located at 800 East Leigh Street, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Authority, and a separate report is issued.

The Authority issued Series 2002 revenue bonds for specific customers. The Series 2002 revenue bonds were for a facility built specifically for the United Network for Organ Sharing. This bond is secured by a letter of credit and is payable solely from the payments made by the borrower under the loan agreement. None of these bonds constitutes a debt or pledge of the Authority or the Commonwealth. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Virginia Small Business Financing Authority (nonmajor) – Section 2.2-2280 of the *Code of Virginia* established the Authority as a public body corporate and a political subdivision of the Commonwealth. The Governor appoints the 11-member board, and the primary government is able to impose its will on the Authority. The Authority was created to assist small businesses in the Commonwealth in obtaining financing for new businesses or the expansion of existing businesses. The Authority provides financial assistance to small businesses by providing loans, guarantees, insurance, and other assistance, thereby assisting small businesses in the Commonwealth with access to financing. The Authority provides direct loans to small businesses as defined by the *Code of Virginia* and to local governments for economic development purposes. The Authority also guarantees loans and provides credit support for loans made to small businesses by banks. The administrative offices of the Authority are located at 101 North 14th Street, 11th Floor, Richmond, Virginia 23218-0446. The Auditor of Public Accounts (APA) audits the Authority.

The Authority issues tax-exempt and taxable private activity bonds to provide financial assistance to private sector entities for the acquisition, construction, and expansion of capital projects deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the Authority nor the Commonwealth is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying financial statements.

Virginia School for the Deaf and Blind Foundation (nonmajor) – The Foundation operates as a nonprofit educational and fundraising organization solely in connection with, and exclusively for the benefit of, the Virginia School for the Deaf and Blind (part of primary government). The Foundation uses a December 31 calendar year-end. The administrative offices are located at Post Office Box 2069, Staunton, Virginia 24402. Didawick & Company, P.C. audits the Foundation and a separate report is issued.

Science Museum of Virginia Foundation (nonmajor) – The Foundation is a non-stock, nonprofit corporation established to implement and fund programs, projects, and operations that are authorized and approved by the trustees of the Science Museum of Virginia (part of primary government). There is a financial benefit/burden relationship to the primary government, and the economic resources of the Foundation are entirely for the direct benefit of the Commonwealth and its citizens. The administrative offices of the Foundation are located at 2500 West Broad Street, Richmond, Virginia, 23220. Keiter, CPAs, audits the Foundation, and a separate report is issued.

Virginia Commercial Space Flight Authority (nonmajor) – The Authority is a legally separate political subdivision of the Commonwealth created by the General Assembly to facilitate and coordinate scientific and technological research and development and to promote the industrial and economic development of the Commonwealth. The Governor appoints the 9-member board, and there is a potential financial benefit/burden to the primary government. The Commonwealth plans to transfer 1.0 percent of the Transportation Trust Fund revenue to the Authority annually. The administrative offices of the Authority are located at 101 W Main Street, Suite 602, Norfolk, VA 23510. Brown Edwards & Company, LLP, audits the Authority, and a separate report is issued.

Danville Science Center, Inc. (nonmajor) – The Center is a nonprofit corporation formed in 1994, for the purpose of implementing and funding those programs, projects and operations which are authorized and approved by the trustees of the Science Museum of Virginia (part of primary government). There is a financial benefit/burden to the primary government, and the economic resources of the Center are entirely for the direct benefit of the Commonwealth and its citizens. The administrative offices of the Center are located at 677 Craghead Street, Danville, Virginia 24541. Harris, Harvey, Neal & Company, LLP, audits the Organization, and a separate report is issued.

Virginia Museum of Fine Arts Foundation (nonmajor) – The Foundation operates as a nonprofit corporation under the laws of Virginia to fund exhibitions, programs, and capital asset expansion to ensure that the Virginia Museum of Fine Arts (part of primary government) has the space and resources for art to help improve the quality of life for many. There is a financial benefit/burden to the primary government, and the economic resources of the Foundation are entirely for the direct benefit of the Commonwealth and its citizens. The administrative offices of the Foundation are located at 200 N. Arthur Ashe Boulevard, Richmond, Virginia 23220. Forvis Mazars, LLP audits the Foundation, and a separate report is issued.

A. L. Philpott Manufacturing Extension Partnership (nonmajor) – The Partnership (operating as GENEDGE Alliance) has the mission to foster economic growth by enhancing the competitiveness of Virginia's manufacturers. GENEDGE provides manufacturing firms with fee-based technology consulting services, access to business modernization resources, and support for interfirm collaboration. Further, GENEDGE provides direct assistance to increase sales, decrease costs, and improve quality, productivity, and competitiveness. GENEDGE has a 24-member board of trustees, of which 21 are currently serving. The board consists of the presidents of two public four-year institutions of higher education; three community college presidents; one president of a private four-year institution of higher education; the director of the Virginia Innovation Partnership Corporation; two members of the Governor's cabinet; and 15 citizen members, representing manufacturing industries, appointed by the Governor. There is also a financial benefit/ burden to the primary government. The administrative office is located at 32 Bridge Street South, Suite 200B, Martinsville, Virginia 24112-6216. The Joachim Group CPAs & Consultants, LLC audits GENEDGE and a separate report is issued.

Fort Monroe Authority (nonmajor) – The Authority is a legally separate, political subdivision of the Commonwealth created by the General Assembly to assist in implementing a reuse plan for Fort Monroe. The Governor appoints a majority of the 14-member board, and there is a potential financial benefit/burden to the primary government. The administrative offices of the Authority are located at 20 Ingalls Road, Fort Monroe, Virginia 23651. CliftonLarsonAllen LLP audits the Authority, and a separate report is issued.

Assistive Technology Loan Fund Authority (nonmajor) – The Authority was created as a political subdivision and public body corporate by the *Code of Virginia*. The Governor appoints the board of directors as directed by the *Code,* and the primary government is able to impose its will on the Authority. The Authority manages a fund to provide loans to Virginians with disabilities to acquire assistive technology, other equipment, or other authorized purposes designed to help these individuals become more independent. The administrative offices are located at 1602 Rolling Hills Drive, Suite 107, Richmond, Virginia 23229. The Auditor of Public Accounts (APA) audits the Authority.

Virginia Land Conservation Foundation (nonmajor) – The Foundation was created as a body politic and corporate to serve the Department of Conservation and Recreation (DCR) (part of primary government) by acquiring interests in preservation land and providing grants to other entities to acquire interests in preservation land. The Governor appoints the 19-member board, and the primary government can impose its will on the Foundation. The administrative offices of the Foundation are located at 600 East Main Street, 24th Floor, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Foundation as part of DCR.

Library of Virginia Foundation (nonmajor) – The Foundation was created as a private, nonprofit 501(c)(3) corporation supporting the Library of Virginia (part of primary government). The articles of incorporation stipulate that the Foundation shall at all times be operated solely in connection with, and exclusively for the benefit of, the Library of Virginia. The Foundation is governed by a separate board of directors, and promotes and supports the Library of Virginia in all activities. The administrative offices of the Foundation are located at 800 East Broad Street, Richmond, Virginia 23219. Frank Barcalow CPA, PLLC, audits the Foundation, and a separate report is issued.

Virginia Health Workforce Development Authority (nonmajor) – The Authority is a legally separate public body corporate and a political subdivision of the Commonwealth created by the General Assembly. The Authority facilitates the development of statewide health professions pathways. The Governor appoints a majority of the board members, and the primary government is able to impose its will on the Authority. The administrative offices of the Authority are located at 313 East Broad Street, Suite 314, Richmond, Virginia 23219. The Auditor of Public Accounts (APA) audits the Authority.

(4) Related Organizations – Organizations for which the primary government appoints a majority of the board, but is not financially accountable, are related organizations. Related organizations are:

Tobacco Settlement Financing Corporation – The Corporation was created by the Tobacco Settlement Financing Corporation Act, Chapters 482 and 488 of the Acts of the General Assembly during the 2002 General Assembly Session. The Corporation is a public body corporate entity and an independent instrumentality of the Commonwealth, managed by a 6-member board, including the State Treasurer. The Corporation purchased all of the future tobacco settlement revenue allocated to the Tobacco Region Revitalization Commission (nonmajor component unit). Neither the Commonwealth's nor the Virginia Foundation for Healthy Youth's (nonmajor component unit) tobacco revenue was securitized. The administrative offices of the Corporation are located at 101 North 14th Street, 3rd Floor, Post Office Box 1879, Richmond, Virginia 23218-1879. CliftonLarsonAllen, LLP, audits the Corporation, and a separate report is issued.

Jamestown-Yorktown Educational Trust – The Trust was created as a nonprofit corporation by the *Code of Virginia* to assist the Jamestown-Yorktown Foundation (Foundation). The Trust board consists of no more than six members selected by the Foundation's board of trustees. Several Commonwealth officials serve as ex-officio members of the Foundation's board, and the Governor appoints 12 members. The Trust operates the Jamestown Settlement and American Revolution Museum at Yorktown gift shops and café. The address for the administrative offices of the Trust is Post Office Box 3605, Williamsburg, Virginia 23187. Keiter, CPAs audits the Trust, and a separate report is issued.

Virginia Birth-Related Neurological Injury Compensation Program – The Program was created to provide a no-fault alternative for birth-related neurological injuries. The Governor appoints the 9-member board. The administrative offices of the Program are located at 7501 Boulders View Drive, Suite 210, Richmond, Virginia 23225. Yount, Hyde & Barbour, PC, audits the Program, and a separate report is issued.

Chesapeake Bay Bridge and Tunnel Commission – The Commission was created to establish policy and administer operations of the Chesapeake Bay Bridge Tunnel District. Any of the 11 members of the Commission appointed or reappointed on or after July 1, 1998, shall be appointed by the Governor, subject to confirmation by each house of the General Assembly. The administrative offices of the Commission are located at 32386 Lankford Highway, Cape Charles, Virginia 23310. Cherry Bekaert, LLP audits the Commission, and a separate report is issued.

C. Government-wide and Fund Financial Statements

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all nonfiduciary activities of the primary government and component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Also, the primary government activity is reported separately from the legally separate component units for which the Commonwealth is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a specific function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. In addition, to the extent that indirect costs are allocated to the various functions, the program expenses will include both direct and indirect costs. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function, segment, or component unit, as well as investment income generated by operations. Program revenues also include grants, contributions, and investment income that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items properly excluded from program revenues are reported as general revenues.

Fund equity is restricted when constraints are placed on them that are imposed by external parties or constitutional provisions. When both restricted and unrestricted resources are available for use, the Commonwealth's policy is to use the restricted resources first. Some component units may follow a different policy. When committed, assigned, and unassigned resources are available for use, the Commonwealth's policy is to use the committed resources first, assigned resources next, and unassigned resources last.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, fiduciary funds are not included in the government-wide statements. Major governmental funds, enterprise funds, and component units are reported in separate columns in the fund financial statements, with nonmajor funds being aggregated into a single column.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year (or one year for Medicaid). Significant revenues subject to accrual include federal grants and income and sales taxes. Income tax revenues for tax underpayments are only recognized to the extent of the primary government's estimated refunds for tax overpayments received. Revenues that the primary government earns by incurring obligations are recognized in the same period as when the obligations are recognized.

Expenditures generally are recorded when a liability is incurred, as under full accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when the payment is due.

The primary government reports the following major governmental funds:

General Fund – Accounts for the transactions related to resources received and used for those services traditionally provided by a state government, and which are not accounted for in any other fund. These services include general government, legislative and judicial activities, public safety, health and behavioral health programs, resources and economic development, licensing and regulation, and primary and secondary education.

Commonwealth Transportation Special Revenue Fund – Accounts for the revenues and expenditures associated with highway operations, maintenance, construction, and other transportation related activities. Funding for these programs is received from highway user taxes, fees, and funds received from the federal government.

Federal Trust Special Revenue Fund – Accounts for all federal dollars, including COVID-19 funding, received by the Commonwealth except those received by the Commonwealth Transportation Fund, the Unemployment Compensation Fund, certain Medicaid reimbursements recorded in the General Fund, the Grant Anticipation Revenue Notes and Build America Bond Subsidies reported in the Debt Service Fund, and component units.

Literary Fund Special Revenue Fund – Accounts for revenues from fines, forfeitures, and proceeds from unclaimed property used primarily to support public education in the Commonwealth. This fund provides low interest loans to school divisions for construction, renovations, and expansion of school buildings.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements – The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the full accrual basis of accounting. As with the government-wide statements, revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating.

Foundations' (component units) financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. The financial statements are prepared under FASB rather than GASB standards. In some instances, activities of the foundations (component units) are reported separately within the footnotes because of the different reporting standards. Also, some foundations (component units) have an August 31st, December 31st, or March 31st year-end rather than a fiscal year-end. Foundations (component units) with different year-ends are included in these financial statements for the year ending August 31, 2023, December 31, 2023, or March 31, 2024. Significant intrafund activity/balances between each higher education institution and their foundations have been eliminated.

The following amounts could not be eliminated due to the differing year-ends:

- University of Virginia (nonmajor component unit):
  - institution revenue of $13.5 million
  - foundation assets of $1.5 million
  - foundation liabilities of $1.9 million
  - foundation expenses of $30.3 million

- Old Dominion University (nonmajor component unit):
    - institution liabilities of $36.2 million
    - foundation assets of $30.6 million
- George Mason University (nonmajor component unit):
    - foundation revenue of $47.7 million
    - foundation expenses of $24.6 million
- Longwood University (nonmajor component unit):
    - foundation assets of $33.1 million
    - institution liabilities of $20.7 million

The primary government reports the following major enterprise funds:

Virginia Lottery Fund – Accounts for all receipts and expenses of the Virginia Lottery, excluding activity related to the regulation and compliance monitoring of casinos and sports betting.

Virginia College Savings Plan Fund – Administers the Defined Benefit 529 Program.

Unemployment Compensation Fund – Accounts for receipts from employers and expenses incurred to provide benefits to eligible unemployed workers.

Additionally, the primary government reports the following fund types:

Governmental Fund Types:

Special Revenue Funds – Account for transactions related to resources received and used for restricted, committed, or specific purposes.

Debt Service Funds – Account for transactions related to resources retained and used for the payment of interest and principal on bonds. Additionally, this fund includes the activity of the Hampton Roads Transportation Accountability Commission (blended component unit).

Capital Project Funds – Account for transactions related to resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental or proprietary funds with the exception of certain Virginia Public Building Authority (blended component unit) disbursements. The primary resource for these funds is the proceeds of bond issues and energy performance contracts. Principal uses are for construction and improvement of state office buildings, correctional and behavioral health facilities, and parks. Additionally, this fund includes the activity of the Hampton Roads Transportation Accountability Commission (blended component unit) for construction projects related to new or existing highways, bridges or tunnels in the localities comprising Planning District 23.

Permanent Funds – Account for transactions of the Commonwealth Health Research Fund and the Behavioral Health Endowment Funds whose principal must remain intact and whose income is used to benefit the Commonwealth's citizens and behavioral health patients.

Proprietary Fund Types:

Enterprise Funds – Account for transactions related to resources received and used for financing self-supporting activities of the primary government that offer products and services on a user-charge basis to external users.

Internal Service Funds – Account for transactions related to the financing and sale of goods or services provided by the agencies of the primary government to other agencies and institutions of the Commonwealth. Activities include the provision of information technology, manufacturing activities, insurance programs, fleet services, facilities and property management, engineering and payroll services.

Fiduciary Fund Types:

Private Purpose Trust Funds – Account for transactions that benefit individuals, organizations, and other governments; have a trust that meets GASB Statement No. 84, *Fiduciary Activities* criteria; and are not required to be reported in another fiduciary fund type. These trusts include those for the Commonwealth-sponsored educational savings plan and other purposes.

Pension and Other Employee Benefit Trust Funds – Account for transactions of the Virginia Retirement System administered pension plans, other postemployment and employee benefit plans with trusts that meet GASB Statement No. 84 criteria.

Custodial Funds - External Investment Pool – Accounts for the external portion of the Local Government Investment Pool (LGIP) that is sponsored by the Commonwealth and does not have a trust that meets GASB Statement No. 84 criteria.

Custodial Funds - Other - Accounts for transactions similar to Private Purpose Trust Funds except they do not have a trust that meets GASB Statement No. 84 criteria. These funds include collection of sales tax and fees imposed by and distributed to localities, deposits of insurance carriers, child support collections, and other miscellaneous accounts.

E. Budgetary Process

Budgetary amounts shown in the Required Supplementary Information and Combining and Individual Fund Statements and Schedules sections represent the total of the original budgeted amounts and all supplemental appropriations. The Commonwealth's budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly. Unexpended appropriations at the end of the fiscal year generally lapse. However, they may be reappropriated for expenditure in the following fiscal year. The Governor, as required by the *Code of Virginia*, submits a budget composed of all proposed expenditures for the Commonwealth, and of estimated revenues and borrowing for a biennium, to the General Assembly. Budgets are adopted for the General and Special Revenue Funds, except for the Literary (major special revenue) and Unclaimed Property (nonmajor special revenue) Funds. Formal budgetary integration is not employed for the Capital Projects (nonmajor governmental), Debt Service (nonmajor governmental), Permanent (nonmajor governmental), Literary (major special revenue) and Unclaimed Property (nonmajor special revenue) Funds because effective budgetary control is alternatively achieved through the General Fund and the remaining special revenue funds.

The budget is prepared on a biennial basis; however, the budgets of the General and Special Revenue Funds contain separate appropriations for each year within the biennial budget, as approved by the General Assembly and signed into law by the Governor. For management control purposes, the lowest level of budgetary control is the program level. The Governor may transfer an appropriation within a state agency or from one state agency to another, provided that total fund appropriations, as contained within the budget, are not exceeded without further General Assembly action. Additionally, the Governor may reduce appropriations up to 15.0 percent without further General Assembly action. Increases in General Fund appropriations must be approved by the General Assembly.

Appropriations for programs funded from Special Revenue Funds may allow expenditures in excess of the original appropriations to the extent that revenues of the funds exceed original budget estimates and such additional expenditures are approved by the Governor through supplemental appropriations.

F. Cash, Cash Equivalents, Investments and Derivative Instruments

Cash

In order to maximize the Commonwealth's earning potential, the majority of the primary government's cash balances are pooled together in the general account for investment purposes. The amounts required for operations are liquidated as needed. Since all amounts not required for operations are held in investment securities, it is possible that the cash balances could be negative due to timing differences in liquidating the investments.

As of June 30, 2024, the General Fund had a negative cash balance of $14.5 billion. In order to properly reflect the general account position, this negative cash balance has been eliminated in the accompanying statements and offset against the primary government's cash equivalents and investments (see Note 7).

Cash Equivalents

Cash equivalents are investments with an original maturity of 90 days or less.

Investments

Investments are principally comprised of monies held by component units, the Virginia Retirement System (the System), and monies held by the State Treasurer in both the general account and other fiduciary accounts. The System aggregates all funds that the Board of Trustees is responsible for investing and commingles these amounts for investing purposes. The System's pooled investments represent all cash and investment amounts reported in the Pension and Other Employee Benefit Trust Funds, the VRS Investment Portfolio and Volunteer Firefighters Rescue Squad Workers (custodial funds - other), the Commonwealth Health Research Board (permanent), and Federal Special Revenue (major).

The primary government’s policy for managing interest rate risk, with the exception of the Virginia College Savings Plan (Virginia529) and the System, uses the segmented time distribution method.

Virginia529, for its investment portfolio reported as Defined Benefit 529 Program (major enterprise fund) and Defined Contribution 529 Program (private purpose trust fund), and the System, for the System's pooled investments, manage the interest rate risk using the effective duration methodology. To be consistent with management practices for each portfolio, the Commonwealth has elected to disclose the interest rate risk exposures, using the segmented time distribution for the primary government (excluding Defined Benefit 529, Defined Contribution 529, and the System's pooled investments) and the effective duration method for Defined Benefit 529, Defined Contribution 529, and the System's pooled investments. The Commonwealth discloses the component unit's interest rate risk using the segmented time distribution method (see Note 7).

Governmental and proprietary funds, both primary government and component units, report investments in money market and in the Commonwealth sponsored investment pools at amortized cost which approximates fair value. All other investments, including investments in the Commonwealth sponsored Extended Maturity portfolio, are reported at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application.* GASB Statement No. 72 provides guidance for determining fair value measurements using the level of fair value hierarchy and valuation techniques (see Note 7).

Investments administered by the System are reported at fair value, except for certain cash equivalents and other short-term, highly liquid investments which are reported at amortized cost. The cost of investments sold is the average cost of the aggregate holding of the specific investment sold. For investments in limited partnerships, the System's share of the partnership's earnings or losses for the period are included in investment income.

Derivative Instruments

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes (see Note 15).

G. Assets Held Pending Distribution

Assets held pending distribution include various assets that have been placed in safekeeping until final disposition has been determined.

H. Receivables

Receivables in the governmental funds consist primarily of the accrual of taxes and amounts relating to the Opioid Settlement, as well as receivables of the primary government's Medicaid program and up-front amounts to be received for a Service Concession Arrangement. Additionally, receivables include amounts to be received for debt service payments related to certain bonds. Receivables in the proprietary funds consist primarily of educational contribution receivables and unemployment compensation. Receivables of fiduciary funds are primarily the accrual of security transactions in the Pension and Other Employee Benefit Trust Funds. Receivables of the component units consist primarily of mortgage receivables, loans receivable, patient receivables, student receivables, and lease receivables, for further details see the individually published financial statements. Receivables are recorded net of allowances for doubtful accounts (see Note 8). Restricted receivables due within one year with no long-term portion are included in receivables rather than Restricted Assets (Note 12) due to their liquidity.

I. Contributions Receivable, Net

Contributions Receivable reported by the foundations (component units) represents pledges or unconditional promises to give that have been discounted (see Note 9).

J. Internal Balances

Interfund receivables and payables have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities (see Note 10).

K. Inventory

Inventories consist of materials and supplies and are reported as expenditures when consumed. These assets are classified as nonspendable fund balance. Inventories exceeding $1.0 million of the General and the Special Revenue Funds are maintained at cost using the first-in, first-out (FIFO) methodology, except for the following:

- Department of Emergency Management (VDEM)
- Virginia Department of Health (VDH)
- Department of State Police (VSP)
- Virginia Department of Transportation (VDOT)

VDEM supply inventories are recorded in the Federal Trust Fund (major special revenue) using the average cost methodology and maintained at average cost. VDH supply inventories are recorded in the General (major), Federal Trust (major special revenue), and Health and Social Services (nonmajor special revenue) Funds using the FIFO methodology and are maintained at either cost or current market cost. VSP inventories are recorded in the General (major) and Other (nonmajor special revenue) Funds using the FIFO and average cost methodology and are maintained at cost. VDOT inventories are recorded in the Commonwealth Transportation Fund (major special revenue) using the FIFO and average cost methodologies and are maintained at either cost or average cost.

In addition to inventories maintained as stated above, the following agencies reported donated inventory balances on hand as of June 30, 2024:

- Department of Agriculture and Consumer Services (VDACS)
- Department of Behavioral Health and Developmental Services (DBHDS)
- Department of Health (VDH)
- Department of Juvenile Justice (DJJ)
- Virginia Department of Transportation (VDOT)

Inventories maintained by the Virginia Lottery (major enterprise fund) are stated at cost using the average cost methodology.

Inventories maintained by the Virginia Museum of Fine Arts and the Consolidated Laboratory (nonmajor enterprise funds) are stated at cost using FIFO.

Inventories maintained by the Science Museum of Virginia (nonmajor enterprise fund) are stated at cost using LIFO.

Inventories maintained by the Alcoholic Beverage Control (nonmajor enterprise fund) are stated at average cost using the weighted average method.

Inventories maintained by the Virginia Industries for the Blind (nonmajor enterprise fund) are stated at average cost using the lower of cost or market methodology.

Inventories maintained by Virginia Correctional Enterprises (internal service fund) are stated at the lower of cost or market using FIFO. Inventories maintained by the internal service funds except for Virginia Correctional Enterprises are stated at cost using FIFO.

Institutions of higher education (nonmajor component units) use several methods for inventory valuations, including cost using FIFO, the lower of cost or market using FIFO, or weighted average methods. Inventories maintained by the Virginia Port Authority and the Danville Science Center (nonmajor component units) are reported using the moving average unit cost methodology. Inventories at the gift shop run by the Library of Virginia Foundation and at the Hampton Roads Sanitation District Commission (nonmajor component units) are stated at lower of cost or market using the average cost methodology.

L. Prepaid Items

Prepaid assets for rent, insurance, and similar items are recognized when purchased and expensed when used.

M. Loans Receivable/Payable

Loans Receivable/Payable represents working capital advances between the primary government and component units (see Note 10).

N. Other Assets

Other Assets include those balances of a miscellaneous nature that are not specifically classified elsewhere. Additionally, this account includes the Virginia Sickness and Disability Program Net Other Postemployment Benefit Plan Asset applicable to the proprietary funds (see Note 11).

O. Capital Assets

Capital assets of governmental funds are recorded as expenditures at the time of purchase and capitalized in the governmental activities column of the Government-wide Statement of Net Position. Capital assets of the other funds and component units are capitalized in the fund in which they are utilized. All other capital assets are depreciated/amortized on the straight-line basis over their useful lives (see Note 13).

Capital assets are stated at historical cost or, in some instances, estimated historical cost. Assets received pursuant to service concession arrangements and donated capital assets from entities external to the reporting entity are stated at acquisition value when they are placed in service or at the time of donation, respectively. Asset transfers or donations from within the reporting entity are recorded at the carrying value of the transferring entity as required by GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The primary government capitalizes all equipment that has a cost or value greater than $50,000 (individually or in aggregate) and expected useful life of greater than two years. The primary government capitalizes all land, water rights/easements, buildings, infrastructure, and software that have a cost or value greater than $100,000 and an expected useful life of greater than two years. In addition, the primary government reports right-to-use intangible assets of equipment, land, and buildings with a present value of $50,000 or greater and subscription-based information technology arrangements with a present value of $5,000 or greater, all of which have an expected useful life of more than one year. Selected agencies, business-type entities, and component units utilize a capitalization limit lower or higher than the primary government's established thresholds for various reasons. Accordingly, reported capital assets may include some items that cost less than those thresholds. Infrastructure, including highways, bridges, and rights-of-way, is capitalized using the historical approach and includes any assets acquired prior to fiscal year 1980.

The amortization of long-term lease and SBITA contracts related to right-to-use intangible assets are reported separately from other capital assets as required by GASB Statement No. 87, *Leases* and GASB Statement No. 96*, Subscription-Based Information Technology Arrangements.*

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Land leases are amortized over the lease term. Leases with purchase options that are reasonably certain to be exercised are amortized over the useful life of the underlying asset. In circumstances where the underlying asset is nondepreciable, such as land, the lease asset is not amortized.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

The primary government's capitalization policy regarding works of art/historical treasures is that capitalization is encouraged, but not required, for works of art/historical treasures that meet the following conditions:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain;
- The collection is protected, kept unencumbered, cared for and preserved; and,

- The collection is subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for the collection.

The primary government capitalizes construction-in-progress when project expenditures, including construction of intangible assets, exceed $100,000.

Expenditures are classified as construction-in-progress if:

(1) They extend the asset life, improve productivity, or improve the quality of service; and,

(2) They fall into the planning, acquisition, construction, improvement, renovation, repair, replacement, relocation, or demolition phase of the asset life.

The estimated lives of capital assets are as follows:

	Years
Buildings	10–75
Equipment	2–50
Infrastructure	5–50
Software	5–25
Right-to-Use Lease Assets	See Above
Right to-Use Subscription Assets	See Above

Selected agencies, business-type entities, and component units may utilize estimated lives and policies that differ from the above for various reasons.

P. Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred outflows have a natural debit balance and, therefore increase net position similar to assets (see Notes 14, 16, and 18).

Q. Accounts Payable

Accounts payable represent amounts, including salaries and wages, owed for goods and services received prior to year-end. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, accounts payable also includes payments for nonexchange transactions that met eligibility requirements prior to fiscal year-end (see Note 25).

R. Unearned Revenue

Unearned revenue represents monies received or revenues accrued but not earned as of June 30, 2024.

In the special revenue funds, unearned revenue is composed primarily of prepaid toll revenue, contributions from localities and private sectors for highway construction projects, multi-year vehicle registrations recorded in the Commonwealth Transportation Fund (major); federal grants (including COVID-19 funding) in the Federal Trust Fund (major); and multi-year motor vehicle safety inspections, emission inspections, mining permits, and casino, hunting, fishing and trapping licenses, and annual registration fees recorded in the Other and Health and Social Services Funds (nonmajor).

In the enterprise funds, a majority of unearned revenue represents online ticket monies received by the Virginia Lottery (major) for which corresponding drawings have not been held; test kits and certifications from Consolidated Labs (nonmajor) which are paid for prior to shipping and certification being performed; and online sales of product where customers prepay before picking up and gift cards in the Alcoholic Beverage Control (nonmajor).

Unearned revenue in the internal service funds primarily represents unearned premiums in the Risk Management Fund; advanced customer receipts in the Technology and Data Services Fund; and prepaid rent and work orders in the Property Management Fund.

Unearned revenue reported by higher education institutions (nonmajor component units) is primarily composed of revenue for student tuition accrued in advance of the semester and advance payments on grants and contracts. Unearned revenues in the other component units consist primarily of prepaid fees related to various future activities.

S. Unearned Taxes

Unearned taxes represent income taxes related to the period January through June 2024. This amount is the estimate to be refunded (overpayments by taxpayers) reduced by the estimate to be received (underpayments from taxpayers) that will be finalized when income tax returns are filed in subsequent years. Individual income tax estimated overpayments total $1.1 billion and estimated underpayments total $1.8 billion. When underpayments exceed overpayments, revenue on the fund statements is only recognized to the extent of estimated overpayments. Since underpayments exceed overpayments for the individual income taxes, the unearned tax amount is zero for the fiscal year.

Corporate income tax estimated overpayments total $91.8 million and estimated underpayments total $165.1 million. When underpayments exceed overpayments, revenue on the fund statements is only recognized to the extent of estimated overpayments. Since underpayments exceed overpayments for the corporate income taxes, the unearned tax amount is zero for the fiscal year.

T. Obligations Under Securities Lending Program

In accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, liabilities resulting from these transactions have been recorded as obligations under securities lending transactions.

U. Due to Claimants, Participants, Escrows and Providers

Due to claimants, participants, escrows and providers represent monies that the Commonwealth is holding on behalf of third parties as of June 30, 2024. In governmental funds, the majority of the amount represents unemployment benefit claims and estimated unclaimed and escheat property that the Commonwealth is holding until claimed by the rightful owner.

In the enterprise funds, the amounts represent payments due to benefit claimants and employers for tax overpayments in the Unemployment Compensation Fund (major) and to participants of the Defined Benefit 529 Program in the Virginia College Savings Plan (major).

In the private purpose trust funds, the amounts represent payments due to participants in the Defined Contribution 529 Program offered by the Virginia College Savings Plan.

In the Custodial Funds - Other, the amounts represent accounts of inmates of the Commonwealth's correctional facilities.

V. Other Liabilities

Other liabilities represent amounts owed for various governmental and proprietary activities. Some of these amounts will be paid shortly after fiscal year-end (see Note 26).

W. Insurance Claims Payable

Insurance claims payable, reported in the proprietary funds of the primary government, represent both health and liability insurance claims payable as of June 30, 2024. This includes both actual claims submitted, as well as actuarially determined claims incurred but not reported. Claims relating to the primary government’s liability insurance programs are reported in the Risk Management - internal service fund and the Risk Management - nonmajor enterprise fund. Also, health insurance claims are reported in the Health Care - internal service fund, the Local Choice Health Care - nonmajor enterprise fund and Line of Duty - internal service fund and nonmajor enterprise fund (see Notes 24.A. and 24.B.). Claims payable reported by the Virginia Commonwealth University Health System Authority (a blended component unit of the Virginia Commonwealth University – nonmajor component unit) represents estimated malpractice, workers’ compensation, and other insurance coverages claims payable amounts.

X. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities column. The governmental fund statements reflect the portion of long-term liabilities that will be paid from expendable resources that represent payments to employees for separations that occurred prior to June 30, 2024. The proprietary fund statements and discrete component unit statements reflect total long-term liabilities and distinguish between those portions payable within one year and those payable in future years (see Note 27).

Bond premiums and discounts are amortized over the life of the bond. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, excluding prepaid insurance, are expensed.

Expenditures for principal and interest payments for governmental fund general obligation bonds and revenue bonds are recognized in the Debt Service Fund (nonmajor) when due. In the General Fund (major) and special revenue funds, expenditures for principal and interest payments are recognized for long-term leases, long-term SBITAs and installment purchases. In the fund statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures (see Note 27).

Y. Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. Deferred inflows have a natural credit balance and, therefore decrease net position similar to liabilities (see Notes 14, 15, 16, 18 and 38).

Z. Nonspendable Fund Balances

Nonspendable fund balances indicate the portion of fund balance that cannot be spent because it is either not in spendable form or is legally or contractually required to be maintained intact.

AA. Restricted Fund Balances

Restricted fund balances are amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

BB. Committed Fund Balances

Committed fund balance includes amounts that must be spent for specific purposes that have been legislatively mandated by the Governor and General Assembly. Further action by the Governor and the General Assembly would be required to modify these commitments.

CC. Assigned Fund Balances

Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are identified by Commonwealth management pursuant to the delegation of authority granted by the General Assembly and Governor specified in the Appropriation Act.

DD. Unassigned Fund Balances

Unassigned fund balance is the amount of fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the General Fund (major). The General Fund is the only fund that could potentially report a positive unassigned fund balance amount. For fiscal year 2024, there are no unassigned balances in the governmental funds.

EE. Cash Management Improvement Act

Included in Amounts Due to Other Governments is the Commonwealth's Cash Management Improvement Act (CMIA) interest liability to the federal government, which is calculated in accordance with the interest calculation and exchange provisions of the Federal Cash Management Improvement Act of 1990. The Commonwealth's interest liability is subject to review and final confirmation by the Bureau of the Fiscal Service (BFS) of the U.S. Treasury. If required, the payment is to be made on March 31 of the following year. Payment will be made from a sum sufficient appropriation authorized for this purpose by the Appropriation Act. The CMIA interest rate of exchange is based by law on the average of the bond equivalent rates of 13-week Treasury Bills auctioned during the annual reporting period as calculated by BFS.

FF. Investment Income

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investment income reported in the accompanying financial statements includes changes in the fair value of investments and the amount reported may be negative. Additionally, the Commonwealth's policy is to record all unrealized gains or losses for the State Treasurer's Portfolio in the General Fund. For Pension and Other Employee Benefit Trust Funds, the Interest, Dividends, and Other Investment Income includes Net Appreciation/Depreciation at Fair Value of Investments.

GG. Intrafund Eliminations

Eliminations have been incorporated into the report to eliminate intrafund transactions within the related fund type. These eliminations prevent overstatement of financial activity.

HH. Interfund Activity

Generally, the effect of interfund activity has been eliminated from the government-wide statements, with the exception of interfund services provided and used between functions. Elimination of these activities would distort the direct costs and program revenues for the functions.

In the fund financial statements, transfers represent the movement of resources or the accrual to move resources between funds. For example, transfers are recorded when a fund receives revenue and subsequently disburses the resources to another fund for expenditure.

2. RESTATEMENT OF BEGINNING BALANCES

The beginning balance restatements resulted from the following:

Government-wide Activities

Governmental Activities

- The Right-to-Use Subscription-Based Information Technology Arrangements (SBITAs) were overstated by $8.7 million for the Governmental Activities due to error corrections predominately by the Department of Social Services, the Virginia Department of Transportation, and the Department of Human Resource Management. The Construction in Progress for SBITAs was understated by $8.8 million for the Governmental Activities due to error corrections predominately by the Virginia Department of Transportation, the State Corporation Commission, and the Department of Small Business and Supplier Diversity.
- Capital Asset balances were understated by $282.6 million. Nondepreciable Capital Assets were overstated by $7.3 million and depreciable capital assets were understated by $289.9 million. The restatements were predominantly a result of $150.8 million of restatements relating to GASB Implementation Guide 2021-1, Question 5.1 regarding group assets, and $131.8 million of errors predominately by the Department of Transportation, Department of State Police, and the Department of General Services. In addition, there was a reclassification between depreciable and non-depreciable infrastructure of $2.6 billion for the Virginia Department of Transportation.

Business-Type Activities

The government-wide and fund statements were restated for the following:

- The Virginia College Savings Plan (major) has been restated for GASB Implementation Guide 2021-1, Question 5.1 regarding group assets. The following line items were understated: Other Capital Assets, Net $585,637 and Net Position-Net Investment in Capital Assets $585,637.
- The eVA Procurement System (nonmajor) has a restated beginning balance due to a SBITA duplication. The following line items were overstated: Nondepreciable Capital Assets $15.1 million and Net

Position - Net Investment in Capital Assets $15.1 million.

Fund Statements

- The Virginia College Savings Plan (major enterprise) has been restated by $585,637 as previously discussed.
- The eVA Procurement System (nonmajor enterprise) has been restated by $15.1 million as previously discussed.

Component Units

The government-wide and fund statements were restated for GASB Implementation Guide 2021-1, Question 5.1 regarding group assets resulting in a change in accounting principle for the following:

- Higher education institutions (nonmajor component units) restatements total $150.5 million and the following line items were understated: Other Capital Assets, Net $150.5 million, Nondepreciable Capital Assets $434,000, and Net Position-Net Investment in Capital Assets $150.5 million.

New College Institute (nonmajor component unit) had a restatement for a change in reporting entity because the New College Foundation (formerly a discrete component unit of New College Institute) no longer exists. The effect of this restatement is shown in the Beginning Net Position/Beginning Fund Balance table.

The following higher education institutions (nonmajor component units) have restatements for error corrections that total $69.5 million:

- University of Virginia - The following line items were understated: Other Capital Assets, Net, $3.0 million, Net Position-Net Investment In Capital Assets $3.0 million, Net Position-Restricted for Expendable-Higher Education $3.1 million, and Net Position-Unrestricted $42.1 million. In addition, the following line items were overstated: Investments $14.2 million, Accounts Payable $22.9 million, Long-Term Liabilities-Due Within One Year $11.8 million, and Long-Term Liabilities-Due in More Than One Year $24.7 million. These restatements are primarily related to errors regarding accounting for accrued leave, accounts payable, a funding liability, and an investment in an affiliate.
- Virginia Commonwealth University - The following line items were understated: Prepaid Items $527,078, Nondepreciable Capital Assets $5.3 million, Other Capital Assets, Net $4.9 million, Long-Term Liabilities-Due in More Than One Year $1.4 million, Net Position-Unrestricted $527,078, and Net Position-Net Investment in Capital Assets $9.3 million. In addition, the following line item was overstated: Long-Term Liabilities-Due Within One Year $481,883. These restatements are primarily related to errors regarding accounting for leases, subscription-based information technology arrangements, and capital assets.
- Old Dominion University - The following line items were understated: Other Assets $278,396, Net Position-Unrestricted $20.2 million. In addition, the following line items were overstated: Receivables, Net $2.3 million, Nondepreciable Capital Assets $274,204, Other Capital Assets, Net $12.5 million, Accounts Payable $18.6 million, Unearned Revenue $2.7 million, Other Liabilities $1.0 million, Long-Term Liabilities-Due in More Than One Year $12.4 million, and Net Position-Net Investment in Capital Assets $334,834. These restatements are primarily related to errors regarding accounting for subscription-based information technology arrangements, capital assets, unearned revenue, accounts payable, and other items.
- George Mason University - The following line items were overstated: Prepaid Items $4.0 million, Receivables, Net $1.3 million, and Net Position-Unrestricted $5.3 million. These restatements are primarily related to errors regarding accounting for prepaid items and receivables.
- Virginia Community College System - The following line items were overstated: Prepaid Items $9.5 million, Net Position-Unrestricted $10.8 million. In addition, the following line item was understated: Other Liabilities $1.3 million. These restatements are primarily related to errors regarding accounting for prepaid items.
- Longwood University - The following line items were understated: Receivables, Net $7.8 million, Other Liabilities $200,887, and Net Position-Unrestricted $7.6 million. These restatements are primarily related to errors regarding eliminations between the University and foundations that have a calendar year-end.

Beginning Net Position/Fund Balance Restatement

(Dollars in Thousands)

	Balance as of June 30, 2023	Change in Accounting Principle for Group Assets	Changes to or within Financial Reporting Entity	Error Corrections	Balance as of June 30, 2023, as restated
Government-wide Activities:					
Primary Government:					
Governmental Activities	$ 42,117,673	$ 150,758	$ —	$ 131,810	$ 42,400,241
Business-Type Activities	3,370,481	586	—	(15,064)	3,356,003
Total Primary Government	$ 45,488,154	$ 151,344	$ —	$ 116,746	$ 45,756,244
Component Units	$ 43,093,036	$ 150,464	$ (12,173)	$ 69,519	$ 43,300,846
Fund Statements:					
Proprietary Funds					
Major Enterprise Funds:					
Virginia Lottery	$ (23,421)	$ —	$ —	$ —	$ (23,421)
Virginia College Savings Plan	1,657,527	586	—	—	1,658,113
Unemployment Compensation	1,496,729	—	—	—	1,496,729
Nonmajor Enterprise Funds	239,614	—	—	(15,064)	224,550
Total Enterprise Funds	$ 3,370,449	$ 586	$ —	$ (15,064)	$ 3,355,971
Internal Service	$ 317,430	$ —	$ —	$ —	$ 317,430
Component Units:					
Virginia Housing Development Authority	$ 3,785,147	$ —	$ —	$ —	$ 3,785,147
Virginia Public School Authority	47,264	—	—	—	47,264
Virginia Resources Authority	2,215,608	—	—	—	2,215,608
Virginia College Building Authority	(5,290,090)	—	—	—	(5,290,090)
Nonmajor Component Units	42,335,107	150,464	(12,173)	69,519	42,542,917
Total Component Units	$ 43,093,036	$ 150,464	$ (12,173)	$ 69,519	$ 43,300,846

3. NET POSITION/FUND BALANCE CLASSIFICATIONS

Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* improved the reporting of fund balance so that classifications are more easily understood and can be applied consistently between information reported in the government-wide financial statements and the governmental fund financial statements. The governmental fund balance classifications defined in GASB Statement No. 54 are: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balance includes inventories, prepaid items, and the principal of a permanent fund. These funds are not available for expenditure in the current or following period.

Restricted fund balance includes amounts that have constraints placed on the use of resources by the Constitution of Virginia or a party external to the Commonwealth.

Committed fund balance includes amounts that must be spent for specific purposes that have been legislatively mandated by the Governor and General Assembly.

Assigned fund balance represents amounts that the Commonwealth has identified for planned purposes but for which the intended use is not legislatively mandated. The assignments are identified by Commonwealth management pursuant to the delegation of authority granted by the General Assembly and Governor specified in the Appropriation Act. The following schedule includes committed and assigned amounts that share the same purpose and title. The distinction between these classifications results from whether there is a statutory restriction on certain amounts contained within the fund.

Unassigned fund balance for the General Fund represents the residual classification. As of June 30, no unassigned fund balance is reported for the General Fund (major). Additionally, a negative amount indicates that restricted and committed amounts exceed the available modified accrual basis fund balance. For fiscal year 2024, there are no unassigned balances in the governmental funds.

The governmental fund balance classifications and amounts as of June 30, 2024, are shown in the following table.

Governmental Fund Balance Classifications

(Dollars in Thousands)

	General Fund	Commonwealth Transportation	Federal Trust	Literary	Nonmajor Governmental	Total
Nonspendable						
Inventory	$ 46,824	$ 118,636	$ 101,428	$ —	$ 6,516	$ 273,404
Prepaid Items	104,159	156,928	6,793	—	166,830	434,710
Permanent Funds	—	—	—	—	48,843	48,843
Total Nonspendable	150,983	275,564	108,221	—	222,189	756,957
Restricted						
Agriculture and Forestry	—	—	—	—	11,838	11,838
Capital Projects/Construction/Capital Acquisition	—	—	—	—	1,726,121	1,726,121
Contract and Debt Administration	—	15,813	—	—	—	15,813
COVID-19	—	—	6,831	—	—	6,831
Debt Service	—	—	—	—	46,034	46,034
Economic and Technological Development	—	—	—	—	158	158
Educational and Training Programs	—	—	—	—	5,112	5,112
Employee Benefit Administration	—	—	—	—	6,583	6,583
Environmental Quality and Natural Resource Preservation	—	—	—	—	13,557	13,557
Gifts and Grants	—	7,965	108,668	—	3,196	119,829
Government Operations:						
Administrative Services	—	—	—	—	3,392	3,392
Health and Public Safety	—	—	—	—	248,130	248,130
Literary Fund	—	—	—	562,483	—	562,483
Lottery Proceeds Fund	99,905	—	—	—	—	99,905
Revenue Stabilization Fund	2,767,048	—	—	—	—	2,767,048
Transportation Activities	—	217,520	—	—	—	217,520
Unclaimed and Escheats	—	—	—	—	98,162	98,162
Virginia Water Supply Assistance Grant Fund	11,961	—	—	—	—	11,961
Total Restricted	2,878,914	241,298	115,499	562,483	2,162,283	5,960,477
Committed						
Agriculture and Forestry	3,369	—	—	—	47,791	51,160
Amount Required for Mandatory Reappropriation	1,018,046	—	—	—	—	1,018,046
Amount Required for Reappropriation of 2024 Unexpended Balances for Capital Outlay and Restoration Projects	2,433,408	—	—	—	—	2,433,408
Capital Projects/Construction/Capital Acquisition	5,799	—	—	—	679	6,478
Central Capital Planning Fund	20,893	—	—	—	—	20,893
Commonwealth's Development Opportunity Fund	128,448	—	—	—	—	128,448
Contract and Debt Administration	123	4,202	—	—	3,805	8,130
COVID-19	—	—	—	—	3,517	3,517
Economic and Technological Development	828,590	—	—	—	416,910	1,245,500
Educational and Training Programs	569,802	4,919	—	—	16,221	590,942
Environmental Quality and Natural Resource Preservation	104,229	—	—	—	369,107	473,336
Gifts and Grants	—	—	—	—	4,101	4,101
Government Operations:						
Administrative Services	281	—	—	—	111,473	111,754
Legislative Services	—	—	—	—	498	498
Health and Public Safety	108,334	1,992	—	—	496,604	606,930
Individual Income Tax Rebate	72	—	—	—	—	72
I-81 Corridor Improvement Program	175,000	—	—	—	—	175,000
Local Government Fiscal Distress	750	—	—	—	—	750
Natural Disaster Sum Sufficient	31,158	—	—	—	—	31,158
Regulatory Oversight	—	—	—	—	195,827	195,827
Revenue Reserve Fund	2,220,550	—	—	—	—	2,220,550
Taxpayer Relief Fund	70	—	—	—	—	70
Transportation Activities	—	5,300,943	—	—	1,584	5,302,527
Virginia Communication Sales and Use Tax	8,683	—	—	—	—	8,683
Virginia Health Care Fund	45,053	—	—	—	—	45,053
Virginia Military Survivors and Dependents Education Program	90,000	—	—	—	—	90,000
Virginia Water Quality Improvement Fund	763,332	—	—	—	—	763,332
Virginia Water Quality Improvement Fund - Part A	59,372	—	—	—	—	59,372
Virginia Water Quality Improvement Fund - Part B	34,315	—	—	—	—	34,315
Water Quality Improvement Fund Matching Grants	400,000	—	—	—	—	400,000
Total Committed	9,049,677	5,312,056	—	—	1,668,117	16,029,850
Assigned						
Agriculture and Forestry	3	—	—	—	1,188	1,191
Amount Required by Chapter 2	2,719,722	—	—	—	—	2,719,722
Economic and Technological Development	10,764	—	—	—	3,879	14,643
Educational and Training Programs	7,575	—	—	—	13,651	21,226
Employee Benefit Administration	9,500	—	—	—	—	9,500
Environmental Quality and Natural Resource Preservation	15,699	—	—	—	14,229	29,928
Capital Projects/Construction/Capital Acquisition	927	—	—	—	—	927
COVID-19	458	—	—	—	—	458
Government Operations:						
Administrative Services	14,623	—	—	—	—	14,623
Legislative Services	7,152	—	—	—	—	7,152
Health and Public Safety	21,332	—	—	—	23,936	45,268
Regulatory Oversight	—	—	—	—	4	4
Transportation Activities	11	985	—	—	—	996
Total Assigned	2,807,766	985	—	—	56,887	2,865,638
Total Fund Balance	$ 14,887,340	$ 5,829,903	$ 223,720	$ 562,483	$ 4,109,476	$ 25,612,922

4. DEFICIT FUND BALANCES/NET POSITION

The Virginia Lottery (major enterprise fund), the Department of General Services' Consolidated Laboratory Services Fund, the Department of Environmental Quality's Title V Air Pollution Permit Fund, the Virginia Museum of Fine Arts Gift Shop (nonmajor enterprise funds), and the Payroll Service Bureau (internal service funds) ended the year with deficit net positions of $21.7 million, $1.3 million, $7.7 million, $1.4 million, and $1.4 million, respectively. This was solely attributable to the net pension liability resulting from GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and the other postemployment benefits (OPEB) obligation resulting from GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

The Enterprise Application Fund (internal service fund) ended the year with a deficit net position balance of $7.7 million. The deficit was a result of working capital advances for the Human Capital Management System and noncurrent liabilities related to net pension liabilities and other postemployment benefit obligations.

The Property Management Fund (internal service fund) ended the year with a deficit net position balance of $57.2 million. The deficit was a result of long-term lease liabilities exceeding the amortized lease assets. Further, there are noncurrent liabilities related to net pension liabilities and other postemployment benefit obligations.

The Risk Management Fund (internal service fund) ended the year with a deficit net position balance of $190.0 million. The deficit was the result of the Worker's Compensation Program having estimated insurance claims payable exceeding the available equity in the fund. Claims are paid on a pay-as-you-go basis. To the extent that claims exceed current resources, they will ultimately become a liability of the fund from which the claim originated. Further, there are noncurrent liabilities related to net pension liabilities and other postemployment benefit obligations.

The Virginia College Building Authority (major component unit) ended the year with a deficit net position balance of $5.4 billion. This deficit occurs because the Authority issued bonds for the 21st Century College and Equipment programs subject to future appropriations from the General Fund of the Commonwealth without any other security. These future appropriations are not included as assets of the Authority. The General Assembly has never failed to appropriate funds to the Authority for payment of debt service on the Authority's bonds.

The Southern Virginia Higher Education Center (nonmajor component unit) ended the year with a deficit net position balance of $1.1 million. This deficit is solely attributable to net pension liability and other postemployment benefit obligations.

The Virginia Economic Development Partnership (nonmajor component unit) ended the year with a deficit net position balance of $2.4 million. This deficit is solely attributable to net pension liability and other postemployment benefit obligations.

5. REVENUE STABILIZATION FUND

In accordance with Article X, Section 8 of the Constitution of Virginia, the amount estimated as required for deposit to the Revenue Stabilization Fund must be appropriated for that purpose by the General Assembly.

Under the provisions of Article X, Section 8 of the Constitution of Virginia, no deposit is required during fiscal year 2025 based on fiscal year 2023 revenue collections. Also, no deposit is required during fiscal year 2026 based on fiscal year 2024 revenue collections. A deposit of $904.7 million was made during fiscal year 2024, which includes the advance reservation of $498.7 million from the Revenue Reserve Fund provided in Chapter 1, 2022 Acts of Assembly Special Session I, for the fiscal year 2024 mandatory deposit.

Section 2.2-1829(b) of the *Code of Virginia* requires an additional deposit into the Fund when specific criteria have been met. No such deposit is required since the specified criteria were not met for fiscal year 2024.

The Revenue Stabilization Fund has principal and interest on deposit of $2.8 billion restricted as a part of the General Fund balance. Pursuant to the constitutional amendment of Article X, Section 8, effective January 1, 2011, the amount on deposit cannot exceed 15.0 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years. As of June 30, 2024, the constitutional maximum is $4.1 billion.

6. REVENUE RESERVE FUND

Section 2.2-1831.2 of the *Code of Virginia* established the Revenue Reserve Fund. As of June 30, 2024, the fund has principal and interest on deposit of $1.9 billion committed as part of the General Fund balance. This amount is set aside to mitigate certain anticipated revenue shortfalls when appropriations based on previous revenue forecasts exceed expected revenues in subsequent forecasts.

A deposit of $289.6 million was made during fiscal year 2024. This amount represents the fiscal year 2023 revenue collected in excess of the estimate reduced by the statutory deposit to the Water Quality Fund for excess revenues. Additionally, there was a withdrawal of $498.7 million for the advance reservation to the Revenue Stabilization Fund per Chapter 1, 2022 Acts of Assembly Special Session I, for the fiscal year 2024 mandatory deposit.

Sections 2.2-1831.3 of the *Code of Virginia* specifies the required deposits to the fund. Whenever there is a fiscal year in which there is not a mandatory deposit to the Revenue Stabilization Fund, a deposit is required if the general fund revenue exceeds the official estimate. The amount to be deposited shall not exceed one percent of the general fund revenues collected in the prior fiscal year. The Department of Planning and Budget has identified a deposit of $294.5 million to be made during fiscal year 2025. This amount represents the fiscal year 2024 revenue collected in excess of the estimate reduced by the amounts appropriated in Chapter 1, 2024 Acts of Assembly Special Session I, for the I-81 Corridor Improvement Program and Water Quality Improvement Fund Matching Grants, as well as the statutory deposit to the Water Quality Fund for excess revenues.

Additionally, the combined balance of the Revenue Reserve Fund and the Revenue Stabilization Fund cannot exceed 20.0 percent of the total Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years. As of June 30, 2024, the constitutional maximum is $5.4 billion.

7. CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of June 30, 2024, the carrying amount of cash for the primary government (including the Virginia Retirement System Pooled Investments) was $13.4 billion and the bank balance was $655.6 million. The carrying amount of cash for component units was $3.2 billion and the bank balance was $1.4 billion. Differences between carrying amounts and bank balances are primarily due to timing differences, including, but not limited to, outstanding checks, deposits in transit, and bank service charges. Cash equivalents are investments with an original maturity of 90 days or less. Cash and cash equivalents for foundations (component units) totaled $759.0 million as of year-end. A portion of this amount and some balances during the year exceeded Federal Deposit Insurance Corporation (FDIC) insurance coverage. Foundation investments are disclosed in the Interest Rate Risk section of this note. Note 7 includes investment derivatives for the primary government and excludes derivatives for the component units. For additional information concerning derivative instruments, see Note 15.

For purposes of this note, primary government includes governmental, business-type activities, and fiduciary funds. The majority of deposits of the primary government and the component units, excluding foundations (component units), are secured in accordance with the provisions of the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the *Code of Virginia*. The act requires any public depository that receives or holds public deposits to pledge collateral to the Treasury Board to cover public deposits in excess of Federal deposit insurance. The required collateral percentage is determined by the Treasury Board and ranges from 50.0 percent to 100.0 percent for financial institutions choosing the pooled method of collateralization, and from 105.0 percent to 130.0 percent for financial institutions choosing the dedicated method of collateralization. As stated in Note 1.FF, unrealized gains or losses for the State Treasurer's Portfolio are recorded in the General Fund. Public Depositors are required to secure their deposits pursuant to several applicable provisions of the law.

The Local Government Investment Pool Act, Section 2.2-4600 of the *Code of Virginia*, created the Local Government Investment Pool (Pool) program for the benefit of public entities of the Commonwealth. The Treasury Board of Virginia is granted administration of the Local Government Investment Pool (LGIP) and Local Government Investment Pool – Extended Maturity (LGIP EM) on behalf of the participating public entities of the Commonwealth. Participation in this pool is voluntary. Both LGIP and LGIP EM offer two professionally managed investment portfolios in accordance with the Investment of Public Funds Act. The LGIP portfolio is a diversified portfolio structured to provide public entities an investment alternative that seeks to minimize the risk of principal loss while offering daily liquidity, a stable Net Asset Value (NAV), and a competitive rate of return. The LGIP is not registered with the Securities Exchange Commission (SEC) as an investment company. The LGIP EM portfolio is a diversified portfolio with fluctuating NAV structured to provide an investment alternative to public entities who wish to invest monies not needed for daily liquidity. The fair value of the Commonwealth's position in the Pool is the same as the value of the Pool shares for all except for the LGIP EM whose shares fluctuate with changes in the fair value of the portfolio.

Certain deposits are held by trustees in accordance with the Trust Subsidiary Act, Section 6.2-1057 of the *Code of Virginia*. The act requires that cash held by trustees while awaiting investment or distribution is not to be used by an affiliate bank of the trustee in the conduct of its business unless the affiliate bank delivers securities to the trust department as collateral that is at least equal to the fair value of the trust funds held on deposit in excess of amounts insured by the FDIC.

The Commonwealth is authorized, in accordance with the guidelines set forth in Section 2.2-4500 et seq. of the *Code of Virginia*, to invest public funds in the following:

- U.S. Treasury and agency securities
- Corporate debt securities
- Asset–backed securities
- Mortgage–backed securities
- Municipal securities
- AAA rated obligations of foreign governments
- Bankers' acceptances and bank notes
- Commercial Paper
- Negotiable certificates of deposit
- Repurchase agreements
- Money market funds

Permitted investments include agency mortgage-backed securities, corporate or private label mortgage-backed securities, and asset-backed securities, which by definition usually expose the investor to prepayment risk. Prepayment risk, or the prepayment option granted the borrower, can create uncertainty concerning cash flows, can affect the price of the security causing negative convexity, and can expose the investor to reinvestment risk. Similarly, many agency and corporate securities are callable after some predetermined date at a predetermined price. The call options in regular agency debentures and some corporate securities can be open ended and may significantly impact cash flows, security pricing, and reinvestment risks of these securities.

As of June 30, 2024, the State Treasurer held no security that was in default as to principal or interest. In addition, the State Treasurer held no significant securities that were out of compliance with guidelines.

Public funds held by the Commonwealth, public officers, municipal corporations, political subdivisions, and any other public body of the Commonwealth shall be held in trust for the citizens of the Commonwealth. Any investment of such funds shall be made solely in the interest of the citizens of the Commonwealth and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Certain investments held in trust by the State Treasurer in accordance with bond indentures and resolutions may have more restrictive investment policies. Investment policies of component units are established by the entity's governing boards.

The information presented for the external investment pool was obtained from audited financial statements. Copies of the LGIP report may be obtained from the Department of the Treasury website at www.trs.virginia.gov.

The Board of Trustees (the Board) of the Virginia Retirement System (the System) (part of primary government) has full power to invest and reinvest the trust funds in accordance with Section 51.1-124.30 of the *Code of Virginia*, as amended. This section requires the Board to discharge its duties solely in the interests of members, retirees, and beneficiaries. It also requires the Board to invest the assets with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Board must also diversify such investments so as to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board does not have investment policies that place specific restrictions on investments related to custodial risk, interest rate risk, credit risk, or foreign currency risk. The System's investment portfolio is intended to be managed through diversification and prudent judgment, rather than through specific policy restrictions.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a depository bank failure, the Commonwealth may not be able to recover deposits or collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Commonwealth may not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Policies related to custodial credit risk pertaining to the Commonwealth's securities lending program are found in the securities lending section of this note.

As of June 30, 2024, the primary government (excluding the System's pooled investments) had $13.3 million in bank balances that were uninsured and uncollateralized. There is no deposit policy that addresses custodial credit risk.

As of June 30, 2024, investment securities for the System (excluding cash equivalents and repurchase agreements held as securities lending collateral) were registered and held in the name of the System for the benefit of the System's trust and custodial funds and were not exposed to custodial credit risk. It is the standard practice and policy of the System, through the relevant provisions in its contracts and agreements with third parties, to minimize all known and reasonably foreseeable custodial credit risks.

As of June 30, 2024, component units had $82.0 million in bank balances that were uninsured and uncollateralized, and $6.4 million in bank balances that were uninsured and collateralized with securities held by the pledging financial institution. In addition, the Virginia Housing Development Authority (major) held $98.4 million of investments, primarily Commercial Paper, that were uninsured and held by the counterparty as of June 30, 2024.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As discussed in Note 1.F., the Commonwealth discloses the risk for its debt investments using the segmented time distribution method for the primary government (excluding the Virginia College Savings Plan's Defined Benefit 529 and Defined Contribution 529 programs and the Virginia Retirement System Pooled Investments) and component units and the effective duration method for Virginia College Savings Plan (Defined Benefit 529 and Defined Contribution 529 programs) and the System (Virginia Retirement System Pooled Investments).

The State Treasurer's guidelines limit the following maximum durations for any single security of the following investment types:

Security Type	Maximum Duration
Corporate Security	15 years
Asset-Backed Securities	5 years
Sovereign Government Obligations (excluding U.S.)	5 years
Negotiable Certificates of Deposit and Negotiable Bank Notes	5 years

The State Treasurer's guidelines further describe target durations for the overall general account portfolio of 1.7 years.

The Virginia College Savings Plan (Virginia529) manages the risk for fixed income investment securities held in its Defined Benefit 529 and Defined Contribution 529 programs using the effective duration methodology. Virginia529's Statements of Investment Policy and Guidelines do not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Although not an explicit requirement, duration of fixed income portfolios, if applicable, is expected to be within 20.0 percent of each portfolio's designated benchmark.

The System also manages the risk within its portfolio using the effective duration methodology. It is widely used in the management of fixed income portfolios in that it quantifies, to a much greater degree, the risk of interest rate changes. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending on the degree of change in rates and the slope of the yield curve.

As of June 30, 2024, the System's investments included $2.8 billion, primarily in U.S. Treasury and agency securities, corporate bonds and notes, municipal and agency unsecured bonds and notes, and supranational and non-U.S. government bonds and notes, which are highly sensitive to interest rate fluctuations in that they have an option adjusted duration of greater than ten years. The resulting reduction in expected total cash flows affects the fair value of these securities.

As of June 30, 2024, the Commonwealth's investments subject to interest rate risk had the following maturities and weighted average effective durations.

Primary Government Investments

(Excluding Virginia College Savings Plan and Virginia Retirement System Pooled Investments)

(Dollars in Thousands)

		Investment Maturities (in years)			
Investment Type	June 30, 2024	Less Than 1	1-5	6-10	More Than 10
Debt Securities					
U. S. Treasury and Agency Securities	$ 5,673,718	$ 2,675,127	$ 2,034,384	$ 485,122	$ 479,085
Corporate Bonds and Notes	3,164,393	202,948	2,052,467	697,607	211,371
Supranational and Non-U.S. Government Bonds and Notes	527,337	525,380	1,957	—	—
Commercial Paper	11,725,211	11,725,211	—	—	—
Negotiable Certificates of Deposit	13,915,980	13,912,159	3,821	—	—
Repurchase Agreements	5,829,077	5,829,077	—	—	—
Municipal Securities	84,631	5,399	52,205	13,443	13,584
Asset-Backed Securities	1,161,212	—	588,105	179,161	393,946
Agency Mortgage-Backed Securities	1,350,894	15,595	200,523	104,932	1,029,844
Agency Unsecured Bonds and Notes	4,795,561	1,796,846	2,990,687	2,135	5,893
Mutual and Money Market Funds (Includes SNAP)	1,605,830	1,605,830	—	—	—
Fixed Income and Commingled Funds	7,658	2,339	5,319	—	—
Other Debt Securities	363	363	—	—	—
Total	$ 49,841,865	$ 38,296,274	$ 7,929,468	$ 1,482,400	$ 2,133,723

Primary Government - Virginia College Savings Plan Investments

(Dollars in Thousands)

Investment Type	Defined Benefit 529 (Major Enterprise Fund) June 30, 2024	Defined Benefit 529 (Major Enterprise Fund) Weighted Avg. Effective Duration	Defined Contribution 529 (Private Purpose Trust Fund) June 30, 2024	Defined Contribution 529 (Private Purpose Trust Fund) Weighted Avg. Effective Duration
Debt Securities				
U. S. Treasury and Agency Securities	$ 77,547	11.6	$ 10,922	1.0
Corporate Bonds and Notes	428,002	3.7	309,811	3.8
Convertible Bonds and Notes*	258	4.1	—	—
Supranational and Non-U.S. Government Bonds and Notes	48,087	5.2	192,522	6.9
Asset Backed Securities	151,918	1.8	22,318	<0.1
Agency Mortgage Backed Securities	161,351	5.7	—	—
Mutual and Money Market Funds	134,851	<0.1	98,101	<0.1
Guaranteed Investment Contracts	—	—	1,841,137	3.5
Fixed Income and Commingled Funds	661,957	6.0	1,094,764	6.2
Total	$ 1,663,971	4.7	$ 3,569,575	4.4

*Effective duration is calculated using a methodology that takes into account the duration impact of equity warrants and rate-sensitive instruments.

Primary Government - Virginia Retirement System Pooled Investments

(Dollars in Thousands)

Investment Type	June 30, 2024	Weighted Avg. Effective Duration
Debt Securities		
U. S. Treasury and Agency Securities	$ 7,805,771	6.0
Corporate Bonds and Notes	4,585,044	4.8
Collateralized Mortgage Obligations	1,691,028	5.8
Commercial Mortgages	112,677	2.7
Supranational and Non-U.S. Government Bonds and Notes	781,778	7.0
Mutual and Money Market Funds	6,571	5.5
Commercial Paper	3,560,509	0.1
Negotiable Certificates of Deposit	1,846,267	0.1
Repurchase Agreements	962,763	< 0.1
Municipal Securities	49,886	7.1
Asset Backed Securities	211,301	3.5
Agencies	3,882,292	6.6
Other Debt Securities	199,963	< 0.1
Fixed Income Derivatives	1,912	-3.1
Time Deposits	295,863	< 0.1
Term Loans	20,159	0.1
Debt Securities - No Effective Duration		
Corporate Bonds and Notes	4,501	N/A
Collateralized Mortgage Obligations	4,212	N/A
Commercial Mortgages	2,215	N/A
Supranational and Non-U.S. Government Bonds and Notes	520	N/A
Mutual and Money Market Funds	117,041	N/A
Term Loans	1,053	N/A
Fixed Income Derivatives	(8,349)	N/A
Total	$ 26,134,977	4.3

Component Unit Investments
(Dollars in Thousands)

Investment Type	June 30, 2024	Investment Maturities (in years) Less Than 1	1-5	6-10	More Than 10
Debt Securities					
U. S. Treasury and Agency Securities	$ 3,057,809	$ 2,193,624	$ 656,291	$ 136,898	$ 70,996
Supranational and Non-U.S. Government Bonds and Notes	11,337	1,283	10,054	—	—
Corporate Bonds and Notes	730,014	136,298	554,870	21,107	17,739
Commercial Paper	210,432	210,432	—	—	—
Negotiable Certificates of Deposit	113,014	88,575	24,439	—	—
Repurchase Agreements	266,837	266,837	—	—	—
Municipal Securities	168,049	16,630	49,228	67,878	34,313
Asset-Backed Securities	435,315	44,014	304,609	20,971	65,721
Agency Unsecured Bonds and Notes	203,636	101,009	102,627	—	—
Agency Mortgage-Backed Securities	947,046	35,045	175,510	14,819	721,672
Mutual and Money Market Funds (Includes SNAP)	1,535,941	1,460,998	66,447	8,496	—
Guaranteed Investment Contracts	16,232	2,817	11,653	1,762	—
International and Emerging Markets Funds	2,306	—	—	—	2,306
Fixed Income and Commingled Funds	60,415	12,858	36,438	11,119	—
Other Debt Securities	68,610	44,472	197	—	23,941
Total	$ 7,826,993	$ 4,614,892	$ 1,992,363	$ 283,050	$ 936,688

Foundation Investments
(Dollars in Thousands)

Investment Type	Amount
U.S. Treasury and Agency Securities	$ 638,406
Common and Preferred Stocks	728,223
Corporate Bonds and Notes	258,326
Negotiable Certificates of Deposit	91,304
Municipal Securities	114,571
Repurchase Agreements	116,610
Asset Backed Securities	51,486
Agency Mortgage Backed Securities	34,609
Mutual and Money Market Funds	788,664
Real Estate	1,229,156
Index Funds	437,477
Hedge Funds	2,452,772
Partnerships	1,760,434
Venture Capital	1,577,147
Institutional Commingled Funds	6,661,270
Private Equity	3,166,351
Fixed Income	701,340
Other	1,589,189
Total	$ 22,397,335

Note: Foundations represent FASB reporting entities defined in Note 1.B. A portion of these amounts is reported at cost rather than fair value because fair value was not available or readily determinable.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State Treasurer places emphasis on securities of high credit quality and marketability. At the time of purchase, the following limitations are in place:

- Bankers acceptances: At least two ratings of P-1/A-1/F1 by Moody's Investors Service (Moody's), Standard & Poor's (S&P), or Fitch
- Negotiable CDs and bank notes:
  - maturities of one year or less: At least two ratings of P-1/A-1/F1 by Moody's, S&P, or Fitch
  - maturities over one year: At least two ratings of Aa/AA/AA by Moody's, S&P, or Fitch
- Commercial paper: At least two ratings of P-1/A-1/F1 by Moody's, S&P, or Fitch
- Corporate Notes and Bonds: At least two ratings of A-3/A-/A- by Moody's, S&P, or Fitch. However, each external investment manager may invest up to 15.0 percent of their portfolio in Baa2/BBB rated bonds which, must be rated by two rating agencies and one of the two qualifying ratings shall be at least Baa2/BBB/BBB by Moody's, S&P, or Fitch.
- Municipal Bonds: A-3/A- or equivalent by two nationally recognized rating agencies, one of which must be Moody's or S&P
- Asset-backed securities: One of the two qualifying ratings shall be at least Aaa/AAA/AAA by Moody's, S&P, or Fitch
- Dollar denominated obligations of sovereign governments: Must be rated by two rating agencies with two qualifying ratings of at least Aaa/AAA/AAA by Moody's, S&P, or Fitch
- Commercial Mortgage-Backed Securities (CMBS) and Collateralized Mortgage Obligations (CMOs): Must be rated at least Aaa or AAA by two rating agencies. One of the two qualifying ratings shall be at least Aaa/AAA/AAA by Moody's, S&P, or Fitch.

The System's policy for credit risk is based on the concept of a risk budget rather than specific limitations related to the rating of an individual security. The System's risk budget is allocated among the different investment strategies, which are managed to a relevant benchmark. The System's policy requires performance returns to remain within an allowable range from the relevant benchmarks.

Credit risk for derivative instruments held by the Commonwealth results from counterparty risk assumed by the Commonwealth. This is essentially the risk that the borrower will be unable to meet its obligation. Information regarding the Commonwealth's credit risk related to derivatives is found in Note 15.

Policies related to credit risk pertaining to the Commonwealth's securities lending program are found in the Securities Lending section of this note.

The following tables present the credit ratings for the investments of the primary government (excluding the Virginia Retirement System Pooled Investments), the System (Virginia Retirement System Pooled Investments), and component units as of June 30, 2024. The ratings presented are using Moody's, S&P, and Fitch rating scales. They are displayed from short-term to long-term.

Primary Government (Excluding Virginia Retirement System Pooled Investments)

(Dollars in Thousands)

Investment Type (1)	P-1 / A-1 / F1	Percent of Portfolio	P-2 / A-2 / F2	Percent of Portfolio	P-3 / A-3 / F3	Percent of Portfolio	Aaa / AAA
Agency Mortgage Backed Securities	$ —	0.0 %	$ —	0.0 %	$ —	0.0%	$ 8,782
Agency Unsecured Bonds and Notes	1,518,204	3.1 %	—	0.0 %	—	0.0%	9,298
Asset Backed Securities	—	0.0 %	—	0.0 %	—	0.0%	1,283,229
Commercial Paper	11,725,211	23.8 %	—	0.0 %	—	0.0%	—
Convertible Bonds and Notes	—	0.0 %	—	0.0 %	—	0.0%	—
Corporate Bonds and Notes	—	0.0 %	—	0.0 %	—	0.0%	30,511
Fixed Income and Commingled Funds	—	0.0 %	—	0.0 %	—	0.0%	—
Guaranteed Investment Contracts	—	0.0 %	—	0.0 %	—	0.0%	—
Municipal Securities	—	0.0 %	—	0.0 %	—	0.0%	17,599
Mutual and Money Market Funds (Includes SNAP)	—	0.0 %	—	0.0 %	—	0.0%	1,827,435
Negotiable Certificates of Deposit	13,912,160	28.3 %	—	0.0 %	—	0.0%	—
Other Debt Securities	—	0.0 %	—	0.0 %	—	0.0%	—
Repurchase Agreements	2,200,000	4.5 %	—	0.0 %	—	0.0%	200,000
Supranational and Non-U.S. Government Bonds and Notes	525,380	1.1 %	—	0.0 %	—	0.0%	7,587
Total	$ 29,880,955	60.8 %	$ —	0.0 %	$ —	0.0%	$ 3,384,441

Primary Government – Virginia Retirement System Pooled Investments

(Dollars in Thousands)

Investment Type (1)	P-1 / A-1 / F1	Percent of Portfolio	P-2 / A-2 / F2	Percent of Portfolio	P-3 / A-3 / F3	Percent of Portfolio	Aaa / AAA
Corporate Bonds and Notes	—	0.0%	$ —	0.0%	$ —	0.0%	$ 16,918
Collateralized Mortgage Obligations	—	0.0%	—	0.0%	—	0.0%	466,144
Commercial Mortgages	—	0.0%	—	0.0%	—	0.0%	39,676
Supranational and Non-U.S. Government Bonds and Notes	—	0.0%	—	0.0%	—	0.0%	34,878
Mutual and Money Market Funds	535	0.0%	—	0.0%	—	0.0%	—
Commercial Paper	1,801,863	10.4%	805,877	4.6%	—	0.0%	—
Negotiable Certificates of Deposit	417,697	2.4%	—	0.0%	—	0.0%	—
Repurchase Agreements	—	0.0%	—	0.0%	—	0.0%	6,205
Municipal Securities	—	0.0%	—	0.0%	—	0.0%	—
Asset Backed Securities	—	0.0%	—	0.0%	—	0.0%	109,023
Agencies	—	0.0%	—	0.0%	—	0.0%	—
Other Debt Securities	—	0.0%	—	0.0%	—	0.0%	—
Fixed Income Derivatives	—	0.0%	—	0.0%	—	0.0%	—
Term Loans	—	0.0%	—	0.0%	—	0.0%	—
Time Deposits	232,437	1.3%	—	0.0%	—	0.0%	—
Total	$ 2,452,532	14.1%	$ 805,877	4.6%	$ —	0.0%	$ 672,844

Component Units

(Dollars in Thousands)

Investment Type (1)	P-1 / A-1 / F1	Percent of Portfolio	P-2 / A-2 / F2	Percent of Portfolio	P-3 / A-3 / F3	Percent of Portfolio	Aaa / AAA
Agency Mortgage Backed Securities	$ —	0.0%	$ —	0.0%	$ —	0.0%	$ 794,437
Agency Unsecured Bonds and Notes	—	0.0%	—	0.0%	—	0.0%	181,433
Asset Backed Securities	—	0.0%	—	0.0%	—	0.0%	375,556
Commercial Paper	210,432	4.4%	—	0.0%	—	0.0%	—
Corporate Bonds and Notes	—	0.0%	—	0.0%	—	0.0%	15,312
Fixed Income and Commingled Funds	—	0.0%	—	0.0%	—	0.0%	7,308
International and Emerging Markets Funds	—	0.0%	—	0.0%	—	0.0%	—
Municipal Securities	—	0.0%	—	0.0%	—	0.0%	21,319
Mutual and Money Market Funds (Includes SNAP)	982	0.0%	—	0.0%	—	0.0%	1,417,923
Negotiable Certificates of Deposit	3,891	0.1%	—	0.0%	—	0.0%	—
Other Debt Securities	—	0.0%	—	0.0%	—	0.0%	23,941
Repurchase Agreements	125	0.0%	—	0.0%	—	0.0%	—
Supranational and Non-U.S. Government Bonds and Notes	—	0.0%	—	0.0%	—	0.0%	7,981
Total	$ 215,430	4.5%	$ —	0.0%	$ —	0.0%	$ 2,845,210

(1) Excludes investments of $5.9 billion for primary government (excluding Virginia Retirement System Pooled Investments), $8.8 billion for the System (Virginia Retirement System Pooled Investments), and $3.1 billion for component units because obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government, Guaranteed Investment Contracts, United States Treasury Notes, and Repurchase Agreements which are collateralized by equity securities but not considered obligations of the U.S. Government are not considered to have credit risk.

Amount by Credit Rating - Moody's / S&P / Fitch

Percent of Portfolio	Aa / AA	Percent of Portfolio	A	Percent of Portfolio	Baa / BBB	Percent of Portfolio	Less Than Investment Grade	Percent of Portfolio	Unrated	Percent of Portfolio	Grand Total
0.0 %	$ 1,342,107	2.8 %	$ —	0.0 %	$ —	0.0 %	$ —	0.0 %	$ 161,356	0.3 %	$ 1,512,245
0.0 %	3,267,958	6.6 %	—	0.0 %	2	0.0 %	23	0.0 %	76	0.0 %	4,795,561
2.6 %	7,540	0.0 %	16,682	0.0 %	20,963	0.0 %	3,533	0.0 %	3,501	0.0 %	1,335,448
0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	11,725,211
0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	258	0.0 %	258
0.1 %	185,539	0.4 %	1,752,917	3.6 %	1,396,739	2.8 %	525,906	1.1 %	10,594	0.0 %	3,902,206
0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	1,764,379	3.6 %	1,764,379
0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	1,841,137	3.8 %	1,841,137
0.0 %	63,474	0.1 %	2,438	0.0 %	—	0.0 %	—	0.0 %	1,120	0.0 %	84,631
3.8 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	11,347	0.0 %	1,838,782
0.0 %	1,325	0.0 %	2,394	0.0 %	—	0.0 %	—	0.0 %	101	0.0 %	13,915,980
0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	363	0.0 %	363
0.4 %	204,076	0.4 %	90,000	0.2 %	2,985,001	6.1 %	—	0.0 %	50,000	0.1 %	5,729,077
0.0 %	10,445	0.0 %	10,995	0.0 %	37,695	0.1 %	169,375	0.3 %	6,469	0.0 %	767,946
6.9 %	$ 5,082,464	10.3 %	$ 1,875,426	3.8 %	$ 4,440,400	9.0 %	$ 698,837	1.4 %	$ 3,850,701	7.8 %	$ 49,213,224

Amount by Credit Rating - Moody's / S&P / Fitch

Percent of Portfolio	Aa / AA	Percent of Portfolio	A	Percent of Portfolio	Baa / BBB	Percent of Portfolio	Less Than Investment Grade	Percent of Portfolio	Unrated	Percent of Portfolio	Grand Total
0.1%	$ 177,094	1.0%	$ 1,406,272	8.1%	$ 1,665,653	9.6%	$ 1,297,943	7.5%	$ 25,665	0.1%	$ 4,589,545
2.7%	27,616	0.2%	43,762	0.3%	—	0.0%	—	0.0%	1,157,718	6.7%	1,695,240
0.2%	4,828	0.0%	8,268	0.0%	—	0.0%	1	0.0%	62,119	0.4%	114,892
0.2%	59,208	0.3%	112,569	0.6%	164,834	0.9%	397,960	2.3%	12,849	0.1%	782,298
0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	123,077	0.7%	123,612
0.0%	72,786	0.4%	879,983	5.1%	—	0.0%	—	0.0%	—	0.0%	3,560,509
0.0%	285,232	1.7%	986,161	5.7%	—	0.0%	—	0.0%	157,177	0.9%	1,846,267
0.0%	1,071	0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	7,276
0.0%	41,708	0.2%	5,112	0.0%	—	0.0%	—	0.0%	3,066	0.0%	49,886
0.6%	9,844	0.1%	47,023	0.3%	12,625	0.1%	4,503	0.0%	28,283	0.2%	211,301
0.0%	66,736	0.4%	—	0.0%	—	0.0%	—	0.0%	3,815,556	22.0%	3,882,292
0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	199,963	1.2%	199,963
0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	(6,437)	0.0%	(6,437)
0.0%	—	0.0%	—	0.0%	—	0.0%	20,460	0.1%	752	0.0%	21,212
0.0%	6,426	0.0%	—	0.0%	—	0.0%	—	0.0%	57,000	0.3%	295,863
3.8%	$ 752,549	4.3%	$ 3,489,150	20.1%	$ 1,843,112	10.6%	$ 1,720,867	9.9%	$ 5,636,788	32.6%	$ 17,373,719

Amount by Credit Rating - Moody's / S&P / Fitch

Percent of Portfolio	Aa / AA	Percent of Portfolio	A	Percent of Portfolio	Baa / BBB	Percent of Portfolio	Less Than Investment Grade	Percent of Portfolio	Unrated	Percent of Portfolio	Grand Total
16.7 %	$ 74,916	1.6%	$ 21,388	0.5%	$ 6	0.0%	$ —	0.0%	$ 56,299	1.2%	$ 947,046
3.8 %	22,203	0.5%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	203,636
7.9 %	16,520	0.4%	11,255	0.2%	24,325	0.5%	988	0.0%	6,671	0.1%	435,315
0.0 %	—	0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%	210,432
0.3 %	75,742	1.6%	591,499	12.5%	44,819	0.9%	—	0.0%	2,642	0.1%	730,014
0.2 %	—	0.0%	—	0.0%	—	0.0%	—	0.0%	49,899	1.0%	57,207
0.0 %	—	0.0%	—	0.0%	—	0.0%	—	0.0%	2,306	0.1%	2,306
0.4 %	108,581	2.3%	35,285	0.7%	1,317	0.0%	—	0.0%	1,547	0.0%	168,049
29.9 %	65,916	1.4%	—	0.0%	—	0.0%	—	0.0%	51,120	1.0%	1,535,941
0.0 %	4,282	0.1%	88,109	1.9%	—	0.0%	—	0.0%	16,732	0.4%	113,014
0.5 %	—	0.0%	197	0.0%	—	0.0%	—	0.0%	44,472	0.9%	68,610
0.0 %	—	0.0%	—	0.0%	250,000	5.3%	—	0.0%	16,712	0.4%	266,837
0.2 %	1,283	0.0%	2,073	0.0%	—	0.0%	—	0.0%	—	0.0%	11,337
59.9 %	$ 369,443	7.9%	$ 749,806	15.8%	$ 320,467	6.7%	$ 988	0.0%	$ 248,400	5.2%	$ 4,749,744

Concentration of Credit Risk

Primary Government

Concentration of credit risk is related to the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The State Treasury and the System have individual investment policies limiting the amounts that may be invested in any single issuer.

It is the State Treasurer's policy that each portfolio will be diversified with no more than 4.0 percent of the value of the fund invested in the securities of any single issuer. This limitation shall not apply to the U.S. Government, or agency thereof, or U.S. Government sponsored corporation securities and fully insured and/or collateralized certificates of deposit. Certain portfolios are limited to amounts less than 4.0 percent of the value of the fund invested in the securities of any single issuer. As of June 30, 2024, more than 5.0 percent of the Commonwealth's investments were in the Federal Farm Credit Bank, which totaled $1.9 billion. Since these securities are exempted from the State Treasury investment policies, all investments are compliant with investment policies.

Other than U.S. government securities, which are not subject to the GASB 40 disclosure requirements, the System has no investments in any single issuer whose fair value equals 5.0 percent or more of the System's fiduciary net position or total investments.

Foreign Currency Risk

Primary Government

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. All primary government investments exposed to foreign currency risk were part of the System, the Virginia College Savings Plan's (Virginia529) Defined Benefit 529 Program (major enterprise fund) and Defined Contribution 529 Program (fiduciary fund), and the Unclaimed Property (nonmajor special revenue fund) portfolios as of June 30, 2024. There is no investment policy related to foreign currency risk for the Unclaimed Property portfolio.

Virginia529 has direct exposure to foreign currency risk through several investment mandates. Investment managers use currency forward contracts to hedge risks associated with currency fluctuations. Foreign currency gains and losses are recorded in net investment income in the financial statements.

The System's foreign currency risk exposures, or exchange rate risk, primarily exist in the international and global equity investment holdings. The net realized gains and losses resulting from the settlement of foreign currency transactions and unrealized gains and losses associated with unsettled transactions are recorded in Investment Income in the Statement of Changes in Fiduciary Net Position. The Commonwealth's exposure to foreign currency risk as of June 30, 2024 is highlighted in the following tables.

Component Units

All nonmajor component unit investments exposed to foreign currency risk were part of James Madison University, the Virginia Economic Development Partnership, and the Virginia School for the Deaf and Blind Foundation as of June 30, 2024. None of these entities have investment policies related to foreign currency risk.

Foreign Currency Exposures by Asset Class - Primary Government
(Excluding Virginia Retirement System Pooled Investments)
(Dollars in Thousands)

Currency	Cash and Short-term Investments	Common and Preferred Stocks	Fixed Income and Commingled Funds	Equity Index and Pooled Funds	Supranational and Non-U.S. Government Bonds and Notes	Corporate Bonds	Private Equity	Asset Backed Securities	Total
Euro Currency Unit	$ 11,475	$ 39,698	$ —	$ —	$ 1,704	$ 50,834	$ 2,762	$ 5,667	$ 112,140
Japanese Yen	141	26,380	—	—	—	—	—	—	26,521
Swiss Franc	—	17,111	—	—	—	—	—	—	17,111
Australian Dollar	4	10,584	—	—	—	—	—	—	10,588
British Pound Sterling	33	8,895	—	—	—	704	2,761	—	12,393
Colombian Peso	155	—	—	—	1,327	—	—	—	1,482
Swedish Krona	—	2,864	—	—	—	—	—	—	2,864
Danish Krone	—	9,224	—	—	—	—	—	—	9,224
Hong Kong Dollar	4	3,032	—	—	—	—	—	—	3,036
Israeli Shekel	—	2	—	—	—	—	—	—	2
US Dollar	—	—	121	617	—	—	—	—	738
Egyptian Pound	2,344	—	—	—	—	—	—	—	2,344
Singapore Dollar	—	3,411	—	—	—	—	—	—	3,411
Norwegian Krone	—	1,025	—	—	—	—	—	—	1,025
Canadian Dollar	—	983	—	—	—	—	—	—	983
South African Rand	82	—	—	—	1,612	—	—	—	1,694
Mexican Peso	112	1	—	—	2,044	—	—	—	2,157
Brazil Real	242	—	—	—	1,315	—	—	—	1,557
Turkish Lira	—	—	—	—	1,430	—	—	—	1,430
Indonesian Rupiah	164	—	—	—	1,375	—	—	—	1,539
Polish Zloty	26	—	—	—	—	—	—	—	26
Uruguayan Peso	—	—	—	—	527	—	—	—	527
Total	$ 14,782	$ 123,210	$ 121	$ 617	$ 11,334	$ 51,538	$ 5,523	$ 5,667	$ 212,792

Foreign Currency Exposures by Asset Class
Primary Government - Virginia Retirement System Pooled Investments
(Dollars in Thousands)

Currency	Cash and Short-term Investments	Equity	Fixed Income	Private Equity	Real Assets	International Funds	Forward Contracts	Total
U.S. Dollar	$ —	$ —	$ —	$ —	$ —	$ 3,300,927	$ —	$ 3,300,927
Euro Currency Unit	94,327	2,102,023	28,840	1,343,685	416,012	—	(715,291)	3,269,596
Japanese Yen	8,404	1,787,713	—	—	2	—	150,898	1,947,017
Hong Kong Dollar	1,756	609,252	—	—	—	—	(1)	611,007
British Pound Sterling	2,824	1,215,602	—	—	11,908	—	(165,367)	1,064,967
South Korean Won	1,070	303,217	—	—	—	—	(13)	304,274
Swiss Franc	19,617	493,761	—	—	—	—	(143,716)	369,662
New Zealand Dollar	72	1,218	—	—	—	—	(342,271)	(340,981)
Canadian Dollar	537	498,815	—	—	17,282	—	187,406	704,040
Brazilian Real	1,838	102,317	5,364	—	11,455	—	3,039	124,013
Australian Dollar	756	380,831	—	—	3,166	—	38,377	423,130
Indian Rupee	1,108	403,030	—	—	—	—	2,466	406,604
South African Rand	399	36,210	2,279	—	4,939	—	(2,036)	41,791
New Taiwan Dollar	505	527,897	—	—	—	—	—	528,402
Thailand Baht	120	44,075	1,034	—	—	—	(1,118)	44,111
Swedish Krona	1,493	192,136	—	—	4,622	—	(191,873)	6,378
Indonesian Rupiah	634	36,271	—	—	—	—	2,387	39,292
Mexican Peso	171	27,425	4,010	—	3,818	—	(6,001)	29,423
Turkish Lira	82	30,354	2,047	—	—	—	2,644	35,127
Polish Zloty	(665)	29,258	—	—	—	—	1,257	29,850
Russian Ruble	43	957	—	—	—	—	—	1,000
Malaysian Ringgit	232	19,987	—	—	—	—	(41)	20,178
Danish Krone	5,597	301,692	—	—	—	—	(6,485)	300,804
Colombian Peso	8	38	473	—	—	—	(508)	11
Peruvian Sol	—	24	11,144	—	—	—	(11,073)	95
Czech Koruna	1,068	1,993	4,807	—	—	—	(4,821)	3,047
Hungarian Forint	480	13,943	1,920	—	—	—	(778)	15,565
Chinese Yuan Renminbi	1,447	99,627	—	—	—	—	(3,510)	97,564
Israeli Shekel	20	56,615	—	—	—	—	73	56,708
Chilean Peso	165	4,168	—	—	—	—	—	4,333
Nigerian Naira	1,464	—	—	—	—	—	—	1,464
Egyptian Pound	1,774	506	—	—	—	—	—	2,280
Philippines Peso	98	3,307	—	—	—	—	(2,475)	930
Dominican Republic Peso	—	—	2,087	—	—	—	—	2,087
Argentine Peso	214	—	—	—	—	—	—	214
Qatari Riyal	4	9,294	—	—	—	—	—	9,298
Uruguayan Peso	—	—	2,373	—	—	—	—	2,373
Moroccan Dirham	1	—	—	—	—	—	—	1
Saudi Arabian Riyal	519	60,553	—	—	—	—	—	61,072
Singapore Dollar	703	115,546	—	—	—	—	(6)	116,243
Norwegian Krone	1,665	139,442	—	—	—	—	232,377	373,484
Kazakhstan Tenge	—	—	—	—	—	—	1,729	1,729
United Arab Emirates Dollar	4	26,006	—	—	—	—	2,281	28,291
Vietnamese Dong	—	2,855	—	—	—	—	—	2,855
Paraguay Guarani	—	—	586	—	—	—	—	586
Kuwaiti Dinar	—	—	—	—	—	—	(1,571)	(1,571)
Total	$ 150,554	$ 9,677,958	$ 66,964	$ 1,343,685	$ 473,204	$ 3,300,927	$ (974,021)	$ 14,039,271

Foreign Currency Exposures by Asset Class - Component Units
(Dollars in Thousands)

Currency	Common and Preferred Stock	Deposits	Total
British Pound Sterling	$ 116	$ 834	$ 950
Euro Currency Unit	426	1,807	2,233
Swiss Franc	120	—	120
Japanese Yen	206	—	206
South Korean Won	7	—	7
Canadian Dollar	34	—	34
Brazil Real	16	—	16
Swedish Krona	19	—	19
New Taiwan Dollar	47	—	47
Indian Rupee	38	—	38
Norwegian Krone	10	—	10
Mexican Peso	13	—	13
Australian Dollar	5	—	5
Thailand Baht	3	—	3
Singapore Dollar	28	—	28
Indonesian Rupiah	6	—	6
Danish Krone	67	—	67
Israeli Shekel	4	—	4
Uruguayan Peso	20	—	20
Chinese Yuan Renminbi	48	—	48
Peruvian Sol	2	—	2
Chilean Peso	3	—	3
Hong Kong Dollar	23	—	23
Total	$ 1,261	$ 2,641	$ 3,902

Fair Value Measurements

Primary Government

GASB Statement No. 72, *Fair Value Measurement and Application*, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy is based on the valuation inputs used to measure the fair value of assets.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs and may include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model-driven valuations;
- Level 3 inputs are derived using valuation techniques that have significant unobservable inputs.

Investments that do not have a readily determinable fair value are excluded from the fair value hierarchy and instead are valued by using the net asset value (NAV) per share (or its equivalent). In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant in the valuation.

The following tables summarize recurring fair value measurements for the cash equivalents and investments reported by the primary government (excluding Virginia Retirement System Pooled Investments) and the System (Virginia Retirement System Pooled Investments) as of June 30, 2024.

Fair Value Measurements - Primary Government
(Excluding Virginia Retirement System Pooled Investments)
(Dollars in Thousands)

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value Measured Using Fair Value Hierarchy				
Debt Securities (1)				
U. S. Treasury and Agency Securities	$ 3,968,749	$ 3,624,195	$ 344,554	$ —
Corporate Bonds and Notes	3,902,206	2,688	3,899,518	—
Supranational and Non-U.S. Government Bonds and Notes	539,907	—	539,907	—
Commercial Paper	6,704,093	—	6,704,093	—
Convertible Bonds and Notes	258	—	258	—
Negotiable Certificates of Deposit	8,867,000	101	8,866,899	—
Municipal Securities	84,632	1,145	83,486	1
Asset Backed Securities	1,335,448	—	1,335,448	—
Agency Mortgage Backed Securities	1,512,245	—	1,512,245	—
Agency Unsecured Bonds and Notes	4,141,125	21,261	4,119,864	—
Mutual and Money Market Funds (Includes SNAP)	59,209	3,240	—	55,969
Fixed Income and Commingled Funds	1,103,949	1,103,949	—	—
Other Debt Securities	363	363	—	—
Total Debt Securities	32,219,184	4,756,942	27,406,272	55,970
Equity Securities (2)				
Common and Preferred Stocks	298,251	298,271	(41)	21
Foreign Currencies	1,153	1,153	—	—
Equity Index and Pooled Funds	4,455,029	4,455,018	—	11
Equity Mutual Funds	333,636	333,636	—	—
Real Estate	8,819	1,294	—	7,525
International and Emerging Markets Funds	429,182	429,182	—	—
Other Equity Securities	2,792	2,337	455	—
Total Equity Securities	5,528,862	5,520,891	414	7,557
Total by Fair Value Level	$ 37,748,046	$ 10,277,833	$ 27,406,686	$ 63,527
Fair value established using the net asset value (NAV) (3)				
Fixed Income and Commingled Funds	660,430			
Equity Index and Pooled Funds	619,157			
Real Estate	314,804			
Other Equity Securities	553,523			
Total Fair Value Established Using the Net Asset Value (NAV) (3)	2,147,914			
Total Fair Value	$ 39,895,960			

(1) Debt securities are classified as follows:
- Level 1 - valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - valued using a matrix pricing model and observable prices using dealer quotes for similar securities traded in active markets.

(2) Equity securities are classified as follows:
- Level 1 - valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - valued using dealer quotes for similar securities traded in active markets.
- Level 3 - valued using independent appraisals.

(3) Investments reported at fair value established using the NAV were all part of the Virginia College Savings Plan's (Virginia529) Defined Benefit 529 and Defined Contribution 529 programs. The following tables (dollars in thousands) summarizes Defined Benefit 529 and Defined Contribution 529's investments measured at the NAV and related disclosures as of June 30, 2024. In some cases, the actual NAV has not been determined by the external fund or investment managers as of the fiscal year end and must be projected using a roll-forward process. The projected NAV is generally the value at the end of the prior quarter, adjusted for any contributions or distributions. There is no adjustment for realized and unrealized gains and losses. Additional information, including investment strategies, is available in the Virginia529 individually published financial statements, which may be obtained at www.virginia529.com.

Description of Defined Benefit 529 Investments Measured at the NAV:

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity Index and Pooled Funds	$ 371,531	$ —	Daily	5 Days
Real Estate	239,261	67,720	Quarterly	None, 90 Days
Other Equity Securities - Private Equity	553,523	189,898	Monthly	None, 10 Days
Fixed Income and Commingled Funds	660,430	72,351	Monthly - Quarterly	None, 10 - 60 Days
Total Investments Measured at the NAV	$ 1,824,745			

- **Equity Index and Pooled Funds** – This investment type includes one index fund. The fair value of investments in this type have been determined using the NAV per share of the investments.
- **Real Estate** – This investment type includes five limited partnerships and one limited liability company. For Morgan Stanley, capital representing approximately 31.6 percent of the fair value in this investment type is generally contributed up front and can be redeemed as requested according to the redemption frequency. For the remaining investments in this type, capital is generally expected to be called during the initial four to five years of the investment period and is expected to be returned through liquidations of underlying fund investments during the 3rd through 15th years. As distributions from the funds in this asset type are received through income as well as the liquidation of the underlying assets of the fund, there are limitations on the timing of withdrawals which can be taken. The fair values of investments in this type have been determined using the NAV per share of the investments.
- **Other Equity Securities** – This investment type includes private equity funds of funds managed by 12 managers and several different funds. These investments cannot be redeemed from the fund. With the exception of Sands, capital representing 93.6 percent of the fair value in this investment type is generally expected to be called during the initial four to five years and is expected to be returned through liquidations of underlying fund investments during the 3rd through 15th years. Secondary funds of funds may have an accelerated capital call and return of capital profile. Capital representing approximately 6.4 percent of the fair value in this investment type invested with Sands can be redeemed subject to the 10 business day redemption term. Virginia529 invests in multiple funds with 12 of its private equity investment managers and is also diversified by vintage year with respect to these investments. The fair values of investments in this type have generally been determined using the March 31, 2024 NAV of Virginia529's ownership of the partnership, adjusted for cash flows (capital calls and distributions) through June 30, 2024.
- **Fixed Income and Commingled Funds** – This investment type includes seven limited partnerships and two investments in collective trusts. The fair values of investments in this type have been determined using the NAV per share of the investments. For Ares Global, Brigade and Wellington, capital representing approximately 71.3 percent of the fair value in this investment type can be redeemed subject to the fund redemption terms shown in the ranges in the table above. The remaining 28.7 percent of the fair value of this asset class is generally expected to be called during the initial four to five years and is expected to be returned through liquidations of underlying fund investments during the 3rd through 15th years.

Description of Defined Contribution 529 Investments Measured at the NAV:

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity Index and Pooled Funds	$ 247,626	$ —	Daily	N/A
Real Estate	75,543	—	Quarterly	60 - 90 Days
Total Investments Measured at the NAV	$ 323,169			

- **Equity Index and Pooled Funds** – This investment type includes one common trust fund. The Wellington Management Co., LLP invests in developed markets' international equities through the Wellington International Contrarian Value Fund. The fair value of investments in this type have been determined using the NAV per share of the investments.
- **Real Estate** – This investment type includes two limited partnerships. The UBS Trumbull Property Fund's investment strategy is to invest primarily through direct equity-owned real estate assets and represents approximately 25.7 percent of the fair value in this investment type. The fund also has flexibility to invest in joint venture and debt investments. Investments are generally acquired on an all-cash basis, however, debt may be used where UBS determines leverage is prudent and is expected to enhance total return without undue risk. Blackstone Property Partners, which represents approximately 74.3 percent of the fair value in this investment type, is an open ended commingled fund seeking core plus real estate investments in the U.S. and Canada. As distributions from the funds in this asset type are received through income as well as liquidation of the underlying assets of the funds, there are limitations on the timing of withdrawals which can be taken. The fair values of investments in this type have been determined using the NAV per share of Virginia529's ownership of the partnership.

Fair Value Measurements
Primary Government - Virginia Retirement System Pooled Investments
(Dollars in Thousands)

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value Measured Using Fair Value Hierarchy				
Debt Securities (1)				
U. S. Treasury and Agency Securities	$ 7,347,148	$ 6,588,115	$ 759,033	$ —
Corporate Bonds and Notes	4,586,122	—	4,586,122	—
Collateralized Mortgage Obligations	1,695,240	—	1,695,240	—
Commercial Mortgages	114,892	—	114,892	—
Supranational and Non-U.S. Government Bonds and Notes	782,298	—	782,298	—
Mutual and Money Market Funds	6,571	6,571	—	—
Commercial Paper	218,450	—	218,450	—
Negotiable Certificates of Deposit	450,338	—	450,338	—
Repurchase Agreements	962,762	—	962,762	—
Municipal Securities	49,886	—	49,886	—
Asset Backed Securities	211,301	—	211,301	—
Agencies	3,882,292	—	3,882,292	—
Other Debt Securities	199,963	—	199,963	—
Term Loans	21,212	—	—	21,212
Fixed Income Derivatives	(6,437)	1,854	(8,291)	—
Total Debt Securities	20,522,038	6,596,540	13,904,286	21,212
Equity Securities (2)				
Common and Preferred Stocks	27,003,560	27,002,873	—	687
Equity Index and Pooled Funds	182,416	—	—	182,416
Real Assets	951,534	—	—	951,534
Equity Futures and Swaps	32,073	107	31,966	—
Total Equity Securities	28,169,583	27,002,980	31,966	1,134,637
Total by Fair Value Level	$ 48,691,621	$ 33,599,520	$ 13,936,252	$ 1,155,849
Total Fair Value Established Using the Net Asset Value (NAV) (3)	66,007,318			
Total Fair Value	$ 114,698,939			

(1) Debt securities are classified as follows:

- Level 1 - valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - valued using bid evaluations or matrix pricing techniques. Inputs to the valuation techniques may include market participants' assumptions, quoted prices for similar assets, benchmark yield curves, market corroborated inputs, and other data inputs.
- Level 3 - valued using proprietary information.

(2) Equity securities are classified as follows:

- Level 1 - valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - valued using quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or model-driven valuations in which all significant inputs are observable.
- Level 3 - valued using proprietary information or single source pricing. When observable inputs are not available, this results in using one or more valuation techniques, such as the market approach, the income approach, and/or the cost approach, for which sufficient and reliable data is available. Within this level, the use of the market approach generally consists of using comparable market transactions or other data, while the use of the income approach generally consists of the net present value of estimated future cash flows. The cost approach is often based on the amount that would currently be required to replace an asset with one of comparable utility.

(3) The following table (dollars in thousands) summarizes the System's investments measured at the NAV per share (or its equivalent) and as a practical expedient are not classified in the fair value hierarchy. Cash equivalents and certain other short-term, highly liquid investments that are measured at amortized cost are also not classified in the fair value hierarchy. In some cases, the actual NAV has not been determined by the external fund or investment managers as of the System's fiscal year end and must be projected using a roll-forward process. The projected NAV is the value at the end of the prior quarter, adjusted for any contributions or distributions and an estimate of income and management fees. There is no adjustment for realized or unrealized gains and losses.

Description of Investments Measured at the NAV:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge funds				
Equity long/short funds	$ 5,332,069	$ —	Monthly, quarterly, semi-annually, annually	30-90 days
Equity long only funds	1,524,515	—	Annually	90 days
Multi-strategy funds	4,144,561	—	Monthly, quarterly, semi-annually, annually	30-365 days
Total hedge funds	11,001,145	—		
Credit strategies funds				
Asset backed	1,620,249	1,510,656		
Bank loan and direct lending funds	4,961,058	2,857,582		
Distressed debt funds	1,708,417	646,123		
Diversified private credit funds	3,088,821	1,232,063		
Mezzanine debt funds	1,863,125	1,173,464		
Multi-strategy funds	2,513,143	896,385		
Opportunistic funds	3,323,890	860,946		
Total credit strategies funds	19,078,703	9,177,219		
Private equity funds				
Buyout funds	10,912,748	2,315,233		
Energy funds	472,933	277,060		
Growth funds	3,163,320	609,779		
International buyout funds	2,423,912	668,834		
Special situations funds	1,722,664	882,159		
Subordinated debt funds	62,848	30,457		
Turnaround funds	565,507	205,623		
Venture capital funds	100,271	32,516		
Total private equity funds	19,424,203	5,021,661		
Equity international commingled funds	3,300,927	—	Semi-monthly	6 days
Real estate and real asset funds				
Infrastructure funds	2,843,322	1,183,362		
Natural resources funds	1,759,310	589,071		
Private investment real estate funds	8,538,709	1,794,267		
Private real estate investment trusts	60,999	—		
Total real estate and real asset funds	13,202,340	3,566,700		
Total investments measured at the NAV	$ 66,007,318	$ 17,765,580		

- **Equity Long/Short Hedge Funds** – This type included investments in eleven hedge funds at June 30, 2024, which invest in global long and short equity positions. Management of each hedge fund has the ability to invest from value to growth strategies, from small to large capitalization stocks and may vary net exposure considerably. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 26.0 percent of the value of the investments in this type of fund cannot be redeemed because the investments include restrictions that do not allow redemption in the first 12 months after acquisition. The remaining restriction period for these investments was less than 12 months at June 30, 2024.

- **Equity Long-Only Hedge Funds** – This type included an investment in two hedge funds at June 30, 2024, which invest in global long-only equity positions. These hedge funds are generally fully invested and only very occasionally may take short positions for hedging purposes. The fair value of the investment in this type has been determined using the NAV per share of the investments. Investments representing approximately 19.0 percent of the value of the investments in this type of fund cannot be redeemed because the investments include restrictions that do not allow redemption in the first 12 months after acquisition. The remaining restriction period for these investments was less than 12 months at June 30, 2024.

- **Multi-Strategy Hedge Funds** – This type included investments in thirteen hedge funds at June 30, 2024, which invest in multiple asset classes, combining exposure to balance risks. Such exposure can include traditional and alternative investments. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 3.0 percent of the value of the investments in this type of fund cannot be redeemed because the investments include restrictions that do not allow redemption in the first 12 months after acquisition. The remaining restriction period for these investments was less than 12 months at June 30, 2024.

- **Credit Strategies Funds** – This type consists of many fund categories, including Asset Backed, Bank Loan and Direct Lending funds, Distressed Debt funds, Diversified Private Credit, Mezzanine Debt funds, Multi-strategy funds and Opportunistic funds. The fair value of the investments in these funds have been determined using the NAV per share of the investments. The nature of the investments in this type is that distributions are received through the liquidation of the underlying assets in the fund. It is expected that hold periods for the underlying fund assets will range from three to eight years.

- **Private Equity Funds** – This type consists of many fund categories including Venture Capital, Buyout, Subordinated Debt, Growth Capital, Turnaround, Energy and Special Situations. The fair value of the investments in these funds have been determined using the NAV per share of the investments. The nature of the investments involves receiving distributions through liquidation of the underlying fund assets. It is expected that hold periods for the underlying fund assets will range from three to eight years.

- **Equity International Commingled Funds** – This type included an investment in one institutional investment fund at June 30, 2024, which invests in international equities. This fund employs a long/short investment strategy in global developed and emerging markets. The fund is regulated by the Securities and Exchange Commission. The fair value of the investment in this fund has been determined using the NAV per share of the investment. Redemptions can be made from this fund semi-monthly with six days notice.

- **Real Asset Funds** – This type includes investments in many fund categories including Private Investment Real Estate, Private Real Estate Investment Trusts, Infrastructure and Natural Resources. The fair value of the investments in these funds have been determined using the NAV per share of the investments. The nature of the investments in this type is that distributions are received through income as well as the liquidation of the underlying assets in the fund. If these investments were held, it is expected that the underlying assets of the funds would be liquidated over one to fourteen years.

Component Units

The following table summarizes fair value measurements for the cash equivalents and investments reported by the component units as of June 30, 2024. The table excludes cash equivalents and investments measured at fair value by the foundations that follow FASB standards.

Fair Value Measurements - Component Units
(Dollars in Thousands)

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value Measured Using Fair Value Hierarchy				
Debt Securities (1)				
U. S. Treasury and Agency Securities	$ 1,346,423	$ 1,058,597	$ 287,826	$ —
Corporate Bonds and Notes	730,013	194	729,819	—
Supranational and Non-U.S. Government Bonds and Notes	11,336	—	11,336	—
International and Emerging Markets Funds	2,306	2,306	—	—
Commercial Paper	117,546	—	117,546	—
Negotiable Certificates of Deposit	113,013	160	112,853	—
Repurchase Agreements	16,837	—	16,837	—
Municipal Securities	168,049	1,976	166,073	—
Asset-Backed Securities	435,315	—	435,315	—
Agency Mortgage-Backed Securities	947,048	110	946,938	—
Agency Unsecured Bonds and Notes	203,636	20,439	183,197	—
Mutual and Money Market Funds	406,549	405,352	1,197	—
Fixed Income and Commingled Funds	22,289	22,289	—	—
Other Debt Securities	24,158	20	24,138	—
Total Debt Securities	4,544,518	1,511,443	3,033,075	—
Equity Securities (2)				
Common and Preferred Stocks	100,968	100,968	—	—
Equity Index and Pooled Funds	121,375	121,375	—	—
Real Estate	3,048	2,937	—	111
International and Emerging Markets Fund	8,084	8,084	—	—
Other Equity Securities	3,439	331	3,101	7
Total Equity Securities	236,914	233,695	3,101	118
Total by Fair Value Level	$ 4,781,432	$ 1,745,138	$ 3,036,176	$ 118
Fair Value Established Using the Net Asset Value (NAV) (3)				
Common and Preferred Stocks	17,416			
Fixed Income and Commingled Funds	38,125			
Other Debt Securities	44,212			
Equity Index and Pooled Funds	1,425,137			
Mutual and Money Market Funds	244,705			
Real Estate	2,953			
Other Equity Securities	338,984			
Total Fair Value Established Using the NAV	2,111,532			
Total Fair Value	$ 6,892,964			

(1) Debt securities are classified as follows:
- Level 1 - valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - valued based on quoted prices for similar securities in active markets or quoted prices for identical or similar securities in markets that are not active.

(2) Equity securities are classified as follows:
- Level 1 - valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - valued using significant other observable inputs.
- Level 3 - valued using unobservable inputs and may include assumptions of management.

(3) The following nonmajor component units reported investments at fair value established using the NAV: Old Dominion University, Virginia Commonwealth University (VCU), Virginia Commonwealth University Health System Authority (blended component unit of VCU), College of William and Mary, Virginia Military Institute, Virginia State University, Hampton Roads Sanitation District Commission, Virginia Biotechnology Research Partnership Authority, Virginia Outdoors Foundation, and Virginia Polytechnic Institute and State University. Additional information is available in the separately issued financial statements.

Securities Lending

The State Treasury's securities lending program is managed by Mitsubishi UFJ Banking and Trust Corporation (Mitsubishi), under a contract dated May 31, 2023. The enabling legislation for the securities lending program is Section 2.2-4506 of the *Code of Virginia*. No violations of legal or contractual provisions were noted during the year. The general account participated in a securities lending program for the entire fiscal year. Prior to the transition to Mitsubishi which occurred on October 1, 2023, the State Treasury's securities lending program was managed by Deutsche Bank AG, New York (Deutsche Bank), under a contract dated March 28, 2014, amended February 22, 2022.

All securities lending loans are on an open-ended or one-day basis and may be terminated by the State Treasury with a 24-hour notice or are term loans with the right of substitution. While all securities may be recalled on a daily basis, securities are often on loan for much longer periods. Generally, cash reinvestments security maturities do not match the maturities of loans. Per the contract with Mitsubishi, all cash collateral reinvestment securities attributable to loans made on the Commonwealth's behalf shall be maintained by Mitsubishi, and the State Treasury cannot pledge or sell such collateral absent a default.

The State Treasury's contract with Mitsubishi provides for loss indemnification against insolvency default with respect to lending transactions and in the case of reverse transactions (Repurchase Agreements) as defined in the applicable Agency Securities Lending and Repurchase Agreement. Additionally, Mitsubishi is liable for any losses experienced from reinvestment of cash collateral in investments not authorized by the provisions of the investment guidelines for the Commonwealth of Virginia agreed upon by both parties and made a part of the Agency Securities Lending and Repurchase Agreement. There were no realized losses resulting from default during this reporting period.

When securities are loaned, the collateral received is at least 100.0 percent of fair value of the securities loaned and must be maintained at 100.0 percent or greater. There are no stated restrictions on the amount of securities that may be loaned, but the basic composition of the general account portfolio effectively restricts the maximum percentage of the portfolio that may be loaned. Between July 1, 2023 through September 30, 2023, approximately 9.4 percent of the general account securities were on loan and between October 1, 2023 through June 30, 2024, approximately 9.2 percent of the general account securities were on loan.

During the past year, a combination of U.S. Treasury, agency, agency mortgage and corporate securities have been loaned, with the majority of the loaned securities being U.S. Treasury and agency securities. As of June 30, 2024, all collateral received was in the form of cash.

Securities loaned for the State Treasurer's cash collateral reinvestment pool, which consisted of 96.9 percent general account funds and 3.1 percent Virginia Lottery funds as of June 30, 2024, had a carrying value of $3.61 billion and a fair value of $3.53 billion. The fair value of the collateral received was $3.56 billion providing for coverage of 100.9 percent. At year-end, the State Treasury's securities lending program had no credit risk exposure to borrowers because the amounts it owed the borrowers exceeded the amounts the borrowers owed Treasury's securities lending program. All securities are marked to market daily. The carrying value of the cash collateral reinvestment pool received was $3.56 billion and the cost of the investments purchased with the cash collateral was $3.56 billion. As of June 30, 2024, the State Treasurer's cash collateral reinvestment pool had an unrealized loss of $0.8 million, which is recorded in the General Fund as stated in Note 1.FF. This amount is included in the total State Treasurer's Portfolio discussed earlier in this note.

Cash collateral reinvestment guidelines were amended effective April 16, 2014. Approved investment instruments include Indemnified Repurchase Agreements marked to market daily and preapproved Government Money Market Funds. Term repurchase agreements are limited to 93 days. As of June 30, 2024, 99.2 percent of cash collateral reinvestments were in indemnified repurchase agreements and 0.8 percent were in Invesco Government and Agency Portfolio Money Market fund.

As of June 30, 2024, the cash collateral reinvestment portfolio had a weighted average maturity to reset date of 0.5 days. Using the expected maturity date, the weighted average maturity was 25 days and using the final maturity date, which assumes no pay downs on any asset-backed or mortgage-backed securities, the weighted average maturity was 26 days.

As of June 30, 2024, the cash collateral reinvestment portfolio was in compliance with the State Treasury's current cash collateral reinvestment guidelines.

Under authorization of the Board, the System lends its fixed income and equity securities to various broker-dealers on a temporary basis. This program is administered through an agreement with the System's custodial agent bank. All security loan agreements are collateralized by cash, securities, or an irrevocable letter of credit issued by a major bank, and have a fair value equal to at least 102.0 percent of the fair value for domestic securities and 105.0 percent for international securities. Securities received as collateral cannot be pledged or sold by the System unless the borrower defaults. Contracts require the lending agents to indemnify the System if the borrowers fail to return the securities lent and related distributions and if the collateral is inadequate to replace the securities lent. All securities loans can be terminated on demand by either the System or the borrowers. The majority of loans are open loans, meaning the rebate is set daily. This results in a maturity of one or two days on average, although securities are often on loan for longer periods. The maturity of loans generally does not match the maturity of collateral investments, which averages 12.1 days. At year-end, the System had no credit risk exposure to borrowers because the amounts it owes the borrowers exceeded the amounts the borrowers owe the System. All securities are marked to market daily and carried at fair value. The fair value of securities on loan as of June 30, 2024, was $9.6 billion. The June 30, 2024, balance was composed of U.S. Government and agency securities of $5.7 billion, corporate and other bonds of $1.1 billion, common and preferred stocks of $2.7 billion and supranational and non-U.S. Government bonds of $48.0 million. The value of collateral (cash and non-cash) as of June 30, 2024, was $10.3 billion.

As of June 30, 2024, the invested cash collateral had a fair value of $4.3 billion and was composed of negotiable certificates of deposit of $1.4 billion, commercial paper of $1.5 billion, time deposits of $238.9 million, corporate bonds of $58.3 million, other debt securities of $200.0 million, and repurchase agreements of $962.8 million.

As of June 30, 2024, the System's custodial agent bank released $200.0 million in cash from the invested securities lending collateral pool to the System. The cash released is used to provide liquidity for other investment strategies of the System. The securities lending collateral liability is fully collateralized when the cash released is combined with the invested securities lending collateral.

8. RECEIVABLES

The following schedule (dollars in thousands) details the accounts, loans, interest, taxes, educational contributions, security transactions, service concession arrangement upfront payments, and other receivables presented in the major funds, aggregated nonmajor funds by type, internal service funds, fiduciary funds, major component units, and aggregated nonmajor component units, as of June 30, 2024.

	Accounts Receivable	Loans / Mortgage Receivable	Interest Receivable	Taxes Receivable
Primary Government:				
General (1)	$ 1,459,627	$ 140	$ 959,286	$ 3,819,045
Major Special Revenue Funds:				
Commonwealth Transportation (2)	285,379	259,181	3,800	503,034
Federal Trust	3,833,072	—	—	—
Literary	310,051	51,962	35,646	—
Nonmajor Governmental Funds (2) (3)	953,041	7,885	20,936	25,166
Major Enterprise Funds:				
Virginia Lottery	87,069	—	—	—
Virginia College Savings Plan	13,900	—	9,434	—
Unemployment Compensation	123,928	—	—	—
Nonmajor Enterprise Funds	84,582	—	—	—
Internal Service Funds	64,033	—	—	—
Private Purpose Trust Funds	1	—	30,769	—
Pension and Other Employee Benefit Trust Funds (4)	344,147	—	321,615	—
Custodial Funds - External Investment Pool	—	—	36,193	—
Custodial Funds - Other (4)	4	93	235	275,241
Total Primary Government (5)	$ 7,558,834	$ 319,261	$ 1,417,914	$ 4,622,486
Discrete Component Units:				
Virginia Housing Development Authority	$ —	$ 384,840	$ 56,943	$ —
Virginia Public School Authority	—	—	60,502	—
Virginia Resources Authority	—	—	34,002	—
Virginia College Building Authority	—	—	3,246	—
Nonmajor Component Units (6)	3,454,495	72,880	22,012	5,840
Total Component Units	$ 3,454,495	$ 457,720	$ 176,705	$ 5,840

Note (1): The General Fund (major) reports pending investment transactions of $4.8 million as Other Receivables.

Note (2): The loans receivable in the Commonwealth Transportation Fund (major) includes $218.7 million from the Virginia Transportation Infrastructure Bank as discussed in Note 21.E. In the nonmajor governmental funds, it represents the amounts to be received for current debt service requirements. The amount to be received for long-term debt service requirements of $22.6 million is included in the government-wide statements but excluded from the above amounts.

Note (3): Nonmajor governmental funds includes $501.2 million in account receivables, which includes $464.3 million that will be received greater than one year. This receivable represents the Commonwealth's share of the National Opioid Settlement that will assist with the abatement of the opioid epidemic.

Note (4): In the Pension and Other Employee Benefit Trust Funds and Custodial Funds - Other, Interest Receivable of $321,850 (dollars in thousands) also includes dividends receivable. Additionally, of the total reported as Other Receivables, $64,265 (dollars in thousands) are made up of $30,197 (dollars in thousands) in pending investment transactions, which includes $7,408 (dollars in thousands) in external investment manager receivable, $11,701 (dollars in thousands) in foreign exchange receivable, $8,728 (dollars in thousands) in real assets, $2,360 (dollars in thousands) in securities lending; and $34,068 (dollars in thousands) in other receivables.

Note (5): Fiduciary net receivables in the amount of $5,110,922 (dollars in thousands) are not included in the Government-wide Statement of Net Position.

Note (6): Other Receivables of the nonmajor component units are primarily comprised of the following (dollars in thousands): pledges receivable of $58,118 reported by the University of Virginia; third-party settlements and non-patient receivables of $163,443 reported by Virginia Commonwealth University Health System Authority (blended component unit of Virginia Commonwealth University-VCUHSA); $76,331 reported by foundations of the higher education institutions representing FASB reporting entities defined in Note 1.B which includes lease receivables of $30,656 under FASB standards; $66,187 reported by the Virginia Port Authority (VPA) which includes lease receivables of $51,564, $15,292 of lease receivables reported by Fort Monroe Authority (FMA), and $697 reported by the Virginia Museum of Fine Arts Foundation. Other receivables also include lease receivables of $101,183 reported by various higher education institutions, excluding foundations.

Educational Benefits Receivable	Security Transactions	Service Concession Arrangement Upfront Payments	Other Receivables	Allowance for Doubtful Accounts	Net Accounts Receivable	Amounts to be Collected Greater than One Year
$ —	$ —	$ —	$ 4,752	$ (2,476,206)	$ 3,766,644	$ 558,307
—	—	1,640,888	—	(131,723)	2,560,559	1,785,117
—	—	—	—	(91,214)	3,741,858	103,851
—	—	—	—	(309,968)	87,691	50,711
—	—	—	359	(80,937)	926,450	470,911
—	—	—	—	—	87,069	—
52,680	—	—	7,331	—	83,345	38,848
—	—	—	—	(75,901)	48,027	—
—	—	—	53	(891)	83,744	—
—	—	—	1	(1,451)	62,583	—
—	—	—	768	—	31,538	—
—	4,107,116	—	64,232	—	4,837,110	—
—	—	—	—	—	36,193	—
—	3,005	—	33	(72,530)	206,081	9,675
$ 52,680	$ 4,110,121	$ 1,640,888	$ 77,529	$ (3,240,821)	$ 16,558,892	$ 3,017,420

Educational Benefits Receivable	Security Transactions	Service Concession Arrangement Upfront Payments	Other Receivables	Allowance for Doubtful Accounts	Net Accounts Receivable	Amounts to be Collected Greater than One Year
$ —	$ —	$ —	$ 29,068	$ (34,198)	$ 436,653	$ 374,443
—	—	—	—	—	60,502	—
—	—	—	5	—	34,007	—
—	—	—	—	—	3,246	—
—	—	—	495,269	(1,483,124)	2,567,372	377,198
$ —	$ —	$ —	$ 524,342	$ (1,517,322)	$ 3,101,780	$ 751,641

9. CONTRIBUTIONS RECEIVABLE, NET

The following schedule details the contributions receivable for foundations[1] included with the nonmajor component units, as of June 30, 2024. The major component units reported no contributions receivable for fiscal year 2024.

(Dollars in Thousands)

	Due in Less Than One Year	Due Between One and Five Years	Due in More Than Five Years	Subtotal	Present Value Discount (2)	Allowance for Doubtful Accounts	Contributions Receivable, Net
Discrete Component Units:							
Nonmajor Component Units	$ 225,028	$ 379,600	$ 107,079	$ 711,707	$ (74,394)	$ (26,745)	$ 610,568
Total Component Units	$ 225,028	$ 379,600	$ 107,079	$ 711,707	$ (74,394)	$ (26,745)	$ 610,568

Note (1): Foundations represent FASB reporting entities defined in Note 1.B.

Note (2): The discount rate used to determine present value ranges from 0.1 percent to 8.5 percent.

10. INTERFUND AND INTER-ENTITY ASSETS / LIABILITIES

Due from/to Other Funds

Due from Other Funds are amounts to be received from one fund by another fund for goods sold or services rendered. Due to Other Funds are amounts owed by one fund to another fund for goods purchased or services obtained.

The following line items are included in the category "Due from Other Funds":

- Due from Other Funds
- Due from Internal Parties (Governmental Funds and Business-type Activities)
- Due from External Parties (Fiduciary Funds)

The following line items are included in the category "Due to Other Funds":

- Due to Other Funds
- Due to Internal Parties (Governmental Funds and Business-type Activities)
- Due to External Parties (Fiduciary Funds)

The following schedule shows the Due from/to Other Funds as of June 30, 2024.

Schedule of Due from/to Other Funds

June 30, 2024

(Dollars in Thousands)

Due From	Amount	Due To	Amount
Primary Government		**Primary Government**	
General Fund	$ 92,480	Major Special Revenue Funds:	
		Federal Trust	$ 599
		Nonmajor Governmental Funds	454
		Major Enterprise Funds:	
		Virginia Lottery	75,601
		Nonmajor Enterprise Funds	12,179
		Internal Service Funds	3,647
Major Special Revenue Funds:			
Commonwealth Transportation	59,527	Major Special Revenue Funds:	
		Federal Trust	3,324
		Nonmajor Governmental Funds	56,203
Federal Trust	655	General Fund	258
		Nonmajor Governmental Funds	397
Literary	1,046	Major Enterprise Funds:	
		Virginia Lottery	1,046
Nonmajor Governmental Funds	70,239	Major Special Revenue Funds:	
		Commonwealth Transportation	67,904
		Federal Trust	1,244
		Major Enterprise Funds:	
		Unemployment Compensation	185
		Nonmajor Enterprise Funds	900
		Internal Service Funds	6
Major Enterprise Funds:			
Virginia Lottery	382	Nonmajor Governmental Funds	382
Unemployment Compensation	1,413	General Fund	428
		Major Special Revenue Funds:	
		Commonwealth Transportation	254
		Federal Trust	637
		Nonmajor Governmental Funds	64
		Nonmajor Enterprise Funds	27
		Internal Service Funds	3
Nonmajor Enterprise Funds	1,582	General Fund	415
		Major Special Revenue Funds:	
		Commonwealth Transportation	258
		Federal Trust	808
		Nonmajor Governmental Funds	92
		Nonmajor Enterprise Funds	9
Internal Service Funds	80,822	General Fund	42,939
		Major Special Revenue Funds:	
		Commonwealth Transportation	21,646
		Federal Trust	9,337
		Nonmajor Governmental Funds	4,073
		Major Enterprise Funds:	
		Virginia Lottery	237
		Virginia College Savings Plan	119
		Nonmajor Enterprise Funds	1,392
		Internal Service Funds	1,079
Total Primary Government	$ 308,146	Total Primary Government	$ 308,146

Schedule of Due from/to Internal/External Parties
June 30, 2024

(Dollars in Thousands)

Due From	Amount	Due To	Amount
Primary Government		**Primary Government**	
General Fund	$ 132	Custodial Funds - External Investment Pool	$ 16
		Custodial Funds - Other	116
Nonmajor Governmental Funds	217	Custodial Funds - Other	217
Internal Service Funds	275	Pension and Other Employee Benefit Trust Funds	275
Pension and Other Employee Benefit Trust Funds	40,320	General Fund	25,213
		Major Special Revenue Funds:	
		Commonwealth Transportation	6,469
		Federal Trust	3,455
		Nonmajor Governmental Funds	3,066
		Major Enterprise Funds:	
		Virginia Lottery	245
		Virginia College Savings Plan	130
		Nonmajor Enterprise Funds	1,128
		Internal Service Funds	614
Custodial Funds - Other	342	General Fund	317
		Major Special Revenue Funds:	
		Commonwealth Transportation	24
		Nonmajor Governmental Funds	1
Total Primary Government	$ 41,286	Total Primary Government	$ 41,286

Interfund Receivables/Payables

Interfund Receivables/Payables are loans made by one fund to another.

The following schedule shows the Interfund Receivables/Payables for the primary government as of June 30, 2024. There were no Interfund Receivables/Payables for the component units as of June 30, 2024.

Interfund Receivables/Payables
June 30, 2024

(Dollars in Thousands)

Receivable From	Amount	Payable To	Amount
Primary Government		**Primary Government**	
Nonmajor Governmental Funds	$ 341,343	General Fund	$ 18,000
		Major Special Revenue Funds:	
		Commonwealth Transportation	4,700
		Federal Trust	49,214
		Nonmajor Governmental Funds	20,000
		Major Enterprise Funds:	
		Virginia College Savings Plan	6,000
		Nonmajor Enterprise Funds	54,755
		Internal Service Funds	188,674
Total Primary Government	$ 341,343	Total Primary Government	$ 341,343

Due from/to Primary Government and Component Units

Included in this category is activity between the Commonwealth and its component units, as well as activity between component units.

A due from primary government amount that is due from the Federal Trust Fund (major special revenue) to the Virginia College Building Authority (major component unit) of $735,331 is for interest on Build America Bonds (BABs).

A due from primary government amount that is due from the Commonwealth Transportation Fund (major special revenue) to the Virginia Passenger Rail Authority (nonmajor component unit) of $35.7 million is for Commonwealth Rail Funds.

A $950.9 million due from primary government amount that is due from the General Fund (major governmental) to the higher education institutions (nonmajor component units) is for payments awaiting disbursements and appropriations available for capital projects and other programs. The General Fund reports $45.7 million in the fund financial statements and an additional $905.2 million in the government-wide financial statements.

A $102,068 due from primary government amount represents an amount due from a nonmajor governmental fund related to the Department of Treasury's reimbursement programs to the Virginia Community College System (nonmajor component unit).

A due from primary government amount that is due from the Virginia Public Building Authority (capital projects fund - nonmajor governmental fund) to the Virginia Port Authority (nonmajor component unit) of $1.1 million represents bond revenue to be used for capital projects.

A $33,844 due to primary government amount from the Virginia Passenger Rail Authority (nonmajor component unit) to the Commonwealth Transportation Fund (major special revenue) is for reimbursement of capital project expenses.

A $36.8 million due from component units in the Health Care Fund (internal service fund) represents amounts due from the nonmajor component units.

A $2.0 million due from component units represents monies owed for administrative and project expenses from the Science Museum of Virginia Foundation (nonmajor component unit) to a nonmajor governmental fund. The entire nonmajor governmental amount is reported in the government-wide financial statements.

The $83.9 million due from component units amount represents amounts due from the Virginia College Building Authority (major component unit) for the Department of the Treasury's reimbursement programs to higher education institutions (nonmajor component units).

Due from/to Component Units and Fiduciary Funds

A $36.6 million due from component units in the Pension and Other Employee Benefit Trust Funds (fiduciary funds) represents amounts due from nonmajor component units.

Loans Receivable/Payable Between Primary Government and Component Units

The $195.3 million in loans receivable from primary government represents loans from the Virginia Public School Authority (VPSA) (major component unit) to the Literary Special Revenue Fund (major governmental fund). The VPSA makes grants to local school divisions to finance the purchase of educational technology and security equipment. The VPSA makes these grants using the proceeds of notes issued for that purpose, which will be repaid from appropriations to be made by the Virginia General Assembly from the Literary Special Revenue Fund (major governmental fund).

11. OTHER ASSETS

The following table summarizes Other Assets as of June 30, 2024.

(Dollars in Thousands)

	Cash and Travel Advances	Net OPEB Asset (1)	Other Assets	Total Other Assets
Primary Government:				
General	$ 942	$ —	$ 456	$ 1,398
Major Special Revenue Funds:				
Commonwealth Transportation	280	—	—	280
Federal Trust	3,090	—	—	3,090
Nonmajor Governmental Funds	668	—	—	668
Major Enterprise Funds:				
Virginia Lottery	1	1,439	—	1,440
Virginia College Savings Plan	—	773	—	773
Nonmajor Enterprise Funds	430	6,651	35	7,116
Internal Service Funds (2)	—	3,251	28,095	31,346
Custodial Funds - Other (3)	—	—	11	11
Total Primary Government	$ 5,411	$ 12,114	$ 28,597	$ 46,122
Discrete Component Units:				
Virginia Housing Development Authority (4)	$ —	$ —	$ 33,888	$ 33,888
Virginia Resources Authority	—	—	610	610
Nonmajor Component Units (5)	418	—	253,554	253,972
Total Component Units	$ 418	$ —	$ 288,052	$ 288,470

Note (1): Other noncurrent assets in the proprietary funds represent the Virginia Sickness and Disability Program Net OPEB Asset applicable to the respective fund. The proprietary fund amounts are reclassified to Other Restricted Assets in the Government-wide Statement of Net Position.

Note (2): Of the $28,095 (dollars in thousands) shown above, $26,971 (dollars in thousands) and $1,124 (dollars in thousands) represent Technology and Data Services and Virginia Correctional Enterprises, respectively, amounts due from various governmental funds that will not be received within 60 days. These amounts are reclassified to an internal balance on the Government-wide Statement of Net Position.

Note (3): Custodial Funds - Other amount of $11,000 shown above is not included in the Government-wide Statement of Net Position.

Note (4): Other Assets of the Virginia Housing Development Authority are comprised primarily of mortgage servicing rights and other real estate owned.

Note (5): Other Assets of the nonmajor component units are primarily comprised of miscellaneous items spread among the higher education institutions and related foundations as well as the nonmajor component units as follows:

- University of Virginia includes primarily $12.7 million of Licensing & Ventures Group (LVG) seed funds at cost; $72.3 million for equity in affiliates that do not meet the investment definition; and
- Related foundations of Longwood University, Virginia Polytechnic Institute and State University, and the University of Virginia include $21.1 million, $45.7 million, and $69.3 million, respectively, primarily for cash surrender value of life insurance policies, deferred tax assets, net investment in direct financing leases, intangibles, and right-to-use assets, and a derivative asset.

12. RESTRICTED ASSETS

Restricted Cash and Cash Equivalents, Restricted Investments, and Other Restricted Assets

Restricted assets represent monies or other resources that must be used for specific legal or contractual requirements. The governmental funds reported $2.0 billion in restricted cash, cash equivalents, and investments primarily related to bond agreements. Of this amount, $1.8 billion relates to transportation projects, $161.1 million pertains to capital projects, and $43.7 million pertains to debt service requirements. The governmental and business-type activities funds reported other restricted assets of $187.1 million and $8.9 million, respectively, for the Virginia Sickness and Disability Program Net OPEB Asset. See Note 11, Other Assets, for more information related to the Enterprise and Internal Service Funds.

The Virginia Housing Development Authority, the Virginia Public School Authority, and the Virginia College Building Authority (all major component units) reported restricted assets totaling $2.6 billion, $428.3 million, and $657.2 million, respectively. These major component units' assets are restricted for debt service under a bond indenture or other agreement, or for construction and equipment.

The Virginia Resources Authority (major component unit) reported restricted assets of $1.3 billion. Of this amount, $1.3 billion is restricted for loans to local governments, bond indentures, or federal and state regulations for various revolving funds, and $7.9 million is restricted for the Operating Reserve Fund for the Virginia Pooled Financing Program.

The Virginia Port Authority (nonmajor component unit) reported restricted assets of $522.3 million primarily for debt service under bond agreements, construction and other project funds.

The Tobacco Region Revitalization Commission (nonmajor component unit) reported restricted assets of $162.0 million to be used for financial aid to tobacco growers and to foster community economic growth. This includes Other Restricted Assets of $49,846 for the Virginia Sickness and Disability Program Net OPEB asset.

The Hampton Roads Sanitation District Commission (nonmajor component unit) reported restricted assets of $22.3 million to be used for debt service.

The Virginia Small Business Financing Authority (nonmajor component unit) reported restricted assets of $86.1 million for gifts and grants. This includes Other Restricted Assets of $52,380 for the Virginia Sickness and Disability Program Net OPEB asset.

The higher education institutions (nonmajor component units) reported restricted assets totaling approximately $9.1 billion primarily for endowment and other contractual obligations. Included in this amount is approximately $8.0 billion of foundations' restricted assets. This includes Other Restricted Assets of $118.0 million for the Virginia Sickness and Disability Program Net OPEB asset. The Virginia Commonwealth University Health System Authority (Authority) (a blended component unit of Virginia Commonwealth University–nonmajor component unit) includes $21.5 million for a beneficial trust and $5.5 million for an equity interest in a foundation as Other Restricted Assets. These Authority assets are classified as Level 3 on the fair value hierarchy. For additional information, see the Authority's separately issued financial statements.

The two museum foundations, the Virginia Museum of Fine Arts Foundation (nonmajor component unit) and the Science Museum of Virginia Foundation (nonmajor component unit) had restricted assets of $287.7 million and $28.6 million, respectively, primarily for donor-imposed restricted endowments.

The remaining $16.6 million is spread among the following nonmajor component units: the Virginia Outdoors Foundation, the Virginia Passenger Rail Authority, the Danville Science Center, the Fort Monroe Authority, the Virginia Biotechnology Research Partnership Authority, the Virginia Economic Development Partnership, the Virginia Innovation Partnership Authority, the Virginia Tourism Authority, the Virginia Foundation for Healthy Youth, and the Library of Virginia Foundation. Included in this amount is approximately $2.0 million for the Virginia Sickness and Disability Program Net OPEB asset.

Restricted Receivables, Net

The following schedule (dollars in thousands) details the restricted receivables reported by component units as of June 30, 2024.

The restricted receivables are generally expected to be collected in greater than one year.

Restricted Receivables, Net

(Dollars in Thousands)

	Restricted Accounts Receivable	Restricted Loans / Mortgage Receivable	Restricted Local School Bonds Receivable	Restricted Other Receivables
Discrete Component Units:				
Virginia Housing Development Authority	$ —	$ 7,747,973	$ —	$ —
Virginia Public School Authority	—	—	3,677,962	—
Virginia Resources Authority	—	4,428,501	—	15,586
Nonmajor Component Units (Note 1)	53,237	29,542	—	90,601
Total Component Units	$ 53,237	$ 12,206,016	$ 3,677,962	$ 106,187

Note (1): Restricted Other Receivables of the nonmajor component units are primarily comprised of the following: restricted pledges receivable of $88,757 (dollars in thousands) reported by the University of Virginia.

Allowance for Doubtful Accounts		Restricted Receivables, Net		Amounts to be Collected Greater than One Year
$	(108,925)	$ 7,639,048	$	7,525,280
	—	3,677,962		3,370,144
	(410)	4,443,677		4,037,722
	(16,895)	156,485		147,510
$	(126,230)	$ 15,917,172	$	15,080,656

13. CAPITAL ASSETS

The following schedule presents the changes in the Capital Assets as of June 30, 2024 (dollars in thousands).

Schedule of Changes in Capital Assets
Governmental Activities

(Dollars in Thousands)

	Balance July 1 as restated (1)	Increases	Decreases	Balance June 30
Nondepreciable Capital Assets:				
Land	$ 3,981,032	$ 141,583	$ (11,435)	$ 4,111,180
Construction-in-Progress	4,315,167	2,062,454	(2,356,102)	4,021,519
Intangible Assets with Indefinite Useful Life				
Water Rights and/or Easements (1)	124,158	3,710	—	127,868
Infrastructure (1)	3,897,464	69,643	—	3,967,107
Total Nondepreciable Capital Assets	12,317,821	2,277,390	(2,367,537)	12,227,674
Other Capital Assets:				
Buildings (1) (2)	4,850,111	512,583	(192)	5,362,502
Equipment (1)	1,778,301	164,964	(33,112)	1,910,153
Infrastructure (1)	38,374,265	2,456,596	(232,403)	40,598,458
Intangible Assets				
Computer Software (Including websites)	1,236,675	112,414	(822)	1,348,267
Patents/Trademarks/Copyrights	30,655	—	—	30,655
Right-to-Use Intangible Assets				
Land	3,182	156	—	3,338
Buildings	412,388	49,309	(8,669)	453,028
Equipment	67,806	25,594	(17,291)	76,109
Subscription-based Information Technology Arrangements	261,475	146,921	(18,839)	389,557
Total Other Capital Assets at Historical Cost	47,014,858	3,468,537	(311,328)	50,172,067
Less Accumulated Depreciation for:				
Buildings (1)	2,133,358	123,676	(77)	2,256,957
Equipment (1)	1,089,473	98,062	(29,416)	1,158,119
Infrastructure (1)	15,353,047	1,313,120	(230,751)	16,435,416
Intangible Assets				
Computer Software (Including websites) (1)	731,078	90,313	(573)	820,818
Patents/Trademarks/Copyrights (1)	23,119	1,388	—	24,507
Total Accumulated Depreciation	19,330,075	1,626,559	(260,817)	20,695,817
Less Accumulated Amortization for:				
Right-to-Use Intangible Assets				
Land (1)	575	293	—	868
Buildings	63,475	34,480	(8,860)	89,095
Equipment	26,019	21,096	(15,387)	31,728
Subscription-based Information Technology Arrangements (1)	72,316	98,277	(18,650)	151,943
Total Accumulated Amortization	162,385	154,146	(42,897)	273,634
Total Accumulated Depreciation and Amortization	19,492,460	1,780,705	(303,714)	20,969,451
Total Other Capital Assets, Net	27,522,398	1,687,832	(7,614)	29,202,616
Total Capital Assets, Net	$ 39,840,219	$ 3,965,222	$ (2,375,151)	$ 41,430,290

Note (1): Beginning balances have been restated by $282.6 million predominately as a result of $150.8 million of restatements relating to GASB Implementation Guide 2021-1, Question 5.1 regarding group assets, and $131.8 million of errors predominantly by the Department of Transportation, Department of State Police, and Department of General Services. In addition, there was a reclassification between depreciable and non-depreciable infrastructure of $2.6 billion for the Department of Transportation.

Note (2): Includes temporary impaired assets with a carrying value of $15.0 million.

Depreciation/Amortization Expense Charged to Functions of the Primary Government
June 30, 2024

(Dollars in Thousands)

Governmental Activities:	
General Government	$ 60,794
Education	16,966
Transportation	1,382,113
Resources and Economic Development	32,324
Individual and Family Services	90,761
Administration of Justice	93,490
Capital Assets held by the Internal Service Funds are charged to various functions	104,257
Total	$ 1,780,705

Schedule of Changes in Capital Assets
Business-type Activities

(Dollars in Thousands)

	Balance July 1 as restated (1)	Increases	Decreases	Balance June 30
Nondepreciable Capital Assets:				
Land	$ 11,033	$ —	$ —	$ 11,033
Construction-in-Progress	3,111	2,940	(3,463)	2,588
Total Nondepreciable Capital Assets	14,144	2,940	(3,463)	13,621
Other Capital Assets:				
Buildings	69,995	—	—	69,995
Equipment	89,229	5,862	(3,282)	91,809
Intangible Assets				
Computer Software (Including websites)	45,497	1,274	(14)	46,757
Right-to-Use Intangible Assets				
Buildings	240,236	29,164	(2,051)	267,349
Equipment	277	30	(137)	170
Other Intangible Assets	7,817	—	(7,817)	—
Subscription-Based Information Technology Arrangements	224,598	10,799	(2,550)	232,847
Total Other Capital Assets at Historical Cost	677,649	47,129	(15,851)	708,927
Less Accumulated Depreciation for:				
Buildings	12,107	2,148	(3)	14,252
Equipment	48,184	9,056	(3,635)	53,605
Intangible Assets				
Computer Software (Including websites)	23,373	7,173	382	30,928
Total Accumulated Depreciation	83,664	18,377	(3,256)	98,785
Less Accumulated Amortization for:				
Right-to-Use Intangible Assets				
Buildings	50,657	26,454	(563)	76,548
Equipment	136	101	(137)	100
Other Intangible Assets	3,908	3,909	(7,817)	—
Subscription-Based Information Technology Arrangements	10,941	16,507	(1,521)	25,927
Total Accumulated Amortization	65,642	46,971	(10,038)	102,575
Total Accumulated Depreciation and Amortization	149,306	65,348	(13,294)	201,360
Total Other Capital Assets, Net	528,343	(18,219)	(2,557)	507,567
Total Capital Assets, Net	$ 542,487	$ (15,279)	$ (6,020)	$ 521,188

Note (1): Beginning balances have been restated by $14.5 million as a result of $15.1 million of errors by the Department of General Services offset by a restatement of $585,639 relating to GASB Implementation Guide 2021-1, Question 5.1 regarding group assets.

Schedule of Changes in Capital Assets
Component Units

(Dollars in Thousands)

	Balance July 1 as restated (1)	Increases	Decreases	Subtotal June 30	Foundations (2)	Total June 30
Nondepreciable Capital Assets:						
Land	$ 1,109,749	$ 28,232	$ (6,827)	$ 1,131,154	$ 422,020	$ 1,553,174
Construction-in-Progress	2,932,388	2,650,025	(1,461,677)	4,120,736	29,589	4,150,325
Inexhaustible Works of Art/ Historical Treasures	88,724	1,260	(727)	89,257	21,894	111,151
Inexhaustible Easements	233,485	3,757	—	237,242	—	237,242
Livestock	392	140	—	532	708	1,240
Total Nondepreciable Capital Assets	4,364,738	2,683,414	(1,469,231)	5,578,921	474,211	6,053,132
Other Capital Assets:						
Buildings	22,667,552	1,204,890	(41,937)	23,830,505	1,545,692	25,376,197
Infrastructure	4,922,071	114,820	(215)	5,036,676	29,526	5,066,202
Equipment	5,619,941	587,075	(170,602)	6,036,414	224,805	6,261,219
Improvements Other Than Buildings	732,896	24,296	(2,617)	754,575	143,024	897,599
Library Books	765,192	10,806	(47,905)	728,093	—	728,093
Software	730,364	14,852	(6,527)	738,689	—	738,689
Other Intangible Assets	3,811	48	(96)	3,763	—	3,763
Right-to-Use Intangible Assets:						
Land	25,208	1,982	(217)	26,973	—	26,973
Buildings	878,113	147,259	(22,350)	1,003,022	—	1,003,022
Equipment	265,755	10,074	(7,549)	268,280	—	268,280
Infrastructure	181	—	—	181	—	181
Other Intangibles	4,059,532	—	—	4,059,532	—	4,059,532
Subscription-based Information Technology Arrangements	385,254	146,130	(26,665)	504,719	—	504,719
Total Other Capital Assets	41,055,870	2,262,232	(326,680)	42,991,422	1,943,047	44,934,469
Less Accumulated Depreciation for:						
Buildings	8,446,444	587,171	(19,831)	9,013,784	526,289	9,540,073
Infrastructure	2,414,003	128,007	(12)	2,541,998	5,187	2,547,185
Equipment	3,802,615	384,140	(156,453)	4,030,302	164,061	4,194,363
Improvements Other Than Buildings	453,841	26,197	(1,325)	478,713	72,276	550,989
Library Books	713,650	13,762	(47,845)	679,567	—	679,567
Software	556,978	51,200	(6,250)	601,928	—	601,928
Other Intangible Assets	2,616	190	—	2,806	—	2,806
Total Accumulated Depreciation	16,390,147	1,190,667	(231,716)	17,349,098	767,813	18,116,911
Less Accumulated Amortization for:						
Right-to-Use Intangible Assets:						
Land	4,950	2,458	(217)	7,191	—	7,191
Buildings	203,361	101,360	(17,922)	286,799	—	286,799
Equipment	48,688	30,004	(2,936)	75,756	—	75,756
Infrastructure	92	31	—	123	—	123
Other Intangibles	184,622	91,746	—	276,368	—	276,368
Subscription-based Information Technology Arrangements	140,340	123,247	(13,975)	249,612	—	249,612
Total Accumulated Amortization	582,053	348,846	(35,050)	895,849	—	895,849
Total Accumulated Depreciation and Amortization	16,972,200	1,539,513	(266,766)	18,244,947	767,813	19,012,760
Total Other Capital Assets, Net	24,083,670	722,719	(59,914)	24,746,475	1,175,234	25,921,709
Total Capital Assets, Net	$ 28,448,408	$ 3,406,133	$ (1,529,145)	$ 30,325,396	$ 1,649,445	$ 31,974,841

Note (1): Beginning balances have been restated by $135.8 million predominately relating to GASB Implementation Guide 2021-1, Question 5.1 regarding group assets of $150.5 million. In addition, beginning balances have been restated for error corrections by various higher education institutions (nonmajor) for negative $14.7 million. There have also been reclassifications in the beginning balances of certain line items.

Note (2): Foundations represent FASB reporting entities defined in Note 1.B. Since foundations follow FASB rather than GASB reporting requirements, no amounts are reported in the software and other intangible assets categories for foundations.

14. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, requires certain items to be classified as either deferred outflows or deferred inflows of resources. Additionally, deferred outflows or deferred inflows of resources are also required by other GASB statements. While all deferred outflows or deferred inflows of resources applicable to the Commonwealth are listed below, see Notes 15, 16, 18, and 38 for additional information regarding these items.

Deferred Outflows

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflows

Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period.

The following tables summarize deferred outflows and deferred inflows of resources as of June 30, 2024.

Government-wide Statements

(Dollars in Thousands)	Primary Government			
	Governmental Activities	Business-type Activities	Total	Total Component Units
Deferred Outflows of Resources				
Effective Hedges in a Loss Position	$ —	$ —	$ —	$ 1,213
Loss on Refunding of Debt	16,161	—	16,161	184,202
Nonexchange Transactions Not Meeting Time Requirements	203	—	203	—
Government Acquisition-Goodwill	—	—	—	—
Pension Related	1,340,089	47,632	1,387,721	662,665
Other Postemployment Benefit Related	423,585	12,974	436,559	224,305
Total Deferred Outflows of Resources	$ 1,780,038	$ 60,606	$ 1,840,644	$ 1,072,385
Deferred Inflows of Resources				
Effective Hedges in a Gain Position	$ —	$ —	$ —	$ —
Public-Private and Public-Public Partnerships	8,112,905	—	8,112,905	161,514
Gain on Refunding of Debt	59,637	—	59,637	88,736
Pension Related	675,755	14,274	690,029	283,122
Other Postemployment Benefit Related	520,445	12,725	533,170	305,875
Irrevocable Split-Interest Agreements Related	—	—	—	23,554
Mortgage Banking Activities	—	—	—	64,342
Leases	—	—	—	144,502
Total Deferred Inflows of Resources	$ 9,368,742	$ 26,999	$ 9,395,741	$ 1,071,645

Fund Statements

(Dollars in Thousands)	Primary Government - Governmental Funds					
	General	Commonwealth Transportation	Federal Trust	Literary	Nonmajor Governmental Funds	Total Governmental Funds
Deferred Outflows of Resources						
Nonexchange Transactions Not Meeting Time Requirements	$ 203	$ —	$ —	$ —	$ —	$ 203
Total Deferred Outflows of Resources	$ 203	$ —	$ —	$ —	$ —	$ 203
Deferred Inflows of Resources						
Public-Private and Public-Public Partnerships	$ —	$ 2,307,387	$ —	$ —	$ —	$ 2,307,387
Revenues Considered Unavailable	1,624,163	90,533	389,135	27,831	499,639	2,631,301
Total Deferred Inflows of Resources	$ 1,624,163	$ 2,397,920	$ 389,135	$ 27,831	$ 499,639	$ 4,938,688

Fund Statements

(Dollars in Thousands)	Business-type Activities				Governmental Activities
	Enterprise Funds				
	Virginia Lottery	Virginia College Savings Plan	Nonmajor	Total Business-type Activities	Internal Service Funds
Deferred Outflows of Resources					
Pension Related	$ 7,481	$ 3,671	$ 36,480	$ 47,632	$ 15,915
Other Postemployment Benefit Related	2,089	1,062	9,823	12,974	3,569
Total Deferred Outflows of Resources	$ 9,570	$ 4,733	$ 46,303	$ 60,606	$ 19,484
Deferred Inflows of Resources					
Pension Related	$ 2,363	$ 1,213	$ 10,698	$ 14,274	$ 7,501
Other Postemployment Benefit Related	1,763	862	10,100	12,725	4,870
Total Deferred Inflows of Resources	$ 4,126	$ 2,075	$ 20,798	$ 26,999	$ 12,371

(Dollars in Thousands)	Component Units					
	Virginia Housing Development Authority	Virginia Public School Authority	Virginia Resources Authority	Virginia College Building Authority	Nonmajor Component Units	Total Component Units
Deferred Outflows of Resources						
Effective Hedges in a Loss Position	$ —	$ —	$ —	$ —	$ 1,213	$ 1,213
Loss on Refunding of Debt	—	51,043	27,516	13,587	92,056	184,202
Government Acquisition-Goodwill	—	—	—	—	—	—
Pension Related	—	—	70	—	662,595	662,665
Other Postemployment Benefit Related	7,607	—	24	—	216,674	224,305
Total Deferred Outflows of Resources	$ 7,607	$ 51,043	$ 27,610	$ 13,587	$ 972,538	$ 1,072,385
Deferred Inflows of Resources						
Effective Hedges in a Gain Position	$ —	$ —	$ —	$ —	$ —	$ —
Public-Private and Public-Public Partnerships	—	—	—	—	161,514	161,514
Gain on Refunding of Debt	—	150	24,673	24,799	39,114	88,736
Pension Related	—	—	163	—	282,959	283,122
Other Postemployment Benefit Related	8,470	—	22	—	297,383	305,875
Irrevocable Split-Interest Agreements Related	—	—	—	—	23,554	23,554
Mortgage Banking Activities	64,342	—	—	—	—	64,342
Leases	—	—	—	—	144,502	144,502
Total Deferred Inflows of Resources	$ 72,812	$ 150	$ 24,858	$ 24,799	$ 949,026	$ 1,071,645

15. DERIVATIVE INSTRUMENTS

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* requires additional reporting and disclosures for derivative instruments.

Primary Government

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates or financial indexes. They include futures, forwards, options and swap contracts. Some traditional securities, such as structured notes, can have derivative-like characteristics. In this case, the return may be linked to one or more indexes and asset-backed securities, such as collateralized mortgage obligations (CMOs), which are sensitive to changes in interest rates and prepayments. Futures, forwards, options and swaps generally are not recorded on the financial statements, whereas structured notes and asset-backed investments generally are recorded.

Virginia College Savings Plan (Virginia529)

GASB Statement No. 53 defines stable value investment vehicles as synthetic guaranteed investment contracts. Stable value funds are invested in a high quality, diversified, intermediate term, fixed income portfolio that is protected against interest rate volatility by wrap or investment contracts from banks and insurance companies that guarantee the payment of benefits at book value (cost plus accrued interest), which enables the entire investment to be carried at its book value. The Virginia529 utilizes stable value investments in the Defined Contribution 529 and Access and Affordability Programs (Private Purpose Trust Fund). Virginia529's stable value investments meet the definition of fully benefit-responsive synthetic guaranteed investment contracts and are reported at contract value. As of June 30, 2024, Virginia529 had the following stable value investments outstanding (dollars in thousands) in the respective programs as shown in the table below.

Stable Value Investments

Fund	Wrap Provider	Notional Amount	Effective Date	Maturity Date	Credit Rate	June 30, 2024 Fair Value	June 30, 2023 Fair Value
Private Purpose	American General Life	$ 306,074	1/16/2014	Open ended	3.0 %	$ 1,730,000	$ 1,539,111
	Nationwide Life Insurance	310,447	1/29/2018	Open ended	3.7 %		
	Prudential Retirement Insurance & Annuity	306,345	1/30/2014	Open ended	3.1 %		
	RGA	306,056	8/28/2015	Open ended	3.0 %		
	State Street Bank	306,057	5/1/2002	Open ended	3.0 %		
	Voya Retirement And Annuity	306,157	10/5/2012	Open ended	3.1 %		

At June 30, 2024, the fair value of the underlying investments for the Private Purpose Trust Fund was less than the book value (notional amount) of the wrap contracts. The book value of the wrap contracts provides a guaranteed minimum value that program participants would receive upon liquidation, and therefore has a separate fair value only in the circumstance that the fair value of the associated underlying investment pool is below the book value of the wrap contracts. The fair value of the wrap contracts is the amount required to bring the total value of the stable value investments up to the book value of the wrap contracts. In the Private Purpose Trust Fund, the fair value of the wrapped stable value investments at June 30, 2024, was $1.7 billion.

All derivative instruments held by VA529 are considered investments. The fair value of all derivative financial instruments is reported on a net basis on the Statement of Net Position and the Statement of Fiduciary Net Position. The derivative instruments are either subject to an enforceable master netting arrangement or similar agreement. The master netting arrangements allow VA529 to net applicable liabilities or prepayment obligations to counterparties to the derivative contracts against amounts owed to VA529 by the counterparties.

As of June 30, 2024, four separate account managers in the asset classes shown below, were permitted to use derivative instruments as shown in the tables that follow:

Fund	Manager	Asset Class
Enterprise	Acadian Asset Management, LLC	Developed Markets International Equity
Enterprise	Loomis, Sayles & Company, L.P.	Multi-Asset Credit
Private Purpose	Neuberger Berman	Emerging Markets Debt
Enterprise	Neuberger Berman	Core Bond Fixed Income
Private Purpose	PGIM Fixed Income	High-yield Fixed Income
Enterprise	PGIM Fixed Income	High-yield Fixed Income
Private Purpose	PGIM Fixed Income	Core Bond Fixed Income
Enterprise	PGIM Fixed Income	Core Bond Fixed Income

The summary of VA529's derivative instruments at June 30, 2024 are show in the table below (amounts expressed in thousands).

Derivative Instruments Summary

Investment Derivative Instruments	Changes in Fair Value		Fair Value at June 30, 2024		
Enterprise Fund	**Classification**	**Amount**	**Classification**	**Amount**	**Net Notional Amount**
Credit Default Swaps	Revenue	$ (2)	Investment	$ 160	$ 2,555
Futures Contracts	Revenue	221	Investment	221	86,411
Total Return Swaps	Revenue	(1,200)	Investment	(1,200)	25,968
Zero Coupon Swap	Revenue	(25)	Investment	184	35,907
Total		$ (1,006)		$ (635)	
Private Purpose Fund					
Credit Default Swaps	Revenue	$ (540)	Investment	$ 683	$ 23,425
Futures Contracts	Revenue	571	Investment	571	96,916
Total Return Swaps	Revenue	273	Investment	273	8,599
Total		$ 304		$ 1,527	

Pursuant to their investment management agreements, PGIM High Yield Fixed Income, PGIM Core Bond Fixed Income, Loomis, Sayles & Company, Neuberger Berman Emerging Markets Debt and Neuberger Core Bond may invest in derivative instruments for hedging, cash management and / or duration management.

Each portfolio's exposure to derivative instruments, as measured on a net fair value basis, is limited to 10 percent of the fair value of the accounts, with the exception of futures contracts, which are excluded from the 10 percent limit.

Within the Enterprise Fund at June 30, 2024, the Neuberger Berman and PGIM Core Bond portfolios, as well as the PGIM High Yield Fixed Income accounts each held futures contracts. Future contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. The PGIM Core Bond and High Yield Fixed Income accounts each held total return swaps and credit default swaps. The PGIM Core Bond account also held zero coupon swaps. Swaps are negotiated contracts between two counterparties for the exchange of payments at certain intervals over a predetermined timeframe. The payments are based on a notional principal amount and calculated using either fixed or floating interest rates or total returns from certain instruments or indexes. Swaps are, therefore, sensitive to interest rate changes.

Within the Private Purpose Fund at June 30, 2024, the Neuberger Berman Emerging Markets Debt and PGIM High Yield accounts each held futures contracts and credit default swaps. The PGIM High Yield Fixed Income account also held total return swaps.

Future contracts are permissible to hedge duration while total return swaps help to gain exposure to assets with minimal cash outlay. Credit risk is mitigated with credit default swaps and zero coupon swaps as they are each centrally cleared derivative instruments.

Pursuant to their investment management agreements, Loomis, Sayles & Company, the PGIM High Yield Fixed Income and Core Bond accounts as well as Acadian may invest in foreign exchange forward contracts for hedging purposes or for efficient portfolio management within the Enterprise Fund. PGIM High Yield and Neuberger Berman Fixed Income accounts invest in foreign forward contracts for the same purposes within the Fiduciary Funds' investment portfolio. Each of these managers primarily uses forward foreign exchange contracts to hedge the value of investments denominated in non-U.S. dollar currencies. Credit risk of exchange traded currency contracts lies with the clearinghouse of the exchange at which the contracts are traded, while credit risk of currency contracts traded over the counter lies with the counterparty. Counterparty risk exposure is generally equal to the unrealized gain on in-the-money contracts. The following table (dollars in thousands) contains a breakdown of these forward contracts by currency.

Enterprise Fund Foreign Currency Forwards

Currency	Cost	Foreign Exchange Purchases	Foreign Exchange Sales	Fair Value
Brazil Real	$ (1,367)	$ —	$ (1,326)	$ (1,326)
Colombian Peso	(1,392)	—	(1,329)	(1,329)
Euro Currency Unit	(12,478)	5,839	(18,198)	(12,359)
Hong Kong Dollar	(1)	—	(1)	(1)
Indian Rupee	(2)	1,409	(1,409)	—
Indonesian Rupiah	(1,386)	—	(1,383)	(1,383)
Japanese Yen	(48)	2,014	(2,074)	(60)
Mexican Peso	(1,988)	—	(2,015)	(2,015)
Pound Sterling	(190)	189	(378)	(189)
South African Rand	(1,473)	—	(1,517)	(1,517)
South Korean Won	—	1,388	(1,388)	—
U.S. Dollar	20,325	31,247	(10,923)	20,324
Total	$ —	$ 42,086	$ (41,941)	$ 145

Private Purpose Fund Foreign Currency Forwards

Currency	Cost	Foreign Exchange Purchases	Foreign Exchange Sales	Fair Value
Euro Currency Unit	$ (56,348)	$ 4,513	$ (60,204)	$ (55,691)
Pound Sterling	(507)	504	(1,008)	(504)
U.S. Dollar	56,855	61,932	(5,078)	56,854
Total	$ —	$ 66,949	$ (66,290)	$ 659

Additional information is available in the Virginia529 separately issued financial statements, which may be obtained at www.virginia529.com.

Virginia Retirement System

All derivative instruments held by the Virginia Retirement System (the System) are considered investments. The fair value of all derivative financial instruments is reported on a net basis on the Statement of Fiduciary Net Position. The derivative instruments are either subject to an enforceable master netting arrangement or similar agreement. The master netting arrangements allow the System to net applicable liabilities or payment obligations to counterparties to the derivative instrument contracts against amounts owed to the System by the same counterparty.

The System holds investments in swaps and futures and enters into forward foreign currency exchange contracts. Swaps, futures, and currency forwards contracts provide the System with the opportunity to build passive benchmark positions, manage portfolio duration in relation to various benchmarks, adjust portfolio yield curve exposure and gain market exposure to various indexes in a more efficient way and at lower transaction costs. Derivative instruments that are exchange-traded are not subject to credit risk, but all over-the-counter derivative instruments, such as swaps and currency forwards, do expose the System to counterparty credit risk. Counterparty credit risk for the System's investments in derivatives instruments (inclusive of foreign currency forwards) is summarized in the following table. Market risks arise from adverse changes in market prices, interest rates and foreign exchange rates. The System's level of exposure to interest rate risk through derivative instruments and the System's investments in derivative instruments as of June 30, 2024, are summarized in the tables below (dollars in thousands).

Derivative Instruments Summary

Investment	Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2024		Fair Value June 30, 2024	
Derivatives (by Type)	Amount	Classification	Amount	Notional (Dollars)
Credit Default Swaps Bought	$ (90)	Debt Securities	$ (79)	$ 2,900
Credit Default Swaps Written	177	Debt Securities	157	17,650
Currency Futures Long	(74)	Debt Securities	—	—
Fixed-Income Futures Long	23,284	Debt Securities	6,524	2,209,446
Fixed-Income Futures Short	(10,230)	Debt Securities	(4,710)	(733,795)
Fixed Income Options	1	Debt Securities	—	—
FX Forwards	18,395	Investment Sales/Purchases	3,807	976,426
Index Futures Long	(9,932)	Equity Securities	211	122,608
Index Futures Short	743	Equity Securities	(104)	(41,307)
Interest Rate Futures Long	39	Debt Securities	39	182,957
Pay Fixed-Interest Rate Swaps	(2,737)	Debt Securities	—	—
Receive Fixed-Interest Rate Swaps	294	Debt Securities	—	—
Swaptions	8	Debt Securities	—	—
Total Return Equity Index Swaps	(94,716)	Equity Securities	23,597	2,048,756
Total	$ (74,838)		$ 29,442	

Derivative Instruments Subject to Interest Rate Risk

		Investment Maturities (in years)			
Investment Type	Fair Value June 30, 2024	Under 1	1-5	6-10	Greater than 10
Credit Default Swaps Bought	$ (79)	$ —	$ (79)	$ —	$ —
Credit Default Swaps Written	157	4	165	(12)	—
Total Return Equity Index Swaps	(8,369)	(8,369)	—	—	—
Total	$ (8,291)	$ (8,365)	$ 86	$ (12)	$ —

Futures Contracts

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily, in cash, with the exchanges. The net gains or losses resulting from the daily settlements are included in the Statement of Changes in Fiduciary Net Position. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal. Information on the System's investments in fixed income, currency, and equity index futures as of June 30, 2024, is shown in the Summary table on page 131.

Currency Forwards

Currency forwards represent foreign exchange contracts and are used by the System to effect settlements and to protect the base currency ($U.S.) value of portfolio assets denominated in foreign currencies against fluctuations in the exchange rates of those currencies. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the-money contracts. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates. The net realized gains or losses arising from the differences between the original values of the foreign currency contracts and the closing values of such contracts are included in the net appreciation/ depreciation in fair value of investments in the Statement of Changes in Fiduciary Net Position. Information on the currency forward contracts as of June 30, 2024, is shown in the following table and in the Summary table on page 131.

Currency Forwards

as of June 30

(Dollars in Thousands)

Currency	Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value 2024	Fair Value 2023
Australian Dollar	$ 38,381	$ 143,945	$ (105,569)	$ 38,376	$ 53,248
Brazilian Real	3,091	3,039	—	3,039	(69)
British Pound Sterling	(169,115)	313,272	(478,639)	(165,367)	74,717
Canadian Dollar	186,816	518,791	(331,418)	187,373	244,791
Chilean Peso	(4)	1,759	(1,759)	—	1,126
Chinese Yuan Renminbi	(3,912)	—	(3,957)	(3,957)	(12,114)
Chinese Yuan Renminbi HK	—	—	—	—	(2,201)
Colombian Peso	(533)	1,094	(1,601)	(507)	(728)
Czech Koruna	(4,920)	—	(4,822)	(4,822)	2,880
Danish Krone	(4,502)	—	(4,478)	(4,478)	(18,802)
Egyptian Pound	—	—	—	—	(3)
Euro Currency Unit	(725,090)	260,403	(983,231)	(722,828)	216,851
Hong Kong Dollar	—	—	—	—	(53,143)
Hungarian Forint	(812)	—	(808)	(808)	1,579
Indian Rupee	2,459	7,643	(5,177)	2,466	7,119
Indonesian Rupiah	2,409	2,387	—	2,387	(4,492)
Israeli Shekel	55	55	—	55	(38,448)
Japanese Yen	159,827	348,501	(193,165)	155,336	405,605
Kazakhstan Tenge	1,792	1,729	—	1,729	1,115
Malaysian Ringgit	(42)	—	(41)	(41)	(1,836)
Mexican Peso	(6,071)	—	(6,001)	(6,001)	(3,029)
New Zealand Dollar	(344,510)	7,434	(349,705)	(342,271)	(175,944)
Norwegian Krone	236,862	408,846	(176,468)	232,378	(294,105)
Peruvian Sol	(11,288)	—	(11,073)	(11,073)	(2,284)
Philippines Peso	(2,472)	—	(2,475)	(2,475)	(4,397)
Polish Zloty	1,255	2,502	(1,245)	1,257	(3,369)
Romanian Leu	—	—	—	—	(693)
Singapore Dollar	—	—	—	—	(90,548)
South African Rand	(1,970)	6,198	(8,268)	(2,070)	(6,062)
South Korean Won	—	—	—	—	5,033
Swedish Krona	(194,095)	120,867	(312,740)	(191,873)	130,753
Swiss Franc	(143,563)	161,119	(304,836)	(143,717)	(80,997)
Taiwan Dollar	—	—	—	—	1,456
Thailand Baht	(1,187)	2,445	(3,536)	(1,091)	736
Turkish Lira	2,412	2,452	—	2,452	—
U.S. Dollar	980,338	3,310,299	(2,329,961)	980,338	(368,334)
Total Forwards Subject to Foreign Currency Risk				$ 3,807	$ (14,589)

Options

Options may either be exchange-traded or negotiated directly between two counterparties over the counter. Options grant the holder the right, but not the obligation, to purchase (call) or sell (put) a financial instrument at a specified price and within a specified period of time from the writer of the option.

As a purchaser of options, the System typically pays a premium at the outset. This premium is reflected as an asset on the financial statements. The System then retains the right, but not the obligation, to exercise the options and purchase the underlying financial instrument. Should the option not be exercised, it expires worthless, and the premium is recorded as a loss.

A writer of options assumes the obligation to deliver or receive the underlying financial instrument on exercise of the option. Certain option contracts may involve cash settlements based on specified indexes such as stock indexes. As a writer of options, the System receives a premium at the outset. This premium is reflected as a liability on the financial statements, and the System bears the risk of an unfavorable change in the price of the financial instrument underlying the option. There were small investments in options on interest rate swaps (swaptions) and fixed income futures contracts as of June 30, 2023, however the System had no investments in options as of June 30, 2024, as shown in the Summary table on page 135.

Swap Agreements

Swaps are negotiated contracts between two counterparties for the exchange of payments at certain intervals over a predetermined timeframe. The payments are based on a notional principal amount and calculated using either fixed or floating interest rates or total returns from certain instruments or indexes. Swaps are used to manage risk and enhance returns. To reduce the risk of counterparty nonperformance, the System generally requires collateral on any material gains from these transactions. During fiscal year 2024, the System had investments in credit default and total return swaps. Gains and losses on swaps are determined based on fair values and are recorded in the Statement of Changes in Fiduciary Net Position. Information on the System's swap balances as of June 30, 2024, is shown in the Summary table on page 135, and the terms, fair values and notional values of the System's investments in swap agreements that are highly sensitive to interest rate changes are disclosed in the following tables (dollars in thousands).

Derivatives Instruments Highly Sensitive to Interest Rate Changes

Investment Type	Reference Rate	Fair Value June 30, 2024	Notional Amount
Total Return Equity Index Swaps	Receive Variable MSCI World Minimum Volatility Index, Pay Variable 1-day SOFR + 80 bps	$ 8,638	$ 300,000
Total Return Equity Index Swaps	Receive Variable MSCI World Minimum Volatility Index, Pay Variable 1-day SOFR + 71 bps	12,093	420,000
Total Return Equity Index Swaps	Receive Variable GDDUUS Index, Pay Variable 1-day SOFR Cmpd + 35.5 bps	11,235	314,149
Total Return Equity Index Swaps	Receive Variable MSCI ACWI IMI Index, Pay Variable 1-day SOFR + 62 bps	—	598,832
Total Return Equity Index Swaps	Receive Variable MSCI World Minimum Volatility Index, Pay Variable 1-day SOFR + 59 bps	—	101,615
Total Return Equity Index Swaps	Receive Variable 1-day SOFR + 31.5 bps, Pay Variable FTSE EPRA NAREIT US Index	(100)	3,761
Total Return Equity Index Swaps	Receive Variable 1-day SOFR Cmpd + 31.5 bps, Pay Variable FTEPNAUS Index	(8,269)	310,399
TOTAL		$ 23,597	$ 2,048,756

Derivative Instruments Subject to Counterparty Credit Risk

Counterparty	Percentage of Net Exposure	Moody's Ratings	S&P Ratings
BNP Paribas SA	36.9%	Aa3	A+
UBS AG/Stamford CT	22.7%	—	A-
Barclays Bank PLC	19.0%	A1	A+
JPMorgan Chase Bank NA	11.3%	Aa2	A+
Bank of New York Mellon Corp./London	5.1%	A1	A
BNP Paribas Securities Corp.	4.5%	Aa3	A+
Goldman Sachs International	0.5%	A1	A+
Morgan Stanley Capital Services LLC	0.0%	Aa3	A+
Total	100.0%		

Derivative instruments are classified as Level 1 and Level 2 in the fair value hierarchy. Derivative instruments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The derivative instruments in Level 1 consist of futures contracts on U.S. Treasury bonds and notes, non-U.S. government bonds, and U.S. equity indexes and on U.S. short-term interest rates. Derivative instruments classified as Level 2 are valued using a number of modeling approaches that take into account observable market levels, benchmark rates, and foreign exchange rates.

Additional information is available in the System's separately issued financial statements, which may be obtained from www.varetire.org.

Component Units

Investment Derivative Instruments

The Virginia Housing Development Authority (major component unit) enters into forward sales contracts for the delivery of GNMA and FNMA securities in order to lock in the sales price for the securitization of certain homeownership mortgage loans. The contracts offset changes in interest rates between the time of the loan reservations and the securitization of such loans into GNMA and FNMA securities. These contracts are considered investment derivative instruments, such that their change in fair value is reported as investment derivative instrument gains or losses in the accompanying financial statements. Fair values of the forwards are based on observable market prices for similar instruments traded on the secondary mortgage loan markets. The Authority's portfolio of investment derivative instruments are classified as Level 2 in the fair value hierarchy. The outstanding forward contracts, summarized by counterparty rating as of June 30, 2024, were as follows:

Counterparty Rating	Par	Concentration	Notional Amount	Fair Value	Fair Value Asset (Liability)
A-1/A+	$ 37,100,000	37.3 %	$ 37,579,412	$ 37,603,469	$ (24,057)
A-1/A+	31,300,000	31.4 %	31,800,746	31,859,125	(58,379)
A-1/A+	16,500,000	16.5 %	16,789,355	16,789,375	(20)
A-1/A+	9,300,000	9.3 %	9,417,355	9,425,938	(8,583)
A-1/A+	5,500,000	5.5 %	5,570,000	5,583,672	(13,672)
	$ 99,700,000	100.0 %	$101,156,868	$101,261,579	$ (104,711)

Other Derivative Instruments – Ineffective Hedges

During fiscal year 2015, the University of Virginia (UVA) (nonmajor) refunded the Series 2003A bonds and the commercial paper associated with the fixed-payer interest rate swaps which terminated hedge accounting. The fixed-payer interest rate swaps were no longer effective hedges. As of June 30, 2024, the negative fair value of the swaps of $9.4 million is included in other liabilities and the change in fair value of positive $3.2 million was reported as miscellaneous revenue in the accompanying financial statements. Additional information regarding the institution's derivative instruments is available at www.virginia.edu.

Hedging Derivative Instruments

As of June 30, 2024, Virginia Commonwealth University Medical Center (VCUMC), which is a division of the Virginia Commonwealth University Health System Authority (a blended component unit of VCU - nonmajor), had two interest rate swap agreements with a notional amount of $109.5 million. The swaps are used as cash flow hedges by VCUMC in order to provide a hedge against changes in interest rates on variable rate Series 2024B bonds. As of June 30, 2024, the negative fair value of VCUMC's two swaps of $9.9 million is included in other liabilities and the cumulative change in fair value of these swaps of $1.2 million is included in deferred outflows of resources in the accompanying financial statements. The derivative instruments are classified as Level 2 in the fair value hierarchy. Additional information regarding the institution's derivative instruments is available at www.vcu.edu.

Various foundations of higher education institutions have derivative instruments. The foundations follow FASB rather than GASB reporting requirements. Disclosures for the foundations' derivative instruments can be found in the separately issued financial statements of the foundations.

16. RETIREMENT AND PENSION SYSTEMS

A separately issued financial report that includes financial statements and required supplementary information for each of the individual plans discussed below is publicly available. Copies may be obtained from the Virginia Retirement System website at www.varetire.org.

A. Administration

The Virginia Retirement System (the System) is an independent agency of the Commonwealth that administers pension plans, other employee benefit plans, and other funds for Commonwealth employees, teachers, political subdivision employees, and other qualifying employees. The Board of Trustees is responsible for the general administration and operation of the plans. The Board consists of five members appointed by the Governor and four members appointed by the Joint Rules Committee, all subject to confirmation by the General Assembly. The Board of Trustees appoints a director to serve as the chief administrative officer of the System and a chief investment officer to direct, manage, and administer the investment of the System's funds. The Board of Trustees has appointed BNY Mellon as the custodian of designated assets of the System.

The System administers four pension trust funds: the Virginia Retirement System (VRS); State Police Officers' Retirement System (SPORS); Virginia Law Officers' Retirement System (VaLORS); and the Judicial Retirement System (JRS). In addition to the pension plans, the System administers five Other Employee Benefit Plans: Group Life Insurance Fund; Retiree Health Insurance Credit Fund; the Virginia Sickness and Disability Program (VSDP); the Line of Duty Act Trust Fund; and the Virginia Local Disability Program (VLDP).

B. Summary of Significant Accounting Policies (Virginia Retirement System)

Basis of Accounting

The financial statements of the pension and other employee benefit trust funds are prepared using the flow of economic resources measurement focus and the accrual basis of accounting consistent with the plans. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as earned by the plans. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at fair value as determined by the System's master custodian, BNY Mellon, from its Global Pricing System. This pricing system assigns a price source, based on asset type and the vendor pricing products to which the master custodian subscribes, for every security held immediately following its acquisition. Prices supplied by these sources are monitored on a daily basis by the master custodian.

When a pricing source is unable to provide a price, quotes are sought from major investment brokers and market-making dealers; or internal calculations are applied if feasible. As a last resort, the master custodian will contact investment managers for a price. The master custodian prices commingled funds, partnerships, and real estate assets from statements received from the funds, partnerships, or investment managers.

The pricing sources utilized by the master custodian provide daily prices for equity securities, corporate, government and mortgage-backed fixed income securities, private placement securities, futures and options on futures, open-ended funds, and foreign exchange rates. Depending on the vendor, collateralized mortgage obligations (CMOs), adjustable rate mortgages (ARMs) and asset-backed securities are priced daily, weekly or twice a month and at month-end. Municipal fixed income securities and options on Treasury/Government National Mortgage Association securities are priced at month-end.

The System's risk budget is allocated among the different investment strategies, which are each managed to a relevant benchmark. The benchmarks encompass option-adjusted duration, credit quality and issuer concentration limits that address interest rate risk, credit risk and concentration of credit risk. The System's policy requires performance returns to remain within an allowable range from the relevant benchmarks.

C. Plan Description

The Virginia Retirement System (VRS) is a qualified governmental retirement plan that administers three retirement benefit structures: Plan 1, Plan 2, and Hybrid Plan, for state employees, public school board employees, employees of participating political subdivisions, and other qualifying employees. VRS is a combination of mixed-agent and cost-sharing, multiple-employer retirement plans. Each plan's accumulated assets may legally be used to pay all the plan benefits provided to any of the plan's members, retirees, and beneficiaries of each respective plan. Contributions for fiscal year 2024 were $4.4 billion with a reserve balance available for benefits of $105.6 billion. As of June 30, 2024, VRS had 840 contributing employers.

The Commonwealth also administers the following single-employer retirement plans and benefit structures:

- State Police Officers' Retirement System (SPORS) – Plan 1 and Plan 2
- Virginia Law Officers' Retirement System (VaLORS) – Plan 1 and Plan 2
- Judicial Retirement System (JRS) – Plan 1, Plan 2, and Hybrid Plan

All full-time, salaried permanent employees of VRS participating employers are automatically covered under VRS, SPORS, VaLORS or JRS with the following exceptions: (1) certain full-time faculty and administrative staff of public colleges and universities; and (2) eligible classified employees of the two state teaching hospitals. These employees have the option to elect not to participate in the Virginia Retirement System. Benefit provisions and all other requirements are established by Title 51.1 of the *Code of Virginia*.

Benefits vest for all plans after five years of service credit. Vested VRS members in the VRS Plan 1 are eligible for an unreduced retirement benefit at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit as elected by the employer. Vested VRS members in the VRS Plan 2 and the Hybrid Plan are eligible for unreduced retirement benefits at normal social security retirement age with at least five years of service credit or when age and service credit equal 90. Vested SPORS and VaLORS members in both the VRS Plan 1 and the VRS Plan 2 are eligible for an unreduced benefit at age 60 with at least five years of hazardous duty service credit or age 50 with at least 25 years of total service credit.

Annual retirement benefits are payable monthly for life in an amount equal to 1.7 percent of eligible members' average final compensation (AFC) for each year of service credit. Under the VRS Plan 2, the multiplier for general employees was reduced to 1.65 percent beginning January 1, 2013. Under the Hybrid Plan, the multiplier for the defined benefit component is 1.0 percent. AFC is the average of the member's 36 consecutive months of highest creditable compensation for members under the VRS Plan 1. Under the VRS Plan 2 and the Hybrid Plan, a member's AFC is the average of the member's 60 consecutive months of highest creditable compensation. The benefit for members of SPORS is calculated using a 1.85 percent multiplier. Members of SPORS also are eligible for a hazardous duty supplement, paid monthly, until they reach full Social Security retirement age.

Members of VaLORS hired before July 1, 2001, were allowed to make a one-time election to increase the multiplier from 1.7 to 2.0 percent instead of receiving a monthly hazardous duty supplement. VaLORS members who elected to retain the 1.7 percent multiplier are eligible for the supplement until age 65. Members of VaLORS hired after June 20, 2001, have their benefit computed using the 2.0 percent multiplier and are not eligible for the supplement.

Members of JRS receive weighted years of service credit for each year of actual service under JRS. VRS, SPORS, VaLORS, and JRS also provide death and disability benefits.

A cost-of-living allowance (COLA), based on changes in the Consumer Price Index and limited to 5.0 percent per year for VRS Plan 1 and 3.0 percent for VRS Plan 2 and Hybrid Plan, is granted on July 1 of the second calendar year after retirement and is effective each July 1 thereafter. Beginning January 2013, a member who retires with less than 20 years of service must receive an allowance for one full calendar year after reaching unreduced retirement age to be eligible for a COLA. Members within five years of eligibility for an unreduced benefit as of January 1, 2013 were grandfathered.

Benefits for all vested members are actuarially reduced if they retire before becoming eligible for an unreduced retirement benefit, provided they meet age requirements for a reduced retirement benefit.

As required by Title 51.1 of the *Code of Virginia*, members contribute 5.0 percent of their annual compensation to the retirement plans. If a member leaves covered employment, the accumulated contributions plus earned interest may be refunded to the member. Each participating employer is required by state statute to contribute the remaining amounts necessary to fund the retirement plans using the entry age normal actuarial cost method adopted by the Board of Trustees. Contributions for fiscal year 2024 were $59.3 million, $29.5 million, and $117.8 million, and reserved balances available for benefits were $1.2 billion, $717.2 million, and $2.1 billion, for SPORS, JRS, and VaLORS, respectively. State statute may be amended only by the General Assembly. To the extent that the employer's long-term obligation to provide pension benefits (total pension liability) is larger than the value of the assets available in the plan to pay these benefits (fiduciary net position), there is a net pension liability which is reported in the accompanying financial statements as a component of Long-term Liabilities Due in More than One Year.

The Hybrid Plan is the default benefit structure for new employees in the VRS and JRS plans. The Hybrid Plan benefit structure includes a defined benefit component and a defined contribution component. For Hybrid Plan members, 4.0 percent of the statutory member contribution of 5.0 percent is directed to the defined benefit component of the plan and 1.0 percent is directed to the mandatory defined contribution component of the plan. In addition, 1.0 percent of the total actuarially determined employer contribution is directed to the mandatory defined contribution component of the plan. The Hybrid Plan members may also elect to contribute an additional amount up to 4.0 percent to a voluntary defined contribution plan. The voluntary component also has a mandatory employer match of 0.5 to 2.5 percent that is deducted from the total actuarially determined employer contribution. For the fiscal year 2024, the mandatory and voluntary member contributions for the defined contribution component of the Hybrid Plan totaled $269.0 million and related mandatory employer contributions totaled $216.1 million. The statutory authority for the Hybrid plan is set out in the *Code of Virginia*, Section 51.1-169. This section also highlights the various plan provisions, including vesting and forfeiture. The total amount contributed by the employer shall vest to the employee's benefit according to the following schedule:

a. Upon completion of two years of active participation, 50.0 percent.
b. Upon completion of three years of active participation, 75.0 percent.
c. Upon completion of four years of active participation, 100.0 percent.

If an employee ceases to be a member prior to achieving 100.0 percent vesting, contributions made by an employer on behalf of the employee under subdivision 2 that are not vested shall be forfeited. The Defined Contribution plan component of the Hybrid plan has a fixed employer contribution that is a percentage of covered payroll. There is no additional employer liability for this component at year end.

Further information about the benefits provided in these retirement plans and their different benefit structures can be found in the Virginia Retirement System's Annual Comprehensive Financial Report.

The following table provides participant information.

	VRS	SPORS	VaLORS	JRS	2024 Total
Retirees and Beneficiaries Receiving Benefits	62,719	1,460	5,960	522	70,661
Terminated Employees Entitled to Benefits but not Receiving Them	14,092	164	939	2	15,197
Total	76,811	1,624	6,899	524	85,858
Active Members:					
Vested	51,813	1,553	3,791	389	57,546
Non-Vested	30,164	324	3,463	80	34,031
Total	81,977	1,877	7,254	469	91,577

D. Funding Policy

The funding policy of the retirement plans provides for periodic employer contributions at actuarially determined rates, which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all basic benefits when due. Contribution rates are developed using the entry age normal cost method for both normal cost and amortization of the unfunded actuarial accrued liability. Gains and losses are reflected in the unfunded actuarial accrued liability that is being amortized as a level percentage of payroll within 20 years or less.

The System's former actuary, Cavanaugh MacDonald Consulting, LLC, computed the amount of contributions to be provided by state agency employers, state police and other Virginia law employers. The Commonwealth approved contribution rates for fiscal year 2024 based on the actuary's valuation as of June 30, 2021. Employer contributions by the Commonwealth to VRS, SPORS, VaLORS, and JRS were 14.5 percent, 30.0 percent, 24.6 percent, and 30.7 percent, respectively.

In addition to determining contribution requirements, the actuarial computations present an estimate of the discounted present value of the prospective accrued liability contributions that employers will have to pay in the future so that such contributions, together with the assets on hand, the normal contributions to be made in the future by employers and members and the income earned by investing funds, will be sufficient to provide all benefits to be paid to present members in the future as well as the annuitants and their designated beneficiaries.

E. Changes in Net Pension Liability

The total pension liability was determined based on the actuarial valuation as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The following tables (dollars in thousands) show the Commonwealth's total pension liability, plan fiduciary net position, and net pension liability in total and individually for the VRS, SPORS, JRS, and VaLORS for the current and prior year.

Primary Government

	Totals		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 19,668,466	$ 16,105,218	$ 3,563,248
Changes for the year			
Service cost	326,373	—	326,373
Interest	1,306,477	—	1,306,477
Differences between actual and expected experience	483,778	—	483,778
Assumption changes	—	—	—
Contributions - employer	—	591,703	(591,703)
Contributions - member	—	159,154	(159,154)
Net investment income	—	1,024,353	(1,024,353)
Benefit payments, including refunds	(1,229,464)	(1,220,654)	(8,810)
Administrative expense	—	(10,096)	10,096
Other changes	—	128	(128)
Net changes	887,164	544,588	342,576
Balances at June 30, 2024	$ 20,555,630	$ 16,649,806	$ 3,905,824

	VRS			SPORS		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 15,316,326	$ 12,752,989	$ 2,563,337	$ 1,355,955	$ 1,031,383	$ 324,572
Changes for the year						
Service cost	239,478	—	239,478	25,401	—	25,401
Interest	1,015,822	—	1,015,822	90,683	—	90,683
Differences between actual and expected experience	397,638	—	397,638	66,727	—	66,727
Assumption changes	—	—	—	—	—	—
Contributions - employer	—	425,814	(425,814)	—	50,589	(50,589)
Contributions - member	—	131,960	(131,960)	—	7,952	(7,952)
Net investment income	—	809,620	(809,620)	—	66,245	(66,245)
Benefit payments, including refunds	(968,749)	(961,313)	(7,436)	(75,818)	(75,818)	—
Administrative expense	—	(8,165)	8,165	—	(595)	595
Other changes	—	140	(140)	—	(1)	1
Net changes	684,189	398,056	286,133	106,993	48,372	58,621
Balances at June 30, 2024	$ 16,000,515	$ 13,151,045	$ 2,849,470	$ 1,462,948	$ 1,079,755	$ 383,193

	JRS			VaLORS		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 760,192	$ 656,965	$ 103,227	$ 2,235,993	$ 1,663,881	$ 572,112
Changes for the year						
Service cost	19,735	—	19,735	41,759	—	41,759
Interest	50,938	—	50,938	149,034	—	149,034
Differences between actual and expected experience	(12,421)	—	(12,421)	31,834	—	31,834
Assumption changes	—	—	—	—	—	—
Contributions - employer	—	27,788	(27,788)	—	87,512	(87,512)
Contributions - member	—	2,320	(2,320)	—	16,922	(16,922)
Net investment income	—	41,850	(41,850)	—	106,638	(106,638)
Benefit payments, including refunds	(50,587)	(50,587)	—	(134,310)	(132,936)	(1,374)
Administrative expense	—	(378)	378	—	(958)	958
Other changes	—	—	—	—	(11)	11
Net changes	7,665	20,993	(13,328)	88,317	77,167	11,150
Balances at June 30, 2024	$ 767,857	$ 677,958	$ 89,899	$ 2,324,310	$ 1,741,048	$ 583,262

Component Units

	Totals		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 12,039,495	$ 10,003,497	$ 2,035,998
Changes for the year			
Service cost	190,313	—	190,313
Interest	804,201	—	804,201
Differences between actual and expected experience	311,907	—	311,907
Assumption changes	—	—	—
Contributions - employer	—	339,837	(339,837)
Contributions - member	—	104,204	(104,204)
Net investment income	—	639,630	(639,630)
Benefit payments, including refunds	(681,233)	(690,043)	8,810
Administrative expense	—	(6,438)	6,438
Other changes	—	108	(108)
Net changes	625,188	387,298	237,890
Balances at June 30, 2024	$ 12,664,683	$ 10,390,795	$ 2,273,888

	VRS			VaLORS		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 11,801,420	$ 9,826,337	$ 1,975,083	$ 238,075	$ 177,160	$ 60,915
Changes for the year						
Service cost	185,755	—	185,755	4,558	—	4,558
Interest	787,936	—	787,936	16,265	—	16,265
Differences between actual and expected experience	308,433	—	308,433	3,474	—	3,474
Assumption changes	—	—	—	—	—	—
Contributions - employer	—	330,287	(330,287)	—	9,550	(9,550)
Contributions - member	—	102,357	(102,357)	—	1,847	(1,847)
Net investment income	—	627,992	(627,992)	—	11,638	(11,638)
Benefit payments, including refunds	(672,531)	(679,967)	7,436	(8,702)	(10,076)	1,374
Administrative expense	—	(6,333)	6,333	—	(105)	105
Other changes	—	109	(109)	—	(1)	1
Net changes	609,593	374,445	235,148	15,595	12,853	2,742
Balances at June 30, 2024	$ 12,411,013	$ 10,200,782	$ 2,210,231	$ 253,670	$ 190,013	$ 63,657

The amounts in the previous tables include governmental, business-type, and component unit activity for the Commonwealth's VRS State Plan. All component unit tables exclude the non-VRS State Plan net pension liability of $38.6 million for all component units.

The 2022 actuarial valuations were prepared using the entry age normal cost method. The actuarial assumptions included (a) 6.8 percent investment rate of return, per year compounded annually; (b) projected salary increases ranging from 3.5 percent to 6.0 percent, including a 2.5 percent inflation component and (c) COLA of 2.5 percent for Plan 1 and 2.3 percent for Plan 2 and Hybrid. The actuarial assumption for mortality rates was based on the Pub-2010 with modified MP-2020 Improvement Scale. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

For more detailed actuarial information, refer to the Virginia Retirement System's financial statements, including mortality rates shown in the "Actuarial Assumptions and Methods – Pension Plans" schedule.

F. Changes to and Sensitivity of Discount Rate

The discount rate used to measure the total pension liability was 6.8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be based on the actuarially determined rates based on the Board's funding policy, which certifies the required rates under Title 51.1 of the *Code of Virginia*. Beginning on July 1, 2018, all agencies are assumed to contribute 100.0 percent of the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all of the projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. In accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25,* regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the table below presents the employers' net pension liability for each of the plans calculated using the discount rate of 6.8 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.0 percent lower (5.8 percent) or 1.0 percent higher (7.8 percent) than the current rate. The following table (dollars in thousands) shows the Commonwealth's changes in the discount rate.

Primary Government

VRS			SPORS		
Net Pension Liability			Net Pension Liability		
1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)
$ 4,748,382	$ 2,849,470	$ 1,260,229	$ 570,303	$ 383,193	$ 227,459

JRS			VaLORS		
Net Pension Liability			Net Pension Liability		
1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)
$ 164,622	$ 89,899	$ 25,512	$ 891,690	$ 583,262	$ 331,314

Component Units

VRS			VaLORS		
Net Pension Liability			Net Pension Liability		
1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)
$ 3,683,145	$ 2,210,231	$ 977,513	$ 97,317	$ 63,657	$ 36,159

The long-term expected rate of return on the System's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 long-term target allocations are based on the Strategic Asset Allocation Implementation Schedule and Allowable Ranges document, which was approved by the VRS Board of Trustees on June 15, 2023. Best estimates of arithmetic real rates of return for each major asset class included in the System's long-term target asset allocation 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	34.0 %	6.1 %	2.1 %
Fixed Income	15.0 %	2.6 %	0.4 %
Credit Strategies	14.0 %	5.6 %	0.8 %
Real Assets	14.0 %	5.0 %	0.7 %
Private Equity	16.0 %	9.2 %	1.5 %
MAPS - Multi-Asset Public Strategies	4.0 %	4.5 %	0.2 %
PIP-Private Investment Partnerships	2.0 %	7.2 %	0.1 %
Cash	1.0 %	1.2 %	— %
Total	100.0 %		5.8 %
Inflation			2.5 %
Expected arithmetic nominal return			8.3 %

The allocation in the previous table provides a one-year expected return of 8.3 percent. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.1 percent, including expected inflation of 2.5 percent. On June 15, 2023, the VRS Board of Trustees elected a long-term rate of return of 6.8 percent which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.1 percent, including expected inflation of 2.5 percent.

G. Pension Related Deferred Outflows and Deferred Inflows

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* requires certain pension related items to be reported as either deferred outflows or deferred inflows of resources. The following tables (dollars in thousands) summarize these amounts as of June 30, 2024, in total and by individual plan.

Primary Government (1)

	Totals (2)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 372,633	$ 105,178
Changes of assumptions	92,428	2
Net difference between projected and actual earnings on plan investments	—	250,548
Changes in proportion and difference between employer contributions and proportionate share of contributions	341,992	334,301
Employer contributions subsequent to the Measurement Date	580,668	—
Total	$ 1,387,721	$ 690,029

	VRS		SPORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 276,779	$ 82,313	$ 82,966	$ 5,412
Changes of assumptions	37,644	—	36,868	—
Net difference between projected and actual earnings on plan investments	—	199,428	—	15,873
Changes in proportion and difference between employer contributions and proportionate share of contributions	334,235	326,092	—	—
Employer contributions subsequent to the Measurement Date	416,385	—	50,817	—
Total	$ 1,065,043	$ 607,833	$ 170,651	$ 21,285

	JRS		VaLORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ —	$ 17,401	$ 12,885	$ —
Changes of assumptions	17,914	—	—	—
Net difference between projected and actual earnings on plan investments	—	10,395	—	24,849
Changes in proportion and difference between employer contributions and proportionate share of contributions	—	—	7,757	8,209
Employer contributions subsequent to the Measurement Date	25,594	—	87,805	—
Total	$ 43,508	$ 27,796	$ 108,447	$ 33,058

Component Units (1) (3)

	Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 216,087	$ 63,845
Changes of assumptions	29,198	—
Net difference between projected and actual earnings on plan investments	—	157,396
Changes in proportion and difference between employer contributions and proportionate share of contributions	34,810	46,860
Employer contributions subsequent to the Measurement Date	345,940	—
Total	$ 626,035	$ 268,101

	VRS		VaLORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 214,681	$ 63,845	$ 1,406	$ —
Changes of assumptions	29,198	—	—	—
Net difference between projected and actual earnings on plan investments	—	154,684	—	2,712
Changes in proportion and difference between employer contributions and proportionate share of contributions	33,413	46,068	1,397	792
Employer contributions subsequent to the Measurement Date	335,830	—	10,110	—
Total	$ 613,122	$ 264,597	$ 12,913	$ 3,504

(1) During fiscal year 2024, the Commonwealth recognized pension expense for the primary government and component units of $413,585 (dollars in thousands) and $186,665 (dollars in thousands), respectively. The recognized pension expense by plan for the primary government was as follows (dollars in thousands): VRS $263,547, SPORS $56,793, JRS $20,857, and VaLORS $72,388. The recognized pension expense by plan for component units was as follows (dollars in thousands): VRS $173,864 and VaLORS $12,801.

(2) This table includes deferred outflows of resources and deferred inflows of resources of $72,034 and $57,110, respectively, for the Hampton Roads Transportation Accountability Commission (nonmajor governmental), not related to the VRS State Plan.

(3) The component unit amounts exclude deferred outflows of resources and deferred inflows of resources of $36,630 (dollars in thousands) and $15,021 (dollars in thousands), respectively, not related to the VRS State Plan.

Deferred Amounts to be Recognized in Fiscal Years Following Reporting Date

The following tables (dollars in thousands) provide the net estimated amount of the deferred inflows and deferred outflows of resources that will be recognized in the Commonwealth's pension expense for each of the next five fiscal years. These amounts exclude employer contributions made subsequent to the measurement date as those contributions will reduce the fiscal year 2025 net pension liability.

Primary Government

	VRS	SPORS	JRS	VaLORS
2025	$ (73,046)	$ 24,923	$ (2,406)	$ (5,565)
2026	(191,504)	9,335	(12,010)	(32,789)
2027	295,604	39,089	5,935	24,984
2028	9,771	18,053	(1,401)	954
2029	—	7,149	—	—

Component Units

	VRS	VaLORS
2025	$ (22,714)	$ (315)
2026	(59,551)	(1,851)
2027	91,922	1,411
2028	3,038	54
2029	—	—

H. Defined Contribution Plan for Political Appointees

Officers appointed by the Governor, officers elected by popular vote or the General Assembly, and executive branch chief deputies and confidential assistants may participate in the deferred contribution plan for Political Appointees, rather than the VRS. This optional retirement plan is authorized by the *Code of Virginia* and offered through the MissionSquare. This is a defined contribution plan where the retirement benefits are based upon the Commonwealth's 12.3 percent and the employee's (5.0 percent) contributions, plus interest and dividends. The Commonwealth pays the required employee contributions. During the year ended June 30, 2024, the total contributions to this plan were $2.4 million. As of June 30, 2024, the amount to be paid to participants upon retirement is $31.9 million. The summary of significant accounting policies for the plan is in accordance with those discussed in Note 16.B.

I. Defined Contribution Plan for Public School Superintendents

The Public School Superintendent Plan is a defined contribution pension plan that provides optional postemployment benefits for school superintendents. This plan is authorized by the *Code of Virginia* and offered through the MissionSquare. School boards may elect to offer this plan as an option to the standard VRS plan that is available for school board members. Contributions are provided by the school board for credit to the member. As of June 30, 2024, there were four participant accounts in this plan. During the year ended June 30, 2024, the total contributions to this plan were $78,908. As of June 30, 2024, the amount to be paid to participants upon retirement is $436,959.

J. Virginia Supplemental Retirement Plan

The Public School Teacher Supplemental Retirement Plan is a defined contribution pension plan established by the Department of Education to provide an optional postemployment benefit plan for turnaround specialists in the public school system. This plan is utilized as an incentive to attract highly skilled teachers for participating public schools pursuant to Title 51.1-617 of the *Code of Virginia* and offered through the MissionSquare. School boards may elect to offer this plan as an option to the standard VRS plan that is available for school board members. Contributions are provided by the school boards for credit to the members. As of June 30, 2024, there were two participant accounts in this plan. There were no contributions to the plan for fiscal year 2024.

K. Higher Education (Nonmajor Component Units)

The Commonwealth's colleges and universities participate in the retirement plans administered by VRS. In addition, full-time faculty and certain administrative staff of the Commonwealth's colleges and universities may participate in optional retirement plans as authorized by Section 51.1-126 of the *Code of Virginia* rather than the VRS retirement plans. These optional retirement plans are defined contribution plans offered through the Teachers Insurance and Annuity Association (TIAA) and VRS Defined Contribution Plans (DCP). There are two defined contribution plans. Plan 1 is for employees hired prior to July 1, 2010, and retirement benefits received are based upon the employer's 10.4 percent contributions, plus net investment gains. Plan 2 is for employees hired on or after July 1, 2010, and retirement benefits received are based upon the employer's contribution, not to exceed 8.9 percent, and the employee's 5.0 percent contribution, plus net investment gains. For Plan 2, the employer contributions for fiscal year 2024 were 8.5 percent except for the University of Virginia (nonmajor) which were 8.9 percent. Vesting is full and immediate for both employer and employee contributions, except UVA employees hired after July 1, 2014, are fully vested in the UVA contributions after two years of continuous employment. For fiscal year 2024, total pension expense recognized was $205.0 million and contributions were calculated using the base salary amount of $2.2 billion. As of June 30, 2024, the Commonwealth's colleges and universities had accrued $12.2 million in employer liabilities related to these plans.

University of Virginia Medical Center (part of the University of Virginia – nonmajor) employees participate in the Medical Center's Optional Retirement Plan unless they previously participated in VRS Plan 1 or Plan 2. In addition, the UVA Community Health (UVACH - a blended component unit of University of Virginia) has a Section 457(b) Retirement Plan that is established to permit UVACH to provide additional retirement and death benefits for eligible employees. Certain UVACH facilities participate in a defined contribution plan sponsored by UVACH. Contributions are determined under various formulas. Effective July 1, 2021, as a result of the sale of Novant Health's ownership interest in UVACH, participation in this plan by employees of these UVACH facilities was continued under a benefits continuation agreement. Effective January 1, 2022, all UVACH employees were covered under the UVACH plan. For information regarding these plans, see the institution's separately issued financial statements.

Certain employees of Virginia Commonwealth University (nonmajor) are participating in The Select Plan, which is a 401(a) defined contribution plan. Participation is limited to executives by invitation. For information regarding this plan, see the University's website at www.vcu.edu.

Prior to July 1, 1997, certain employees of the Virginia Commonwealth University Health System Authority (Authority) (a blended component unit of Virginia Commonwealth University – nonmajor) were eligible to participate in the VRS defined benefit pension plan. Effective July 1, 1997, the Authority established the Virginia Commonwealth University Health System Authority Defined Contribution Plan

(VCUHS 401(a) Plan) and the Virginia Commonwealth University Health System Authority Health Care Providers Defined Contribution Plan (HCP Plan). The Authority and component units participate in the VCUHS 401(a) as well as sponsor the VCUHS Savings Plan (VCUHS 457(b) Plan). The Authority also provides an executive defined contribution plan and deferred compensation retirement benefits for select executives of the Health System. MCVAP and CMH Physicians sponsor 401(a) defined contribution plans and 403(b) salary deferral plans. For information regarding these plans, see the Authority's separately issued financial statements.

L. Other Component Units

Virginia Resources Authority (major) and the following nonmajor component units participate in the retirement plans administered by VRS: the Virginia Economic Development Partnership, the Virginia Small Business Financing Authority, the Hampton Roads Sanitation District Commission, the Virginia Biotechnology Research Partnership Authority, the Virginia Tourism Authority, the Tobacco Region Revitalization Commission, the Virginia Foundation for Healthy Youth, the Virginia Passenger Rail Authority, and the Fort Monroe Authority.

The Virginia Housing Development Authority (major) has three defined contribution plans. For additional information regarding these plans, see the Authority's website at www.vhda.com.

The Virginia Outdoors Foundation (nonmajor) maintains a 401(k) contribution plan and employees are eligible to participate in the retirement plan at six months for the first 4.0 percent (safe harbor match) and from 5.0 percent to 10.0 percent after a three year vesting period. For information regarding this plan, see the Foundation's website at www.vof.org.

The Virginia Commercial Space Flight Authority (nonmajor) maintains a 401(a) contribution plan and provides an employer contribution to all eligible employees of 11.0 percent of their base salary. For information regarding this plan, see the Authority's separately issued financial statements at www.vaspace.org.

The Virginia Port Authority (VPA) (nonmajor) maintains two defined benefit plans for its employees. Employees of record on July 1, 1997, had the option of continuing to maintain their benefit status as a State employee, and their benefits maintained under the VRS, or elect to be covered under a newly created pension plan (the VPA Defined Benefit Plan). The VPA Defined Benefit Plan covers all employees hired between July 1, 1997 and January 28, 2014. Employees hired after January 28, 2014, are eligible for a defined contribution plan only. On January 1, 2015, the plan was amended to add certain employees who transferred from the Virginia International Terminals (VIT) (referred to as "Legacy VIT Participants") to VPA. VIT (a blended component unit of VPA – nonmajor) has the Virginia International Terminals, LLC Pension Plan that is a single employer, noncontributory defined benefit pension plan administered by VIT. A stand-alone financial report is issued and is available upon request from VPA's administrative offices. For information regarding these plans, see the Authority's website at www.portofvirginia.com.

Employees of the Virginia Museum of Fine Arts Foundation (nonmajor) who are age 21 or older are eligible to participate in the Employee's Savings Plan, a 401(k) defined contribution profit sharing plan. Also, the Foundation entered into a supplemental retirement agreement to pay a key employee of the Museum upon retirement the difference between the amount accrued under the VRS retirement plan, based on salary, and the amount based on the supplemental salary. For additional information regarding these plans, see the Foundation's separately issued financial statements.

The Science Museum of Virginia Foundation (nonmajor) has a 403(b) defined contribution pension plan through the TIAA-CREF Retirement Plan for employees meeting age and service requirements. For additional information regarding this plan, see the Foundation's separately issued financial statements.

17. OTHER EMPLOYMENT BENEFITS

In addition to the pension plans, the Commonwealth participates in two other employment benefit plans, Group Life Insurance and the Virginia Sickness and Disability Program, which are administered by the Virginia Retirement System (the System). The significant accounting policies are the same as those described in Note 16 for pension plans. A separately issued financial report that includes financial statements for the Group Life Insurance and Virginia Sickness and Disability Program is publicly available. Copies may be obtained from the Virginia Retirement System website at www.varetire.org.

Group Life Insurance

The Group Life Insurance Plan was established for Commonwealth employees, teachers, employees of political subdivisions participating in the VRS, state police officers, other state law enforcement and correctional officers, judges, and other qualifying employees. The program provides life insurance for natural death coverage equal to a member's annual compensation rounded to the next highest $1,000 and then doubled. Accidental death coverage is double the natural death benefit. The program also provides coverage for accidental dismemberment and accidental blindness, a safety belt benefit, a repatriation benefit, a felonious assault benefit and an accelerated death benefit for terminal conditions. Approximately 356,900 active members participate in the program as of June 30, 2024.

Participating employers and their covered employees are required by Title 51.1 of the *Code of Virginia* to contribute to the cost of group life insurance benefits. Employers may assume the employees' contributions.

An optional Group Life Insurance Fund was established for members covered under the group life program as a supplement to that plan. Members may purchase optional life insurance coverage for themselves, their spouses and/or their dependent children. The optional program provides natural death coverage equal to one, two, three or four times the member's annual compensation rounded to the next highest $1,000, up to a maximum of $800,000. Spouse coverage is available for up to one-half of the member's optional insurance amount. Minor children who are at least 15 days old can be insured for $10,000, $20,000 or $30,000, depending on the option chosen by the member. An additional accidental death and dismemberment benefit is payable for death or bodily injuries. Approximately 70,968 members were covered under this program as of June 30, 2024.

Optional group life insurance coverage ends for members when they retire or terminate their employment, or when their basic coverage ends. Optional life insurance amounts begin to reduce by 25.0 percent based on the retiree's age, beginning with the retiree's normal retirement age under his or her plan ending at age 80. Retirees may elect to continue coverage within 31 days of retirement. Spouse coverage terminates should a couple divorce or when the member leaves employment. Children's coverage ends with the termination of the member's coverage or when the child marries or turns 21 years of age (25 years of age for full-time college students).

Employers of members who elect optional life insurance coverage deduct the premiums from the members' paychecks, as required by Title 51.1 of the *Code of Virginia*. Premiums are based on the member's age and determined by the Board of Trustees. Because optional life insurance is an insured product, the carrier bills each employer directly, and the employer makes the contribution payments to the carrier. Any differences and adjustments are settled between the employer and the carrier.

Virginia Sickness and Disability Program

The System administers the Virginia Sickness and Disability Program (VSDP) to provide income protection in the event of a disability for eligible state employees hired on or after January 1, 1999. State agencies are required by Title 51.1 of the *Code of Virginia* to contribute to the cost of providing long-term disability benefits and administering the program.

VSDP benefits include sick, family and personal leave and short-term and long-term disability benefits. After a seven-calendar day waiting period following the first day of disability, eligible employees receive short-term disability benefits from 60.0 percent to 100.0 percent of their compensation. After 125 work days of short-term disability, eligible employees receive long-term disability benefits equal to 60.0 percent of their compensation. If the employee's condition becomes catastrophic, income replacement increases to 80.0 percent until the condition is no longer catastrophic. Long-term disability benefits continue until employees return to work, retire or reach age 65 (age 60 for state police officers and other state law enforcement and correctional officers) or die.

Full-time permanent salaried state employees, including state police officers and other Virginia law and correctional officers, are automatically enrolled in the VSDP. Part-time permanent salaried state employees who work at least 20 hours a week and accrue leave also are automatically enrolled. Teaching, administrative and research faculty of Virginia public colleges and universities who elect VRS as their retirement plan must make an irrevocable election to participate in either the VSDP or the institution's disability program. If there is no institution program, the faculty member is covered under VSDP.

Eligible state employees and state police officers employed before January 1, 1999, had the option to elect to participate in the VSDP or remain under the Commonwealth's existing sick leave program and retain their eligibility for disability retirement benefits under VRS and SPORS. (Members of VaLORS have been automatically enrolled in the VSDP since October 1, 1999, when VaLORS was created.) Eligible employees enrolled in the VSDP are not eligible for disability retirement benefits under VRS, SPORS, or VaLORS. Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work related short-term disability coverage and certain income replacement levels. Approximately 84,868 members were covered under the program as of June 30, 2024.

18. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Virginia Retirement System (System-administered) OPEB Plans

1) Administration and Significant Accounting Policies

The System-administered defined benefit OPEB plans mentioned below have a trust that meets the requirements in GASB Statement No. 75, A*ccounting and Financial Reporting for Post Employment Benefits Other than Pensions*. In addition, the net OPEB liability for these plans have a measurement date of June 30, 2023. As previously mentioned, a separately issued financial report that includes financial statements, notes and required supplementary information for each of the System-administered plans discussed below is publicly available. Copies may be obtained from the Virginia Retirement System website at www.varetire.org.

The administration and significant accounting policies for the System-administered OPEB plans are the same as those described in Note 16 for pension plans.

2) Plan Descriptions

Retiree Health Insurance Credit Program

The Retiree Health Insurance Credit Program is composed of a single-employer plan for state employees; a cost-sharing multiple-employer plan for teachers; three cost-sharing, multiple-employer plans for constitutional officers, social services employees and registrars; and an agent, multiple-employer plan for political subdivisions electing coverage. This note and the required supplementary information in this report is for the single-employer plan for state employees and also includes the state-funded noncontributing employer portion for constitutional officers, registrars, and their employees, as well as local social service employees.

The Retiree Health Insurance Credit (RHIC) for state employees provides benefits for retired state employees, state police officers, other state law enforcement, correctional officers, and judges who have at least 15 years of service credit under the retirement plans. Members of JRS receive weighted years of service credit for each year of actual service under JRS. VRS, SPORS, VaLORS, and JRS also provide death and disability benefits. The program provides a credit reimbursement of $4 per month per year of service credit against the monthly health insurance premiums of eligible retirees. There is no cap on the credit. Certain eligible employees who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program are eligible for a credit not to exceed $120.

The following is the approximate number of employees covered by the RHIC plan for state employees on the measurement date of June 30, 2023:

	RHIC for State Employees
Inactive employees currently receiving benefit payments	55,755
Inactive employees entitled to but not yet receiving benefit payments	2,381
Active employees	124,372
Total	182,508

The health insurance credit plan for general registrars, constitutional officers, and their employees as well as local social service employees (RHIC Non-State) provides $1.50 per month per year of service with a maximum monthly credit of $45. The Commonwealth funds this credit. Benefit provisions and eligibility requirements are established by Title 51.1 of the *Code of Virginia*. The amount required to fund all credits is financed by the employers based on contribution rates determined by the System's actuary.

Virginia Sickness and Disability Program

The Virginia Sickness and Disability Program (VSDP) is a single-employer plan. It is also known as the Disability Insurance Trust Fund. The Commonwealth provides OPEB disability insurance benefits, in accordance with state statutes, to eligible retired and terminated employees. Eligible employees include state employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement and full-time and part-time, salaried state employees covered under VRS, SPORS, and VaLORS. State agencies are required by Title 51.1 of the *Code of Virginia* to contribute to the cost of providing long-term disability benefits and administering the program. The following is the approximate number of employees covered by this plan on the measurement date of June 30, 2023:

	VSDP
Inactive employees currently receiving benefit payments	6,004
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	75,692
Total	81,696

Group Life Insurance Program

The Group Life Insurance Program (GLI) is a cost-sharing, multiple employer plan. Members whose employers participate in the Group Life Insurance Program are covered automatically under the Basic Group Life Insurance Program upon employment. This program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including certain employers that do not participate in VRS for retirement. At retirement or termination, accidental death benefits cease and natural death coverage reduces at a rate equal to 25.0 percent on January 1 of the first full calendar year following retirement or termination and on January 1 of each year thereafter, until it reaches 25.0 percent of its original value. These group life insurance benefit provisions and requirements are established by Title 51.1 of the *Code of Virginia*. Participating employers and covered employees are required to contribute to the cost of group life insurance benefits. Employers may assume employees' contributions. A portion of the premium contributions collected during members' active careers is placed in an advance premium deposit reserve. This reserve is to fund the claims for eligible retired and deferred members.

Line of Duty Act Program

The Line of Duty Act Program (LODA) is a cost-sharing, multiple employer plan. It provides a one-time death benefit and premium-free health insurance to eligible public safety officers and eligible family members including volunteers, covered by resolutions, who as a result of the performance of their duties are permanently disabled or killed in the line of duty. There is limited health insurance reimbursement made to eligible individuals who no longer qualify for eligibility for employer subsidized coverage during the evaluation process. Benefit provisions and eligibility requirements are established by Title 9.1 of the *Code of Virginia*. The System is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in fiscal year 2012. The employer contribution rate was determined by the System's actuary using the anticipated costs and the number of covered individuals associated with all participating employers. The Department of Human Resource Management administers the health benefits and payment of claims under this program. The System manages the death benefit payments.

3) Funding

The contribution requirements are governed by the *Code of Virginia*, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employer contributions by the Commonwealth for the RHIC and VSDP were 1.1 percent and 0.6 percent, respectively, of covered employee compensation. In addition, the contributions by the Commonwealth for the RHIC: Non-State for general registrars, constitutional officers, and their employees, and local social service employees were approximately 0.4 percent.

The total contribution rate for the GLI was 1.3 percent allocated into an employee and an employer component using a 60/40 split. The employee component was 0.8 percent and the employer component was 0.5 percent. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.5 percent of covered employee compensation. Each employer's contractually required employer contribution rate for the LODA for the year ended June 30, 2024, was $830 per covered full-time-equivalent employee.

The Commonwealth approved rates based on the results of the actuarial valuation as of June 30, 2021 with some rates being approved at a value greater than the actuarial rate. For RHIC and GLI, the actuarially determined rate was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. For VSDP, the actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. For the LODA, the rate represents a pay-as-you-go funding rate and not the full actuarial cost of 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.

Employer contributions by the Commonwealth to the RHIC, VSDP, GLI, LODA, and the RHIC Non-State plans were $155.0 million, $34.7 million, $42.3 million, $8.8 million, and $7.2 million, respectively, for the year ended June 30, 2024. These contributions include special one-time payments made by the Commonwealth in June 2024 of approximately $52.8 million for RHIC and $2.3 million for the RHIC Non-State plans, respectively. These special payments were authorized by Chapter 1 of the Acts of Assembly of 2024, Special Session I.

4) Changes in Net OPEB Liability and Proportionate Share of Net OPEB Liability

The total OPEB liability for each plan was determined based on the actuarial valuation as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The following tables (dollars in thousands) show the Commonwealth's total OPEB liability, plan fiduciary net position, and net OPEB liability (asset) for the RHIC and VSDP for the current and prior year, and the Commonwealth's proportionate share of the net OPEB liability for GLI, LODA, and RHIC Non-State plans. Since the VSDP has a net OPEB asset rather than a net OPEB liability, the net OPEB asset amount is not included in the total balance amount. The Commonwealth's Proportion for the GLI, LODA, and RHIC Non-State plans of $360.9 million, $246.0 million and $40.4 million, respectively, represents the portion of the Commonwealth's share of Net OPEB Liability amount compared to the Net OPEB Liability amount for all employers of $1.2 billion, $400.9 million, and $40.4 million, respectively.

Primary Government

	RHIC			VSDP		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (1) (a)-(b)
Balances at June 30, 2023	$ 433,729	$ 93,322	$ 340,407	$ 191,446	$ 375,046	$ (183,600)
Changes for the year						
Service cost	7,123	—	7,123	20,663	—	20,663
Interest	28,783	—	28,783	13,625	—	13,625
Benefit changes	28,484	—	28,484	—	—	—
Differences between actual and expected experience	(7,763)	—	(7,763)	(8,163)	—	(8,163)
Assumption changes	—	—	—	—	—	—
Contributions - employer	—	49,865	(49,865)	—	19,304	(19,304)
Contributions - member	—	—	—	—	—	—
Net investment income	—	5,911	(5,911)	—	24,139	(24,139)
Benefit payments	(30,555)	(31,873)	1,318	(19,872)	(20,496)	624
Third-party administrator charges	—	—	—	—	(4,557)	4,557
Administrative expense	—	(156)	156	—	(494)	494
Other changes	—	(14)	14	—	582	(582)
Net changes	26,072	23,733	2,339	6,253	18,478	(12,225)
Balances at June 30, 2024	$ 459,801	$ 117,055	$ 342,746	$ 197,699	$ 393,524	$ (195,825)

	Other Plans (3)	
	Commonwealth's Proportion	Proportionate Share of Net OPEB Liability
Group Life Insurance	14.6 %	$ 174,784
Line of Duty Act	58.5 %	234,507
Retiree Health Insurance Credit: Non-State	100.0 %	40,363
Balance at June 30, 2024		$ 449,654
Total balance at June 30, 2024: (excludes VSDP net OPEB asset) (1) (2)		$ 792,400

Component Units

	RHIC			VSDP		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (1) (a)-(b)
Balances at June 30, 2023	$ 610,019	$ 131,253	$ 478,766	$ 116,318	$ 227,870	$ (111,552)
Changes for the year						
Service cost	9,953	—	9,953	12,668	—	12,668
Interest	40,215	—	40,215	8,353	—	8,353
Benefit changes	39,796	—	39,796	—	—	—
Differences between actual and expected experience	(10,846)	—	(10,846)	(5,005)	—	(5,005)
Assumption changes	—	—	—	—	—	—
Contributions - employer	—	69,670	(69,670)	—	11,834	(11,834)
Contributions - member	—	—	—	—	—	—
Net investment income	—	8,258	(8,258)	—	14,799	(14,799)
Benefit payments	(46,718)	(45,400)	(1,318)	(11,132)	(10,508)	(624)
Third-party administrator charges	—	—	—	—	(2,793)	2,793
Administrative expense	—	(218)	218	—	(303)	303
Other changes	—	(19)	19	—	356	(356)
Net changes	32,400	32,291	109	4,884	13,385	(8,501)
Balances at June 30, 2024	$ 642,419	$ 163,544	$ 478,875	$ 121,202	$ 241,255	$ (120,053)

	Other Plans (3)	
	Commonwealth's Proportion	Proportionate Share of Net OPEB Liability
Group Life Insurance	15.5 %	$ 186,131
Line of Duty Act	2.9 %	11,520
Balance at June 30, 2024		$ 197,651
Total balance at June 30, 2024: (excludes VSDP net OPEB asset) (1) (4)		$ 676,526

(1) The VSDP net OPEB asset is included in Other Restricted Assets in the accompanying government-wide financial statements.
(2) The primary government's aggregate OPEB liability is $991,934 (dollars in thousands) as of June 30, 2024. This includes amounts for both the VRS-administered and DHRM-administered plans, as well as other OPEB plans.
(3) The primary government's proportion for Group Life Insurance and Line of Duty changed by 0.1 percent and 1.9 percent, respectively, while the component units' proportion changed by -0.1 percent and 0.0 percent, respectively, when compared to the prior year. The Commonwealth's proportion of the Retiree Health Insurance Credit: Non-State for the primary government did not change from the prior year.
(4) The component unit's aggregate OPEB liability is $853,352 (dollars in thousands) as of June 30, 2024. This includes amounts for both the VRS-administered and DHRM-administered plans as well as other OPEB plans.

The amounts in the previous tables include governmental, business-type, and component unit activity for the Commonwealth's VRS OPEB plans. The table excludes other net OPEB liability amounts of $9.1 million for all other component units.

The net OPEB liabilities were based on an actuarial valuation as of June 30, 2022, using the entry age normal actuarial cost method. The actuarial assumptions included the following: (a) investment rate of return, net of OPEB plan investment expenses, including inflation: 6.8 percent for RHIC, VSDP, and GLI, and 3.9 percent for LODA; and (b) projected salary increases, including a 2.5 percent inflation component, ranging from 3.5 percent to 6.0 percent for VRS state, JRS, SPORS, and VaLORS employees, and teachers and political subdivision employees. For these OPEB plans, the teachers and political subdivision employees are not Commonwealth employees and, therefore, are excluded from the accompanying tables.

For more detailed actuarial information, refer to the Virginia Retirement System's financial statements, including the "Actuarial Assumptions and Methods – Other Post-Employment Benefit Plan Funds" schedule.

5) Changes to and Sensitivity of Discount Rate

The discount rate used to measure the total OPEB liability was 6.8 percent for the prefunded plans. These include the Group Life Insurance Program, the Retiree Health Insurance Credit Program, and the Disability Insurance Program.

The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be based on the actuarially determined rates based on the Board's funding policy, which certifies the required rates under Title 51.1 of the *Code of Virginia*. Based on those assumptions, the fiduciary net position was projected to be available to make all of the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability. In accordance with GASB Statement No. 75 regarding the disclosure of the sensitivity of the net OPEB liability to changes in the discount rate, the following table (dollars in thousands) presents the employers' net OPEB liability for each of the plans calculated using the discount rate of 6.8 percent, as well as what the employers' net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower (5.8 percent) or 1.0 percent higher (7.8 percent) than the current rate.

The Line of Duty Act Program is funded on a pay-as-you-go basis. As a result, the liabilities are valued using a discount rate of 3.9 percent, which approximates the risk-free rate of return. This rate increased by 0.2 percent when compared to the prior year. The following table (dollars in thousands) shows the Commonwealth's changes in the discount rate and the healthcare trend rate.

Primary Government

Changes in Discount Rate

RHIC Net OPEB Liability			**VSDP** Net OPEB Liability (Asset) (1)		
1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)
$ 387,033	$ 342,746	$ 304,772	$ (181,224)	$ (195,825)	$ (208,696)

GLI Proportionate Share of Net OPEB Liability			**LODA** Proportionate Share of Net OPEB Liability		
1.0% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (2.9%)	Current Discount Rate (3.9%)	1.0% Increase (4.9%)
$ 259,085	$ 174,784	$ 106,626	$ 262,938	$ 234,507	$ 210,455

Changes in Discount Rate			**Changes in Healthcare Cost Trend Rates**		
RHIC: Non-State Proportionate Share of Net OPEB Liability			**LODA** Proportionate Share of Net OPEB Liability		
1.0% Decrease (5.8)%	Current Discount Rate (6.8%)	1.0% Increase (7.8)%	1.0% Decrease (6.0% decreasing to 3.8%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.8%)	1.0% Increase (8.0% decreasing to 5.8%)
$ 46,460	$ 40,363	$ 35,226	$ 198,870	$ 234,507	$ 278,667

Component Units

Changes in Discount Rate

RHIC Net OPEB Liability			**VSDP** Net OPEB Liability (Asset) (1)		
1.0% Decrease (5.8)%	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (5.8)%	Current Discount Rate (6.8%)	1.0% Increase (7.8%)
$ 540,749	$ 478,875	$ 425,816	$ (111,102)	$ (120,053)	$ (127,944)

GLI Proportionate Share of Net OPEB Liability			**LODA** Proportionate Share of Net OPEB Liability		
1.0% Decrease (5.8)%	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1.0% Decrease (2.9%)	Current Discount Rate (3.9%)	1.0% Increase (4.9%)
$ 275,904	$ 186,131	$ 113,549	$ 12,916	$ 11,520	$ 10,338

Changes in Healthcare Cost Trend Rates

LODA Proportionate Share of Net OPEB Liability		
1.0% Decrease (6.0% decreasing to 3.8%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.8%)	1.0% Increase (8.0% decreasing to 5.8%)
$ 9,769	$ 11,520	$ 13,689

(1) The VSDP net OPEB asset is included in Other Restricted Assets in the accompanying government-wide financial statements.

The long-term expected rate of return on the System's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 long-term target allocations are based on the Strategic Asset Allocation Implementation Schedule and Allowable Ranges document, which was approved by the VRS Board of Trustees on June 15, 2023. Best estimates of arithmetic real rates of return for each major asset class included in the System's long-term target asset allocation 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	34.0 %	6.1 %	2.1 %
Fixed Income	15.0 %	2.6 %	0.4 %
Credit Strategies	14.0 %	5.6 %	0.8 %
Real Assets	14.0 %	5.0 %	0.7 %
Private Equity	16.0 %	9.2 %	1.5 %
MAPS - Multi-Asset Public Strategies	4.0 %	4.5 %	0.2 %
PIP-Private Investment Partnerships	2.0 %	7.2 %	0.1 %
Cash	1.0 %	1.2 %	— %
Total	100.0 %		5.8 %
Inflation			2.5 %
Expected arithmetic nominal return			8.3 %

The allocation in the previous table provides a one-year expected return of 8.3 percent. 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 pension system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.1 percent, including expected inflation of 2.5 percent. On June 15, 2023, the VRS Board of Trustees elected a long-term rate of return of 6.8 percent which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.1 percent, including expected inflation of 2.5 percent.

The long-term expected rate of return on the LODA OPEB Program's investments was set at 3.9 percent for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.8 percent assumption. Instead, the assumed annual rate of return of 3.9 percent 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 Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of June 30, 2023.

6) OPEB Related Deferred Outflows and Deferred Inflows

GASB Statement No. 75 requires certain OPEB related items to be reported as either deferred outflows or deferred inflows of resources. The following tables (dollars in thousands) summarize these amounts as of June 30, 2024, in total and by individual plan.

Primary Government (3)

	Totals (1)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,384	$ 148,673
Changes of assumptions	65,826	184,688
Net difference between projected and actual earnings on plan investments	894	13,626
Changes in proportion and difference between employer contributions and proportionate share of contributions	182,588	186,183
Employer contributions subsequent to the Measurement Date	98,706	—
Amounts associated with transactions subsequent to the Measurement Date	15,802	—
Total	$ 413,200	$ 533,170

	RHIC		VSDP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8	$ 21,893	$ 14,113	$ 26,943
Changes of assumptions	8,099	—	672	2,153
Net difference between projected and actual earnings on plan investments	894	—	—	5,369
Changes in proportion and difference between employer contributions and proportionate share of contributions	56,792	56,164	26,033	26,303
Employer contributions subsequent to the Measurement Date	42,895	—	21,767	—
Total	$ 108,688	$ 78,057	$ 62,585	$ 60,768

	GLI		LODA	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,456	$ 5,305	$ 12,509	$ 44,158
Changes of assumptions	3,736	12,109	52,087	48,357
Net difference between projected and actual earnings on plan investments	—	7,023	—	686
Changes in proportion and difference between employer contributions and proportionate share of contributions	32,392	32,781	36,643	30,709
Employer contributions subsequent to the Measurement Date	20,959	—	8,284	—
Total	$ 74,543	$ 57,218	$ 109,523	$ 123,910

	RHIC: Non-State	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 185	$ 2,194
Changes of assumptions	1,232	34
Net difference between projected and actual earnings on plan investments	—	548
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,135	2,679
Employer contributions subsequent to the Measurement Date	4,801	—
Total	$ 8,353	$ 5,455

Component Units (2) (3)

	Totals (1)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,784	$ 91,823
Changes of assumptions	18,266	110,031
Net difference between projected and actual earnings on plan investments	1,250	10,806
Changes in proportion and difference between employer contributions and proportionate share of contributions	46,683	41,071
Employer contributions subsequent to the Measurement Date	94,102	—
Amounts associated with transactions subsequent to the Measurement Date	12,098	—
Total	$ 204,183	$ 253,731

	RHIC		VSDP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11	$ 30,592	$ 8,654	$ 16,520
Changes of assumptions	11,316	—	412	1,320
Net difference between projected and actual earnings on plan investments	1,250	—	—	3,292
Changes in proportion and difference between employer contributions and proportionate share of contributions	15,866	17,204	3,770	3,830
Employer contributions subsequent to the Measurement Date	59,202	—	12,963	—
Total	$ 87,645	$ 47,796	$ 25,799	$ 24,962

	GLI		LODA	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,591	$ 5,651	$ 614	$ 2,169
Changes of assumptions	3,979	12,897	2,559	2,375
Net difference between projected and actual earnings on plan investments	—	7,480	—	34
Changes in proportion and difference between employer contributions and proportionate share of contributions	5,864	7,350	2,125	2,583
Employer contributions subsequent to the Measurement Date	21,377	—	560	—
Total	$ 49,811	$ 33,378	$ 5,858	$ 7,161

(1) These tables aggregate the deferred inflows of resources and deferred outflows of resources for both the VRS-administered and DHRM-administered plans. During fiscal year 2024, the Commonwealth made a payment of $23,359 (dollars in thousands) to the System. This amount is reflected as deferred outflows of resources in the accompanying financial statements and excluded from the primary government amounts on the previous page.

(2) The component unit amounts in the accompanying financial statements include deferred outflows of resources and deferred inflows of resources of $18,286 (dollars in thousands) and $21,119 (dollars in thousands), respectively, for other OPEB plans.

(3) Additionally, during fiscal year 2024, the Commonwealth recognized OPEB expense for the primary government and component units of negative $2,261 (dollars in thousands) and $14,709 (dollars in thousands), respectively, for the VRS-administered OPEB plans and the DHRM-administered OPEB plans. The recognized OPEB expense by plan for the primary government for the VRS-administered OPEB plans was as follows (dollars in thousands): RHIC $53,401; VSDP $4,604; GLI $7,032; LODA $31,900; and RHIC: Non-State $8,861. The recognized OPEB expense by plan for component units for the VRS-administered OPEB plans was as follows (dollars in thousands): RHIC $76,498; VSDP $2,886; GLI $8,346; and LODA $1,526. The Commonwealth recognized OPEB expense for the primary government and component units of negative $108,059 (dollars in thousands) and negative $74,547 (dollars in thousands) respectively, for the DHRM-administered OPEB plan.

Deferred Amounts to be Recognized in Fiscal Years Following Reporting Date

The following tables (dollars in thousands) provide the net estimated amount of the deferred inflows and deferred outflows of resources that will be recognized in the Commonwealth's OPEB expense for each of the next five fiscal years and thereafter. These amounts exclude employer contributions made subsequent to the measurement date as those contributions will reduce the fiscal year 2025 net OPEB liability (asset).

Primary Government

	RHIC	VSDP	GLI	LODA
2025	$ (3,155)	$ (8,997)	$ (1,298)	$ (1,009)
2026	(4,101)	(10,974)	(7,905)	(994)
2027	(1,901)	506	3,258	(453)
2028	(2,569)	(451)	408	(1,252)
2029	(538)	523	1,903	(2,960)
Thereafter	—	(557)	—	(16,003)

	RHIC: Non-State
2025	$ (309)
2026	(514)
2027	(431)
2028	(411)
2029	(201)
Thereafter	(37)

Component Units

	RHIC	VSDP	GLI	LODA
2025	$ (4,978)	$ (5,467)	$ (1,766)	$ (83)
2026	(6,472)	(6,671)	(10,754)	(82)
2027	(2,999)	307	4,432	(37)
2028	(4,054)	(274)	554	(103)
2029	(850)	318	2,590	(243)
Thereafter	—	(339)	—	(1,315)

B. Department of Human Resource Management (DHRM-administered) OPEB Plan

1) Administration

The DHRM-administered defined benefit OPEB plan mentioned below does not have a trust that meets the requirements of GASB Statement No. 75. In addition, the total OPEB liability for this plan has a measurement date of June 30, 2023. A separately issued financial report for this DHRM-administered OPEB plan is not available.

2) Plan Description

The Commonwealth provides a Pre-Medicare Retiree Healthcare (PMRH) plan established by Title 2.2 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by DHRM. After retirement, the Commonwealth of Virginia no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit. Following are eligibility requirements for Virginia Retirement System (VRS) retirees:

- Retiring state employee who is eligible for a monthly retirement benefit from VRS;
- Start receiving (do not defer) retirement benefit immediately upon retirement;
- Last employer before retirement was the Commonwealth of Virginia;
- Eligible for (even if not enrolled) coverage as an active employee in the State Health Benefits Program until retirement date (not including Extended Coverage/COBRA); and
- Enroll no later than 31 days from retirement date.

Effective January 1, 2017, are the following eligibility requirements for Optional Retirement Plan (ORP) retirees:

- Terminating state employee who participates in one of the qualified Optional Retirement Plans;
- Last employer before termination was the Commonwealth of Virginia;
- Eligible for (even if not enrolled) coverage in the State Employee Health Benefits Program for active employees at the time of termination;
- Meet age and service requirements for an immediate retirement benefit under the non-ORP VRS plan that the retiree would have been eligible for on the date of hire had the retiree not elected the ORP; and
- Enroll in the State Retiree Health Benefits Program no later than 31 days from the date the retiree loses coverage (or loses eligibility for coverage) in the State Health Benefits Program for active employees due to termination of employment.

Eligibility for ORP retirees who terminated prior to January 1, 2017, would be based on the policy in place at the time of their termination.

This fund is reported as part of the Commonwealth's Health Care Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes, and is administered by the Department of Human Resource Management. There were approximately 3,551 retirees and

92,780 active employees in the program as of June 30, 2023. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

3) Funding

The employer does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the employer effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of the premiums for active employees.

4) Changes in Total OPEB Liability

The PMRH total OPEB liability of $351.9 million as of June 30, 2024, was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023. The following tables (dollars in thousands) show the Commonwealth's total OPEB liability for the current and prior year:

Primary Government

	PMRH
	Increase (Decrease)
	Total OPEB Liability
Balances at June 30, 2023	$ 207,438
Changes for the year	
Service cost	13,007
Interest cost	7,353
Changes of benefit terms	—
Differences between expected and actual experience	6,179
Changes of assumptions	(10,542)
Benefit payments	(24,090)
Net change	(8,093)
Balances at June 30, 2024	$ 199,345

Component Units

	PMRH
	Increase (Decrease)
	Total OPEB Liability
Balances at June 30, 2023	$ 155,978
Changes for the year	
Service cost	9,956
Interest cost	5,628
Changes of benefit terms	—
Differences between expected and actual experience	4,729
Changes of assumptions	(8,069)
Benefit payments	(15,647)
Net change	(3,403)
Balances at June 30, 2024	$ 152,575

The amounts in the previous tables include governmental, business-type, and component unit activity for the DHRM-administered OPEB plan. The table excludes the non-DHRM OPEB plans' total OPEB liability of $189,000 for the Hampton Roads Transportation Accountability Commission (nonmajor governmental) and the total OPEB liability of $15.1 million for all other component units.

The PMRH total OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2023. The Department of Human Resource Management selected the economic, demographic and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.8 percent for medical and pharmacy and 4.0 percent for dental. The ultimate trend rates used were 4.5 percent for medical and pharmacy and 4.0 percent for dental.

Actuarial Assumptions and Methods

Valuation Date of June 30, 2023

Measurement Date	June 30, 2023 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.80 years
Discount Rate	3.7%
Projected Salary Increases	5.4% to 3.5% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical & Rx: 7.8% to 4.5% Dental: 4.0%
Year of Ultimate Trend	2033
Mortality	Mortality rates vary by participant status and gender
Pre-Retirement:	Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years
Post-Retirement:	Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females
Post-Disablement:	Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2023. The inflation rate used was 2.3 percent per year and there were no ad hoc postemployment benefit changes used to measure the total OPEB liability.

Changes of Assumptions

There were no changes in assumptions since the June 30, 2022 measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage - rate remained at 20.0 percent
- Retiree participation - rate remained at 35.0 percent

Retiree participation was based on a blend of recent experience and the prior year assumptions. The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.5 percent to 3.7 percent based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date of June 30, 2023. There were no plan changes in the valuation since the prior year.

5) Changes to and Sensitivity of Discount Rate

The following table (dollars in thousands) shows the Commonwealth's changes in discount rate and the healthcare cost trend rates.

Primary Government

Changes in Discount Rate

PMRH

Total OPEB Liability

1.0% Decrease (2.7%)	Current Discount Rate (3.7%)	1.0% Increase (4.7%)
$ 211,129	$ 199,345	$ 188,096

Changes in Healthcare Cost Trend Rates

PMRH

Total OPEB Liability

1.0% Decrease	Healthcare Cost Trend Rates	1.0% Increase
(6.8% decreasing to 3.5%)	(7.8% decreasing to 4.5%)	(8.8% decreasing to 5.5%)
$ 181,348	$ 199,345	$ 220,223

Component Units

Changes in Discount Rate

PMRH

Total OPEB Liability

1.0% Decrease (2.7%)	Current Discount Rate (3.7%)	1.0% Increase (4.7%)
$ 161,595	$ 152,575	$ 143,966

Changes in Healthcare Cost Trend Rates

PMRH

Total OPEB Liability

1.0% Decrease	Healthcare Cost Trend Rates	1.0% Increase
(6.8% decreasing to 3.5%)	(7.8% decreasing to 4.5%)	(8.8% decreasing to 5.5%)
$ 138,800	$ 152,575	$ 168,555

6) OPEB Related Deferred Outflows and Deferred Inflows

The following tables (dollars in thousands) summarize the OPEB related items reported as deferred outflows or deferred inflows of resources:

Primary Government (2)

	PMRH	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 5,113	$ 48,180
Changes of assumptions	—	122,035
Changes in proportion	28,593	37,547
Amounts associated with transactions subsequent to the Measurement Date	15,802	—
Total	$ 49,508	$ 207,762

Component Units (1) (2)

	PMRH	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 3,914	$ 36,891
Changes of assumptions	—	93,439
Changes in proportion	19,058	10,104
Amounts associated with transactions subsequent to the Measurement Date	12,098	—
Total	$ 35,070	$ 140,434

(1) The component unit amounts exclude deferred outflows of resources and deferred inflows of resources of $1,836 and $31,025 (dollars in thousands), respectively, for other OPEB plans.

(2) Additionally, during fiscal year 2024, the Commonwealth recognized OPEB expense for the primary government and component units of negative $108,059 (dollars in thousands) and negative $74,547 (dollars in thousands), respectively, for the DHRM-administered OPEB plan.

Deferred Amounts to be Recognized in Fiscal Years Following Reporting Date

The following tables (dollars in thousands) provide the net estimated amount of the deferred inflows and deferred outflows of resources that will be recognized in the Commonwealth's OPEB expense for each of the next five fiscal years. These amounts exclude amounts associated with transactions subsequent to the measurement date as those will reduce the fiscal year 2024 total OPEB liability.

Primary Government

	PMRH
2025	$ (83,531)
2026	(47,555)
2027	(28,444)
2028	(13,891)
2029	(635)

Component Units

	PMRH
2025	$ (56,371)
2026	(32,093)
2027	(19,196)
2028	(9,374)
2029	(428)

7) Other OPEB Plans

Primary Government

The Hampton Roads Transportation Accountability Commission (nonmajor governmental) has a single-employer defined benefit healthcare plan administered by the Commission. The Commission reported a total OPEB liability of $189,000 and reported no deferred outflows of resources or deferred inflows of resources related to this plan. Additional information regarding this plan can be found at the Commission's website at www.hrtac.org.

Higher Education

The University of Virginia (nonmajor component unit) has an Optional Retirement Life Insurance Plan that is offered to University faculty and Medical Center employees who participate in the Optional Retirement Plans. The University reported a total OPEB liability of $14.3 million, deferred outflows of resources of $1.8 million, and deferred inflows of resources of $30.7 million as of June 30, 2024. Additional information on these plans can be found at the University's website at www.virginia.edu.

The Roanoke Higher Education Authority (nonmajor component unit) reported a net OPEB liability of $63,204, deferred outflows of resources of $25,882 and deferred inflows of resources of $27,752 for Group Life Insurance and Retiree Health Insurance Credit OPEB Plans. Additional information on these plans can be found at the Authority's website at www.education.edu/.

Other Component Units

The Virginia Housing Development Authority (major component unit) offers a medical, dental, and vision benefit plan, and reported deferred outflows of resources of $7.6 million and deferred inflows of resources of $8.5 million as of June 30, 2024. Additional information on these plans can be found at the Authority's website at www.virginiahousing.com.

The Virginia Resources Authority (major component unit) offers an optional Retirement Life Insurance Plan for those employees who choose to participate. The Authority reported a net OPEB liability of $210,883, deferred outflows of resources of $23,580, and deferred inflows of resources of $21,793 as of June 30, 2024. Additional information on these plans can be found at the Authority's website at www.virginiaresources.gov.

The Virginia Port Authority (nonmajor component unit) offers medical and dental benefits for retirees. The Authority reported a total OPEB Liability of $760,812 a net OPEB Liability of $826,000, deferred outflows of resources of $433,829 and deferred inflows of resources of $675,808 as of June 30, 2024. For additional information, please see the Authority's website at www.portofvirginia.com.

Hampton Roads Sanitation District (nonmajor component unit) offers a health and dental benefit plan for those employees who choose to participate. The District reported a net OPEB liability of $8.0 million, deferred inflows of resources of $12.2 million and deferred outflows of resources of $10.2 million as of June 30, 2024. For additional information, please see the Authority's website at www.hrsd.com.

The Virginia Biotechnology Research Partnership Authority (nonmajor component unit) offers an Optional Retirement Life Insurance Plan for those employees who choose to participate. The Authority reported a net OPEB liability of $43,003, deferred outflows of resources of $23,343, and deferred inflows of resources of $14,042 as of June 30, 2024.

19. DEFERRED COMPENSATION PLANS

The Commonwealth offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The Virginia Retirement System (the System) administers the deferred compensation plan, pursuant to the Government Employees Deferred Compensation Plan Act, Section 51.1 of the *Code of Virginia*. The System contracts with private corporations or institutions subject to the standards set forth in the Code to provide investment products as well as any other goods and services related to the administration of the deferred compensation plan. The Department of Accounts is responsible for the accounting, reconciliation, payment to the plan through payroll deductions, and timely transfer of withheld funds to the trustee designated by the System for investment. The plan provides a number of investment options and is designed so that each participant retains investment control of his/her individual account. The plan, available to all state employees, permits them to defer a portion of their salary until future years. The deferred compensation is held in trust for the exclusive benefit of plan participants and their beneficiaries and is not available to employees until termination, retirement, death, unforeseeable emergency, or an in-service distribution at age 72 or later. Since the System has no fiduciary relationship with plan participants, plan assets as of June 30, 2024, of $4.6 billion are not included in the accompanying financial statements.

In addition, the Commonwealth provides a cash match under Internal Revenue Code Section 401(a) for employees participating in the deferred compensation plan. The match amount for an employee was established at 50.0 percent of the voluntary contributions to the deferred compensation plan. During the current fiscal year, the maximum match was $20 per pay period or $40 per month. The fair value of assets in the cash match savings plan as of June 30, 2024, was $656.5 million, which is also excluded from the accompanying financial statements. Employer contributions under this plan were approximately $14.5 million for fiscal year 2024.

Most employees of the Commonwealth's colleges and universities may participate in the Commonwealth's deferred compensation plan in accordance with Internal Revenue Code Section 457(b) and/or the institution's deferred compensation plan in accordance with Internal Revenue Code Section 403(b). Under either plan, the institution's cash match under the Internal Revenue Code Section 401(a) during fiscal year 2024 was a maximum match of up to $20 per pay period or $40 per month. This employer match is for either plan but not both plans. Employer contributions under these plans were approximately $13.2 million for fiscal year 2024.

The Matching Contribution Retirement Plan for Salaried Employees for the University of Virginia Medical Center (part of the University of Virginia – nonmajor component unit) employees hired on or after September 30, 2002, provides a discretionary employer matching contribution equal to 50.0 percent of the employee's contributions to the supplemental retirement program up to 4.0 percent. Employer contributions under this plan were approximately $8.2 million for fiscal year 2024. The University of Virginia provides executive deferred compensation retirement benefits for certain officers and executives of the University and the University Medical Center. The University makes contributions on behalf of each participant each plan year as determined by the Board of Visitors. The University contributed $1.6 million to these accounts for fiscal year 2024. In addition, the UVA Community Health (UVACH - a blended component unit of the University of Virginia) has a Section 457(f) deferred compensation plan for certain officers, executives, and physicians. UVACH makes contributions on behalf of each participant and is subject to certain vesting requirements.

The Virginia Housing Development Authority (major component unit) has a deferred compensation plan available to all employees created in accordance with Internal Revenue Section 457(b). The plan permits participants to defer a portion of their salary or wages until future years. The deferred compensation is not available to employees until termination, retirement, or death. The assets of the plan are in an irrevocable trust with an external trustee and, accordingly, no assets or liabilities are reflected in the accompanying financial statements. For additional information, please see the Authority's website at www.virginiahousing.com.

The Virginia Port Authority (VPA) (nonmajor component unit) offers two deferred compensation plans and a matching savings plan under Internal Revenue Code Sections 457 and 401(a), respectively. For additional information, please see the Authority's website at www.portofvirginia.com.

The Assistive Technology Loan Fund Authority (nonmajor component unit) employees contribute an amount of their choosing into Deferred Compensation Plans administered by the Virginia Retirement System and into a qualified 403(b) plan. For additional information, please see the Authority's website at www.atlfa.org.

20. STATE NON-ARBITRAGE POOL

The Commonwealth sponsors the Virginia State Non-Arbitrage Program (SNAP) for use by the Commonwealth and local governments to invest bond proceeds. The Treasury Board is responsible for the oversight of SNAP, procuring the following services: investment management, program administration, arbitrage rebate and calculation, and custodial and depository services. The Commonwealth does not have fiduciary responsibility for SNAP.

The SNAP fund is a local government investment pool. PFM Asset Management LLC serves as the investment adviser of the SNAP fund. The SNAP individual investment portfolios are the responsibility of the SNAP investment manager and the governments investing proceeds in the portfolios. These investments are held solely in the SNAP participants' names. Since the Commonwealth has no fiduciary relationship with local governmental entities participating in the plan, these assets of $4.3 billion are not included in the financial statements.

21. COMMITMENTS

A. Construction Projects

Primary Government

Highway Projects

As of June 30, 2024, the Department of Transportation had contractual commitments of approximately $5.0 billion for construction of various highway projects. Funding for these expenditures is expected to be provided as follows: (1) State funds - approximately 60.5 percent or $3.0 billion; (2) Federal funds – approximately 22.0 percent or $1.1 billion; and, (3) Proceeds from Bonds - approximately 17.5 percent or $865.2 million.

Mass Transit Projects

As of June 30, 2024, the Department of Rail and Public Transportation had contractual commitments of approximately $359.7 million for various public transportation and rail projects. Funding of the future expenditures is expected to be as follows: 1) State funds – approximately 90.9 percent or $326.8 million, and 2) Federal funds – approximately 9.1 percent or $32.9 million.

Wastewater Treatment Projects

As of June 30, 2024, the Department of Environmental Quality was committed to grant contracts with localities to reimburse a portion of construction costs for nutrient reduction facilities at wastewater treatment plants totaling $121.3 million provided by bond proceeds and the Water Quality Improvement Fund.

Other Construction Projects

As of June 30, 2024, the Department of Forensic Science had commitments of approximately $83.1 million for construction projects.

As of June 30, 2024, the Department of Corrections had contractual commitments of $ 29.1 million for construction projects.

As of June 30, 2024, the Department of General Services had construction commitments of approximately $416.0 million.

As of June 30, 2024, the Department of Behavioral Health and Developmental Services had construction contractual commitments of approximately $20.2 million.

As of June 30, 2024, the Department of Conservation and Recreation had contractual commitments of $12.2 million for construction projects.

As of June 30, 2024, the Virginia Museum of Fine Arts had contractual commitments of $16.9 million for construction projects.

As of June 30, 2024, the Department of Veterans Services had contractual commitments of $13.0 million and non-contractual commitments of $8.9 million for construction projects.

As of June 30, 2024, the Department of Military Affairs had construction contractual commitments of approximately $24.1 million.

Component Units

Port Projects

As of June 30, 2024, the Virginia Port Authority (nonmajor) was committed to construction contracts totaling $519.1 million.

Wallops Island Project

As of June 30, 2024, the Virginia Commercial Space Flight Authority (nonmajor) was committed to construction programs totaling $29.3 million, approximately $8.4 million of which will be reimbursable under separate private and federal contract agreements and approximately $16.9 million of which are funded by the Commonwealth.

Treatment Plant

As of June 30, 2024, the Hampton Roads Sanitation District Commission (nonmajor) was committed to construction contracts totaling $1.6 billion.

Higher Education Institutions

Colleges and universities (nonmajor) had contractual commitments as of June 30, 2024, of approximately $1.2 billion primarily for construction contracts. Higher education foundations' construction and other commitments total approximately $6.2 million and $6.5 million, respectively.

B. Long-term Leases

As of June 30, 2024, the Commonwealth has entered into long-term leases that have not yet commenced. Commitments for the primary government were $26.7 million for lease payments due for governmental activities (including internal service funds). Business-type activities did not have lease commitments at June 30, 2024. Commitments for component units total $1.1 million for higher education institutions, excluding foundations.

Lease agreements are for various terms and contain nonappropriation clauses indicating that continuation of the lease is subject to funding by the General Assembly.

C. Long-term Subscription-Based Information Technology Arrangements (SBITAs)

As of June 30, 2024, the Commonwealth has entered into long-term SBITAs that have not yet commenced. Commitments for the primary government were $19.8 million for SBITA payments due for governmental activities (including internal service funds). Business-type activities did not have SBITA commitments at June 30, 2024. Commitments for component units total $29.1 million for higher education institutions, excluding foundations.

D. Investment Commitments – Virginia Retirement System

The Virginia Retirement System extends investment commitments in the normal course of business, which, as of June 30, 2024, amounted to $21.0 billion.

E. Virginia Transportation Infrastructure Bank

Section 33.2-1500 of the *Code of Virginia* states the Virginia Transportation Infrastructure Bank is intended to help alleviate a critical financing need for present and future highways within the Commonwealth. This includes toll facilities; mass transit; freight, passenger, and commuter rail; and port, airport and other transportation facilities.

As of June 30, 2024, $218.7 million included as Loans Receivable in the accompanying statements represents loans to the City of Chesapeake for the Dominion Boulevard Project, Loudoun County for the Pacific Boulevard Project, the Chesapeake Bay Bridge and Tunnel District for the Parallel Thimble Shoal Tunnel, and the 95 Express Lanes LLC for the 395 Express Lanes Northern Extension. A $49.0 million loan to Capital Beltway Express, LLC for the I-495 Express Lanes loan has been approved, but no disbursements were made as of June 30, 2024. Payments were made by the City of Chesapeake for $12.6 million, Chesapeake Bay Bridge and Tunnel District for $734,138, and the 95 Express Lanes LLC for $830,923 in July 2024. Also, a loan of $49.0 million was disbursed to Capital Beltway Express for the I-495 Express Lanes in July 2024. All loans are coordinated through the Virginia Resources Authority (major component unit).

F. Tobacco Grants

The Tobacco Region Revitalization Commission (nonmajor component unit) had $85.5 million in grant award commitments not reflected in the accompanying financial statements since eligibility requirements were not met as of June 30, 2024, in accordance with GASB Statement No. 33.

G. Other Commitments

Primary Government

As of June 30, 2024, the Virginia Department of Transportation had contractual commitments of approximately $1.8 billion for individual contracts awarded with a contract value of $1.0 million or more for operational services, facilities, tolling services and other non-highway construction type contracts.

As of June 30, 2024, the Department of Corrections had contractual commitments of approximately $7.7 million for technology services.

As of June 30, 2024, the Department of Behavioral Health and Developmental Services had contractual commitments of approximately $35.5 million.

As of June 30, 2024, the Department of Conservation and Recreation had non-contractual commitments of approximately $5.4 million.

As of June 30, 2024, the Department of Motor Vehicles had contractual commitments of approximately $43.3 million for driver's licenses and technology services.

As of June 30, 2024, the Virginia Employment Commission had contractual commitments of approximately $8.3 million for information systems modernization projects.

As of June 30, 2024, the Virginia Department of Health had commitments of approximately $55.7 million to localities, trauma centers, regional councils, grants to rescue squads, and water supply assistance grants.

The Virginia College Savings Plan (major enterprise fund) administers the Defined Benefit 529 Program. As of June 30, 2024, the Program had $330.0 million in private equity commitments.

The Virginia Wireless E-911 (nonmajor enterprise fund) had $51.5 million in outstanding grants awarded but not yet disbursed to localities as of June 30, 2024, since all of the eligibility criteria have not been met in accordance with GASB Statement No. 33, and other contractual commitments of $13.1 million.

Component Units

The Virginia Housing Development Authority (major) and Virginia Resources Authority (major) had $1.1 billion and $480.9 million, respectively, in commitments to fund new loans not reflected in the accompanying financial statements since eligibility requirements were not met as of June 30, 2024, in accordance with GASB Statement No. 33.

As of June 30, 2024, the Virginia Passenger Rail Authority (nonmajor) had capital grant commitments outstanding of $222.6 million and other contractual commitments of $93.3 million. The Authority also has $10.9 million of funding committed to reimburse the Department of Rail and Public Transportation (part of primary government) for planned expenses related to grants managed by the Department.

The Virginia Small Business Financing Authority (nonmajor) had $3.0 million in loan commitments to banks and borrowers not reflected in the accompanying financial statements since eligibility requirements were not met as of June 30, 2024, in accordance with GASB Statement No. 33.

22. ACCRUED LIABILITY FOR COMPENSATED ABSENCES

Employees accrue annual leave at a rate of four to nine hours semimonthly, depending on their length of service. The maximum leave accumulation is dependent upon years of service, but in no case may it exceed 432 hours at the end of the leave year. The maximum compensation for annual leave balances is also dependent upon years of service, but in no case may an employee be compensated for more than 336 hours upon separation.

All employees hired after January 1, 1999, are required to enroll in the Virginia Sickness and Disability Program (VSDP) (see Note 17). Under the VSDP, employees receive a specified number of sick and personal leave hours, depending on their length of service, and any balances at the end of the leave year revert. Individuals employed at January 1, 1999, had the option of converting to the VSDP or remaining in the traditional sick leave plan. If converting, the employee's sick leave balance could be used to purchase retirement credits or be converted to disability credits. If an employee opted to remain in the traditional sick leave program, sick leave accrues at a rate of five hours semimonthly. Employees who leave state service after a minimum of five years employment receive the lesser of 25.0 percent of the value of their disability credits or accumulated sick leave at their current earnings rate or $5,000. All employees leaving state service are paid for accrued annual leave up to the maximum leave year limit at their current earnings rate.

In conformance with Section C60 of the GASB Codification, the monetary value of accumulated vacation, compensatory, overtime, recognition, and sick leave payable upon termination is included in the accompanying financial statements and is reported as Compensated Absences. In the government-wide statements, proprietary fund statements, and discrete component unit fund statements, compensated absence amounts are segregated into two components – the amount due within one year and the amount due in more than one year. Compensated absences due within one year consist of an estimate of the amount that will be used by active employees for paid time off and/or paid upon termination, plus the actual amount paid after June 30 for employees terminating on or before June 30. In the governmental fund statements, amounts to be paid from expendable resources are recognized as fund liabilities in the applicable governmental fund types as long-term liabilities and represent payments to employees for separations that occurred on or before June 30. Amounts not payable from expendable resources are reflected in the governmental activities column in the Government-wide Statement of Net Position (see Note 27). All amounts related to the fiduciary funds are recognized in those funds.

The liability as of June 30, 2024, was computed using salary rates effective at that date, and represents vacation, compensatory, overtime, recognition, and sick leave earned, or disability credits held by employees, up to the allowable ceilings.

23. POLLUTION REMEDIATION OBLIGATIONS

The Commonwealth has pollution remediation obligations of $4.1 million, of which $2.1 million is due within one year. With the exception of the Department of Environmental Quality (DEQ), agencies estimated future obligations based on professional consultant estimates and/or historical project expenses of similar projects; however, there is the potential for change in estimates due to price increases or reductions, technology, or applicable laws and regulations. Remediations for DEQ are not estimates, but contractual obligations between the Commonwealth and the U.S. Environmental Protection Agency (EPA), and any change due to a reconciliation of incurred costs requires mutual consent and contract amendment.

The estimated Commonwealth pollution remediation liability relates to the anticipated cost of cleanup relating to leakage of underground storage tanks, soil and groundwater contaminations, dump site cleanups, mold remediation and remediation relating to superfund state contracts.

Agencies involved in remediation include:

- Department of Conservation and Recreation (DCR)
- Department of Corrections (DOC)
- Department of Environmental Quality (DEQ)
- Department of Juvenile Justice (DJJ)
- Department of Transportation (VDOT)

A Facility Lead Agreement was signed between the EPA and VDOT to resolve an issue concerning the storage of lab wastewater in an outdoor lined surface impoundment that operated between 1979 and 1983 for which contamination is present in soil and groundwater. DOC was fined by the EPA in September/October 2003. DOC proposed to conduct a Supplemental Environmental Project (SEP) which included the formation of the Pollution Prevention Section of the Environmental Services Unit, disclosure of all environmental deficiencies to both the EPA and DEQ and corrections of those deficiencies.

The following pollution remediation outlay could not reasonably be estimated as of June 30, 2024:

- VDOT relating to groundwater contamination.

24. INSURANCE

A. Self-Insurance

The Commonwealth maintains three types of self-insurance plans. The first type of self-insurance is a health care plan administered by the Department of Human Resource Management (DHRM) for Commonwealth employees. The plan is accounted for in the Health Care Internal Service Fund. Interfund premiums are accounted for as internal activity receipts from other funds. As of June 30, 2024, $126.1 million is reported as the estimated insurance claims payable for this fund, which is undiscounted as nearly all healthcare claims are current in nature. The estimated liability is based upon actual claims that have been submitted as well as actuarially determined claims incurred but not reported as described in Note 1.W. Changes in the balances of claims liabilities (dollars in thousands) during the current and prior fiscal years are as follows:

	Balance July 1,	Current Year Claims and Changes in Estimates	Insurance Claim Payments	Balance June 30, (1)
2023-2024	$ 95,189	$ 1,875,863	$ (1,844,997)	$ 126,055
2022-2023	$ 117,657	$ 1,602,583	$ (1,625,051)	$ 95,189

(1) The entire ending balance shown above is due within one year.

The second type of plan, Risk Management, is administered by the Department of the Treasury, Division of Risk Management and the Department of Human Resource Management, Worker's Compensation Program. These plans are accounted for in the Risk Management Internal Service Fund. The Department of the Treasury administers risk management programs providing property, general (tort) liability, medical malpractice, automobile and surety bond exposures for the Commonwealth of Virginia as provided in Sections 2.2-1834 through 1838 and Section 2.2-1840 of the *Code of Virginia*. Established subject to the approval of the Governor, risk management plans provide state agencies with protection through purchased insurance, self-insurance or a combination thereof. Interfund premiums for the fund are accounted for as internal activity receipts from other funds. The insurance claims payable is an estimated liability based upon actual claims that have been submitted as well as actuarially determined claims incurred but not reported. As of June 30, 2024, $386.7 million is reported as the estimated insurance claims payable for the risk management plan. This amount is discounted to present value at rates of 4.0 percent for DHRM and 5.1 percent for Department of Treasury. Undiscounted insurance claims payable as of June 30, 2024, is $571.0 million. The estimated losses are based upon actual claims that have been submitted, as well as claims incurred but not reported. Changes in the balances of claims liabilities (dollars in thousands) during the current and prior fiscal years are as follows:

	Balance July 1,	Current Year Claims and Changes in Estimates	Insurance Claim Payments	Balance June 30, (1)
2023-2024	$ 393,576	$ 77,994	$ (84,898)	$ 386,672
2022-2023	$ 451,148	$ (4,056)	$ (53,516)	$ 393,576

(1) Of the balance shown above, $70.5 million is due within one year.

For workers' compensation, the Commonwealth assumes the full risk of claims filed. For tort and automobile, liability is assumed at a maximum of $2.0 million per occurrence. Medical malpractice is assumed at the maximum per occurrence recovery limited as stated in Section 8.01-581.15 of the *Code of Virginia*. Risk Management purchases commercial insurance to protect state-owned property with deductibles as stated in the insurance policies.

The third type of plan, Line of Duty, is administered by the Department of Human Resource Management for Line of Duty recipients. Per the amended Line of Duty Act Section 9.1-401 of the *Code of Virginia*, the Department of Human Resource Management is responsible for administration of the premium-free health benefits provided to eligible Line of Duty recipients. The plan is accounted for in the Line of Duty Internal Service Fund. All eligible employees, former employees, and eligible family members will be covered under one program, the Line of Duty Health Benefit Plans. Participating or non-participating refers to whether the employer participates in the Line of Duty Death and Health Benefits Trust Fund, administered by VRS. All state agencies are participating employers, but localities can be either participating or non-participating. As of June 30, 2024, $485,125 is reported as the insurance claims payable for the fund for state employees and participating localities, which is undiscounted as nearly all healthcare claims are current in nature. Changes in the balances of claims liabilities (dollars in thousands) during the current and prior fiscal years are as follows:

	Balance July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Balance June 30, (1)
2023-2024	$ 404	$ 8,956	$ (8,875)	$ 485
2022-2023	$ 407	$ 9,173	$ (9,176)	$ 404

(1) The entire ending balance shown above is due within one year.

The Commonwealth has not had any insurance settlements exceed the coverage during the past three years.

University of Virginia (nonmajor component unit) employees have the option to participate in the University's self-funded, comprehensive medical care benefits program. The cost of medical care is paid out of employee and employer contributions. Claims and expenses are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. The estimated liability for outstanding claims on June 30, 2024 was $14.7 million. The University has contracted with two third-party claims administrators: Aetna for its medical and pharmacy claims and United Concordia for its dental claims.

As of June 30, 2024, the Virginia Commonwealth University Health System Authority (Authority) (a blended component unit of the Virginia Commonwealth University – nonmajor component unit) reports the following insurance claims payable amounts: estimated workers' compensation claims of $2.1 million and estimated losses on malpractice claims of $3.9 million. Aries Insurance Captive (component unit of the Authority) reports insurance claims payable of $24.7 million for estimated losses on malpractice claims, $4.5 million for estimated workers' compensation claims, and $5.7 million for other insurance coverages. Additional information on insurance claims payable can be found in the Authority's separately issued financial statements, which can be found at the University's website at www.vcu.edu.

Virginia International Terminals, LLC (VIT) (a blended component unit of the Virginia Port Authority – nonmajor) participates in a workers compensation insurance pool and shares risk with other members of the pool. VIT remains obligated under its former self-insured plan for future losses as a result of accidents that occurred prior to April 12, 1999. VIT bears some self-insurance risk for health/medical insurance claims cost in excess of employee premiums/contributions received. Pursuant to a joint arrangement with the Virginia Port Authority, (VPA) (nonmajor) the entity carries stop loss insurance to mitigate exposure to significant claims. The stop loss policy is on a calendar year basis, with renewals effective each January 1. During the calendar year 2024 and 2023, the individual claim cost limit (deductible) under the policy for the Authority was $150,000. The aggregate deductible for VIT and VPA combined claims in excess of the individual limit was $7.1 million for calendar year 2024 and $7.2 million for calendar year 2023. For additional information, please see the Authority's website at www.portofvirginia.com.

B. Public Entity Risk Pools

The Commonwealth administers three types of public entity risk pools for the benefit of local governmental units: healthcare, risk management, and line of duty insurance. The Local Choice Health Care plan was established to make comprehensive healthcare insurance available to localities and political subdivisions at affordable rates and with stable premiums. During the fiscal year, there were 442 local government units participating in the pool. This includes 64 school districts, 39 counties, 134 cities/towns, and 205 other subdivisions. This program is accounted for in the Local Choice Health Care Enterprise Fund (nonmajor).

The Department of Human Resource Management, under Section 2.2-1204 of the *Code of Virginia*, has the authority to design, set rates, and administer the Local Choice Health Care fund. The pool's standard contract period is one year. However, a member group may withdraw on the last day of any month with three month's written notice. Contributions are based on the current necessary contribution and the amortization of experience adjustments in the pool. As of June 30, 2024, $50.4 million is reported as the actuarially determined estimated insurance claims payable for this fund based on claims incurred but not reported.

The actuarial liability is determined for the membership pool in total and then adjusted for each locality based on individual historic and demographic data. If the pool's assets were to be exhausted, the program participants would share the responsibility for any liabilities or deficits.

The Department of the Treasury, Division of Risk Management administers the VARisk and VARisk2 risk management programs for political subdivisions, constitutional officers and others in accordance with Section 2.2-1839 of the *Code of Virginia*. These pools were established to provide an economical, low-cost alternative to the commercial insurance market for the Commonwealth's political subdivisions. These risk programs are accounted for in the Risk Management Enterprise Fund (nonmajor). The pool is established subject to approval by the Governor. It may be insurance, self-insurance, or any combination thereof, and must provide protection and legal defense against liability. Participation is voluntary and open to those identified in Section 2.2-1839 of the *Code of Virginia*. As of June 30, 2024, there were 486 units of local government in the pool, including 13 towns and 23 counties. The remaining 450 units include a large variety of boards, commissions, authorities, and special districts.

The VARisk program is comprised of constitutional officers and regional jails, and participation is not mandated by the *Code of Virginia*. However, the Compensation Board (part of the primary government) requires participation by all constitutional officers.

The VARisk2 program is comprised of local governments and has a minimum membership period of one year. However, a member group can cancel membership and withdraw from the plan on their coverage anniversary date or at the end of the fiscal year with 30 days' notice.

No excess insurance or reinsurance is provided. The risk assumed by the VARisk and VARisk2 pool for liability is $1.0 million per occurrence, with the exception of sheriffs and their deputies, which is $1.5 million per occurrence.

As of June 30, 2024, $39.9 million and $3.8 million are reported as estimated insurance claims payable for the VARisk and the VARisk2 programs, respectively. These figures are actuarially determined for the funds in total and are reported at gross. They are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. They do not reflect possible reimbursements for insurance recoveries.

Per the amended Line of Duty Act Section 9.1-401 of the *Code of Virginia*, the Virginia Department of Human Resource Management (DHRM) is responsible for administration of the premium-free health benefits provided to eligible LODA recipients. All eligible employees, former employees, and eligible family members will be covered under one program, the LODA Health Benefits Plans. As of June 30, 2024, $1.2 million is reported as the actuarially determined estimated insurance claims payable for the non-participating localities reported in this fund based on claims incurred but not reported.

The following schedule (dollars in thousands) shows the changes in claims liabilities for the past two fiscal years.

	Local Choice Health Care		Risk Management		Line of Duty	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Unpaid Claims and Claim						
Adjustment Expenses at Beginning of Fiscal Year	$ 48,711	$ 47,568	$ 43,169	$ 48,326	$ 988	$ 996
Incurred Claims and Claim Adjustment Expenses:						
Provision for Insured Events of the Current Fiscal Year	532,820	495,020	13,123	12,488	21,927	22,459
Changes in Provision for Insured Events of Prior Fiscal Years	—	—	(4,745)	(7,597)	—	—
Total Incurred Claims and Adjustment Expenses	532,820	495,020	8,378	4,891	21,927	22,459
Payments:						
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	531,138	493,877	1,090	1,628	21,728	22,467
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Prior Fiscal Year	—	—	8,537	7,413	—	—
Total Payments	531,138	493,877	9,627	9,041	21,728	22,467
Change in Provision for Discounts	—	—	1,798	(1,007)	—	—
Total Unpaid Claims and Claim Adjustment Expenses at End of the Fiscal Year (Discounted) (1) (2) (3)	$ 50,393	$ 48,711	$ 43,718	$ 43,169	$ 1,187	$ 988
Total Unpaid Claims and Claim Adjustment Expenses at End of the Fiscal Year (Undiscounted)	$ 50,393	$ 48,711	$ 49,018	$ 48,750	$ 1,187	$ 988

Note (1): The entire balance for Local Choice Health Care, $50,393 (dollars in thousands) is due within one year.

Note (2): Of the balance shown above for Risk Management, $12,502 (dollars in thousands) is due within one year.

Note (3): The entire balance for Line of Duty, $1,187 (dollars in thousands) is due within one year.

25. ACCOUNTS PAYABLE

The following table (dollars in thousands) summarizes Accounts Payable as of June 30, 2024.

	Vendor	Salary / Wage	Retainage	Other	Foundations (1)	Total
Primary Government:						
General	$ 423,147	$ 151,504	$ 1,879	$ —	$ —	$ 576,530
Major Special Revenue Funds:						
Commonwealth Transportation	526,330	45,465	1,732	—	—	573,527
Federal Trust	154,834	26,177	5,833	—	—	186,844
Nonmajor Governmental Funds	72,717	20,435	21,203	481	—	114,836
Major Enterprise Funds:						
Virginia Lottery (2)	27,555	2,787	—	13,584	—	43,926
Virginia College Savings Plan	613	963	—	631	—	2,207
Unemployment Compensation	—	—	—	19	—	19
Nonmajor Enterprise Funds	80,698	12,363	—	930	—	93,991
Internal Service Funds	169,636	4,452	—	—	—	174,088
Private Purpose Trust Funds	—	—	—	7,331	—	7,331
Pension and Other Employee Benefit Trust Funds (3)	9,148	109	—	48,001	—	57,258
Custodial Funds - Other	2,818	—	—	153	—	2,971
Total Primary Government (4)	$ 1,467,496	$ 264,255	$ 30,647	$ 71,130	$ —	$ 1,833,528
Discrete Component Units:						
Virginia Housing Development Authority (5)	$ 1,308	$ 6,322	$ —	$ 30,757	$ —	$ 38,387
Virginia Public School Authority	188	—	—	—	—	188
Virginia Resources Authority	43	4	—	—	—	47
Nonmajor Component Units	890,995	594,066	117,771	430	148,491	1,751,753
Total Component Units	$ 892,534	$ 600,392	$ 117,771	$ 31,187	$ 148,491	$ 1,790,375

Note (1): Foundations represent FASB reporting entities defined in Note 1.B.

Note (2): Other Accounts Payable for the Virginia Lottery primarily represents unclaimed prizes attributable to multi-state games and player subscription wallets.

Note (3): Other Accounts Payable for the Pension and Other Employee Benefit Trust Fund consists of $28,579 (dollars in thousands) in investment management fees and $19,422 (dollars in thousands) in program benefit liabilities.

Note (4): Fiduciary liabilities of $67,560 (dollars in thousands) are not included in the Government-wide Statement of Net Position. In addition, governmental fund liabilities of $168,974 (dollars in thousands) are included in the Government-wide Statement of Net Position, but excluded from the above amounts.

Note (5): Other Accounts Payable for the Virginia Housing Development Authority (major) of $4,671 (dollars in thousands) predominantly represents federal pass-through grant awards that have not been disbursed to the recipients as of June 30.

26. OTHER LIABILITIES

The following tables (dollars in thousands) summarize Other Liabilities as of June 30, 2024.

	Primary Government					
	General	Commonwealth Transportation	Federal Trust	Nonmajor Governmental Funds	Virginia Lottery	Virginia College Savings Plan (1)
Lottery Prizes Payable	$ —	$ —	$ —	$ —	$ 120,833	$ —
Medicaid Payable	651,760	—	2,114,222	350,299	—	—
Family Access to Medical Insurance Security Payable	25,664	—	49,472	—	—	—
Tax Refunds Payable	686,786	—	—	—	—	—
Accrued Interest Payable	—	—	—	29,645	141	84
Deposits Pending Distribution	15,453	5,464	26	32,703	—	—
Car Tax Payable	263,024	—	—	—	—	—
Other Liabilities	62	30,898	58	16,866	—	25,813
Total Other Liabilities	$ 1,642,749	$ 36,362	$ 2,163,778	$ 429,513	$ 120,974	$ 25,897

	Primary Government					
	Nonmajor Enterprise Funds	Internal Service Funds	Private Purpose Trust Funds	Pension and Other Employee Benefit Trust Funds (2)	Custodial Funds - Other	Total Primary Government (3)
Lottery Prizes Payable	$ —	$ —	$ —	$ —	$ —	$ 120,833
Medicaid Payable	—	—	—	—	—	3,116,281
Family Access to Medical Insurance Security Payable	—	—	—	—	—	75,136
Tax Refunds Payable	—	—	—	—	—	686,786
Accrued Interest Payable	—	—	—	—	—	29,870
Deposits Pending Distribution	110	835	—	—	—	54,591
Car Tax Refund Payable	—	—	—	—	—	263,024
Other Liabilities	1	—	15	30,491	2,500	106,704
Total Other Liabilities	$ 111	$ 835	$ 15	$ 30,491	$ 2,500	$ 4,453,225

Note (1): Other Liabilities of $25,813 (dollars in thousands) reported by the Virginia College Savings Plan (major) represent amounts associated with pending investment trades and program distributions payable.

Note (2): Other Liabilities of $30,491 (dollars in thousands) reported in Pension and Other Employee Benefit Trust Funds are made up of $3,102 (dollars in thousands) in other payables related to the System benefit plans; and $27,389 (dollars in thousands) in pending investment transactions consisting of: $9,255 (dollars in thousands) in net foreign exchange contracts payable; $16,013 (dollars in thousands) in other miscellaneous payables; $1,541 (dollars in thousands) in foreign taxes payable related to the System benefit plans; and $580,000 in dividends payable related to the System benefit plans.

Note (3): Fiduciary liabilities of $33,006 (dollars in thousands) are not included in the Government-wide Statement of Net Position. Governmental fund liabilities of $75,011 (dollars in thousands) are included in the Government-wide Statement of Net Position, but excluded from the above amounts.

	Component Units					
	Virginia Housing Development Authority	Virginia Public School Authority	Virginia Resources Authority	Virginia College Building Authority	Nonmajor Component Units (4)	Total Component Units
Accrued Interest Payable	$ 55,669	$ 56,311	$ 20,176	$ 88,341	$ 98,709	$ 319,206
Deposits Pending Distribution	—	—	—	—	805,279	805,279
Short-term Debt	400,000	—	—	—	488,637	888,637
Grants Payable	—	—	—	—	9,069	9,069
Other Liabilities	37,106	—	4,400	41	162,926	204,473
Total Other Liabilities	$ 492,775	$ 56,311	$ 24,576	$ 88,382	$ 1,564,620	$ 2,226,664

Note (4): Other Liabilities of nonmajor component units are predominantly comprised of the following (dollars in thousands): Derivative instruments reported by University of Virginia of $9,386, Virginia Commonwealth University Health System Authority (blended component unit of Virginia Commonwealth University) (VCUHSA) of $9,910, and foundations of higher education institutions of $2,537. Other Liabilities also includes third party settlements of $50,073, and a city of Richmond Pilot Obligation of $33,393 reported by VCUHSA.

Medicaid Payable

Medicaid Payable represents services rendered but not billed by providers and potential liability resulting from cost reports not settled as of year-end. Providers subject to cost settlement are paid in the interim based on established per diem or diagnosis related group rates for services.

The Department of Medical Assistance Services (DMAS) estimates, based on experience, the total amount of Medicaid claims that will be paid from the Medicaid program in the future which relate to services provided before year-end. As of June 30, 2024, the estimated liability related to Medicaid claims totaled $3.1 billion in the fund financial statements. Of this amount, $651.8 million is reflected in the General Fund (major governmental), $2.1 billion in the Federal Trust Special Revenue Fund (major governmental), and $350.3 million in the Health and Social Services Fund (nonmajor special revenue).

Family Access to Medical Insurance Security Payable

DMAS estimates the total amount of claims that will be paid from the Family Access to Medical Insurance Security program in the future which relate to services provided before year-end. As of June 30, 2024, the estimated liability related to claims totaled $75.1 million. Of this amount, $25.7 million is reflected in the General Fund (major governmental) and $49.5 million in the Federal Trust Special Revenue Fund (major governmental).

Tax Refunds Payable

Tax refunds payable represent refunds due on individual tax returns filed for the calendar year ended on or before December 31, 2023, and on business tax returns filed for corporate fiscal years ending on or before June 30, 2024. The individual tax return filing deadline is May 1 of each year for the preceding calendar year. The corporate tax return filing deadline is the 15th day of the fourth month following the close of the corporate fiscal year.

Car Tax Refund Payable

During the year ended June 30, 1998, the General Assembly passed the Personal Property Tax Relief Act. Under the terms of this legislation, the Commonwealth assumed financial responsibility for a portion, ranging from 12.5 percent to 70.0 percent, of the personal property taxes assessed by localities.

During 2004, the General Assembly modified this legislation. Chapter 1 of Special Session 1 (2004) established a $950.0 million limit on the amount the Commonwealth would appropriate for personal property tax relief, beginning in tax year 2006. It further established that each county, city, and town would receive a fixed percentage of the $950.0 million, with payments to begin on or after July 1, 2006 (fiscal year 2007). The accrued liability amount of $263.0 million reflects payments owed to localities as of June 30 and paid in July.

Termination Benefits

During the fiscal year, the Commonwealth had laid off 13 employees. The affected employees had the option of volunteering for enhanced retirement benefits or severance benefits. The enhanced retirement benefits option was elected by 1 employee, and the remaining 12 employees elected severance benefits. The severance benefits include salary payments based on years of service and insurance premium payments for health and life insurance. All severance benefits were initiated during fiscal year 2024 and will end no later than June 30, 2025. The benefit cost expended and the outstanding liability for governmental funds as of June 30, 2024, are $396,180 and $180,977 respectively. Since the severance benefits last for a maximum of 12 months, discounting of future cash flows is unnecessary. Additionally, the estimated payments are calculated using the Department of Human Resources' Termination Benefits Calculator and actual costs.

Short-term Debt

Short-term debt results from borrowings from anticipation notes, lines of credit, and similar loans with parties external to the primary government. The primary government's policy is to disclose activity related to short-term borrowings occurring during the fiscal year. For fiscal year 2024, the primary government's agencies did not participate in short-term borrowings with external parties.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires the disclosure of any unused lines of credit. The Virginia Department of Transportation (VDOT) (primary government) has unused lines of credit of $82.6 million at June 30, 2024 for one federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan.

The Hampton Roads Transportation Accountability Commission (nonmajor governmental) has unused lines of credit of $345.0 million at June 30, 2024 for various Transportation Infrastructure Finance and Innovation Act (TIFIA) loans.

The Virginia Housing Development Authority (major component unit) has a direct borrowing from a line of credit of $400.0 million. Virginia Polytechnic Institute and State University (nonmajor component unit) has commercial paper of $6.0 million primarily for capital projects. Various higher education institution foundations (nonmajor component units) have lines of credit of $480.8 million primarily for liquidity in a long-term investment pool, construction, or property acquisition. The Virginia Museum of Fine Arts Foundation (nonmajor component unit) has borrowed $1.9 million from a line of credit to purchase a building expected to be used by the Museum. Additionally, the Library of Virginia Foundation (nonmajor component unit) has a $1,000 note with a related party. The balance of Other Liabilities is spread among various other funds.

The Virginia Housing Development Authority (major component unit) has an unused line of credit of $250.0 million. The University of Virginia, Virginia Polytechnic Institute and State University, Virginia Commonwealth University Health System Authority (blended component unit of Virginia Commonwealth University), Christopher Newport University, and Institute for Advanced Learning and Research (nonmajor component units) have unused lines of credit of $600.0 million, $373.0 million, $100.0 million, $170,264, and $1.8 million, respectively. The Hampton Roads Sanitation District Commission and the Virginia Port Authority (nonmajor component units) have unused lines of credit of $200.0 million and $1.0 million, respectively. For the University of Virginia, in the event of default under revolving credit agreements, any outstanding advances, interest, and the value of the promissory note would be due and payable to the various banking institutions.

27. LONG-TERM LIABILITIES

Commonwealth bonds are issued pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(a) bonds have been issued to redeem previous debt obligations. Section 9(b) bonds have been authorized by the citizens of Virginia through bond referenda to finance capital projects. These bonds are retired through the use of state appropriations. Section 9(c) bonds are issued to finance capital projects which, when completed, will generate revenue to repay the debt. Section 9(a), 9(b), and 9(c) bonds are tax-supported general obligation bonds and are backed by the full faith and credit of the Commonwealth. No other long-term debt obligations are backed by the full faith and credit of the Commonwealth.

Section 9(d) bonds are revenue bonds that are not backed by the full faith and credit of the Commonwealth. These bonds are not general obligation bonds and are not deemed to constitute a legal liability of the Commonwealth. However, this debt may be supported by state appropriations in whole or in part, such as certain debt of the Commonwealth Transportation Board (primary government) and the Virginia Port Authority (nonmajor component unit). Other 9(d) revenue bonds are payable from general revenues of the component units, or from revenues of specific revenue-producing capital projects, such as the teaching hospitals, dormitories, student centers, and dining halls at the various colleges and universities (nonmajor component units).

Certain 9(d) bonds are considered, along with 9(a), 9(b), and 9(c) bonds, to be tax-supported debt of the Commonwealth. Tax-supported debt includes all bonds and short-term debt for which debt service payments are made or are ultimately pledged to be made from tax revenues (net of sinking fund requirements).

Other 9(d) revenue bonds are considered debt not supported by taxes. For this debt, the Commonwealth has no direct or indirect pledge of tax revenues. In certain limited cases, the Commonwealth has made a moral obligation pledge. A government's moral obligation pledge provides a deficiency make-up for bondholders in the event pledged revenues prove to be insufficient. If a revenue deficiency exists, monies held in a debt service reserve fund are used to pay bondholders. The issuer then requests that the legislative body provide an appropriation to replenish the reserve fund before subsequent debt service is due. The legislative body may, but is not legally required to, replenish the reserve fund.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires disclosures related to unused lines of credit (see Note 26), direct borrowings and placement debt, and specific disclosures related to debt default. Direct borrowings and placements have terms with an investor or lender and are not offered for public sale.

The following schedule presents the total long-term liabilities of the Commonwealth, and the portion of these amounts which are due within one year, as reported on the Government-wide Statement of Net Position.

Total Long-term Liabilities

June 30, 2024

(Dollars in Thousands)	Balance At June 30	Amount Due Within One Year
Primary Government:		
Governmental Activities: (1)		
General Obligation Bonds: (2)		
9(b) Public Facilities (3)	$ 120,065	$ 35,705
9(c) Parking Facilities (3)	3,582	575
Total General Obligation Bonds	123,647	36,280
Nongeneral Obligation Bonds - 9(d):		
Transportation Debt (3) (4)	3,515,100	217,954
Virginia Public Building Authority (3)	3,524,062	234,485
Total Nongeneral Obligation Bonds	7,039,162	452,439
Other Long-term Obligations:		
Net Pension Liability	3,756,222	—
Net OPEB Liability	768,602	6,229
Total OPEB Liability (5)	191,029	15,168
Compensated Absences	385,190	237,044
Long-term Lease Liabilities (13)	451,114	41,711
Long-term Subscription-Based Information Technology Arrangements (14)	206,988	49,205
Pollution Remediation Obligations	4,115	2,059
Installment Purchase Obligations from Direct Borrowings	89,457	15,866
Hampton Roads Transportation Accountability Commission (3) (6)	2,799,940	—
Other Liabilities	23,575	2,200
Total Other Long-term Obligations	8,676,232	369,482
Total Governmental Activities	15,839,041	858,201
Business-type Activities: (1) (6)		
Other Long-term Obligations:		
Net Pension Liability	149,602	—
Net OPEB Liability	23,798	51
Total OPEB Liability	8,505	631
Compensated Absences	15,082	12,728
Long-term Lease Liabilities	204,259	21,770
Long-term Subscription-Based Information Technology Arrangements	203,109	12,621
Educational Benefits Payable	1,301,781	179,762
Lottery Prizes Payable	192,722	13,109
Total Other Long-term Obligations	2,098,858	240,672
Total Business-type Activities	2,098,858	240,672
Total Primary Government	17,937,899	1,098,873

Total Long-term Liabilities
June 30, 2024

(Dollars in Thousands)	**Balance At June 30**	**Amount Due Within One Year**
Component Units:		
General Obligation Bonds: (2)		
Higher Education Fund - 9(c) Bonds (3)	929,445	73,740
Nongeneral Obligation Bonds:		
Higher Education Institutions - 9(d) (3) (6)	4,338,460	17,630
Higher Education Institutions - 9(d) from Direct Placements (3) (6)	150,383	13,656
Virginia College Building Authority (3)	5,872,402	411,750
Virginia Port Authority - 9(d) (3) (7)	605,604	18,610
Virginia Housing Development Authority - 9(d) (3) (6)	6,057,996	183,081
Virginia Housing Development Authority from Direct Placements - 9(d) (3) (6)	208,165	7,930
Virginia Resources Authority - 9(d) (3) (8)	3,159,715	190,845
Virginia Resources Authority from Direct Placements (3) (8)	90,000	3,520
Virginia Public School Authority - 9(d) (3) (6)	3,911,684	279,085
Virginia Public School Authority from Direct Placements - 9(d) (3) (6)	83,276	7,871
Hampton Roads Sanitation District Commission (3) (6)	1,317,446	100,044
Foundations (6) (9)	932,933	38,602
Total Nongeneral Obligation Bonds	26,728,064	1,272,624
Other Long-term Obligations:		
Net Pension Liability (10)	2,312,486	—
Net OPEB Liability (11)	685,690	310
Total OPEB Liability (12)	167,662	12,097
Compensated Absences	423,895	322,109
Long-term Lease Liabilities (13)	5,003,317	95,820
Long-term Subscription-Based Information Technology Arrangements (14)	201,641	81,356
Notes Payable (6)	1,725,231	278,620
Notes Payable from Direct Borrowings (6)	128,668	939
Installment Purchase Obligations from Direct Borrowings	220,229	8,890
Trust and Annuity Obligations (6) (15)	92,686	—
Other Liabilities (6)	247,249	14,682
Total Other Long-term Obligations (Excluding Foundations)	11,208,754	814,823
Other Long-term Obligations (Foundations): (6) (9)		
Compensated Absences	36,289	23,243
Notes Payable	263,270	32,870
Trust and Annuity Obligations (15)	84,037	2,405
Other Liabilities	326,525	40,087
Total Other Long-term Obligations - Foundations	710,121	98,605
Total Other Long-term Obligations	11,918,875	913,428
Total Component Units	39,576,384	2,259,792
Total Long-term Liabilities	$ 57,514,283	$ 3,358,665

1. Pursuant to GASB Statement No. 34, governmental activities include internal service funds. Business-type activities are considered enterprise funds.
2. Total general obligation debt of the Commonwealth is $1.1 billion.
3. Amounts are net of any unamortized discounts and premiums.
4. This debt includes $882.4 million that is not supported by taxes.
5. This includes OPEB obligations that do not relate to the Department of Human Resource Management of $189,073 from Hampton Roads Transportation Accountability Commission.
6. This debt is not supported by taxes.
7. This debt includes $251.8 million for bonds that is not supported by taxes.
8. This debt is not supported by taxes; however, $918.0 million is considered moral obligation debt.
9. Foundations represent FASB reporting entities defined in Note 1.B.
10. This includes net pension liabilities that do not relate to the Virginia Retirement System's State Plan from the Hampton Roads Sanitation District Commission and Virginia Port Authority of $28.6 million and $10.0 million, respectively. This debt is not supported by taxes.
11. This includes OPEB obligations that do not relate to the Virginia Retirement System's State Plan from the Hampton Roads Sanitation District Commission, Virginia Port Authority, Virginia Resources Authority, Roanoke Higher Education Authority, and Virginia Biotechnology Research Partnership Authority, of $8.0 million, $826,000, $210,883, $63,204, and $43,003 respectively. This debt is not supported by taxes.
12. This includes OPEB obligations that do not relate to the Department of Human Resource Management from the University of Virginia of $14.3 million and Virginia Port Authority of $760,812. This debt is not supported by taxes.
13. This includes $349.0 million for governmental activities and $265.9 million for component units that are supported by taxes.
14. This includes $204.2 million for governmental activities and $33.1 million for component units that are supported by taxes.
15. These generally represent split-interest agreements that represent donor contributed assets with the requirement that an annual distribution be made to the donor or specified beneficiary. The annual distributions are usually for a fixed dollar amount or a fixed percentage of the trust's fair value. The present value of these commitments is reported as Trust and Annuity Obligations.

Primary Government

Transportation Facilities Debt

Transportation Facilities Bonds include $3.5 billion of Transportation Facilities Section 9(d) debt. The Section 9(d) debt includes $2.6 billion of Section 9(d) revenue bonds, $768.3 million of Grant Anticipation Revenue Notes (GARVEES), and $114.2 million of I-81 revenue bonds in addition to the outstanding Section 9(d) revenue bonds. There are no Section 9(c) bonds outstanding at June 30, 2024. Section 9(d) principal and interest requirements for the current year totaled $372.2 million. The Section 9(d) Transportation Facilities Bonds were issued to fund the construction of State Route 28, U.S. Route 58, the Northern Virginia Transportation District Program, the Interstate 81 Improvement Program, and the costs of certain transportation projects throughout the Commonwealth. The interest rates for these bonds range from 1.8 percent to 5.0 percent and the issuance dates range from October 10, 2002 to June 17, 2024. The GARVEES were issued to finance various Federal Aid Transportation projects throughout the Commonwealth. The interest rates for these bonds range from 2.0 percent to 5.0 percent and the issuance dates range from November 9, 2016 to September 22, 2020.

The following schedule details the annual funding requirements necessary to amortize Transportation 9(d) debt. During fiscal year 2024, the Commonwealth Transportation Board of the Commonwealth of Virginia defeased the Build America Bonds (BABs) including the outstanding interest reimbursement subsidy balance of $32.8 million for the bonds. As a result, VDOT does not have any outstanding Bonds under the American Recovery and Reinvestment Act to report in fiscal year 2024. Additionally, the Commonwealth will receive the amounts required to pay the debt service on outstanding Series 2002 and Series 2012 bonds from the Route 28 Transportation Improvement District, annually. The Commonwealth will also receive a portion of the debt service amount for the Northern Virginia Transportation District from the localities where the projects are located, annually.

9(d) TRANSPORTATION FACILITIES DEBT
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 217,954,356	$ 138,285,151	$ 356,239,507
2026	228,116,317	127,611,427	355,727,744
2027	230,859,277	116,280,120	347,139,397
2028	221,803,678	104,800,040	326,603,718
2029	201,610,469	94,429,975	296,040,444
2030-2034	966,271,750	330,022,932	1,296,294,682
2035-2039	616,107,327	145,637,950	761,745,277
2040-2044	290,778,326	56,503,694	347,282,020
2045-2049	102,381,782	17,961,074	120,342,856
2050-2054	20,438,279	6,284,674	26,722,953
2055-2059	14,661,678	1,376,938	16,038,616
Add:			
Accretion on Capital Appreciation Bonds	14,741,090	—	14,741,090
Unamortized Premium	389,375,732	—	389,375,732
Total	$ 3,515,100,061	$ 1,139,193,975	$ 4,654,294,036

Public Facilities Bonds

Section 9(b) general obligation bonds consist of Public Facilities Bonds, Series 2015B Refunding, Series 2016B Refunding, Series 2019C Refunding, and Series 2024B Refunding. Bonds were issued to fund construction projects for higher educational institutions, behavioral health, and/or park facilities. The Series 2015B bonds were issued to advance refund certain maturities of outstanding Series 2007B, Series 2008A, and Series 2008B bonds. The Series 2016B bonds were issued to advance refund certain maturities of outstanding Series 2009A bonds. The Series 2019C bonds were issued to advance refund outstanding 2009E bonds. The Series 2024B bonds were issued to advance refund outstanding 2013B bonds. Principal and interest requirements for the current year totaled $50.9 million. The interest rates for all bonds range from 2.0 percent to 5.0 percent and the issuance dates range from May 6, 2015, to March 6, 2024. The following schedule details the annual funding requirements necessary to repay these bonds.

9(b) PUBLIC FACILITIES BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 35,705,000	$ 5,153,214	$ 40,858,214
2026	30,020,000	3,397,136	33,417,136
2027	24,155,000	1,923,393	26,078,393
2028	14,130,000	740,575	14,870,575
2029	4,835,000	180,280	5,015,280
Add:			
Unamortized Premium	11,219,882	—	11,219,882
Total	$ 120,064,882	$ 11,394,598	$ 131,459,480

Parking Facilities Bonds

Section 9(c) general obligation bonds consist of Parking Facilities Bond Series 2016B Refunding. The Series 2016B Refunding bonds were issued to advance refund certain maturities of outstanding Series 2009B bonds. The interest rate for these bonds range from 2.0 percent to 5.0 percent, and the issuance date was November 10, 2016. Current year principal and interest requirements totaled $1.1 million. The following schedule details the annual funding requirements necessary to repay these bonds.

9(c) PARKING FACILITIES BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 575,000	$ 130,700	$ 705,700
2026	605,000	101,950	706,950
2027	630,000	71,700	701,700
2028	660,000	40,200	700,200
2029	675,000	27,000	702,000
Add:			
Unamortized Premium	437,404	—	437,404
Total	$ 3,582,404	$ 371,550	$ 3,953,954

Virginia Public Building Authority

Virginia Public Building Authority Section 9(d) bonds consist of 2010B-2 (Taxable Build America Bonds), 2012A Refunding, 2013A, 2013B Refunding, 2014A, 2014B (Taxable), 2014C Refunding, 2015A, 2015B Refunding, 2016A, 2016B Refunding, 2016C (AMT), 2016D (Taxable), 2017A Refunding, 2018A, 2018B

(Taxable), 2019A, 2019B (AMT), 2019C (Taxable), 2020A, 2020B Refunding, 2020C (Taxable), 2021A, 2021B Refunding (Taxable), 2022A, 2022B (Taxable), 2024A, 2024B Refunding, and 2024C (Taxable). All bonds were issued for the purpose of constructing, improving, furnishing, maintaining, and acquiring public buildings for the use of the Commonwealth and also to reimburse localities, regional jail authorities or other combinations of localities under the Regional Jail Financing Program. The Series 2012A bonds were issued to advance refund outstanding series 2004B and 2005C Revenue bonds. The Series 2013B bonds were issued to advance refund 2006A and 2006B revenue bonds. The Series 2014C bonds were issued to advance refund outstanding Series 2004A Refunding, 2004B, 2004C Refunding, and 2004D Refunding bonds, and certain maturities of the 2005C, 2006A, 2006B, and 2007A bonds. The Series 2015B bonds were issued to advance refund outstanding series 2005A Refunding, 2005B Refunding, and 2006A bonds and certain maturities of the series 2008B bonds. The Series 2016B bonds were issued to advance refund certain maturities of the series 2009B and 2011A bonds. The Series 2017A bonds were issued to advance refund certain maturities of the 2011A, 2013A, and 2014A bonds. The Series 2020B bonds were issued to advance refund outstanding Series 2005D, Series 2009D Refunding and 2010A bonds. The Series 2021B bonds were issued to advance refund outstanding Series 2011B bonds. The Series 2024B bonds were issued to advance refund certain outstanding Series 2014A and Series 2014C bonds. The interest rates range from 0.5 percent to 5.9 percent and the issuance dates range from November 23, 2010, to June 12, 2024.

Current year principal and interest requirements for all VPBA bonds totaled $356.0 million. The following schedule details the annual funding requirements necessary to repay these bonds. Pursuant to the American Recovery and Reinvestment Act, the Commonwealth expects to receive an interest subsidy to reimburse interest payments of $8.1 million for Build America Bonds (BABs) issued. The BABs are applicable to Series 2010 Revenue Bonds.

9(d) VIRGINIA PUBLIC BUILDING AUTHORITY BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 234,485,000	$ 128,054,017	$ 362,539,017
2026	234,900,000	123,835,704	358,735,704
2027	231,345,000	112,509,653	343,854,653
2028	212,245,000	101,773,939	314,018,939
2029	208,235,000	91,839,348	300,074,348
2030-2034	890,725,000	327,005,927	1,217,730,927
2035-2039	724,850,000	151,102,244	875,952,244
2040-2044	383,980,000	31,662,535	415,642,535
2045-2049	19,465,000	486,625	19,951,625
Add:			
Unamortized Premium	383,831,969	—	383,831,969
Total	$ 3,524,061,969	$ 1,068,269,992	$ 4,592,331,961

Hampton Roads Transportation Accountability Commission

Hampton Roads Transportation Accountability Commission bonds consists of Senior Lien Revenue Bonds, Series 2018A, Senior Lien Revenue Bonds, Series 2020A, TIFIA Loan, Series 2021A, TIFIA Loan, Series 2021B, Senior Lien Revenue Bonds, Series 2022A, and Senior Lien Revenue Bonds, Series 2023A. The bonds were issued to pay for the costs of planning, design, and construction of transportation infrastructure in the localities comprising Planning District 23. The TIFIA loans were issued to refund the 2019A and 2021A bond anticipation notes. The interest rates for these bond and loan series range from 1.9 percent to 5.5 percent and the issue dates range from February 14, 2018 to November 16, 2023. Current year principal and interest requirements totaled $80.0 million.

The following schedule details the annual funding requirements necessary to repay these bonds. This schedule includes future capitalized interest of $30.9 million through June 30, 2025.

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ —	$ 64,120,553	$ 64,120,553
2026	7,114,779	68,731,404	75,846,183
2027	7,907,957	76,393,884	84,301,841
2028	162,031,082	80,092,042	242,123,124
2029	22,471,387	75,780,881	98,252,268
2030-2034	168,133,575	363,411,382	531,544,957
2035-2039	262,772,795	328,620,115	591,392,910
2040-2044	339,538,107	283,295,807	622,833,914
2045-2049	430,429,488	225,383,381	655,812,869
2050-2054	535,565,133	156,769,681	692,334,814
2055-2059	533,696,224	78,660,982	612,357,206
2060-2064	212,690,877	7,685,183	220,376,060
Add:			
Unamortized Premium	148,442,163	—	148,442,163
Total	$ 2,830,793,567	$ 1,808,945,295	$ 4,639,738,862

Component Units

Higher Education Institution Bonds

Higher Education Institution Bonds are comprised of both 9(c) general obligation bonds and 9(d) revenue bonds. Section 9(d) bonds are from several sources as shown on the following schedule (dollars in thousands).

College and university bonds backed by pledge of general revenue or revenue from specific revenue-producing capital projects	$ 3,856,909
College and university debt backed exclusively by pledged revenues of an institution	631,934
Total Higher Education Institution 9(d) debt	$ 4,488,843

The interest rates for these bonds range from 0.7 percent to 5.3 percent and the issuance dates range from April 15, 2009, to April 18, 2024. The Virginia Commonwealth University Health System Authority (a blended component unit of the Virginia Commonwealth University – nonmajor) Series 2024B bonds are variable rate bonds and the rates are reset weekly by the remarketing agent.

The following schedules detail the annual funding requirements necessary to amortize Higher Education Institution 9(c) and 9(d) bonds. Pursuant to the American Recovery and Reinvestment Act, the Commonwealth expects to receive an interest subsidy to reimburse interest payments of $145.8 million for Build America Bonds (BABs) issued. The BABs are applicable to General Obligation Series 2010A Bonds, Series 2010B 21st Century Virginia College Building Authority Education Facilities Bonds, and the University of Virginia's Series 2009 and 2010 General Revenue Bonds. Virginia Commonwealth University (nonmajor component unit) and Virginia Commonwealth University Health System Authority (blended component unit of Virginia Commonwealth University - nonmajor component unit) (VCUHSA) have Direct Placement Bond Series. The VCUHSA bonds include event of default provisions that could change the timing of repayment of the outstanding amounts to become immediately due.

9(c) HIGHER EDUCATION INSTITUTION BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 73,740,000	$ 33,167,711	$ 106,907,711
2026	76,530,000	29,458,902	105,988,902
2027	74,075,000	26,276,872	100,351,872
2028	70,320,000	23,142,152	93,462,152
2029	67,190,000	20,394,427	87,584,427
2030-2034	283,940,000	66,635,769	350,575,769
2035-2039	153,095,000	27,163,556	180,258,556
2040-2044	55,660,000	8,245,260	63,905,260
2045-2049	7,340,000	2,420,075	9,760,075
2050-2054	5,315,000	540,250	5,855,250
Add:			
Unamortized Premium	62,239,787	—	62,239,787
Total	$ 929,444,787	$ 237,444,974	$ 1,166,889,761

9(d) HIGHER EDUCATION INSTITUTION BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest (1)	Total
2025	$ 17,630,000	$ 159,105,429	$ 176,735,429
2026	19,845,000	158,320,479	178,165,479
2027	28,780,000	157,349,767	186,129,767
2028	30,445,000	156,254,462	186,699,462
2029	36,770,000	155,198,841	191,968,841
2030-2034	229,735,000	753,405,413	983,140,413
2035-2039	288,530,000	707,932,192	996,462,192
2040-2044	797,870,000	542,816,248	1,340,686,248
2045-2049	607,870,000	394,204,908	1,002,074,908
2050-2054	1,424,320,000	200,014,724	1,624,334,724
2055-2059	114,450,000	120,657,500	235,107,500
2060-2064	—	119,157,500	119,157,500
2065-2069	—	119,157,500	119,157,500
2070-2074	—	119,157,500	119,157,500
2075-2079	—	119,157,500	119,157,500
2080-2084	—	119,157,500	119,157,500
2085-2089	—	119,157,500	119,157,500
2090-2094	—	119,157,500	119,157,500
2095-2099	—	119,157,500	119,157,500
2100-2104	—	119,157,500	119,157,500
2105-2109	—	119,157,500	119,157,500
2110-2114	—	119,157,500	119,157,500
2115-2119	300,000,000	100,352,000	400,352,000
2120-2124	350,000,000	5,647,250	355,647,250
Add:			
Unamortized Premium	92,215,359	—	92,215,359
Total	$ 4,338,460,359	$ 4,921,991,713	$ 9,260,452,072

Note (1): The future interest requirements exclude any net Payments associated with hedging derivative instruments. See Note 15 for more details on hedging derivative instruments.

9(d) HIGHER EDUCATION INSTITUTION DIRECT PLACEMENT BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 13,656,169	$ 3,907,152	$ 17,563,321
2026	13,526,056	3,621,882	17,147,938
2027	12,831,518	3,339,519	16,171,037
2028	13,197,903	3,092,852	16,290,755
2029	13,590,223	2,838,658	16,428,881
2030-2034	36,669,885	11,215,022	47,884,907
2035-2039	19,731,453	7,774,149	27,505,602
2040-2044	19,975,000	3,575,526	23,550,526
2045-2049	7,205,000	702,997	7,907,997
Total	$ 150,383,207	$ 40,067,757	$ 190,450,964

9(d) VIRGINIA COLLEGE BUILDING AUTHORITY BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 411,750,000	$ 223,300,978	$ 635,050,978
2026	405,570,000	212,379,518	617,949,518
2027	399,155,000	194,557,558	593,712,558
2028	400,395,000	176,931,618	577,326,618
2029	390,840,000	157,999,364	548,839,364
2030-2034	1,624,900,000	539,539,317	2,164,439,317
2035-2039	1,093,050,000	243,996,728	1,337,046,728
2040-2044	539,735,000	56,507,498	596,242,498
Add:			
Unamortized Premium	607,007,362	—	607,007,362
Total	$ 5,872,402,362	$ 1,805,212,579	$ 7,677,614,941

Various higher education institutions' foundations (component units) and a museum foundation (component unit) have bonds outstanding as of year-end. The purpose of a majority of these bonds is for construction, property acquisition, and defeasance of prior debt. The following schedule details the future principal payments.

FOUNDATIONS' BONDS (1) Debt Service Requirements to Maturity	
Maturity	Principal
2025	$ 38,601,551
2026	40,948,904
2027	39,789,079
2028	61,492,222
2029	45,264,940
Thereafter	706,835,897
Total	$ 932,932,593

Note (1): Foundations represent FASB reporting entities defined in Note 1.B.

Virginia Port Authority

The Virginia Port Authority (nonmajor) has issued Section 9(d) revenue bonds and notes pursuant to powers provided to its Board of Commissioners by the *Code of Virginia.* The interest rates for these bonds range from 0.7 percent to 5.3 percent, and the issuance dates range from January 25, 2012, to May 11, 2023. The following schedule details the annual funding requirements necessary to amortize these bonds.

9(d) VIRGINIA PORT AUTHORITY DEBT
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 18,610,000	$ 23,945,442	$ 42,555,442
2026	19,275,000	23,261,386	42,536,386
2027	19,980,000	22,535,539	42,515,539
2028	20,725,000	21,767,026	42,492,026
2029	22,755,000	21,025,190	43,780,190
2030-2034	104,500,000	94,062,542	198,562,542
2035-2039	109,375,000	72,064,055	181,439,055
2040-2044	135,840,000	46,220,970	182,060,970
2045-2049	116,555,000	12,998,154	129,553,154
Add:			
Unamortized Premium	37,989,339	—	37,989,339
Total	$ 605,604,339	$ 337,880,304	$ 943,484,643

Virginia Housing Development Authority

The Virginia Housing Development Authority (major) issued Section 9(d) revenue bonds. The interest rates for these bonds range from 2.1 percent to 6.6 percent and the issuance dates range from June 8, 2006, to June 18, 2024. The following schedule details the annual funding requirements necessary to amortize these bonds. VHDA has an option to redeem various bonds pursuant the terms of each bond issue. The redemptions generally cannot be exercised without condition until the bonds have been outstanding for nine years or more.

9(d) VIRGINIA HOUSING DEVELOPMENT AUTHORITY BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 183,081,310	$ 220,823,518	$ 403,904,828
2026	279,400,000	213,624,947	493,024,947
2027	149,015,000	205,114,970	354,129,970
2028	162,400,000	200,651,325	363,051,325
2029	217,430,000	195,088,988	412,518,988
2030-2034	745,086,431	894,405,337	1,639,491,768
2035-2039	796,970,030	759,254,065	1,556,224,095
2040-2044	1,029,819,446	591,961,610	1,621,781,056
2045-2049	893,333,766	402,258,324	1,295,592,090
2050-2054	1,117,858,255	208,672,196	1,326,530,451
2055-2059	314,960,000	63,677,190	378,637,190
2060-2064	120,555,000	26,147,708	146,702,708
2065-2069	48,975,000	3,322,122	52,297,122
Less:			
Unamortized Discount	(888,202)		(888,202)
Total	$ 6,057,996,036	$ 3,985,002,300	$ 10,042,998,336

9(d) VIRGINIA HOUSING DEVELOPMENT AUTHORITY DIRECT PLACEMENT BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 7,930,000	$ 8,083,470	$ 16,013,470
2026	8,210,000	7,770,205	15,980,205
2027	8,490,000	7,445,935	15,935,935
2028	8,780,000	7,110,661	15,890,661
2029	9,085,000	6,763,702	15,848,702
2030-2034	50,355,000	28,178,927	78,533,927
2035-2039	59,675,000	17,514,097	77,189,097
2040-2044	55,640,000	5,009,526	60,649,526
Total	$ 208,165,000	$ 87,876,523	$ 296,041,523

Virginia Resources Authority

The Virginia Resources Authority (major) issued Section 9(d) revenue bonds. The interest rates for these bonds range from 0.2 percent to 6.3 percent and the issuance dates range from July 31, 2002, to May 15, 2024. The following schedule details the annual funding requirements necessary to amortize these bonds.

9(d) VIRGINIA RESOURCES AUTHORITY BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 190,845,000	$ 110,269,904	$ 301,114,904
2026	196,525,000	102,471,379	298,996,379
2027	208,150,000	93,925,451	302,075,451
2028	209,340,000	85,375,088	294,715,088
2029	209,580,000	77,006,995	286,586,995
2030-2034	836,955,000	278,720,687	1,115,675,687
2035-2039	589,885,000	151,906,632	741,791,632
2040-2044	350,580,000	66,018,960	416,598,960
2045-2049	128,060,000	23,511,336	151,571,336
2050-2054	54,805,000	7,098,256	61,903,256
2055-2059	8,435,000	193,113	8,628,113
Less: Unaccreted Capital Appreciation Bonds	(1,931,475)	—	(1,931,475)
Add: Unamortized Premium	178,486,277		178,486,277
Total	$ 3,159,714,802	$ 996,497,801	$ 4,156,212,603

9(d) VIRGINIA RESOURCES AUTHORITY BONDS DIRECT PLACEMENT BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 3,520,000	$ 2,806,032	$ 6,326,032
2026	3,635,000	2,692,268	6,327,268
2027	3,750,000	2,574,846	6,324,846
2028	3,870,000	2,453,688	6,323,688
2029	3,990,000	2,328,714	6,318,714
2030-2034	21,950,000	9,525,065	31,475,065
2035-2039	25,665,000	5,847,146	31,512,146
2040-2044	23,620,000	1,531,647	25,151,647
Total	$ 90,000,000	$ 29,759,406	$ 119,759,406

Virginia Public School Authority

The Virginia Public School Authority (major) issued Section 9(d) revenue bonds. The interest rates for these bonds range from 0.0 percent to 5.5 percent, and the issuance dates range from November 13, 2009, to May 14, 2024. The following schedules detail the annual funding requirements necessary to amortize these bonds. Pursuant to the American Recovery and Reinvestment Act, the Commonwealth expects to receive an interest subsidy to reimburse interest payments of $65.3 million for Qualified School Construction Bonds (QSCBs) issued. The QSCBs are applicable to Series 2010-1, 2011-1, 2011-2, and 2012-1 Revenue Bonds. VPSA's 2014-1 QZAB Bond Series shall bear interest at the default rate, payable on demand by the owner of the Bonds.

9(d) VIRGINIA PUBLIC SCHOOL AUTHORITY BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 279,085,000	$ 142,224,231	$ 421,309,231
2026	275,505,000	130,287,519	405,792,519
2027	465,170,000	118,794,439	583,964,439
2028	250,745,000	100,917,320	351,662,320
2029	239,230,000	90,503,521	329,733,521
2030-2034	1,095,410,000	308,691,138	1,404,101,138
2035-2039	718,050,000	149,553,498	867,603,498
2040-2044	360,805,000	56,992,157	417,797,157
2045-2049	96,060,000	18,863,660	114,923,660
2050-2054	47,110,000	3,204,813	50,314,813
Add: Unamortized Premium	84,514,205	—	84,514,205
Total	$ 3,911,684,205	$ 1,120,032,296	$ 5,031,716,501

9(d) VIRGINIA PUBLIC SCHOOL AUTHORITY DIRECT PLACEMENT BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 7,871,000	$ 2,139,851	$ 10,010,851
2026	4,105,000	2,023,571	6,128,571
2027	4,160,000	1,905,795	6,065,795
2028	4,215,000	1,786,451	6,001,451
2029	4,270,000	1,665,540	5,935,540
2030-2034	24,610,000	6,455,108	31,065,108
2035-2039	23,940,000	3,166,208	27,106,208
2040-2044	10,105,000	289,204	10,394,204
Total	$ 83,276,000	$ 19,431,728	$ 102,707,728

Hampton Roads Sanitation District Commission

The Hampton Roads Sanitation District Commission (nonmajor) issues revenue bonds for various capital improvements including, but not limited to, wastewater treatment plants and interceptor system improvements. Bond issue dates range from March 17, 2016 to May 23, 2024. The interest cost for these bonds range from 1.0 percent to 5.0 percent. The following schedule details the annual funding requirements necessary to amortize these bonds. The fiscal year 2024 principal amount includes $50.0 million for demand bonds, which are also classified as "due within one year" in the accompanying financial statements.

HAMPTON ROADS SANITATION DISTRICT COMMISSION
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2025	$ 100,044,000	$ 26,817,000	$ 126,861,000
2026	51,039,000	25,633,000	76,672,000
2027	52,266,000	24,292,000	76,558,000
2028	50,195,000	22,937,000	73,132,000
2029	51,557,000	24,846,000	76,403,000
2030-2034	261,382,000	102,271,000	363,653,000
2035-2039	233,797,000	67,222,000	301,019,000
2040-2044	100,757,000	43,815,000	144,572,000
2045-2049	44,498,000	31,698,000	76,196,000
2050-2054	130,303,000	21,364,000	151,667,000
2055-2059	196,604,000	8,578,000	205,182,000
2060-2064	21,882,000	208,000	22,090,000
Add: Unamortized Premium	23,122,000	—	23,122,000
Total	$ 1,317,446,000	$ 399,681,000	$ 1,717,127,000

Total principal outstanding as of June 30, 2024, on all component unit bonds amounted to $27.7 billion.

The following schedule summarizes the changes in long-term liabilities:

(Dollars in Thousands)

Schedule of Changes in Long-term Debt and Obligations (1) (2)

	Balance July 1	Issuances and Other Increases	Retirements and Other Decreases	Subtotal June 30
Primary Government				
Governmental Activities:				
Long-term Debt Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
General Obligation Bonds - 9(b) and 9(c):				
Public Facilities Bonds	$ 154,465	$ 39,510	$ (85,130)	$ 108,845
Parking Facilities Bonds	4,098	—	(953)	3,145
Add: Unamortized Premium	19,205	1,578	(9,126)	11,657
Total General Obligation Bonds	177,768	41,088	(95,209)	123,647
Long-term Debt/Obligations Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Transportation Facilities Bonds	3,380,595	429,779	(699,391)	3,110,983
Virginia Public Building Authority Bonds	3,119,185	388,370	(367,325)	3,140,230
Hampton Roads Transportation Accountability Commission	2,416,379	235,119	—	2,651,498
Add: Unamortized Premium	924,738	107,064	(110,152)	921,650
Accretion on Capital Appreciation Bonds	18,667	1,378	(5,304)	14,741
Less: Unamortized Discount	(57)	57	—	—
Installment Purchase Obligations from Direct Borrowings	88,575	15,661	(14,779)	89,457
Compensated Absences	370,698	253,927	(239,435)	385,190
Long-term Lease Liabilities	422,175	71,042	(42,103)	451,114
Long-term Subscription-Based Information Technology Arrangements	145,101	130,761	(68,874)	206,988
Net Pension Liability*	3,430,433	325,789	—	3,756,222
Net OPEB Liability* (5)	745,003	23,599	—	768,602
Total OPEB Liability* (5)	198,865	—	(7,836)	191,029
Pollution Remediation Obligations	8,171	273	(4,329)	4,115
Other	23,103	3,789	(3,317)	23,575
Total Long-term Debt/Obligations Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth	15,291,631	1,986,608	(1,562,845)	15,715,394
Total Governmental Activities	15,469,399	2,027,696	(1,658,054)	15,839,041
Business-type Activities:				
Long-term Debt/Obligations Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Compensated Absences	15,244	3,962	(4,124)	15,082
Long-term Lease Liabilities	202,663	29,210	(27,614)	204,259
Long-term Subscription-Based Information Technology Arrangements	207,239	10,182	(14,312)	203,109
Net Pension Liability*	132,815	16,787	—	149,602
Net OPEB Liability* (5)	23,259	539	—	23,798
Total OPEB Liability* (5)	8,573	—	(68)	8,505
Lottery Prizes Payable	198,128	—	(5,406)	192,722
Educational Benefits Payable	1,384,699	97,405	(180,323)	1,301,781
Total Business-type Activities	2,172,620	158,085	(231,847)	2,098,858
Total Primary Government	$ 17,642,019	$ 2,185,781	$ (1,889,901)	$ 17,937,899

*Net increase/decrease is shown.

Foundations (4)	Balance June 30	Due Within One Year
$ —	$ 108,845	$ 35,705
—	3,145	575
—	11,657	—
—	123,647	36,280
—	3,110,983	217,954
—	3,140,230	234,485
—	2,651,498	—
—	921,650	—
—	14,741	—
—	—	—
—	89,457	15,866
—	385,190	237,044
—	451,114	41,711
—	206,988	49,205
—	3,756,222	—
—	768,602	6,229
—	191,029	15,168
—	4,115	2,059
—	23,575	2,200
—	15,715,394	821,921
—	15,839,041	858,201
—	15,082	12,728
—	204,259	21,770
—	203,109	12,621
—	149,602	—
—	23,798	51
—	8,505	631
—	192,722	13,109
—	1,301,781	179,762
—	2,098,858	240,672
$ —	$ 17,937,899	$ 1,098,873

Continued on next page

(Dollars in Thousands)

Schedule of Changes in Long-term Debt and Obligations (1) (2)
(Continued from previous page)

	Balance July 1, as restated (3)	Issuances and Other Increases	Retirements and Other Decreases	Subtotal June 30
Component Units				
Long-term Debt Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
General Obligation Bonds - Higher Education 9(c) (6)	$ 940,849	$ 158,160	$ (169,564)	$ 929,445
Long-term Debt/Obligations Not Bearing the Pledge of the Full Faith and Credit of the Commonwealth:				
Bonds (7)	23,103,011	3,772,635	(1,612,339)	25,263,307
Bonds from Direct Placements (7)	671,655	—	(139,831)	531,824
Installment Purchase Obligations from Direct Borrowings	225,249	5,143	(10,163)	220,229
Long-term Lease Liabilities (3)	4,908,822	210,602	(116,107)	5,003,317
Long-term Subscription-Based Information Technology Arrangements (4)	195,412	122,975	(116,746)	201,641
Notes Payable	1,814,266	98,234	(187,269)	1,725,231
Notes Payable from Direct Borrowings	167,559	68,000	(106,891)	128,668
Compensated Absences (4)	407,593	500,610	(484,308)	423,895
Net Pension Liability*	2,065,850	246,636	—	2,312,486
Net OPEB Liability* (6)	691,731	—	(6,041)	685,690
Total OPEB Liability* (6)	176,467	—	(8,805)	167,662
Trust and Annuity Obligations	93,474	2,666	(3,454)	92,686
Other (4)	212,562	93,148	(58,461)	247,249
Total Component Units	$ 35,674,500	$ 5,278,809	$ (3,019,979)	$ 37,933,330

*Net increase/decrease is shown.

Note (1): Pursuant to GASB Statement No. 34, governmental activities include internal service funds. Business-type activities are considered enterprise funds.

Note (2): Payments on bonded debt that pertain to the Commonwealth's governmental activities are made through the debt service funds. Payments for installment purchases, compensated absences, long-term leases, long-term SBITAs, pension, other post-employment benefits, and other obligations that pertain to the Commonwealth's governmental activities are made through the general and all special revenue funds, excluding the Literary Fund (major). Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the total for governmental activities. Enterprise funds, or business-type activities, are self-supporting funds. Accordingly, long-term liabilities are paid from each respective fund.

Note (3): Component Unit Long-term Lease Liabilities has been restated because of an understatement of $2.9 million and an overstatement of $10.8 million that was offset by an overstatement of a lease asset for $10.8 as a result of prior year corrections.

Note (4): Component Unit Compensated Absences, Long-term Subscription-Based Information Technology Arrangements, and Other have been restated because of overstatements in the amounts of $11.8 million, $14.4 million, and $24.7 million as a result of prior year corrections.

Note (5): Foundations represent FASB reporting entities defined in Note 1.B.

Note (6): The Net OPEB Liability amount reported as due within one year pertains to the Commonwealth's Line of Duty (LODA) OPEB plan because the ending fiduciary net position is less than the benefit payments expected to be paid within one year. The Total OPEB Liability amount reported as due within one year represents the benefit payments expected to be paid within one year from the Pre-Medicare Retiree Healthcare (PMRH) OPEB plan. This plan does not have a trust.

Note (7): Amounts are net of any unamortized discounts and premiums.

Foundations (5)	Balance June 30	Due Within One Year
$ —	$ 929,445	$ 73,740
932,933	26,196,240	1,239,647
—	531,824	32,977
—	220,229	8,890
—	5,003,317	95,820
—	201,641	81,356
263,270	1,988,501	311,490
—	128,668	939
36,289	460,184	345,352
—	2,312,486	—
—	685,690	310
—	167,662	12,097
84,037	176,723	2,405
326,525	573,774	54,769
$ 1,643,054	$ 39,576,384	$ 2,259,792

Bond and Note Defeasance

GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2024, there were $175.6 million in bonds from the primary government that have been refunded and defeased in-substance from the governmental activities column by placing existing assets and the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments. In addition, there were $948.1 million in bonds and notes outstanding considered defeased from the component units.

Primary Government

In October 2023, the Commonwealth Transportation Board of the Commonwealth of Virginia did an in-substance full defeasance of $6.4 million of the Route 28 Project Transportation Contract Revenue Refunding Bonds, Series 2012 along with $1.4 million of unamortized bond premium. VDOT used current resources for the defeasance and no new debt was issued. VDOT recognized economic gain of $67,241 on the defeasance. None of the defeased bonds are outstanding at year end.

In March 2024, the Commonwealth issued $118.1 million of General Obligation Refunding Bonds, Series 2024B, pursuant to Sections 9(c) of Article X of the Constitution of Virginia, with a true interest cost (TIC) of 2.6 percent to refund $126.4 million of certain outstanding bonds. The bonds that were refunded include Series 2013A, 2013B, and 2014A. The net proceeds from the sale of the Refunding Bonds of $127.3 million (after payment of underwriter's fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service and redemption premiums on the Refunded Bonds. The debt defeasance resulted in an accounting gain of $5.9 million. It will reduce total debt service payments over the next 11 years by $4.9 million resulting in an economic gain of $4.4 million discounted at the rate of 2.9 percent.

In March 2024, the Commonwealth Transportation Board of the Commonwealth of Virginia issued $414.8 million in Commonwealth of Virginia Transportation Capital Projects Revenue Refunding Bonds Series 2024 with interest rate of 5.0 percent to refund the outstanding Commonwealth of Virginia Transportation Capital Projects Revenue Bonds Series 2010A and Series 2014. The net proceeds from the sale of the Refunding Bonds of $476.2 million (after payment of underwriter's fees and other issuance costs) were deposited to an irrevocable trust with an escrow agent to provide future debt service payments on the Refunded Bonds and to pay the costs related to issuance and refunding. As a result, the Refunded Bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The net carrying value of the old debt exceeded the reacquisition price by $8.1 million. The Capital Projects debt defeasance resulted in an accounting gain of $8.1 million. Total debt service requirements were reduced by $36.4 million, resulting in an economic gain of $31.2 million.

In June 2024, the Virginia Public Building Authority (VPBA) issued $136.0 million of Series 2024B Public Facilities Revenue Refunding Bonds with a true interest cost (TIC) of 3.2 percent to refund $143.4 million of outstanding Commonwealth of Virginia Public Facilities Revenue Bonds, Series, 2014A and 2014C. The net proceeds from the sale of the Refunding Bonds of $144.9 million (after payment of underwriter’s fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service and redemption premiums on the Refunded Bonds. The debt defeasance resulted in an accounting gain of $7.3 million. It will also reduce total debt service payments over the next 11 years by $4.3 million resulting in an economic gain of $3.8 million discounted at the rate of 3.3 percent.

Component Units

In April 2024, Virginia Commonwealth University Health System Authority (a blended component unit of the VCU- nonmajor) issued $110.3 million of General Revenue Refunding Bonds, Series 2024B. These bonds were used to refund $109.7 million of General Revenue Refunding Bonds, Series 2013B in June 2024. This was a current refunding. For additional information, see the University's separately issued financial statements, which can be found at the University's website at www.vcu.edu.

In May 2023, the Virginia Port Authority (VPA) (nonmajor) issued $52.7 million of Commonwealth Port Fund Revenue Refunding Bonds, Series 2023B (Non-AMT) to advance refund $59.3 million in principal amount of the Authority's Commonwealth Port Fund Revenue Bonds, Series 2018 (Taxable) issued in the original par amounts of $60.3 million. The net proceeds from the issuance, along with other funds available from the Authority, were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are to be called. At June 30, 2024, $59.0 million of these defeased bonds are still outstanding. For additional information, please see the Authority's website at www.portofvirginia.com.

In May 2024, the Virginia Public School Authority (VPSA) (major) issued $54.6 million of Series 2024A School Financing and Refunding Bonds: $39.7 millon of which was issued to refund $43.2 million of it's 2014C bonds. The net proceeds from the sale of the refunding bonds of $43.6 millon was deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the defeased bonds. This defeasance resulted in an accounting gain of $152,200. Total debt service payments over the next 12 years will be reduced by $1.8 million resulting in a present value savings of $1.5 million discounted at the rate of 3 percent.

In July 2023, the College of William and Mary (nonmajor) used proceeds from a PPP agreement to defease $1.5 million of the outstanding Virginia College Building Authority (VCBA) (major) Educational Facilities Revenue Refunding Bonds, Series 2014B and 2016B.

Arbitrage Rebate

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt calculate and rebate arbitrage earnings to the Federal government. The U.S. Treasury has issued regulations on calculating the rebate amount and complying with the provisions of the Tax Reform Act of 1986. Governmental issuers must comply with the rebate regulations in order for their bonds to maintain tax-exempt status. The regulations require earnings on investments purchased with bond proceeds in excess of the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, be subject to rebate to the Federal government. Income earned on excess earnings is also subject to rebate. Rebate liability, if any, must be paid every five years over the life of the bonds. Governmental issuers may at the time of issuance elect to pay a penalty in lieu of rebate. Bonds may be exempt from the rebate requirements if they qualify for certain exceptions under the regulations. If the issuer meets one of the exceptions, the issuer retains any arbitrage earnings. Rebate and penalty payments are calculated and paid as required by law on bond issues that do not qualify for an exception.

Rebate liability on bonds issued by the Commonwealth Transportation Board (Primary Government) is payable from earnings on related bond funds and from the Transportation Trust Fund. During fiscal year 2024, an arbitrage rebate calculation for Commonwealth Transportation Board, Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2018 identified a yield reduction payment of $11,841 due to the Federal government as of the first installment computation period ending September 15, 2023. The liability was paid in fiscal year 2024, by the Commonwealth Transportation Board from the related earnings of the Series 2018 bond proceeds.

Rebate liability on bonds of the Virginia Public Building Authority (nonmajor governmental fund) issued under its Public Facilities Revenue Bond Program is payable from earnings on related bond funds and funds of the Commonwealth. During fiscal year 2024, an arbitrage rebate calculation for the Virginia Public Building Authority's Public Facilities Revenue Bonds, Series 2022A identified that an arbitrage rebate liability had accrued and that a payment of $9.3 million was due to the Federal government in fiscal year 2024. The liability was paid in fiscal year 2024 by the Virginia Public Building Authority from the related earnings of the Series 2022A bond proceeds.

Rebate liability on bonds of the VPSA (major component unit) issued under its Pooled Bond Programs is payable from earnings on related bond funds and from local issuers whose local school bonds were purchased by the VPSA. During fiscal year 2024, no rebate payments were owed on VPSA bonds issued under its Pooled Bonds Programs. Rebate liability on notes of the VPSA issued under its School Technology and Security Notes Program is payable from earnings on related note funds and funds of the Commonwealth. During fiscal year 2024, a final arbitrage rebate calculation for VPSA's School Technology and Security Notes, Series VII identified an arbitrage rebate liability payment of $315,261 due to the Federal government in fiscal year 2024. The liability was paid in fiscal year 2024 by the VPSA. The Virginia Department of Education reimbursed the VPSA in fiscal year 2024.

Rebatable arbitrage need only be calculated for tax purposes every fifth year that debt is outstanding. Consistent with the modified accrual basis of accounting, it is not recognized as a liability in governmental funds until amounts actually become due and payable; however, a liability is recognized in accrual basis government-wide statements as soon as the underlying event has occurred. Accordingly, as of June 30, 2024, the Virginia Resources Authority (Major component unit) has recognized a liability of $2.7 million.

Amounts remitted to the Federal government for rebate liability are generally paid from earnings derived from the issue. However, if all proceeds have been expended and depending on the type of issue, it may be necessary to use project revenues or general or non-general fund appropriations to satisfy any rebate liability. During fiscal year 2024, no rebate payments were owed on the Commonwealth's Virginia College Building Authority 21st Century or Pooled Bond Programs or the bonds of the Virginia Port Authority.

Long-term Leases

The Commonwealth leases buildings, equipment, and land under various agreements that are accounted for as long-term leases under GASB Statement No. 87, *Leases*. The lease agreements are for various terms and all leases contain nonappropriation clauses indicating that continuation of the lease is subject to funding by the General Assembly. The Commonwealth has recorded $26.8 million of variable payments for leases. These amounts are recognized as an expense in the period in which the obligation for those payments is incurred.

Presented in the following tables are repayment schedules for long-term lease liabilities as of June 30, 2024.

Long-term Lease Liabilities
Governmental Funds
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 41,711,108	$ 32,916,226	$ 74,627,334
2026	37,310,171	30,308,946	67,619,117
2027	30,314,576	27,988,831	58,303,407
2028	26,437,654	25,923,634	52,361,288
2029	24,978,133	23,913,769	48,891,902
2030-2034	123,851,647	91,050,023	214,901,670
2035-2039	104,050,749	43,855,382	147,906,131
2040-2044	49,050,958	12,347,239	61,398,197
2045-2049	7,983,740	2,526,498	10,510,238
2050-2054	3,598,988	637,729	4,236,717
2055-2059	920,768	222,811	1,143,579
2060-2064	905,288	76,173	981,461
Total	$ 451,113,780	$291,767,261	$ 742,881,041

Long-term Lease Liabilities
Business-type Activities
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 21,770,404	$ 8,716,416	$ 30,486,820
2026	20,514,861	7,875,655	28,390,516
2027	18,548,169	7,088,616	25,636,785
2028	16,644,541	6,349,616	22,994,157
2029	15,502,967	5,668,017	21,170,984
2030-2034	66,391,186	20,817,642	87,208,828
2035-2039	33,856,989	7,124,492	40,981,481
2040-2044	11,029,772	1,219,934	12,249,706
Total	$ 204,258,889	$ 64,860,388	$ 269,119,277

Long-term Lease Liabilities
Component Units
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 95,819,815	$ 180,901,021	$ 276,720,836
2026	2,035,323	177,912,589	179,947,912
2027	41,851,420	176,135,877	217,987,297
2028	38,411,835	174,525,572	212,937,407
2029	33,851,813	172,919,588	206,771,401
2030-2034	92,393,284	846,206,599	938,599,883
2035-2039	41,076,065	832,946,086	874,022,151
2040-2044	203,410,292	807,585,020	1,010,995,312
2045-2049	418,401,060	749,552,882	1,167,953,942
2050-2054	704,861,519	647,143,110	1,352,004,629
2055-2059	1,065,919,265	491,607,831	1,557,527,096
2060-2064	1,586,077,192	265,246,535	1,851,323,727
2065-2069	679,208,390	20,735,569	699,943,959
Total	$ 5,003,317,273	$ 5,543,418,279	$10,546,735,552

Long-term Subscription-Based Information Technology Arrangements

The Commonwealth has entered into contractual agreements with various vendors that convey control of the right-to-use another entity's IT asset, alone, or in conjunction with a tangible capital asset in an exchange or exchange-like transaction under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The Commonwealth has a variety of variable payment clauses within its SBITAs, including variable payments based on future performance, usage of the underlying asset, number of software licenses, or hours of access necessary. Such amounts are recognized as an expense in the period in which the obligation for those payments is incurred. During the year, the Commonwealth recorded $18.8 million for variable payments related to a SBITA.

Presented in the following tables are repayment schedules for long-term SBITA liabilities as of June 30, 2024.

Long-term Subscription-Based Information Technology Arrangements
Governmental Funds
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 49,204,538	$ 10,636,689	$ 59,841,227
2026	36,520,349	7,749,774	44,270,123
2027	26,827,049	5,759,933	32,586,982
2028	20,924,162	4,254,662	25,178,824
2029	13,189,040	3,432,996	16,622,036
2030-2034	58,704,316	5,978,668	64,682,984
2035-2039	243,927	424,698	668,625
2040-2044	337,485	331,140	668,625
2045-2049	345,411	203,215	548,626
2050-2054	691,556	193,144	884,700
Total	$ 206,987,833	$ 38,964,919	$ 245,952,752

Long-term Subscription-Based Information Technology Arrangements
Business-type Activities
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 12,620,838	$ 7,082,498	$ 19,703,336
2026	12,334,812	6,477,203	18,812,015
2027	10,706,250	5,898,953	16,605,203
2028	9,978,098	5,421,383	15,399,481
2029	9,689,196	5,018,413	14,707,609
2030-2034	46,919,748	19,948,597	66,868,345
2035-2039	55,923,311	11,776,689	67,700,000
2040-2044	44,936,827	2,463,172	47,399,999
Total	$ 203,109,080	$ 64,086,908	$ 267,195,988

Long-term Subscription-Based Information Technology Arrangements
Component Units
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 81,356,138	$ 6,778,126	$ 88,134,264
2026	63,066,880	4,504,476	67,571,356
2027	27,618,074	2,232,789	29,850,863
2028	13,681,049	1,197,672	14,878,721
2029	8,303,496	683,262	8,986,758
2030-2034	7,579,998	406,077	7,986,075
2035-2039	22,384	9,615	31,999
2040-2044	12,492	1,474	13,966
Total	$ 201,640,511	$ 15,813,491	$ 217,454,002

Notes Payable

Notes Payable consist of several items as shown in the following schedule (dollars in thousands):

Primary Government	
Installment Notes from Direct Borrowings	$ 89,457
Total Primary Government	89,457
Component Units	
Virginia Public School Authority	195,335
Nonmajor Component Units	1,529,896
Nonmajor Component Units from Direct Borrowings	128,668
Installment Notes from Direct Borrowings	220,229
Subtotal (excluding Foundations)	2,074,128
Foundations:	
Notes Payable	263,270
Subtotal - Foundations	263,270
Total Component Units	2,337,398
Total Notes Payable	$ 2,426,855

The Virginia Public School Authority (major component unit) notes of $195.3 million are for the School Technology and Security Notes Program. The note proceeds were used to finance technology equipment purchases and to make grants to school divisions for the purchase of security equipment. The notes will be repaid from appropriations to be made by the Virginia General Assembly from the Literary Fund (major special revenue).

An additional amount of $1.5 billion is comprised primarily of higher education institutions' (nonmajor component units) promissory notes with the Virginia College Building Authority (VCBA) (major component unit) to finance the construction of various higher education facilities pursuant to the Pooled Bond Program. Interest rates range from 0.5 percent to 5.6 percent and shall be paid semi-annually and the planned interest payments total $376.6 million. Additionally, in accordance with the American Recovery and Reinvestment Act, the Commonwealth expects to receive a Build America Bonds (BABs) interest subsidy to reimburse interest payments of $11.6 million. The final principal payment is due in fiscal year 2054.

University of Virginia (nonmajor), Virginia Commonwealth University Health System Authority (Authority) (a blended component unit of the Virginia Commonwealth University – nonmajor component unit), and George Mason University (nonmajor) reported notes payable of $599,050, $60.1 million, and $68.0 million, respectively. For additional information pertaining to these direct borrowings, refer to the separately issued financial statements. In addition, the Hampton Roads Sanitation District Commission (nonmajor component unit) reported notes payable of $100.0 million.

Various foundations (nonmajor component units) have notes outstanding as of year-end. The purpose of a majority of these notes is for property acquisition, working capital, and construction. Future principal payments as of June 30, 2024, are shown in the following table (dollars in thousands).

Foundations' Notes Payable
(Component Units) (1)

Maturity	Principal
2025	$ 32,870
2026	19,776
2027	12,164
2028	15,833
2029	15,369
Thereafter	167,258
Total	$ 263,270

Installment purchase obligations have been entered into by agencies and institutions of the Commonwealth. These agreements, other than those in the component units and certain institutions of higher education, contain nonappropriation clauses indicating that continuation of the installment purchase obligations is subject to funding by the General Assembly. Installment purchase obligations represent $309.7 million of the total outstanding debt of the Commonwealth. Presented in the following tables are repayment schedules for installment purchase obligations as of June 30, 2024.

Installment Purchase Obligations from Direct Borrowings
Governmental Funds
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 15,866,095	$ 2,138,759	$ 18,004,854
2026	15,358,848	1,767,141	17,125,989
2027	13,754,975	1,407,367	15,162,342
2028	10,221,571	1,084,927	11,306,498
2029	8,799,277	826,293	9,625,570
2030-2034	22,695,769	1,603,587	24,299,356
2035-2039	2,760,092	84,955	2,845,047
Total	$ 89,456,627	$ 8,913,029	$ 98,369,656

Installment Purchase Obligations from Direct Borrowings
Component Units
June 30, 2024

Maturity	Principal	Interest	Total
2025	$ 8,889,918	$ 10,351,028	$ 19,240,946
2026	(240,556)	10,401,839	10,161,283
2027	4,660,123	10,447,025	15,107,148
2028	5,240,062	10,435,163	15,675,225
2029	4,881,800	10,410,308	15,292,108
2030-2034	11,502,878	52,383,061	63,885,939
2035-2039	(5,718,238)	54,362,131	48,643,893
2040-2044	(2,058,257)	56,421,371	54,363,114
2045-2049	6,700,642	56,123,888	62,824,530
2050-2054	22,763,866	52,000,944	74,764,810
2055-2059	46,974,521	42,037,314	89,011,835
2060-2064	82,579,224	23,394,517	105,973,741
2065-2069	34,053,379	1,620,513	35,673,892
Total	$ 220,229,362	$ 390,389,102	$ 610,618,464

The foundations (nonmajor component units) had no installment purchase obligations as of June 30, 2024.

On May 23, 2016, the Virginia Department of Transportation (VDOT) (primary government) and Chesterfield County (County) signed a memorandum of understanding concerning payment of interest relating to the County's contribution to VDOT for the construction of the Powhite Parkway Extension Project. The parties agreed that the interest to be paid by VDOT on the County's contribution to the construction of the Powhite Parkway Extension is $18.5 million. The interest requirement paid during fiscal year 2024 totaled $99,185. There is no interest payable outstanding at June 30, 2024.

Lottery Prizes Payable

Lottery prizes are paid in 20, 25, 26, or 30 installments. The first installment is paid on the day the prize is claimed. The subsequent annual payments are funded with U.S. Treasury STRIPS purchased by the Virginia Lottery. For Life prizes payable represent estimated prizes payable monthly, quarterly or annually for the life of the winner based on life expectancy tables from the Virginia Bureau of Insurance, and funded with a pool of U.S. Treasury STRIPS.

Lottery prizes payable represent the future annual prize payments valued at cost plus accrued interest (current value of securities held to maturity) of the assets funding the payments.

Lottery prizes payable for the fiscal year ended June 30, 2024, are shown in the following table:

	Jackpot	Win For Life	Total
Due within one year	$ 7,144,263	$ 5,964,629	$ 13,108,892
Due in subsequent years	104,489,794	75,122,929	179,612,723
Total (current value)	111,634,057	81,087,558	192,721,615
Add: Interest to Maturity	75,613,942	31,257,442	106,871,384
Lottery Prizes Payable at Maturity	$ 187,247,999	$ 112,345,000	$ 299,592,999

Educational Benefits Payable

The Virginia College Savings Plan administers the Defined Benefit 529 Program, which consists of two savings options: Prepaid529 and Tuition Track Portfolio. Prepaid529 services contracts that provide for full future tuition and mandatory fee payments at Virginia's higher education institutions and differing payouts at private or out-of-state institutions using actuarially determined amounts. Prepaid529 is closed to new contracts. The Tuition Track Portfolio allows for the purchase of units to be redeemed for future tuition costs. The value of a unit is tied to the average tuition inflation rate of Virginia four year institutions.

As of June 30, 2024, educational benefits payable of $1.3 billion have been recorded for the Defined Benefit 529 program on the statement of net position for the actuarially determined present value of future obligations anticipated for payment of benefits and administrative expenses for the Defined Benefit 529 program. In addition, a receivable in the amount of $52.7 million has been recorded to reflect the actuarially determined present value of future payments anticipated from contract holders.

28. OTHER REVENUE

The following table (dollars in thousands) summarizes Other Revenue for the fiscal year ended June 30, 2024.

	Assessments and Receipts for Support of Special Services	Fines, Forfeitures, Court Fees, Penalties, and Escheats	Receipts from Cities, Counties, and Towns	Private Gifts, Grants, and Contracts	Sales of Property
Primary Government:					
General	$ 7,878	$ 261,227	$ 8,358	$ 829	$ 46,403
Major Special Revenue Funds:					
Commonwealth Transportation	21,957	32,297	618,179	15,235	820
Federal Trust	—	31,438	—	—	—
Literary	—	40,295	—	—	—
Nonmajor Governmental Funds	207,781	52,516	81,857	6,685	180,146
Major Enterprise Funds:					
Virginia College Savings Plan	—	—	—	—	—
Nonmajor Enterprise Funds	—	19,931	—	—	—
Internal Service Funds	—	—	—	—	—
Private Purpose Trust Funds	—	—	—	—	—
Pension and Other Employee Benefit Trust Funds	—	—	—	—	—
Custodial Funds - Other	—	—	—	—	—
Total Primary Government	$ 237,616	$ 437,704	$ 708,394	$ 22,749	$ 227,369

	Tobacco Master Settlement	Taxes	Other (1)	Total Other Revenue
Primary Government:				
General	$ 50,822	$ —	$ 167,651	$ 543,168
Major Special Revenue Funds:				
Commonwealth Transportation	—	—	70,956	759,444
Federal Trust	—	—	456,797	488,235
Literary	—	—	—	40,295
Nonmajor Governmental Funds	—	—	748,773	1,277,758
Major Enterprise Funds:				
Virginia College Savings Plan	—	—	66,104	66,104
Nonmajor Enterprise Funds	—	4,393	11,234	35,558
Internal Service Funds	—	—	72	72
Private Purpose Trust Funds	—	—	79	79
Pension and Other Employee Benefit Trust Funds	—	—	3,956	3,956
Custodial Funds - Other	—	—	16,554	16,554
Total Primary Government	$ 50,822	$ 4,393	$ 1,542,176	$ 3,231,223

Note (1): $77,745 (dollars in thousands) and $404,776 (dollars in thousands) are related to prior year expenditures refunded in the current fiscal year for the General Fund and Federal Trust (major special revenue), respectively, and $27,120 (dollars in thousands) is related to localities' share of capital funding for the Washington Metropolitan Area Transit Authority in the Commonwealth Transportation Fund (major special revenue). $236,127 (dollars in thousands) is related to proceeds from unclaimed property in the Unclaimed Property Fund (nonmajor governmental), $185,542 (dollars in thousands) is related to consumer victim restitution settlement, indirect costs, reimbursable employee benefits, proceeds from sale of surplus property, law enforcement services and court collection fees in the Other Special Revenue Fund, $123,980 (dollars in thousands) and $70,657 (dollars in thousands) are related to opioid abatement settlement, welfare activity receipts and prior year expenditures refunded in the current fiscal year for the Health and Social Services Special Revenue Fund, and the remaining $132,461 (dollars in thousands) is related to other miscellaneous activities in the nonmajor governmental funds.

29. TAX ABATEMENTS

GASB Statement No. 77, *Tax Abatements*, requires disclosures to be made for tax abatements. These arise from agreements between the Commonwealth and taxpayers and result in reduced tax revenue when the taxpayer promises to provide economic benefits to the Commonwealth. As of June 30, 2024, the Commonwealth participates in the following tax abatement programs in excess of $1.0 million. There are no provisions for recapturing abated taxes since the requirements must be met prior to receiving the abatement.

- The Retail Sales and Use Tax Data Center Exemptions are intended to attract data centers to the Commonwealth pursuant to Section 58.1-609.3(18) of the *Code of Virginia*. Qualifying entities may purchase or lease certain computer equipment, enabling software and other enabling hardware for use in the data center exempt from the retail sales and use tax. Each recipient's retail sales and use taxes are reduced by being able to purchase qualifying items for use in the data center without having to pay the retail sales and use tax on the purchase price. The amount of the abatement for each recipient is determined by multiplying the purchase price of the qualifying computer equipment, enabling software and other enabling hardware purchased by the recipient by the rate of the retail sales and use tax that would be imposed on the purchase if the exemption was not available. The rate of the retail sales and use tax is 6.0 percent in the Northern Virginia, Hampton Roads, and Central Virginia regions; 7.0 percent in the Historic Triangle region; 6.3 percent in the city of Danville and the counties of Charlotte, Gloucester, Halifax, Henry, Northampton, Patrick, and Pittsylvania; and 5.3 percent in the remainder of the state. The exemption is available for data centers that (i) are located in a Virginia locality; (ii) result in a new capital investment on or after January 1, 2009, of at least $150.0 million; and (iii) result in the creation on or after July 1, 2009, of at least 50 new jobs by the data center operator and the tenants of the data center, collectively, associated with the operation or maintenance of the data center provided that such jobs pay at least one and one-half times the prevailing average wage in that locality. The requirement of at least 50 new jobs is reduced to 10 new jobs if the data center is located in a distressed locality at the time of the execution of a memorandum of understanding with the Virginia Economic Development Partnership Authority (nonmajor component unit). Additionally, the requirement of a $150.0 million capital investment is reduced to $70.0 million for data centers that qualify for the reduced jobs requirement. Effective July 1, 2012, the exemption was extended to purchases and leases made by tenants of a data center that meets the requirements of the data center exemption.

  In order to qualify for the exemption, the data center operator must enter into a memorandum of understanding with the Virginia Economic Development Partnership Authority. The exemption is scheduled to sunset June 30, 2035. The amount of abated taxes for fiscal year 2024 is estimated to be $732.8 million.

- The Motion Picture Production Tax Credit is intended to encourage the filming of motion picture productions in the Commonwealth. Pursuant to Section 58.1-439.12:03 of the *Code of Virginia*, a motion picture production company with qualifying expenses of at least $250,000 may abate its individual income tax or corporate income tax liability by the amount of the Motion Picture Production Tax Credit. The amount of the tax credit is equal to (i) 15.0 percent of the production company's qualifying expenses or (ii) 20.0 percent of such expenses if the production is filmed in an economically distressed area of the Commonwealth. In addition to the credit for the qualifying expenses incurred by a motion picture production company, such company may receive an Additional Virginia Resident Credit and an Additional Virginia Resident First-Time Industry Employee Credit. The Additional Virginia Resident Credit equals (i) 10.0 percent of the total aggregate payroll for Virginia residents employed in connection with the production of a film in Virginia when total production costs in Virginia are at least $250,000, but not more than $1.0 million or (ii) 20.0 percent of the total aggregate payroll of such residents when total production costs in Virginia exceed $1.0 million. The Additional Virginia Resident First-Time Industry Employee Credit is equal to 10.0 percent of the total aggregate payroll for Virginia residents employed for the first time as actors or members of a production crew in connection with the production of a film in Virginia.

  The Motion Picture Production Tax Credit is a refundable tax credit. Therefore, if the amount of credit that a company is allowed to claim exceeds the company's tax liability for the taxable year, the excess amount of credit will be refunded to the company. Companies must have a memorandum of understanding with the Virginia Tourism Authority (nonmajor component unit) in order to participate in this program.

  The credit is scheduled to sunset January 1, 2027. The annual cap on the amount of credits granted for a fiscal year is $6.5 million, and this amount is expected to be claimed annually. While a motion picture production company may receive approval within a given year, the credits may not be claimed by the taxpayer until at the earliest, the filing of a return. The filing of a return often occurs in a fiscal year subsequent to the year during which a credit is granted. In addition, the Virginia Tourism Authority is allowed to issue credits and a taxpayer can claim credits in future fiscal years subject to certain conditions. Because of these timing differences between when tax credits are granted and when they are claimed, the credits claimed in a fiscal year may fluctuate compared to the $6.5

million annual cap. For fiscal year 2024, $15.0 million of income tax was abated.

- The Retail Sales and Use Tax Entitlement to Tax Revenues from Tourism Projects is intended to encourage the development of certain tourism projects by assisting the developer in (i) obtaining gap financing needed to meet a shortfall in project funding between the expected costs of the project and the debt and equity capital provided by the developer and (ii) making payments of principal and interest on the gap financing.

  If the project qualifies for the entitlement, the developer is entitled to an amount equivalent to a one percent state sales tax on transactions taking place on the premises of the tourism project. The entitled sales tax revenues must be applied to payments of principal and interest on the gap financing. The entitlement continues until the gap financing is paid in full.

  Section 58.1-3851.1 of the *Code of Virginia* imposes requirements on both the local government and the developer in order for the project to qualify for the entitlement. The locality must have (i) established a tourism zone pursuant to Section 58.1-3851 of the *Code of Virginia*; (ii) established a tourism plan under the guidelines of the Virginia Tourism Authority; (iii) authorized a tourism project that meets a deficiency identified in the tourism plan; and (iv) dedicated an amount equivalent to a one percent sales tax on transactions taking place on the premises of the tourism project to the payment of principal and interest on the gap financing. The developer must have (i) secured a minimum of 70.0 percent of funding for the project in place through debt or equity; and (ii) entered into a performance agreement with the local economic development authority to pay an access fee equivalent to a one percent sales tax on transactions taking place on the premises of the tourism project to the payment of principal and interest on the gap financing. In order for the project to qualify for the entitlement, the project must be certified by the State Comptroller. The amount of abated taxes for fiscal year 2024 was $1.3 million.

30. PRIZES AND CLAIMS

The following table summarizes Prizes and Claims Expense for the fiscal year ended June 30, 2024.

(Dollars in Thousands)

	Insurance Claims	Lottery Prize Expense	Total Prizes and Claims
Proprietary Funds:			
Major Enterprise Funds:			
Virginia Lottery	$ —	$ 4,225,206	$ 4,225,206
Unemployment Compensation	275,429	—	275,429
Nonmajor Enterprise Funds	553,270	—	553,270
Total Enterprise Funds	$ 828,699	$ 4,225,206	$ 5,053,905
Internal Service Funds	$ 2,016,592	$ —	$ 2,016,592

31. DEPRECIATION AND AMORTIZATION

The following table summarizes Depreciation and Amortization Expense as of June 30, 2024.

(Dollars in Thousands)

	Depreciation	Amortization	Total Depreciation and Amortization
Proprietary Funds:			
Major Enterprise Funds:			
Virginia Lottery	$ 4,628	$ 5,838	$ 10,466
Virginia College Savings Plan	133	1,686	1,819
Nonmajor Enterprise Funds	13,616	39,447	53,063
Total Enterprise Funds	$ 18,377	$ 46,971	$ 65,348
Internal Service Funds	$ 28,339	$ 75,902	$ 104,241

32. OTHER EXPENSES

The following table summarizes Other Expenses for the fiscal year ended June 30, 2024.

(Dollars in Thousands)

	Grants and Distributions To Localities	Expendable Equipment/ Improvements	Other (1)	Total Other Expenses
Proprietary Funds:				
Major Enterprise Funds:				
Virginia College Savings Plan	$ —	$ 330	$ 2,926	$ 3,256
Nonmajor Enterprise Funds	59	1,454	3,192	4,705
Total Enterprise Funds	$ 59	$ 1,784	$ 6,118	$ 7,961
Internal Service Funds	$ 2,040	$ 2,195	$ 27,846	$ 32,081
Fiduciary Funds:				
Pension and Other Employee Benefit Trust Funds (2)	$ —	$ —	$ 3,904	$ 3,904

Note (1): $2,926 (dollars in thousands) can be attributed to the Defined Benefit 529 Program for the SOAR scholarship program, Access and Affordability program, and other promotional scholarships. $26,700 (dollars in thousands) can be attributed to expenses related to insurance program expenses in the Risk Management internal service fund.

Note (2): Fiduciary expenses of $3,904 (dollars in thousands) are not included in the Government-wide Statement of Activities.

33. OTHER NON-OPERATING REVENUE/EXPENSES

The following table summarizes Other Non-Operating Revenue/Expenses for the fiscal year ended June 30, 2024.

(Dollars in Thousands)

	Gain/(Loss) on Sale of Capital Assets	Securities Lending	Interest Expense	Other (1)	Total Other Non-Operating Revenue/ (Expenses)
Proprietary Funds:					
Major Enterprise Funds:					
Virginia Lottery	$ 35	$ (42)	$ (463)	$ 993	$ 523
Virginia College Savings Plan	(50)	(47)	(113)	217	7
Unemployment Compensation	—	—	—	1,119	1,119
Nonmajor Enterprise Funds	(27)	(1,809)	(15,214)	10,776	(6,274)
Total Enterprise Funds	$ (42)	$ (1,898)	$ (15,790)	$ 13,105	$ (4,625)
Internal Service Funds	$ 2,721	$ (3,857)	$ (35,361)	$ 1,031	$ (35,466)

Note (1): Other Non-Operating Revenue/Expenses of the nonmajor enterprise funds are primarily comprised of amounts reported by Alcoholic Beverage Control.

34. TRANSFERS

The following table summarizes Transfers In and Transfers Out for the fiscal year ended June 30, 2024 (dollars in thousands).

	Transfers In (Reported In):								
Transfers Out (Reported In):	**General**	**Commonwealth Transportation**	**Federal Trust**	**Literary**	**Nonmajor Governmental Funds**	**Virginia Lottery**	**Nonmajor Enterprise Funds**	**Internal Service Funds**	**Total Primary Government**
Primary Government									
General	$ —	$ 327,724	$ —	$ —	$ 478,361	$ —	$ —	$ —	$ 806,085
Major Special Revenue Funds:									
Commonwealth Transportation	28,745	—	—	—	539,460	—	—	388	568,593
Federal Trust	—	6,431	—	—	3,956	—	676	—	11,063
Nonmajor Governmental Funds	54,769	130	3,091	200,000	81,913	139	—	—	340,042
Major Enterprise Funds:									
Virginia Lottery	934,099	—	—	20,538	370	—	—	—	955,007
Virginia College Savings Plan	292	—	—	—	—	—	—	—	292
Unemployment Compensation	—	—	3,402	—	—	—	—	—	3,402
Nonmajor Enterprise Funds	253,047	—	—	—	15,212	—	—	—	268,259
Internal Service Funds	1,000	—	—	—	16,864	—	—	—	17,864
Total Primary Government	$ 1,271,952	$ 334,285	$ 6,493	$ 220,538	$ 1,136,136	$ 139	$ 676	$ 388	$ 2,970,607

Transfers are used to (1) move revenues from the fund that the *Code of Virginia* or budget requires to collect them to the fund that the *Code of Virginia* or budget requires to expend them; (2) move receipts restricted for debt service from the funds holding the resources to the debt service fund as principal and interest payments become due; and (3) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

As of June 30, 2024, the transfers executed pursuant to statutory or budgetary requirements are predominantly comprised of transfers of $934.1 million from Virginia Lottery (major enterprise) to the General Fund, a transfer of $252.5 million from the Alcoholic Beverage Control Fund (nonmajor enterprise) to the General Fund, and a transfer of $200.0 million from the Unclaimed Property Fund (nonmajor governmental) to the Literary Fund (major special revenue).

As discussed previously, transfers to move receipts restricted for debt service included a transfer from the General Fund of $404.0 million, a transfer from the Commonwealth Transportation Fund (major special revenue) of $228.4 million, and a transfer from a Capital Project Fund (nonmajor governmental) of $79.4 million.

Transfers for transportation related activities include transfers from the General Fund of $327.7 million to the Commonwealth Transportation Fund (major special revenue) and a transfer from the Commonwealth Transportation Fund to the Capital Project Fund (nonmajor governmental) of $293.1 million.

35. ENDOWMENTS

Donor-restricted endowments reside primarily within the higher education institutions. The net appreciation available for expenditure is $2.3 billion as of June 30, 2024. Of this amount, $3.0 million is reported as unrestricted net position and the remainder is reported as restricted net position. The *Code of Virginia* authorizes acceptance of donations. The governing boards of these entities and the donor agreements determine whether net appreciation can be spent and the accepted spending rate. These policies are entity specific and vary with each institution.

36. CASH FLOWS – ADDITIONAL DETAILED INFORMATION

The following table (dollars in thousands) summarizes specific cash flows for the fiscal year ended June 30, 2024.

	Virginia Lottery	Virginia College Savings Plan	Unemployment Compensation	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows Resulting from:						
Payments for Prizes, Claims, and Loss Control:						
Lottery Prizes	$ (4,246,664)	$ —	$ —	$ —	$ (4,246,664)	$ —
Claims and Loss Control	—	—	(264,100)	(562,202)	(826,302)	(1,928,873)
Total	$ (4,246,664)	$ —	$ (264,100)	$ (562,202)	$ (5,072,966)	$ (1,928,873)
Other Operating Revenue:						
Other Operating Revenue	$ —	$ 4	$ —	$ 8,894	$ 8,898	$ 82
Total	$ —	$ 4	$ —	$ 8,894	$ 8,898	$ 82
Other Operating Expense:						
Other Operating Expenses (1)	$ —	$ (2,926)	$ —	$ (36,812)	$ (39,738)	$ (31,631)
Total	$ —	$ (2,926)	$ —	$ (36,812)	$ (39,738)	$ (31,631)
Other Noncapital Financing Receipt Activities:						
Advances/Contributions from the Commonwealth	$ —	$ 2,000	$ —	$ 54,755	$ 56,755	$ 1,668
Receipts from Taxes	—	—	—	352,967	352,967	—
Lost Wages Assistance Receipts	—	—	1,119	—	1,119	—
Games of Skill Proceeds, Retail Applications, and Rents	994	—	—	—	994	—
Interest	—	—	—	—	—	—
Total	$ 994	$ 2,000	$ 1,119	$ 407,722	$ 411,835	$ 1,668
Other Noncapital Financing Disbursement Activities:						
Repayments of Advances/Contributions from the Commonwealth	$ —	$ —	$ —	$ (58,007)	$ (58,007)	$ (25,173)
Other Noncapital Financing Disbursement Activities	—	—	—	(340)	(340)	(400)
Total	$ —	$ —	$ —	$ (58,347)	$ (58,347)	$ (25,573)
Other Capital and Related Financing Receipt Activities:						
Interest	$ —	$ —	$ —	$ 1,587	$ 1,587	$ —
Total	$ —	$ —	$ —	$ 1,587	$ 1,587	$ —

Note (1): $2,926 (dollars in thousands) can be attributed to SOAR scholarship expenses, Access and Affordability program, and other scholarships and awards. Also, $28,653 (dollars in thousands) can be attributed to expenses related to insurance program expenses in the Risk Management internal service fund and $2,038 (dollars in thousands) can be attributed to payments in lieu of taxes in the Property Management internal service fund.

37. TOBACCO SETTLEMENT AND SECURITIZATION

On November 23, 1998, 46 states' Attorneys General and the major tobacco companies signed a proposed settlement that reimburses states for smoking-related medical expenses paid through Medicaid and other healthcare programs. At the time of the settlement, it was estimated that the Commonwealth could receive approximately $4.1 billion over the duration of the settlement. The settlement was approved in a Consent Decree in December 1998. On March 29, 1999, the General Assembly enacted a law approving the establishment of the Tobacco Region Revitalization Commission (Commission) (nonmajor component unit), in compliance with the Consent Decree, to help communities in Virginia hurt by the decline of tobacco.

The Commission was established for the purposes of determining the appropriate recipients of monies in the Tobacco Indemnification and Community Revitalization Fund. The monies are to be used to provide payments to tobacco farmers as compensation for the tobacco equipment and barns and lost tobacco production opportunities associated with a decline in quota. The monies are also to be used to revitalize tobacco dependent communities.

The General Assembly also created the Virginia Foundation for Healthy Youth (Foundation) (nonmajor component unit). The purpose of the Foundation is to determine the appropriate recipients of monies in the Virginia Tobacco Settlement Fund. The Foundation will also be responsible for distributing monies for the purposes provided in the legislation. Disbursements can be made to assist in financing efforts to restrict the use of tobacco products by minors, through educational and awareness programs describing the health effects of tobacco use on minors, and laws restricting the distribution of tobacco products to minors. Monies from the fund can also be used to assist in financing efforts to reduce childhood obesity through such means as educational and awareness programs, implementing evidence based practices, and assisting schools and communities with policies and programs.

Additionally, the General Assembly created two special non-reverting funds. The Tobacco Settlement monies were accounted for in these funds and in the General Fund. Of the Settlement monies, 50.0 percent was deposited into the Tobacco Indemnification and Community Revitalization Fund at the Commission and 8.5 percent is deposited into the Virginia Tobacco Settlement Fund at the Foundation. The remaining 41.5 percent is reported in the General Fund.

Pursuant to Purchase and Sale Agreements executed in 2005 and 2007, the Commonwealth, acting as an agent on behalf of the Commission, sold the Commission's future right, title and interest in the Tobacco Settlement Revenues (TSRs) to the Tobacco Settlement Financing Corporation (Corporation) (related organization).

Consideration paid by the Corporation to the Commission for TSRs consisted of a cash amount deposited into an endowment to fund the long-term spending plan approved by the Commission. Bonds issued by the Corporation to finance the purchase price are asset-backed instruments secured solely by the Corporation's right to receive TSRs. At the time of issuance these revenues were expected to produce sufficient funds to repay the bond obligations issued by the Corporation.

The Commission is a nonmajor component unit of the Commonwealth, and the Corporation is disclosed as a related organization.

38. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (PPPs)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* supersedes GASB Statement No. 60, *Service Concession Arrangements*, and describes a PPP as an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction.

SERVICE CONCESSION ARRANGEMENTS (SCAs)

GASB Statement No. 94 describes the criteria for when an arrangement is classified as an SCA. The basic criteria are as follows: the operator of the capital asset owned by the transferor has the right to provide services in exchange for significant consideration; the operator's revenue must come from a third party; the transferor has the ability to modify or approve which services the operator is to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; the transferor is entitled to significant residual interest in the service utility of the underlying asset at the end of the arrangement.

Primary Government

The Commonwealth of Virginia has five SCAs as of June 30, 2024: Pocahontas 895, the 495 Express Lanes, Elizabeth River – Midtown Tunnel, the 95 Express Lanes, and the I-66 Outside the Beltway Express Lanes. They are all related to highway construction and operation and were established per the Public-Private Transportation Act (PPTA) of 1995, as amended. PPTA project goals are to provide highway projects to the public in a timely and cost-effective manner with private funding and support.

Pocahontas 895

On June 21, 2006, the Pocahontas Parkway Association (Association) which was previously reported as a blended component unit of the Virginia Department of Transportation (VDOT) signed an agreement transferring all assets and rights of the Association to Transurban 895 LLC (Transurban). In exchange for the existing toll road and other assets, Transurban transferred sufficient funds and securities to pay or defease all outstanding bonds of the Association and pay all other outstanding obligations owed to VDOT. Additionally, Transurban agreed to construct an enhancement to the original toll road, and this enhancement was completed in 2011.

During fiscal year 2014, Transurban transferred its debt and equity interest in Pocahontas 895 to Macquarie Capital Bank. In December 2016, Macquarie Capital Bank closed on the sale of the tolling rights to Globalvia. Globalvia acquired the company that had at that time, the agreement with VDOT to develop, finance, operate, manage the tolls, and maintain Route 895-Pocahontas Parkway. The concession agreement period will end in 2105. Capital assets of $337.2 million and deferred inflows of $466.2 million are included in the government-wide financial statements. During the 99-year agreement term, VDOT will have fee title or good and valid interest in the asset. VDOT retains the right of inspection of the asset and has outlined maximum toll charges and increases in the terms of the agreement. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. At the end of the term, the asset must be returned in new condition and control of and rights to operate the facilities will revert back to VDOT. No contractual liabilities exist for this arrangement as of June 30.

495 Express Lanes

On December 19, 2007, VDOT signed an 80-year public-private partnership agreement with Capital Beltway Express LLC to build new express lanes to provide users with a faster and more reliable travel option. The construction of the express lanes was completed in November 2012. Capital assets of $641.5 million and deferred inflows of $897.2 million are included in the government-wide financial statements.

During the 80-year agreement, VDOT maintains regulatory control and jurisdiction of the express lanes. VDOT will have fee title or good and valid interest in the express lanes. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. No contractual liabilities exist for this arrangement as of June 30.

On September 30, 2021, the agreement was amended and restated to add the scope of project work related to the northern extension of the 495 Express Lanes (495 NEXT), which is an approximately 2-mile extension of the existing express lanes. As of June 2024, 495 NEXT is undergoing construction.

Elizabeth River – Midtown Tunnel

On December 5, 2011, VDOT signed a 58-year public-private partnership agreement with Elizabeth River Crossings OPCO, LLC to design, build, finance, operate, and maintain a new Midtown Tunnel, provide improvements to the existing Midtown Tunnel and the Downtown Tunnel, and to provide various extensions and improvements of the Martin Luther King Jr. (MLK) Freeway and I-264. All project components reached substantial completion in September 2017. Capital assets of $832.9 million and deferred inflows of $796.6 million are included in the government-wide financial statements. During the agreement, Elizabeth River Crossings OPCO, LLC will operate and maintain the road. The revenue source for the concessionaire will be toll collections, excluding the MLK Freeway, which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 58-year term, the tunnel must be returned in new condition and control of and rights to operate the facilities will revert back to VDOT.

In July 2017, VDOT issued a Department Project Enhancement directive for Elizabeth River Crossings OPCO LLC, to design and build noise barrier walls on I-264. After the Preliminary Field Inspection Plans were developed, VDOT agreed to complete the project due to lower costs. The current funds allocated to the project equal $33.5 million. In addition to these project enhancements, the Federal Highway Administration (FHWA) has also required an annual traffic study for the Value Pricing Pilot Program (VPPP) to monitor driver behavior, traffic volume, transit ridership, air quality, and availability of funds for transportation programs. VDOT has completed Years one to eight of the ten year VPPP study.

95 Express Lanes

On July 31, 2012, VDOT signed a 73-year public-private partnership agreement with 95 Express Lanes LLC to build approximately 29 miles of Express Lanes on I-95 in Northern Virginia and add capacity to the existing high occupancy vehicle (HOV) lanes. The construction of the express lanes was completed in December 2014. During fiscal year 2016, the Commonwealth Transportation Board awarded a contract to design and construct an approximately 2.5-mile reversible extension of the 95 Express Lanes at the southern terminus in Stafford County. The construction was completed in October 2017 and resulted in an increased value of $25.7 million to the 95 Express Lanes. Capital assets of $448.3 million and deferred inflows of $547.6 million are included in the government-wide financial statements.

During the agreement, 95 Express Lanes LLC will operate and maintain the road. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 73-year term, control of and the rights to operate the facilities will revert back to VDOT. The lanes will remain open for the public as long as the applicable tolls are paid. No contractual liabilities exist for this arrangement as of June 30.

On June 8, 2017, the agreement was amended and restated to include the scope of the project work for the I-395 northern extension, which is approximately 8-miles. The construction was completed in November 2019. In consideration for the rights granted by VDOT to 95 Express Lanes LLC, solely in respect of the I-395 Project, 95 Express Lanes LLC made an up-front payment to VDOT of $15.0 million on the I-395 Project Service Commencement date. Deferred inflows of

$14.0 million relating to the up-front payment are included in the fund financial statements. Additionally, VDOT will receive an annual transit investment payment that escalates at a rate of 2.5 percent per annum. Accordingly, accounts receivable of $960.0 million and deferred inflows of $960.0 million relating to the present value of the annual installment payments discounted at 2.5 percent are included in the fund financial statements. Capital assets of $248.9 million and deferred inflows of $280.3 million are included in the government-wide financial statements. No contractual liabilities exist for this arrangement as of June 30.

On April 18, 2019, an amended and restated Comprehensive Agreement was signed between VDOT and 95 Express Lanes LLC to add the scope of the project work for the Fredericksburg Extension. The Comprehensive Agreement was updated to include payments to VDOT. Two reversible high-occupancy toll lanes opened to traffic in August 2023 and all new access points opened in December 2023. At financial close on April 30, 2019, 95 Express Lanes LLC made a $45.0 million Initial Permit Fee Buyout Payment. The Concessionaire also provided a right of way cost deposit of $2.5 million and $4.0 million for southbound Rappahannock River Crossing work overlap funding. Deferred inflows of $47.4 million are included in the fund financial statements. VDOT received an additional $65.9 million from 95 Express Lanes LLC at the additional financial close in July 2019, which is a sum of $11.5 million Private Activity Bonds (PABs) payment and $54.4 million design-build price protection benefits. Deferred inflows of $61.0 million are included in the fund financial statements. The concessionaire will make $232.0 million Final Permit Fee Buyout Payments in installments as set forth in the Amended and Restated Comprehensive Agreement. Accounts Receivable of $212.0 million and deferred inflows of $214.3 million are included in the fund financial statements. Capital assets of $484.7 million and deferred inflows of $496.8 million are included in the government-wide financial statements. No contractual liabilities exist for this arrangement as of June 30.

The total amounts reported for the 95 Express Lanes agreement are capital assets of $1.2 billion, deferred inflows of $2.6 billion, payments of $132.4 million, and accounts receivables of $1.2 billion.

I-66 Outside the Beltway Express Lanes

On December 8, 2016, VDOT signed a 50-year public-private partnership agreement (Agreement) with I-66 Express Mobility Partners LLC (EMP) to build 22.5 miles of new express lanes alongside three regular lanes from I-495 to University Boulevard in Gainesville, Virginia. The project also includes new and improved bus service and transit routes, new and improved park and ride lots, and interchange improvements to enhance safety and reduce congestion. Nine miles of the express lanes opened September 2022, and the remaining 13 miles opened November 2022.

EMP is required to pay VDOT a permit fee that consists of support for corridor improvements, revenue sharing, and transit funding payments. The support for corridor improvements is to be paid as indicated in the Agreement. Amounts to be paid are contingent on actual toll revenues. At the end of the Agreement, any unpaid balance of these payments is to be forgiven or cancelled. The revenue sharing payments are calculated based on actual cumulative net present value of gross revenue at the end of each year of the agreement. The percentage of gross revenue to be paid increases in accordance with a five-tier revenue sharing scale. Revenue sharing payments do not have to be made if transit funding payments or support for corridor improvements are past due or unpaid. The transit funding payments will be payable in accordance with the schedule in the Agreement. If funds are insufficient to make scheduled transit funding payments at the time due, such payments will remain due and payable without interest charges. Accordingly, accounts receivable of $468.9 million and deferred inflows of $468.9 million, relating to the present value of the annual installment payments discounted at 4.9 percent are included in the fund financial statements.

EMP provided $578.9 million during fiscal 2018, as an up-front concession payment to VDOT. In both fiscal years 2021 and 2022, VDOT received up-front payments of $21.3 million to be used for transit investments, and deferred inflows of $541.8 million are included in the fund financial statements. Capital assets of $2.4 billion and deferred inflows of $2.3 billion are included in the government-wide financial statements. During the 50-year Agreement, VDOT maintains regulatory control and jurisdiction of the express lanes. VDOT will have fee title or good and valid interest in the express lanes. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. At the end of the term, the asset must be returned in new condition and control of and rights to operate the facilities will revert back to VDOT. No contractual liabilities exist for this arrangement as of June 30.

The total amounts reported for the I-66 Outside the Beltway Express Lanes agreement are capital assets of $2.4 billion, deferred inflows of $3.3 billion, payments of $621.5 million and accounts receivables of $468.9 million.

Component Units

Aramark – Dining Services

During the year ended June 30, 2015, the University of Virginia (nonmajor) entered into an agreement with Aramark Educational Services, LLC (Aramark) for Aramark to provide dining services to the University. In return for use of University facilities, Aramark is required to make certain payments to the University and the University is required to provide certain repair and maintenance services related to the facilities during the term of the agreement. The University also receives a yearly minimum guarantee on dining and vending commissions and has a minimum guaranteed profit split on residential and athletics services regardless of gross sales. As of June 30, 2024, the University has accrued $83.3 million in current and noncurrent receivables and a $139.4 million deferred inflow of resources related to the service concession arrangement.

The College of William & Mary (nonmajor) entered into an agreement with Aramark on July 1, 2023 for Aramark to provide dining services to the College. In return for use of College facilities, Aramark made an upfront payment to the College of $10.0 million and the College is required to provide certain repair and maintenance services related to the dining facilities. The College also receives a profit split on all retail sales. As of June 30, 2024, the College recorded $3.3 million in receivables and a $13.3 million deferred inflow of resources related to the service concession arrangement.

OTHER PPPs

Other PPPs that do not meet the criteria to be reported as a SCA or a lease are discussed in this section.

The University of Virginia (nonmajor component unit) is a party to a limited number of other PPPs which primarily consists of the PPP to operate the John Paul Jones Arena for concerts and sporting events. Variable payments and other inflows of resources under PPPs are not included in the measurement of the related assets and deferred inflows of resources. Variable inflows amount to $7.0 million for the period ended June 30, 2024. Radford University (nonmajor component unit) has PPPs for dining services and bookstore services. As of June 30, 2024, the University recorded $1.3 million in noncurrent receivables and $677,760 in deferred inflow of resources. George Mason University (nonmajor component unit) has a PPP for arena management services. As of June 30, 2024, the University recorded $313,045 in current receivables and $302,935 in deferred inflow of resources. Additional information regarding PPPs can be found in the separately issued financial statements of the institutions.

On July 1, 2023, the College of William & Mary (nonmajor) entered into a PPP agreement with Provident Group-Williamsburg Properties LLC to construct university housing and a dining facility. The project is in construction and is estimated to be completed in August 2025. As of June 30, 2024, the College recognized $7.8 million in deferred inflow of resources to defease debt in relation to this agreement.

39. INFORMATION TECHNOLOGY INFRASTRUCTURE

With the exception of NTT DATA (NTT), the Commonwealth is into its sixth or seventh contract year, depending on when services commenced, with all of its current IT infrastructure service providers. This includes SAIC for Multi-Services Integrator (MSI) services, Atos for managed security services, Xerox for managed print services, Iron Bow for end-user computing services, Unisys for server and data center services, and Verizon for voice and data network services. During fiscal year 2024, the Commonwealth recompeted and entered into a new contract for mainframe services with Peraton. With a multi-services integrator (MSI) model in effect, the Commonwealth will continuously pursue new and additional IT service providers to ensure that the Commonwealth has a competitive portfolio of IT suppliers that deliver modern cost-effective technology services. VITA is in the process of recompeting managed security services, with the intent of in-sourcing certain functions. Subsequent recompetes include end user computing, server storage and data center services, and lastly the multi-services integrator contracts. The contract terms range from three years to six years, with additional renewal options on each. Lastly, VITA anticipates to increase the portfolio of enterprise services provided to support the Commonwealth.

Expenses in fiscal year 2024 associated with the service providers were $223.0 million, exclusive of amounts reported as lease payments and interest expense related to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The Commonwealth expects to spend an additional $363.4 million over the remaining life of these contracts with the current portfolio of suppliers, exclusive of long-term lease and long-term SBITA liabilities related to GASB Statements No. 87 and No. 96. The remaining life calculation does not include any unexecuted renewals that are listed in the contract.

40. CONTINGENCIES

A. Grants and Contracts

The Commonwealth has received federal grants for specific purposes that are subject to review and audit by the grantor agencies or their auditors. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Commonwealth. The increased federal funding related to the COVID-19 pandemic could impact future liabilities.

Institutions of higher education (component units) and other state agencies are required to comply with various federal regulations issued by the Office of Management and Budget, if such agencies are recipients of federal grants, contracts, or other sponsored agreements. Failure to comply with certain requirements of these regulations may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the Commonwealth.

The U.S. Department of Health and Human Services (DHHS) Office of the Inspector General conducted a review and indicated that the Commonwealth's Statewide Indirect Cost Allocation Plan rates have allowed over-recoveries and transfers in the internal service funds and portions of selected rebates. The Commonwealth computed a liability of $56.7 million in fiscal year 2024 which is based on fiscal years 2023, 2022, and 2021 representing the amounts owed to the federal government for internal service fund over-recoveries and transfers, as well as the federal share of various rebates received. This amount has been reflected in the accompanying government-wide financial statements.

The Virginia Tourism Authority (nonmajor component unit) had unclaimed awards totaling $2.6 million payable to awardees upon submission of proper claims for reimbursement for the Marketing Leverage Program, the DMO Marketing Program and the Special Events & Festivals Program. Additionally, property at the Virginia/Maryland border to be used for the Gateway Welcome Center was donated to the Authority in July 2008. The deed to the property includes a covenant requiring any or all land to revert to the U.S. Government should it become needed for national defense. The net book value of the property as of June 30, 2024 was $806,600.

B. Litigation

The Commonwealth is named as a party in legal proceedings and investigations that occur in the normal course of governmental operations, some involving substantial amounts. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the Commonwealth in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits or investigations will not have a material, adverse effect on the financial condition, fund activity, or cash flows of the Commonwealth.

C. Subject to Appropriation

Both the primary government and the discretely presented component units enter into agreements and issue debt secured solely by future appropriations from the General Fund of the Commonwealth. The primary government has leases and other agreements of such debt of $4.1 billion. The discretely presented component units have such debt of $5.9 billion.

D. Bailment Inventory

The Virginia Alcoholic Beverage Control Authority (ABC) houses and controls bailment inventory in the warehouse and is therefore responsible for the exercise of reasonable care to preserve the inventory until it is purchased by ABC or returned to the supplier. ABC uses the bailment system for payment of merchandise for resale. ABC initiates payments to the vendors based on shipments from the ABC warehouse to the retail stores, rather than receipt of invoice from the vendor. As of June 30, 2024, the bailment inventory was valued at $88.7 million.

E. Loan Guarantees

The Virginia Small Business Financing Authority (VSBFA) (nonmajor component unit) has a loan guaranty program which provides guarantees up to the lesser of $1.0 million, or 75.0 percent, of a bank loan for lines of credit and short-term working capital loans for small businesses as defined by Section 2.2-2285 of the *Code of Virginia*. The relationship of the Commonwealth to the issuer or issuers of the obligations are private banks that contact VSBFA to obtain guarantees if they deem it necessary to approve the loan. The VSBFA staff underwrites the request for guarantees and approves applications of $1.0 million or less with subsequent ratification by the Board of Directors. The Board of Directors approves applications in excess of $1.0 million. The maximum term of support for guarantees is up to five years for lines of credit and seven years for term loans. In the event the small business borrower fails to repay a loan guaranteed through the program, the originating bank lender exercises its rights against the collateral and the guarantors of the loan and proceeds from the sale of the collateral are applied to the loan. In the event the originating bank lender incurs a deficiency principal balance, the bank submits a claim to VSBFA under the program. If a claim payment is subsequently paid under the program, VSBFA retains the right to pursue collection from the borrower or the guarantor to the extent possible and provided that neither the borrower nor the guarantor has been adjudicated bankrupt. VSBFA submits collections to the Office of the Attorney General, Division of Debt Collection for legal action and collection of debt. As of June 30, 2024, the loan guaranty program has guarantees outstanding of $7.8 million. There are no additional pending commitments to guarantees as of June 30, 2024.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* requires that certain information be disclosed regarding selected nonexchange financial guarantees. As of June 30, 2024, the VSBFA recognized a nonexchange financial guarantee liability of $155,209. This is an increase of $66,068 from the beginning balance of $89,141. There were no required payments made during fiscal year 2024. Additionally, there have been no cumulative amounts paid on these outstanding loan guarantees nor are there any expected recoveries.

F. Regional Wet Weather Management Plan

Hampton Roads Sanitation District (HRSD) (nonmajor component unit) is party to a federal consent decree with the federal and state governments (the Consent Decree), which requires the HRSD to evaluate the wet weather capacity of the regional sewer system, including collection systems owned by 14 of the localities which the HRSD serves in the Hampton Roads area. Based upon that evaluation, the HRSD, in consultation with the localities, is required to develop a regional wet weather management plan (RWWMP) for submittal to the federal and state environmental agencies for their approval.

The HRSD and the localities believe that addressing wet weather capacity issues from a regional perspective will result in the most affordable and cost-effective approach for rate payers throughout the region. Toward that end, the HRSD and the localities entered into a legally binding Memorandum of Agreement in 2014 (the MOA). The MOA commits HRSD to (1) develop the RWWMP in consultation with the localities, (2) fund the approved plan through a regional rate imposed on all regional ratepayers, (3) design and construct the necessary improvements, and (4) assume responsibility for wet weather capacity throughout the region in each area once the RWWMP is implemented. In exchange, the localities have agreed to (1) cooperate with the HRSD, (2) facilitate the construction of and accept ownership of any improvements which the HRSD may need to construct in the localities' systems, and (3) maintain the integrity of their systems to industry standards.

The Consent Decree and MOA also contemplate that the localities' obligation to maintain the integrity of their sewer systems to industry standards was embodied in a State administrative order. While the HRSD is preparing the RWWMP, the Consent Decree also requires the HRSD to implement approximately $200.0 million in high priority capital system upgrade projects over the 10-year period between 2020 and 2030, and then another $200.0 million in high priority sewer overflow control projects between 2030 and 2040, which are included in the capital improvement and expansion program. These two sets of projects reflect further priority system improvements that HRSD is to implement along with the SWIFT project. The Amended Consent Decree gives HRSD until 2032 to invest $1.1 billion in the SWIFT program. Finally, the Amended Consent Decree provides that if HRSD will not make the full $1.1 billion investment in the SWIFT Project by 2032 then EPA can require HRSD to accelerate some or all of the second group ($200.0 million worth) of high priority sewer overflow control projects to offset the avoided investment in the SWIFT program. The HRSD is on schedule to complete these projects.

The HRSD has a major capital improvement and expansion program funded through the issuance of debt and its own resources. As of June 30, 2024, the HRSD has outstanding commitments for contracts in progress of approximately $1.6 billion.

41. SUBSEQUENT EVENTS

Primary Government

Debt

On October 16, 2024, the Commonwealth Transportation Board issued $119.6 million of its Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes (GARVEEs), Series 2024 to provide for the payment of certain transportation projects.

On October 22, 2024, the Hampton Roads Transportation Accountability Commission (nonmajor governmental fund) issued Series 2024A Senior Lien Revenue Bonds in the amount of $151.4 million.

Component Units

Debt

On July 23, 2024, the Hampton Roads Sanitation District (HRSD) (nonmajor) conducted a sale of the Wastewater Revenue Bonds, Series 2024B, raising $268.0 million to fund capital projects, including HRSD's Sustainable Water Infrastructure for Tomorrow (SWIFT) projects.

On August 1, 2024, the Virginia Housing Development Authority (VHDA) (major) issued Rental Housing Bond 2024 Series D Non-AMT in the amount of $50.9 million.

On November 19, 2024, the Virginia Resources Authority (VRA) (major) issued revenue bonds in the amount of $54.4 million through the Virginia Pooled Financing Program. Interest rates range from 4.0 percent to 5.0 percent with a final maturity date of November 1, 2054.

On August 26, 2024, the VHDA entered into a lease agreement for office space commencing on April 1, 2025. The new lease has a sixty-three-month term requiring monthly payments. The total estimated future minimum lease payments for this agreement are approximately $410,809 over the lease term.

On September 17, 2024, the VHDA issued Commonwealth Mortgage Bond 2023 Series E, E-3 Non-AMT in the amount of $40.0 million.

On September 18, 2024, the VHDA issued Commonwealth Mortgage Bond 2023 Series E, E-4 Non-AMT in the amount of $40.0 million.

On September 18, 2024, the VHDA redeemed Commonwealth Mortgage Bond 2023 Series E, E-1 in the amount of $5,000.

On September 19, 2024, the VHDA issued Commonwealth Mortgage Bond 2024 Series C Taxable in the amount of $160.0 million.

On September 24, 2024, the Virginia Public School Authority (VPSA) (major) issued its $73.2 million Special Obligation School Financing Bonds, Hanover

County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

On September 30, 2024, the HRSD entered into a new Multi-Factor Authentication (MFA) with the Water Infrastructure Finance and Innovation Act (WIFIA) program and closed on Tranche 3 for $268.0 million.

In October 2024, the Virginia Commonwealth University (nonmajor) executed a ten-year lease, with two five-year renewal options, for approximately 7,500 square feet in Biotech Building 8. The base rent is $28.85 per square foot annually with a 2.9% annual escalation. Upfit costs are estimated at $7.0 million, to be primarily funded by a gift from the Barbara Brunckhorst Foundation. The University anticipates recognizing right-of-use assets and corresponding lease liabilities for this agreement when the University has access to the facilities. The associated leasehold improvements will be capitalized as the space is upfitted for its intended use. The total estimated future minimum lease payments for this agreement are approximately $5.8 million over the lease term. These amounts represent base rent only and do not include additional costs such as operating expenses or taxes, which may be required under the triple net lease arrangements.

On October 10, 2024, the VHDA issued Rental Housing Bonds 2024 Series E Non-AMT in the amount of $89.8 million.

On October 15, 2024, the VHDA redeemed Rental Housing Bonds 2023 Series Non-AMT in the amount of $850,000.

On October 30, 2024, the VPSA issued its $83.4 million School Financing Bonds (1997 Resolution), Series 2024B to purchase certain general obligation local school bonds to finance capital projects for schools.

On October 31, 2024, the VHDA issued Rental Housing Bonds 2024 Series F-Taxable in the amount of $106.0 million.

On October 31, 2024, the VPSA issued its $133.9 million Special Obligation School Financing Bonds, Prince William County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

On November 7, 2024, the VHDA issued Rental Housing Bonds 2024 Series G Non-AMT in the amount of $34.3 million.

On December 10, 2024, the VPSA issued its $44.9 million Special Obligation School Financing Bonds, Stafford County, Series 2024 to purchase certain general obligation local school bonds to finance capital projects for schools.

Other

On July 1, 2024, the Virginia College Savings Plan was renamed to Commonwealth Savers Plan.

On July 1, 2024, the merger of the Old Dominion University (nonmajor) and Eastern Virginia Medical School (EVMS) was finalized and all EVMS assets and liabilities, totaling $601.2 million and $79.4 million, respectively, were transferred to the University at EVMS' book value. EVMS currently has affiliated relationships with the EVMS Foundation, a nonprofit organization established to provide financial support to EVMS, and the EVMS Medical Group, a nonprofit physician group supporting EVMS. Separate affiliation agreements are being developed between the University and these EVMS affiliates to allow for the continued relationships.

In July 2024, the Virginia Commonwealth University (nonmajor) entered into a contract with the Hourigan Construction Corporation for the construction of the Arts and Innovation Academic building. In no case shall the total compensation to the construction manager (Hourigan Construction Corporation) exceed the guaranteed maximum price of $191.9 million. Of this agreement, $10.1 million was committed prior to fiscal year end and is reflected in the commitments footnote.

In August 2024, the Virginia Commercial Space Flight Authority (nonmajor) approved the purchase of a building to be used as a launch team maintenance facility complex. This purchase totaling approximately $2.4 million is in the due diligence period and is expected to close February 2025.

On August 29, 2024, the Virginia Passenger Rail Authority (nonmajor) executed an agreement with Norfolk Southern Railway Company (NSR) to purchase certain railroad property rights, easements, and stations within the Commonwealth of Virginia for $357.0 million.

In September 2024, the Radford University (nonmajor) opened the Center for Adaptive Innovation and Creativity. This multi-year construction project represents a large portion of the University's nondepreciable capital assets in the accompanying financial statements and will be placed in service in fiscal year 2025.

On September 24, 2024, the Virginia Museum of Fine Arts Foundation (nonmajor) entered into a purchase and sale agreement with a third party to acquire land and improvements for approximately $1.5 million. The sale was closed on November 8, 2024.

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Major Special Revenue Funds

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
Revenues:				
Taxes:				
Individual and Fiduciary Income	$ 19,080,900	$ 19,062,900	$ 20,310,406	$ 1,247,506
Sales and Use	4,994,224	5,066,699	5,283,586	216,887
Corporation Income	1,790,300	2,213,500	1,907,065	(306,435)
Motor Fuel	—	—	—	—
Motor Vehicle Sales and Use	—	—	—	—
Communications Sales and Use	335,000	310,000	277,892	(32,108)
Deeds, Contracts, Wills, and Suits	608,700	433,600	412,602	(20,998)
Premiums of Insurance Companies	425,300	446,300	468,192	21,892
Alcoholic Beverage Sales	311,200	324,000	314,127	(9,873)
Tobacco Products	297,500	297,500	224,958	(72,542)
Public Service Corporations	103,500	104,300	106,903	2,603
Other Taxes	70,201	206,029	203,376	(2,653)
Rights and Privileges	101,555	128,271	120,841	(7,430)
Sales of Property and Commodities	11,560	22,405	46,429	24,024
Assessments and Receipts for Support of Special Services	6,587	6,190	8,052	1,862
Institutional Revenue	57,807	35,562	38,912	3,350
Interest, Dividends, and Rents	113,622	678,864	969,643	290,779
Fines, Forfeitures, Court Fees, Penalties, and Escheats	230,321	252,970	258,227	5,257
Federal Grants and Contracts	10,953	10,953	11,547	594
Receipts from Cities, Counties, and Towns	7,800	8,400	8,358	(42)
Private Donations, Gifts and Contracts	276	243	791	548
Tobacco Master Settlement	47,500	47,500	50,822	3,322
Other	343,679	276,648	341,127	64,479
Total Revenues	28,948,485	29,932,834	31,363,856	1,431,022
Expenditures:				
Current:				
General Government	3,443,405	3,976,809	3,578,649	398,160
Education	12,690,305	14,563,219	13,687,155	876,064
Transportation	110,030	194,966	20,574	174,392
Resources and Economic Development	795,099	1,897,212	918,748	978,464
Individual and Family Services	9,435,671	9,287,778	9,063,203	224,575
Administration of Justice	3,501,011	3,853,727	3,692,419	161,308
Capital Outlay	692,730	1,591,048	376,807	1,214,241
Debt Service:				
Principal Retirement	24,589	24,589	24,589	—
Interest and Charges	4,675	4,675	4,675	—
Total Expenditures	30,697,515	35,394,023	31,366,819	4,027,204
Revenues Over (Under) Expenditures	(1,749,030)	(5,461,189)	(2,963)	5,458,226
Other Financing Sources (Uses):				
Transfers:				
Transfers In	1,009,286	1,232,656	1,278,203	45,547
Transfers Out	(476,079)	(804,001)	(806,085)	(2,084)
Bonds Issued	—	—	—	—
Total Other Financing Sources (Uses)	533,207	428,655	472,118	43,463
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,215,823)	(5,032,534)	469,155	5,501,689
Fund Balance, July 1	15,092,744	15,092,744	15,092,744	—
Fund Balance, June 30	$ 13,876,921	$ 10,060,210	$ 15,561,899	$ 5,501,689

See notes on page 205 in this section.

Special Revenue Funds			
Commonwealth Transportation Fund			
Original Budget	**Final Budget**	**Actual**	**Final/Actual Variance Positive (Negative)**
$ —	$ —	$ —	$ —
1,833,957	2,068,700	2,084,267	15,567
—	—	—	—
1,865,000	1,943,500	1,927,751	(15,749)
1,120,100	1,178,860	1,218,409	39,549
—	—	—	—
129,000	84,100	83,968	(132)
217,791	217,791	217,791	—
—	—	—	—
—	—	—	—
—	—	—	—
210,246	237,577	224,792	(12,785)
779,204	759,175	852,707	93,532
424	259	10,987	10,728
18,000	19,500	21,966	2,466
—	—	—	—
38,200	21,282	257,931	236,649
15,311	20,026	32,112	12,086
1,577,002	1,585,000	1,175,049	(409,951)
785,639	785,639	641,536	(144,103)
25	25	18,284	18,259
—	—	—	—
40,862	43,502	74,468	30,966
8,630,761	8,964,936	8,842,018	(122,918)
61,087	78,842	71,748	7,094
1,779	1,779	1,741	38
9,572,823	9,965,199	7,791,620	2,173,579
29,493	26,727	21,133	5,594
—	—	—	—
10,779	10,779	10,779	—
97,986	125,416	68,662	56,754
14,370	14,370	14,370	—
1,473	1,473	1,473	—
9,789,790	10,224,585	7,981,526	2,243,059
(1,159,029)	(1,259,649)	860,492	2,120,141
22,788	324,192	334,285	10,093
(548,879)	(558,747)	(562,687)	(3,940)
14,959	14,959	14,959	—
(511,132)	(219,596)	(213,443)	6,153
(1,670,161)	(1,479,245)	647,049	2,126,294
6,061,791	6,061,791	6,061,791	—
$ 4,391,630	$ 4,582,546	$ 6,708,840	$ 2,126,294

Continued on next page

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Major Special Revenue Funds *(Continued from previous page)*

Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Special Revenue Funds			
	Federal Trust			
	Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
Revenues:				
Taxes:				
Individual and Fiduciary Income	$ —	$ —	$ —	$ —
Sales and Use	—	—	—	—
Corporation Income	—	—	—	—
Motor Fuel	—	—	—	—
Motor Vehicle Sales and Use	—	—	—	—
Communications Sales and Use	—	—	—	—
Deeds, Contracts, Wills, and Suits	—	—	—	—
Premiums of Insurance Companies	—	—	—	—
Alcoholic Beverage Sales	—	—	—	—
Tobacco Products	—	—	—	—
Public Service Corporations	—	—	—	—
Other Taxes	—	—	—	—
Rights and Privileges	—	—	4	4
Sales of Property and Commodities	—	—	—	—
Assessments and Receipts for Support of Special Services	—	—	—	—
Institutional Revenue	—	—	33	33
Interest, Dividends, and Rents	461	471	4,568	4,097
Fines, Forfeitures, Court Fees, Penalties, and Escheats	672	30,500	31,438	938
Federal Grants and Contracts	17,047,694	22,891,934	21,802,185	(1,089,749)
Receipts from Cities, Counties, and Towns	—	—	—	—
Private Donations, Gifts and Contracts	—	—	—	—
Tobacco Master Settlement	—	—	—	—
Other	510,558	938,716	1,002,733	64,017
Total Revenues	17,559,385	23,861,621	22,840,961	(1,020,660)
Expenditures:				
Current:				
General Government	305,858	1,016,547	327,979	688,568
Education	1,414,614	3,459,007	2,732,383	726,624
Transportation	35,150	29,855	22,200	7,655
Resources and Economic Development	185,504	895,641	502,997	392,644
Individual and Family Services	15,387,534	18,052,165	19,051,508	(999,343)
Administration of Justice	111,465	203,697	140,554	63,143
Capital Outlay	103,964	189,413	41,190	148,223
Debt Service:				
Principal Retirement	13,504	13,504	13,504	—
Interest and Charges	1,792	1,792	1,792	—
Total Expenditures	17,559,385	23,861,621	22,834,107	1,027,514
Revenues Over (Under) Expenditures	—	—	6,854	6,854
Other Financing Sources (Uses):				
Transfers:				
Transfers In	—	—	4,210	4,210
Transfers Out	—	—	(11,064)	(11,064)
Bonds Issued	—	—	—	—
Total Other Financing Sources (Uses)	—	—	(6,854)	(6,854)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	—	—	—	—
Fund Balance, July 1	—	—	—	—
Fund Balance, June 30	$ —	$ —	$ —	$ —

See notes on page 205 in this section.

1. Basis of Budgeting vs. Modified Accrual Basis Fund Balance (1)

Since the presentation of financial data on the basis of budgeting differs from that presented under accounting principles generally accepted in the United States of America, a schedule reconciling the fund balance on a budgetary basis at June 30, 2024, to the fund balance on a modified accrual basis follows.

Fund Balance Comparison

Budgetary Basis to GAAP Basis

(Dollars in Thousands)

	General Fund	Commonwealth Transportation Fund	Federal Trust Fund
Fund Balance, Basis of Budgeting	$ 15,561,899	$ 6,708,840	$ —
Adjustments from Budget to Modified Accrual:			
Net Accrued Revenues:			
Taxes	1,744,227	417,543	—
Tax Refunds	(686,786)	—	—
Other Revenue/Other Sources	(197,396)	149,400	2,332,608
Medicaid Payable	(651,760)	—	(2,114,222)
Net Accrued Expenditures/Other Uses	(882,844)	(770,768)	5,334
Fund Reclassification - Budget to Modified Accrual	—	(675,112)	—
Fund Balance, Modified Accrual Basis	$ 14,887,340	$ 5,829,903	$ 223,720

1. As discussed in Note 1.E., the Literary Fund has no approved budget.

2. Appropriations

The amounts presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Major Special Revenue Funds are principally on a cash basis and represent the original budget adopted by the General Assembly and all supplemental appropriations and transfers. The following schedule reconciles original appropriations to the final adjusted expenditure appropriations for the General Fund and Major Special Revenue Funds, at June 30, 2024, except the Literary Fund which has no approved budget.

(Dollars in Thousands)	General Fund (8)	Commonwealth Transportation Fund	Federal Trust Fund (9)
Appropriations (1)	$ 30,697,515	$ 9,789,790	$ 17,559,385
Supplemental Appropriations:			
Reappropriations (2)	3,171,083	139,906	267,982
Subsequent Executive (3)	825,031	89,145	4,831,481
Subsequent Legislative (4)	3,171,985	20,000	1,545,286
Capital Outlay and Operating Reversions (5)	(1,658)	(1,671)	(1,372)
Transfers (6)	(733,370)	318,521	(19,356)
Capital Outlay Adjustment (7)	(1,736,563)	(131,106)	(321,785)
Appropriations, as adjusted	$ 35,394,023	$ 10,224,585	$ 23,861,621

1. Represents the budget appropriated through Chapter 769, 2023 Virginia Acts of Assembly Reconvened Session as amended by Chapter 1, 2024 Special Session I Virginia Acts of Assembly.
2. Actions taken to reappropriate any prior year unexpended balances per authority of the language in the Appropriation Act.
3. Actions taken by the Governor to carry forward any prior year unexpended balances, sum sufficient authority, and year 2 to year 1 reductions (General Fund) and actions taken to appropriate any additional revenues collected so that they can be legally spent (Special Revenue Funds).
4. Actions taken by the Governor and the General Assembly to adjust the budget.
5. Represents reversions of unexpended capital outlay and operating balances.
6. Represents transfers required by the Appropriation Act. Transfers out are reduced by approximately $2.8 billion (General Fund) and $56.6 million (Commonwealth Transportation Fund) for transfers to component units and fiduciary funds that have been reclassified as expenditures in accordance with GASB Statement No. 34.
7. Capital outlay appropriations cover the projects' lives and usually extend beyond the current fiscal year. These amounts have been adjusted to report the amount authorized for expenditure during the current fiscal year.
8. Budgetary reductions totaling $362.7 million are excluded since they were not available for disbursement during the current fiscal year.
9. Appropriations do not include food stamp issuances of $1.9 billion since this is a noncash item; however, this amount is included in actual expenditures.

Schedule of Changes in Employers' Net Pension Liability (1) (2)

Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	VRS State				
Change in the Net Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 425,233	$ 413,902	$ 404,703	$ 406,776	$ 379,359
Interest	1,803,758	1,779,933	1,704,842	1,666,047	1,627,637
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	706,071	(247,391)	(281,382)	(12,440)	181,189
Assumption changes	—	—	412,575	—	663,566
Benefit payments	(1,610,266)	(1,536,665)	(1,486,951)	(1,427,873)	(1,360,833)
Refunds of contributions	(31,014)	(31,680)	(29,065)	(27,427)	(26,897)
Net change in total pension liability	1,293,782	378,099	724,722	605,083	1,464,021
Total pension liability - beginning	27,117,746	26,739,647	26,014,925	25,409,842	23,945,821
Total pension liability - ending (a)	$ 28,411,528	$ 27,117,746	$ 26,739,647	$ 26,014,925	$ 25,409,842
Plan fiduciary net position:					
Contributions - employer	$ 756,101	$ 852,894	$ 609,778	$ 576,443	$ 545,584
Contributions - member	234,317	217,945	207,065	210,896	201,481
Net investment income	1,437,612	(21,579)	5,055,163	361,061	1,211,722
Benefit payments	(1,610,266)	(1,536,665)	(1,486,951)	(1,427,873)	(1,360,833)
Refunds of contributions	(31,014)	(31,680)	(29,065)	(27,427)	(26,897)
Administrative expense	(14,498)	(14,302)	(12,904)	(12,603)	(12,374)
Other	249	296	(737)	(539)	(762)
Net change in plan fiduciary net position	772,501	(533,091)	4,342,349	(320,042)	557,921
Plan fiduciary net position - beginning	22,579,326	23,112,417	18,770,068	19,090,110	18,532,189
Plan fiduciary net position - ending (b)	23,351,827	22,579,326	23,112,417	18,770,068	19,090,110
Net pension liability - ending (a-b)	$ 5,059,701	$ 4,538,420	$ 3,627,230	$ 7,244,857	$ 6,319,732
Plan fiduciary net position as a percentage of the total pension liability (b/a)	82.2 %	83.3 %	86.4 %	72.2 %	75.1 %
Covered payroll (c)	$ 5,069,435	$ 4,661,991	$ 4,399,969	$ 4,440,135	$ 4,197,484
Net pension liability as a percentage of covered payroll ((a-b)/c)	99.8 %	97.3 %	82.4 %	163.2 %	150.6 %

(1) The Commonwealth implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* effective for the fiscal year ended June 30, 2015.

(2) The Commonwealth's fiscal year 2024 net pension liability measurement date is June 30, 2023, as reported in Note 16.

See notes on page 220 in this section.

2019	2018	2017	2016	2015
$ 375,965	$ 370,235	$ 369,779	$ 375,149	$ 369,120
1,606,772	1,562,819	1,533,764	1,482,951	1,436,064
—	—	—	—	—
(327,289)	(85,975)	(245,642)	59,923	—
—	76,965	—	—	—
(1,296,803)	(1,234,388)	(1,195,198)	(1,136,102)	(1,081,866)
(30,236)	(30,837)	(25,240)	(27,724)	(25,036)
328,409	658,819	437,463	754,197	698,282
23,617,412	22,958,593	22,521,130	21,766,933	21,068,651
$ 23,945,821	$ 23,617,412	$ 22,958,593	$ 22,521,130	$ 21,766,933
$ 548,158	$ 535,424	$ 722,617	$ 480,657	$ 343,259
201,920	201,391	200,184	195,582	198,035
1,302,241	1,963,811	277,166	728,083	2,243,999
(1,296,803)	(1,234,388)	(1,195,198)	(1,136,102)	(1,081,866)
(30,236)	(30,837)	(25,240)	(27,724)	(25,036)
(11,481)	(11,612)	(10,140)	(10,302)	(12,341)
28,502	(1,743)	(122)	(154)	123
742,301	1,422,046	(30,733)	230,040	1,666,173
17,789,888	16,367,842	16,398,575	16,168,535	14,502,362
18,532,189	17,789,888	16,367,842	16,398,575	16,168,535
$ 5,413,632	$ 5,827,524	$ 6,590,751	$ 6,122,555	$ 5,598,398
77.4 %	75.3 %	71.3 %	72.8 %	74.3 %
$ 4,152,368	$ 4,020,893	$ 3,977,759	$ 3,878,632	$ 3,861,712
130.4 %	144.9 %	165.7 %	157.9 %	145.0 %

Continued on next page

Schedule of Changes in Employers' Net Pension Liability (1) (2) *(Continued from previous page)*

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	VRS Teacher				
Change in the Net Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 901,517	$ 823,885	$ 948,915	$ 938,143	$ 889,003
Interest	3,660,139	3,568,410	3,355,158	3,269,776	3,184,697
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	1,099,742	(361,725)	(178,349)	(404,985)	(174,815)
Assumption changes	—	—	845,179	—	1,472,649
Benefit payments	(2,773,752)	(2,635,945)	(2,553,153)	(2,448,204)	(2,331,038)
Refunds of contributions	(45,366)	(43,437)	(38,464)	(36,211)	(36,715)
Net change in total pension liability	2,842,280	1,351,188	2,379,286	1,318,519	3,003,781
Total pension liability - beginning	54,732,329	53,381,141	51,001,855	49,683,336	46,679,555
Total pension liability - ending (a)	$ 57,574,609	$ 54,732,329	$ 53,381,141	$ 51,001,855	$ 49,683,336
Plan fiduciary net position:					
Contributions - employer	$ 1,576,963	$ 1,485,307	$ 1,416,135	$ 1,327,774	$ 1,280,964
Contributions - member	465,101	439,139	419,415	418,909	403,258
Contributions - non-employer	147,457	442,371	61,344	—	—
Net investment income	2,913,862	(66,609)	9,887,249	689,010	2,311,028
Benefit payments	(2,773,752)	(2,635,945)	(2,553,153)	(2,448,204)	(2,331,038)
Refunds of contributions	(45,366)	(43,437)	(38,464)	(36,211)	(36,715)
Administrative expense	(28,677)	(27,876)	(24,543)	(23,649)	(22,843)
Other	86	737	832	(1,169)	(1,448)
Net change in plan fiduciary net position	2,255,674	(406,313)	9,168,815	(73,540)	1,603,206
Plan fiduciary net position - beginning	45,211,731	45,618,044	36,449,229	36,522,769	34,919,563
Plan fiduciary net position - ending (b)	47,467,405	45,211,731	45,618,044	36,449,229	36,522,769
Net pension liability - ending (a-b)	$ 10,107,204	$ 9,520,598	$ 7,763,097	$ 14,552,626	$ 13,160,567
Plan fiduciary net position as a percentage of the total pension liability (b/a)	82.4 %	82.6 %	85.5 %	71.5 %	73.5 %
Covered payroll (c)	$ 9,970,623	$ 9,319,260	$ 8,843,887	$ 8,766,667	$ 8,387,503
Net pension liability as a percentage of covered payroll ((a-b)/c)	101.4 %	102.2 %	87.8 %	166.0 %	156.9 %

See notes on page 220 in this section.

2019	2018	2017	2016	2015
$ 885,510	$ 830,475	$ 828,856	$ 828,901	$ 831,501
3,099,338	3,016,207	2,931,065	2,834,138	2,722,788
—	—	—	—	—
(440,308)	(642,745)	(391,881)	(212,089)	—
—	218,559	—	—	—
(2,241,927)	(2,147,781)	(2,081,069)	(1,980,353)	(1,874,636)
(40,578)	(39,521)	(35,067)	(36,058)	(36,103)
1,262,035	1,235,194	1,251,904	1,434,539	1,643,550
45,417,520	44,182,326	42,930,422	41,495,883	39,852,333
$ 46,679,555	$ 45,417,520	$ 44,182,326	$ 42,930,422	$ 41,495,883
$ 1,292,988	$ 1,137,976	$ 1,062,338	$ 1,074,366	$ 853,634
391,490	392,730	380,314	373,525	371,241
—	—	—	192,884	—
2,421,157	3,632,291	516,704	1,327,047	4,042,441
(2,241,927)	(2,147,781)	(2,081,069)	(1,980,353)	(1,874,636)
(40,578)	(39,521)	(35,067)	(36,058)	(36,103)
(20,945)	(21,123)	(18,859)	(18,238)	(22,036)
(2,167)	(3,238)	(222)	(284)	217
1,800,018	2,951,334	(175,861)	932,889	3,334,758
33,119,545	30,168,211	30,344,072	29,411,183	26,076,425
34,919,563	33,119,545	30,168,211	30,344,072	29,411,183
$ 11,759,992	$ 12,297,975	$ 14,014,115	$ 12,586,350	$ 12,084,700
74.8 %	72.9 %	68.3 %	70.7 %	70.9 %
$ 8,086,986	$ 7,891,783	$ 7,624,612	$ 7,434,932	$ 7,313,025
145.4 %	155.8 %	183.8 %	169.3 %	165.2 %

Continued on next page

Schedule of Changes in Employers' Net Pension Liability (1) (2) *(Continued from previous page)*

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	VRS Political Subdivisions				
Change in the Net Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 725,694	$ 640,327	$ 613,227	$ 603,766	$ 556,149
Interest	1,900,513	1,840,834	1,674,640	1,593,594	1,535,532
Benefit changes	2,891	9,042	13,157	19,657	3,948
Difference between actual and expected experience	363,648	(294,247)	(164,895)	221,364	45,032
Assumption changes	691	(15)	1,003,382	—	691,407
Benefit payments	(1,395,124)	(1,307,581)	(1,237,074)	(1,157,505)	(1,082,791)
Refunds of contributions	(43,391)	(48,297)	(42,460)	(38,323)	(40,249)
Net change in total pension liability	1,554,922	840,063	1,859,977	1,242,553	1,709,028
Total pension liability - beginning	28,149,356	27,309,293	25,449,316	24,206,763	22,497,735
Total pension liability - ending (a)	$ 29,704,278	$ 28,149,356	$ 27,309,293	$ 25,449,316	$ 24,206,763
Plan fiduciary net position:					
Contributions - employer	$ 736,843	$ 608,879	$ 579,989	$ 521,543	$ 499,293
Contributions - member	302,890	276,350	258,562	258,408	248,421
Net investment income	1,678,096	(26,243)	5,779,327	405,051	1,345,759
Benefit payments	(1,395,124)	(1,307,581)	(1,237,074)	(1,157,505)	(1,082,791)
Refunds of contributions	(43,391)	(48,297)	(42,460)	(38,323)	(40,249)
Administrative expense	(16,656)	(16,525)	(14,411)	(13,842)	(13,369)
Other	349	264	161	(274)	(853)
Net change in plan fiduciary net position	1,263,007	(513,153)	5,324,094	(24,942)	956,211
Plan fiduciary net position - beginning	26,045,031	26,558,184	21,234,090	21,259,032	20,302,821
Plan fiduciary net position - ending (b)	27,308,038	26,045,031	26,558,184	21,234,090	21,259,032
Net pension liability - ending (a-b)	$ 2,396,240	$ 2,104,325	$ 751,109	$ 4,215,226	$ 2,947,731
Plan fiduciary net position as a percentage of the total pension liability (b/a)	91.9 %	92.5 %	97.2 %	83.4 %	87.8 %
Covered payroll (c)	$ 6,337,774	$ 5,699,596	$ 5,403,267	$ 5,368,250	$ 5,118,622
Net pension liability as a percentage of covered payroll ((a-b)/c)	37.8 %	36.9 %	13.9 %	78.5 %	57.6 %

See notes on page 220 in this section.

2019	2018	2017	2016	2015
$ 544,762	$ 541,594	$ 535,322	$ 530,945	$ 524,758
1,472,680	1,422,753	1,362,892	1,309,484	1,243,386
10,811	36,652	2,053	1,135	—
(43,177)	(205,649)	(87,268)	(185,419)	—
—	(64,510)	—	—	—
(1,010,021)	(941,856)	(893,585)	(819,201)	(754,706)
(41,324)	(42,068)	(37,380)	(36,898)	(36,876)
933,731	746,916	882,034	800,046	976,562
21,564,004	20,817,088	19,935,054	19,135,008	18,158,446
$ 22,497,735	$ 21,564,004	$ 20,817,088	$ 19,935,054	$ 19,135,008
$ 490,286	$ 477,563	$ 543,947	$ 533,877	$ 539,366
241,339	238,636	231,934	227,060	225,555
1,415,454	2,113,973	300,995	761,164	2,272,284
(1,010,021)	(941,856)	(893,585)	(819,201)	(754,706)
(41,324)	(42,068)	(37,380)	(36,898)	(36,876)
(12,236)	(12,220)	(10,696)	(10,358)	(12,153)
(30,924)	(1,887)	(130)	(162)	120
1,052,574	1,832,141	135,085	655,482	2,233,590
19,250,247	17,418,106	17,283,021	16,627,539	14,393,949
20,302,821	19,250,247	17,418,106	17,283,021	16,627,539
$ 2,194,914	$ 2,313,757	$ 3,398,982	$ 2,652,033	$ 2,507,469
90.2 %	89.3 %	83.7 %	86.7 %	86.9 %
$ 4,932,344	$ 4,765,842	$ 4,628,806	$ 4,513,335	$ 4,434,764
44.5 %	48.5 %	73.4 %	58.8 %	56.5 %

Continued on next page

Schedule of Changes in Employers' Net Pension Liability (1) (2) *(Continued from previous page)*

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	SPORS				
Change in the Net Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 25,401	$ 23,688	$ 22,042	$ 22,167	$ 20,079
Interest	90,683	86,396	79,549	77,231	72,715
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	66,727	25,538	(9,431)	4,466	45,330
Assumption changes	—	—	58,257	—	31,773
Benefit payments	(75,578)	(71,466)	(73,227)	(64,991)	(62,683)
Refunds of contributions	(240)	(378)	(271)	(552)	(805)
Net change in total pension liability	106,993	63,778	76,919	38,321	106,409
Total pension liability - beginning	1,355,955	1,292,177	1,215,258	1,176,937	1,070,528
Total pension liability - ending (a)	$ 1,462,948	$ 1,355,955	$ 1,292,177	$ 1,215,258	$ 1,176,937
Plan fiduciary net position:					
Contributions - employer	$ 50,589	$ 47,452	$ 33,788	$ 32,497	$ 31,437
Contributions - member	7,952	7,131	6,489	6,600	6,379
Net investment income	66,245	(902)	229,138	16,333	54,792
Benefit payments	(75,578)	(71,466)	(73,227)	(64,991)	(62,683)
Refunds of contributions	(240)	(378)	(271)	(552)	(805)
Administrative expense	(595)	(602)	(531)	(360)	(488)
Other	(1)	—	—	(38)	(61)
Net change in plan fiduciary net position	48,372	(18,765)	195,386	(10,511)	28,571
Plan fiduciary net position - beginning	1,031,383	1,050,148	854,762	865,273	836,702
Plan fiduciary net position - ending (b)	1,079,755	1,031,383	1,050,148	854,762	865,273
Net pension liability - ending (a-b)	$ 383,193	$ 324,572	$ 242,029	$ 360,496	$ 311,664
Plan fiduciary net position as a percentage of the total pension liability (b/a)	73.8 %	76.1 %	81.3 %	70.3 %	73.5 %
Covered payroll (c)	$ 156,707	$ 138,644	$ 128,252	$ 130,759	$ 126,483
Net pension liability as a percentage of covered payroll ((a-b)/c)	244.5 %	234.1 %	188.7 %	275.7 %	246.4 %

See notes on page 220 in this section.

2019		2018		2017		2016		2015	
$	18,187	$	18,880	$	18,700	$	18,847	$	18,341
	71,251		74,042		72,618		70,350		67,978
	—		—		—		—		—
	(7,248)		(5,327)		(14,711)		(2,890)		—
	—		(68,707)		—		—		—
	(58,197)		(57,814)		(53,515)		(53,338)		(50,467)
	(867)		(630)		(584)		(375)		(685)
	23,126		(39,556)		22,508		32,594		35,167
	1,047,402		1,086,958		1,064,450		1,031,856		996,689
$	1,070,528	$	1,047,402	$	1,086,958	$	1,064,450	$	1,031,856
$	35,806	$	31,888	$	33,655	$	28,427	$	42,683
	6,311		5,701		5,759		5,680		5,646
	58,148		87,265		12,634		32,466		98,682
	(58,197)		(57,814)		(53,515)		(53,338)		(50,467)
	(867)		(630)		(584)		(375)		(685)
	(509)		(926)		(590)		(471)		(431)
	(63)		(99)		(23)		(27)		—
	40,629		65,385		(2,664)		12,362		95,428
	796,073		730,688		733,352		720,990		625,562
	836,702		796,073		730,688		733,352		720,990
$	233,826	$	251,329	$	356,270	$	331,098	$	310,866
	78.2 %		76.0 %		67.2 %		68.9 %		69.9 %
$	124,003	$	111,395	$	114,395	$	110,059	$	112,010
	188.6 %		225.6 %		311.4 %		300.8 %		277.5 %

Continued on next page

Schedule of Changes in Employers' Net Pension Liability (1) (2) *(Continued from previous page)*

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	VaLORS				
Change in the Net Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 46,317	$ 44,326	$ 47,606	$ 48,003	$ 44,526
Interest	165,299	159,759	149,677	143,708	139,307
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	35,308	15,632	(25,405)	22,645	11,067
Assumption changes	—	—	66,216	—	62,090
Benefit payments	(138,022)	(129,974)	(124,045)	(117,137)	(109,193)
Refunds of contributions	(4,990)	(6,284)	(5,791)	(4,893)	(4,933)
Net change in total pension liability	103,912	83,459	108,258	92,326	142,864
Total pension liability - beginning	2,474,068	2,390,609	2,282,351	2,190,025	2,047,161
Total pension liability - ending (a)	$ 2,577,980	$ 2,474,068	$ 2,390,609	$2,282,351	$2,190,025
Plan fiduciary net position:					
Contributions - employer	$ 97,062	$ 93,847	$ 76,415	$ 79,914	$ 75,327
Contributions - member	18,769	17,276	17,602	18,712	17,871
Net investment income	118,276	(1,666)	405,217	28,579	93,872
Benefit payments	(138,022)	(129,974)	(124,045)	(117,137)	(109,193)
Refunds of contributions	(4,990)	(6,284)	(5,791)	(4,893)	(4,933)
Administrative expense	(1,063)	(1,074)	(943)	(623)	(831)
Other	(12)	(8)	—	(73)	(103)
Net change in plan fiduciary net position	90,020	(27,883)	368,455	4,479	72,010
Plan fiduciary net position - beginning	1,841,041	1,868,924	1,500,469	1,495,990	1,423,980
Plan fiduciary net position - ending (b)	1,931,061	1,841,041	1,868,924	1,500,469	1,495,990
Net pension liability - ending (a-b)	$ 646,919	$ 633,027	$ 521,685	$ 781,882	$ 694,035
Plan fiduciary net position as a percentage of the total pension liability (b/a)	74.9 %	74.4 %	78.2 %	65.7 %	68.3 %
Covered payroll (c)	$ 369,142	$ 338,768	$ 348,650	$ 369,996	$ 349,998
Net pension liability as a percentage of covered payroll ((a-b)/c)	175.2 %	186.9 %	149.6 %	211.3 %	198.3 %

See notes on page 220 in this section.

2019		2018		2017		2016		2015	
$	45,179	$	47,189	$	45,608	$	47,531	$	46,504
	136,289		135,453		129,756		124,579		119,040
	—		—		—		—		—
	(26,111)		(1,457)		4,997		(4,849)		—
	—		(63,457)		—		—		—
	(104,776)		(96,224)		(92,270)		(84,990)		(78,412)
	(5,604)		(4,938)		(4,524)		(4,797)		(4,665)
	44,977		16,566		83,567		77,474		82,467
	2,002,184		1,985,618		1,902,051		1,824,577		1,742,110
$	2,047,161	$	2,002,184	$	1,985,618	$	1,902,051	$	1,824,577
$	73,793	$	73,816	$	79,392	$	62,084	$	67,483
	17,496		17,598		17,574		17,081		17,908
	98,292		146,039		20,899		52,312		156,786
	(104,776)		(96,224)		(92,270)		(84,990)		(78,412)
	(5,604)		(4,938)		(4,524)		(4,797)		(4,665)
	(861)		(1,540)		(940)		(743)		(681)
	(247)		(310)		(38)		(44)		—
	78,093		134,441		20,093		40,903		158,419
	1,345,887		1,211,446		1,191,353		1,150,450		992,031
	1,423,980		1,345,887		1,211,446		1,191,353		1,150,450
$	623,181	$	656,297	$	774,172	$	710,698	$	674,127
	69.6 %		67.2 %		61.0 %		62.6 %		63.1 %
$	345,531	$	344,468	$	345,504	$	338,562	$	352,492
	180.4 %		190.5 %		224.1 %		209.9 %		191.2 %

Continued on next page

Schedule of Changes in Employers’ Net Pension Liability (1) (2) *(Continued from previous page)*

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	JRS				
Change in the Net Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total pension liability:					
Service cost	$ 19,735	$ 18,630	$ 19,335	$ 20,650	$ 18,767
Interest	50,938	50,036	44,788	44,234	44,139
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	(12,421)	(7,256)	(10,245)	(9,446)	(7,158)
Assumption changes	—	—	53,040	—	14,077
Benefit payments	(50,572)	(47,679)	(47,750)	(46,546)	(43,587)
Refunds of contributions	(15)	(41)	(135)	(12)	—
Net change in total pension liability	7,665	13,690	59,033	8,880	26,238
Total pension liability - beginning	760,192	746,502	687,469	678,589	652,351
Total pension liability - ending (a)	$ 767,857	$ 760,192	$ 746,502	$ 687,469	$ 678,589
Plan fiduciary net position:					
Contributions - employer	$ 27,788	$ 30,266	$ 22,856	$ 24,819	$ 22,893
Contributions - member	2,320	2,033	1,868	3,436	3,208
Net investment income	41,850	(477)	147,200	10,491	35,372
Benefit payments	(50,572)	(47,678)	(47,750)	(46,546)	(43,587)
Refunds of contributions	(15)	(41)	(135)	(12)	—
Administrative expense	(378)	(386)	(343)	(232)	(315)
Other	—	97	—	(42)	(39)
Net change in plan fiduciary net position	20,993	(16,186)	123,696	(8,086)	17,532
Plan fiduciary net position - beginning	656,965	673,151	549,455	557,541	540,009
Plan fiduciary net position - ending (b)	677,958	656,965	673,151	549,455	557,541
Net pension liability - ending (a-b)	$ 89,899	$ 103,227	$ 73,351	$ 138,014	$ 121,048
Plan fiduciary net position as a percentage of the total pension liability (b/a)	88.3 %	86.4 %	90.2 %	79.9 %	82.2 %
Covered payroll (c)	$ 84,059	$ 79,540	$ 74,594	$ 74,769	$ 68,330
Net pension liability as a percentage of covered payroll ((a-b)/c)	106.9 %	129.8 %	98.3 %	184.6 %	177.2 %

See notes on page 220 in this section.

2019	2018	2017	2016	2015
$ 19,228	$ 22,144	$ 21,978	$ 23,254	$ 24,024
43,799	42,081	42,820	41,759	40,013
—	—	(15,552)	—	—
(15,786)	(14,774)	(18,681)	(9,107)	—
—	16,114	—	—	—
(41,165)	(40,895)	(41,341)	(40,205)	(37,984)
—	—	—	—	—
6,076	24,670	(10,776)	15,701	26,053
646,275	621,605	632,381	616,680	590,627
$ 652,351	$ 646,275	$ 621,605	$ 632,381	$ 616,680
$ 28,096	$ 27,612	$ 41,502	$ 31,503	$ 27,727
3,231	3,272	3,236	3,015	3,051
37,466	56,029	8,112	20,051	60,833
(41,165)	(40,895)	(41,341)	(40,205)	(37,984)
—	—	—	—	—
(326)	(594)	(363)	(283)	(268)
(42)	(64)	(15)	(17)	—
27,260	45,360	11,131	14,064	53,359
512,749	467,389	456,258	442,194	388,835
540,009	512,749	467,389	456,258	442,194
$ 112,342	$ 133,526	$ 154,216	$ 176,123	$ 174,486
82.8 %	79.3 %	75.2 %	72.1 %	71.7 %
$ 68,245	$ 66,826	$ 66,621	$ 61,092	$ 61,020
164.6 %	199.8 %	231.5 %	288.3 %	285.9 %

Schedule of Employer Contributions – Pension Plans
(Dollars in Thousands)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
VIRGINIA RETIREMENT SYSTEM (VRS) - STATE					
2024	$ 794,427	$ 812,980	$ (18,553)	$ 5,622,270	14.46%
2023	716,311	733,040	(16,729)	5,069,435	14.46%
2022	674,124	674,124	—	4,661,991	14.46%
2021	636,236	636,236	—	4,399,969	14.46%
2020	600,306	600,306	—	4,440,135	13.52%
2019	567,450	567,450	—	4,197,484	13.52%
2018	560,154	560,154	—	4,152,368	13.49%
2017	542,418	542,418	—	4,020,893	13.49%
2016	628,486	557,160	71,326	3,977,759	14.01%
2015	612,824	478,235	134,589	3,878,632	12.33%
VIRGINIA RETIREMENT SYSTEM (VRS) - TEACHER					
2024	$ 1,579,433	$ 1,778,468	$ (199,035)	$ 10,700,769	16.62%
2023	1,471,664	1,657,118	(185,454)	9,970,623	16.62%
2022	1,548,861	1,548,861	—	9,319,260	16.62%
2021	1,469,854	1,469,854	—	8,843,887	16.62%
2020	1,374,613	1,374,613	—	8,766,667	15.68%
2019	1,315,160	1,315,160	—	8,387,503	15.68%
2018	1,319,796	1,319,796	—	8,086,986	16.32%
2017	1,287,939	1,156,935	131,004	7,891,783	14.66%
2016	1,344,981	1,072,020	272,961	7,624,612	14.06%
2015	1,353,158	1,078,065	275,093	7,434,932	14.50%
VIRGINIA RETIREMENT SYSTEM (VRS) - POLITICAL SUBDIVISIONS					
2024	$ 868,165	$ 868,165	$ —	$ 7,046,820	12.32%
2023	780,825	780,825	—	6,337,774	12.32%
2022	643,826	643,826	—	5,699,596	11.30%
2021	610,434	610,473	(39)	5,403,267	11.30%
2020	544,676	547,382	(2,706)	5,368,250	10.20%
2019	515,904	518,513	(2,609)	5,118,622	10.13%
2018	504,955	505,603	(648)	4,932,344	10.25%
2017	487,067	487,702	(635)	4,765,842	10.23%
2016	554,335	549,408	4,927	4,628,806	11.87%
2015	540,859	535,919	4,940	4,513,335	11.87%

See notes on page 220 in this section.

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)					
2024	$ 50,817	$ 50,817	$ —	$ 169,503	29.98%
2023	46,981	46,981	—	156,707	29.98%
2022	36,505	36,505	—	138,644	26.33%
2021	33,769	33,769	—	128,252	26.33%
2020	32,533	32,533	—	130,759	24.88%
2019	31,469	31,469	—	126,483	24.88%
2018	35,391	35,391	—	124,003	28.54%
2017	31,792	31,792	—	111,395	28.54%
2016	35,211	31,561	3,650	114,395	27.59%
2015	33,876	28,417	5,459	110,059	25.82%
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)					
2024	$ 97,915	$ 97,915	$ —	$ 398,027	24.60%
2023	90,809	90,809	—	369,142	24.60%
2022	74,190	74,190	—	338,768	21.90%
2021	76,354	76,354	—	348,650	21.90%
2020	79,956	79,956	—	369,996	21.61%
2019	75,635	75,635	—	349,998	21.61%
2018	72,734	72,734	—	345,531	21.05%
2017	72,511	72,511	—	344,468	21.05%
2016	72,763	65,101	7,662	345,504	18.84%
2015	71,301	59,824	11,477	338,562	17.67%
JUDICIAL RETIREMENT SYSTEM (JRS)					
2024	$ 27,325	$ 27,325	$ —	$ 89,093	30.67%
2023	25,781	25,781	—	84,059	30.67%
2022	23,735	23,735	—	79,540	29.84%
2021	22,259	22,259	—	74,594	29.84%
2020	25,713	25,713	—	74,769	34.39%
2019	23,498	23,498	—	68,330	34.39%
2018	28,642	28,642	—	68,245	41.97%
2017	28,047	28,047	—	66,826	41.97%
2016	37,008	33,291	3,717	66,621	49.97%
2015	35,336	31,560	3,776	61,092	51.66%

	VRS					
	State	Teacher	Political Subdivisions	SPORS	VaLORS	JRS
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:						
Investment Rate of Return*	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Projected Salary Increases:*						
State Employees/Teachers	3.50% to 5.35%	3.50% to 5.95%	N/A	3.50% to 4.75%	3.50% to 4.75%	4.00%
Political Subdivision -						
Non-Hazardous Duty Employees	N/A	N/A	3.50% to 5.35%	N/A	N/A	N/A
Political Subdivision -						
Hazardous Duty Employees	N/A	N/A	3.50% to 4.75%	N/A	N/A	N/A
Post-Retirement Benefits Increases**						
Plan 1	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Plan 2	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Hybrid	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

** Includes inflation at 2.50%.*

*** Compounded annually.*

Actuarial assumptions and methods were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2022, valuation. The mortality rates used are based on the PUB2010 table projected with a modified mortality improvement scale MP-2020.

As discussed in Note 16, visit the Virginia Retirement System's website at www.varetire.org to obtain a copy of the separately issued financial statements.

Schedule of Changes in Employers' Net Other Postemployment Benefit Liability (Asset) (1) (2)

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	RHIC				
Change in the Net OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Total OPEB liability:					
Service cost	$ 17,076	$ 18,311	$ 20,432	$ 20,143	$ 19,446
Interest	68,998	69,707	68,014	67,289	68,023
Benefit changes	68,280	—	—	—	—
Difference between actual and expected experience	(18,609)	(34,169)	(20,219)	(5,703)	(13,402)
Assumption changes	—	13,522	12,326	—	22,700
Benefit payments	(77,273)	(76,023)	(71,536)	(70,440)	(72,857)
Refunds of contributions	—	—	—	—	—
Net change in total OPEB liability	58,472	(8,652)	9,017	11,289	23,910
Total OPEB liability - beginning	1,043,748	1,052,400	1,043,383	1,032,094	1,008,184
Total OPEB liability - ending (a)	$ 1,102,220	$ 1,043,748	$ 1,052,400	$ 1,043,383	$ 1,032,094
Plan fiduciary net position:					
Contributions - employer	$ 119,535	$ 93,847	$ 119,847	$ 84,849	$ 79,926
Contributions - member	—	—	—	—	—
Net investment income	14,169	(358)	34,790	2,185	6,189
Benefit payments	(77,273)	(76,023)	(71,536)	(70,440)	(72,857)
Third-party administrator charges	—	—	—	—	—
Administrative expense	(374)	(357)	(589)	(230)	(135)
Other	(33)	(394)	(30)	(9)	(8)
Net change in plan fiduciary net position	56,024	16,715	82,482	16,355	13,115
Plan fiduciary net position - beginning	224,575	207,860	125,378	109,023	95,908
Plan fiduciary net position - ending (b)	280,599	224,575	207,860	125,378	109,023
Net OPEB liability (asset) - ending (a-b)	$ 821,621	$ 819,173	$ 844,540	$ 918,005	$ 923,071
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	25.5 %	21.5 %	19.8 %	12.0 %	10.6 %
Covered payroll (c)	$ 8,241,227	$ 7,612,495	$ 7,239,781	$ 7,237,090	$ 6,844,807
Net OPEB liability (asset) as a percentage of covered payroll ((a-b)/c)	10.0 %	10.8 %	11.7 %	12.7 %	13.5 %

(1) The Commonwealth implemented GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, as amended by GASB Statement No. 85, *Omnibus 2017*, effective for fiscal year 2018, therefore, ten years of data is unavailable.

(2) The Commonwealth's fiscal year 2024 net OPEB liability measurement date is June 30, 2023, as reported in Note 18.

See notes on page 234 in this section.

2019	2018
$ 19,645	$ 19,231
66,883	66,641
—	—
745	—
—	(12,229)
(69,117)	(71,256)
—	—
18,156	2,387
990,028	987,641
$ 1,008,184	$ 990,028
$ 79,416	$ 75,058
—	—
5,706	7,706
(69,117)	(71,256)
—	—
(149)	(131)
536	(546)
16,392	10,831
79,516	68,685
95,908	79,516
$ 912,276	$ 910,512
9.5 %	8.0 %
$ 6,762,917	$ 6,489,069
13.5 %	14.0 %

Continued on next page

Schedule of Changes in Employers' Net Other Postemployment Benefit Liability (Asset) (1) (2)

(continued from previous page)

Change in the Net OPEB Liability	VSDP 2024	2023	2022	2021	2020
Total OPEB liability:					
Service cost	$ 33,331	$ 30,802	$ 32,679	$ 32,988	$ 29,232
Interest	21,978	19,115	17,222	18,774	15,788
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	(13,168)	20,274	(22,057)	(46,473)	29,489
Assumption changes	—	—	(1,387)	—	4,180
Benefit payments	(31,004)	(29,625)	(28,790)	(27,804)	(24,376)
Refunds of contributions	—	—	—	—	—
Net change in total OPEB liability	11,137	40,566	(2,333)	(22,515)	54,313
Total OPEB liability - beginning	307,764	267,198	269,531	292,046	237,733
Total OPEB liability - ending (a)	$ 318,901	$ 307,764	$ 267,198	$ 269,531	$ 292,046
Plan fiduciary net position:					
Contributions - employer	$ 31,138	$ 28,249	$ 26,542	$ 26,994	$ 25,263
Contributions - member	—	—	—	—	—
Net investment income	38,938	(507)	131,373	9,445	30,494
Benefit payments	(31,004)	(29,625)	(28,790)	(27,804)	(24,376)
Third-party administrator charges	(7,350)	(7,247)	(7,137)	(6,611)	(6,431)
Administrative expense	(797)	(483)	(600)	(631)	(787)
Other	938	610	311	586	1,117
Net change in plan fiduciary net position	31,863	(9,003)	121,699	1,979	25,280
Plan fiduciary net position - beginning	602,916	611,919	490,220	488,241	462,961
Plan fiduciary net position - ending (b)	634,779	602,916	611,919	490,220	488,241
Net OPEB liability (asset) - ending (a-b)	$ (315,878)	$ (295,152)	$ (344,721)	$ (220,689)	$ (196,195)
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	199.1 %	195.9 %	229.0 %	181.9 %	167.2 %
Covered payroll (c)	$ 5,103,828	$ 4,637,755	$ 4,355,154	$ 4,365,296	$ 4,077,627
Net OPEB liability (asset) as a percentage of covered payroll ((a-b)/c)	(6.2%)	(6.4%)	(7.9%)	(5.1%)	(4.8%)

See notes on page 234 in this section.

2019	2018
$ 27,527	$ 27,884
15,503	15,810
—	—
(11,237)	—
—	(17,511)
(31,073)	(30,056)
—	—
720	(3,873)
237,013	240,886
$ 237,733	$ 237,013
$ 27,260	$ 24,130
—	—
32,073	48,206
(31,073)	(30,056)
(6,637)	(7,001)
(961)	(717)
(35)	(54)
20,627	34,508
442,334	407,826
462,961	442,334
$ (225,228)	$ (205,321)
194.7 %	186.6 %
$ 3,972,637	$ 3,799,590
(5.7%)	(5.4%)

Schedule of the Commonwealth’s Proportionate Share of the Net Other Postemployment Benefit Liability (1) (2)

Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	GLI				
	2024	2023	2022	2021	2020
Commonwealth's proportion of the net OPEB liability	30.1 %	30.1 %	30.0 %	30.4 %	30.1 %
Commonwealth's proportionate share of the net OPEB liability	$360,915	$362,146	$349,518	$507,458	$490,250
Commonwealth's covered payroll	$7,126,166	$6,577,667	$6,231,703	$6,290,591	$5,936,396
Commonwealth's covered employee payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's proportionate share of the net OPEB liability as a percentage of its covered payroll / covered employee payroll	5.1 %	5.5 %	5.6 %	8.1 %	8.3 %
Plan fiduciary net position as a percentage of the total OPEB liability	69.3 %	67.2 %	67.5 %	52.6 %	52.0 %

(1) The Commonwealth implemented GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, and GASB Statement No. 85, *Omnibus 2017*, effective for fiscal year 2018, therefore, ten years of data is unavailable.

(2) The Commonwealth's fiscal year 2024 net OPEB liability measurement date is June 30, 2023 as reported in Note 18.

(3) Since the Commonwealth is considered the governmental nonemployer contributing entity for the state-funded Retiree Health Insurance Credit for constitutional officers, social services employees and registrars (RHIC: Non-State), the covered payroll information is not applicable.

See notes on page 234 in this section.

2019	2018
30.5 %	30.3 %
$463,787	$456,387
$5,836,331	$5,621,670
N/A	N/A
7.9 %	8.1 %
51.2 %	48.9 %

Continued on next page

Schedule of the Commonwealth's Proportionate Share of the Net Other Postemployment Benefit Liability (1) (2)

(continued from previous page)

	LODA				
	2024	2023	2022	2021	2020
Commonwealth's proportion of the net OPEB liability	61.4 %	59.5 %	59.4 %	60.1 %	59.9 %
Commonwealth's proportionate share of the net OPEB liability	$246,027	$225,245	$262,156	$251,588	$214,981
Commonwealth's covered payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's covered employee payroll	$561,883	$501,458	$468,772	$484,167	$460,426
Commonwealth's proportionate share of the net OPEB liability as a percentage of its covered payroll / covered employee payroll	43.8 %	44.9 %	55.9 %	52.0 %	46.7 %
Plan fiduciary net position as a percentage of the total OPEB liability	1.3 %	1.9 %	1.7 %	1.0 %	0.8 %

See notes on page 234 in this section.

2019	2018
59.9 %	60.9 %
$187,869	$160,064
N/A	N/A
$440,535	$431,978
42.6 %	37.1 %
0.6 %	1.3 %

Continued on next page

Schedule of the Commonwealth's Proportionate Share of the Net Other Postemployment Benefit Liability (1) (2)

(continued from previous page)

	RHIC: Non-State (3)				
	Constitutional Officers				
	2024	2023	2022	2021	2020
Commonwealth's proportion of the net OPEB liability	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Commonwealth's proportionate share of the net OPEB liability	$30,234	$26,285	$26,910	$27,293	$26,877
Commonwealth's covered payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's covered employee payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's proportionate share of the net OPEB liability as a percentage of its covered payroll / covered employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	24.4 %	22.4 %	19.9 %	15.8 %	14.3 %

	Social Service Employees				
	2024	2023	2022	2021	2020
Commonwealth's proportion of the net OPEB liability	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Commonwealth's proportionate share of the net OPEB liability	$9,827	$12,341	$12,631	$12,880	$12,457
Commonwealth's covered payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's covered employee payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's proportionate share of the net OPEB liability as a percentage of its covered payroll / covered employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	34.4 %	17.2 %	15.7 %	13.1 %	15.4 %

	Registrars				
	2024	2023	2022	2021	2020
Commonwealth's proportion of the net OPEB liability	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Commonwealth's proportionate share of the net OPEB liability	$302	$353	$435	$469	$503
Commonwealth's covered payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's covered employee payroll	N/A	N/A	N/A	N/A	N/A
Commonwealth's proportionate share of the net OPEB liability as a percentage of its covered payroll / covered employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	45.9 %	36.5 %	27.9 %	21.2 %	14.8 %

See notes on page 234 in this section.

RHIC: Non-State (3)

Constitutional Officers

2019	2018
100.0 %	100.0 %
$26,351	$25,766
N/A	N/A
N/A	N/A
N/A	N/A
11.1 %	8.6 %

Social Service Employees

2019	2018
100.0 %	100.0 %
$12,903	$12,725
N/A	N/A
N/A	N/A
N/A	N/A
9.3 %	7.9 %

Registrars

2019	2018
100.0 %	100.0 %
$499	$486
N/A	N/A
N/A	N/A
N/A	N/A
10.4 %	6.5 %

Schedule of Employer Contributions – Other Postemployment Benefit Plans

(Dollars in Thousands)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll / Covered Employee Payroll
			RETIREE HEALTH INSURANCE CREDIT			
2024	$ 94,805	$ 102,097	$ (7,292)	$ 9,115,841	N/A	1.1 %
2023	85,709	92,302	(6,593)	8,241,227	N/A	1.1 %
2022	85,260	85,260	—	7,612,495	N/A	1.1 %
2021	81,086	81,086	—	7,239,781	N/A	1.1 %
2020	84,674	84,674	—	7,237,090	N/A	1.2 %
2019	80,084	80,084	—	6,844,807	N/A	1.2 %
2018	79,802	79,802	—	6,762,917	N/A	1.2 %
2017	76,571	76,571	—	6,489,069	N/A	1.2 %
2016	73,961	66,375	7,586	6,321,454	N/A	1.1 %
2015	71,522	64,186	7,336	6,112,951	N/A	1.1 %
			VIRGINIA SICKNESS AND DISABILITY PROGRAM (Also referred to Disability Insurance Trust Fund)			
2024	$ 31,883	$ 34,730	$ (2,847)	$ 5,693,402	N/A	0.6 %
2023	28,581	31,133	(2,552)	5,103,828	N/A	0.6 %
2022	28,290	28,290	—	4,637,755	N/A	0.6 %
2021	26,566	26,566	—	4,355,154	N/A	0.6 %
2020	27,065	27,065	—	4,365,296	N/A	0.6 %
2019	25,281	25,281	—	4,077,627	N/A	0.6 %
2018	26,219	26,219	—	3,972,637	N/A	0.7 %
2017	25,077	25,077	—	3,799,590	N/A	0.7 %
2016	27,187	24,580	2,607	3,724,248	N/A	0.7 %
2015	26,244	23,728	2,516	3,595,080	N/A	0.7 %
			GROUP LIFE INSURANCE (1)			
2024	$ 37,632	$ 42,336	$ (4,704)	$ 7,839,929	N/A	0.5 %
2023	34,206	38,481	(4,275)	7,126,166	N/A	0.5 %
2022	35,519	35,519	—	6,577,667	N/A	0.5 %
2021	33,651	33,651	—	6,231,703	N/A	0.5 %
2020	32,711	32,711	—	6,290,591	N/A	0.5 %
2019	30,869	30,869	—	5,936,396	N/A	0.5 %
2018	30,349	30,349	—	5,836,331	N/A	0.5 %
2017	29,089	29,089	—	5,621,670	N/A	0.5 %
2016	29,358	26,588	2,770	5,539,210	N/A	0.5 %
2015	28,487	25,799	2,688	5,374,853	N/A	0.5 %

(1) The Group Life Insurance and the Line of Duty Trust Fund (Line of Duty Act) are cost-sharing plans and amounts in this schedule are only for the Commonwealth and does not include other employers.

(2) Covered employee payroll is provided since the contributions are not based on a measure of pay. Ten years of data is not available for this plan.

(3) Although the Retiree Health Insurance Credit program for constitutional officers, social services employees, and registrars existed prior to fiscal year 2016, the program was funded in a different manner and the results do not provide comparability with the current presentations. Since the Commonwealth is considered the governmental nonemployer contributing entity, the column regarding covered payroll is not applicable.

See notes on page 234 in this section.

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll / Covered Employee Payroll
LINE OF DUTY TRUST FUND (1) (2)						
2024	$ 20,428	$ 8,844	$ 11,584	N/A	$ 599,566	1.5 %
2023	20,374	8,144	12,230	N/A	561,883	1.4 %
2022	14,734	8,197	6,537	N/A	501,458	1.6 %
2021	14,820	8,184	6,636	N/A	468,772	1.7 %
2020	14,706	8,164	6,542	N/A	484,167	1.7 %
2019	14,486	8,042	6,444	N/A	460,426	1.7 %
2018	13,870	6,364	7,506	N/A	440,535	1.4 %
2017	14,275	6,550	7,725	N/A	431,978	1.5 %
RETIREE HEALTH INSURANCE CREDIT: NON-STATE (3) For Constitutional Officers						
2024	$ 3,347	$ 3,347	$ —	N/A	N/A	N/A
2023	3,052	3,052	—	N/A	N/A	N/A
2022	2,786	2,786	—	N/A	N/A	N/A
2021	2,642	2,642	—	N/A	N/A	N/A
2020	2,734	2,734	—	N/A	N/A	N/A
2019	2,593	2,593	—	N/A	N/A	N/A
2018	2,362	2,362	—	N/A	N/A	N/A
2017	2,280	2,280	—	N/A	N/A	N/A
2016	1,950	1,830	120	N/A	N/A	N/A
RETIREE HEALTH INSURANCE CREDIT: NON-STATE (3) (For Social Services Employees)						
2024	$ 1,384	$ 1,384	$ —	N/A	N/A	N/A
2023	1,268	1,268	—	N/A	N/A	N/A
2022	1,196	1,196	—	N/A	N/A	N/A
2021	1,143	1,143	—	N/A	N/A	N/A
2020	1,283	1,283	—	N/A	N/A	N/A
2019	1,202	1,202	—	N/A	N/A	N/A
2018	1,106	1,106	—	N/A	N/A	N/A
2017	1,055	1,055	—	N/A	N/A	N/A
2016	961	824	137	N/A	N/A	N/A
RETIREE HEALTH INSURANCE CREDIT: NON-STATE (3) (For Registrars)						
2024	$ 70	$ 70	$ —	N/A	N/A	N/A
2023	61	61	—	N/A	N/A	N/A
2022	66	66	—	N/A	N/A	N/A
2021	52	52	—	N/A	N/A	N/A
2020	50	50	—	N/A	N/A	N/A
2019	46	46	—	N/A	N/A	N/A
2018	47	47	—	N/A	N/A	N/A
2017	45	45	—	N/A	N/A	N/A
2016	36	30	6	N/A	N/A	N/A

Notes for Other Postemployment Benefit Schedules

	Group Life Insurance Fund	Retiree Health Insurance Credit Fund	Disability Insurance Trust Fund	Line of Duty Act Trust Fund
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Open
Payroll Growth Rate:				
State Employees	3.0%	3.0%	3.0%	3.0%
Teachers	3.0%	3.0%	N/A	N/A
Political Subdivision Employees	3.0%	3.0%	N/A	3.0%
State Police / Virginia Law Officers	3.0%	3.0%	3.0%	3.0%
Judges	3.0%	3.0%	N/A	N/A
Asset Valuation Method				
State Employees and Teachers	5-Year, Smoothed Market	5-Year, Smoothed Market	5-Year, Smoothed Market	Market Value
Political Subdivision Employees and State-Funded Local Employees	5-Year, Smoothed Market	Market Value	N/A	Market Value
Actuarial Assumptions:				
Investment Rate of Return (1)	6.8%	6.8%	6.8%	6.8%
Projected Salary Increases (2)				
State Employees	3.5% to 5.4%	3.5% to 5.4%	3.5% to 5.4%	N/A
Teachers	3.5% to 6.0%	3.5% to 6.0%	N/A	N/A
Political Subdivision Employees (Non-Hazardous Duty Employees)	3.5% to 5.4%	3.5% to 5.4%	N/A	N/A
Political Subdivision Employees (Hazardous Duty Employees)	3.5% to 4.8%	3.5% to 4.8%	N/A	N/A
State Police / Virginia Law Officers	3.5% to 4.8%	3.5% to 4.8%	3.5% to 4.8%	N/A
Judges	4.0%	4.0%	N/A	N/A
Medical Trend Assumptions (Under Age 65)	N/A	N/A	N/A	7.0% to 4.8%
Medical Trend Assumptions (Ages 65 and Older)	N/A	N/A	N/A	5.3% to 4.8%
Year of Ultimate Trend Rate (Under Age 65)	N/A	N/A	N/A	2028
Year of Ultimate Trend Rate (Ages 65 and Older)	N/A	N/A	N/A	2023

(1) Includes inflation rate of 2.5 percent.

(2) Projected salary increases for the Retiree Health Insurance Credit Fund are used in the application of the actuarial cost method. Projected salary increase factors are not applicable to the Line of Duty Act Program since neither the benefit nor the cost is salary-based.

Actuarial assumptions and methods were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2022, valuation. The mortality rates used are based on the PUB2010 table projected with a modified mortality improvement scale MP-2020.

As discussed in Note 18, visit the Virginia Retirement System's website at www.varetire.org to obtain a copy of the separately issued financial statements.

Schedule of Changes in Employers’ Total Other Postemployment Benefit Liability (1) (2)

Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

Change in the Total OPEB Liability	PMRH				
	2024	**2023**	**2022**	**2021**	**2020**
Total OPEB liability:					
Service cost	$ 22,963	$ 31,325	$ 44,141	$ 47,963	$ 72,737
Interest cost	12,981	10,020	13,139	25,009	40,941
Changes of benefit terms	—	—	—	—	—
Difference between expected and actual experience	10,908	(24,105)	(20,887)	(24,121)	(216,886)
Changes of assumptions	(18,611)	(69,896)	(119,285)	(130,004)	(182,206)
Benefit payments	(39,737)	(32,820)	(37,040)	(28,903)	(41,346)
Net change in total OPEB liability	(11,496)	(85,476)	(119,932)	(110,056)	(326,760)
Total OPEB liability - beginning	363,416	448,892	568,824	678,880	1,005,640
Total OPEB liability - ending (a)	$ 351,920	$ 363,416	$ 448,892	$ 568,824	$ 678,880
Covered employee payroll (b)	$ 6,981,590	$ 6,429,512	$ 5,904,674	$ 5,842,440	$ 5,616,229
Total OPEB liability as a percentage of covered employee payroll (a/b)	5.0 %	5.7 %	7.6 %	9.7 %	12.1 %

(1) The Commonwealth implemented GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, as amended by GASB Statement No. 85, *Omnibus 2017*, effective for fiscal year 2018, therefore, ten years of data is unavailable.

(2) The Commonwealth's fiscal year 2024 total OPEB liability measurement date is June 30, 2023, as reported in Note 18. There are no assets accumulated in a trust to pay related benefits.

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

Changes of assumptions – There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage - rate remained at 20.0 percent
- Retiree Participation - rate remained at 35.0 percent

Retiree participation was based on a blend of recent experience and the prior year assumptions. The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.5 percent to 3.7 percent based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date of June 30, 2023.

2019	2018
$ 94,665	$ 116,627
49,279	47,346
—	—
(191,000)	(61,865)
(211,762)	(326,082)
(34,446)	(43,244)
(293,264)	(267,218)
1,298,904	1,566,122
$ 1,005,640	$ 1,298,904
$ 5,485,993	$ 5,229,024
18.3 %	24.8 %

Claims Development Information – Risk Management

(Dollars in Thousands)

Comparison of Earned Revenues and Investment Income to Related Costs of Loss and Other Expenses

Fiscal and Policy Year Ended	2015	2016	2017	2018
1. Required contribution and investment revenue:				
Earned	$ 8,487	$ 8,733	$ 13,213	$ 13,232
Ceded (a)	—	—	—	—
Net earned	8,487	8,733	13,213	13,232
2. Unallocated expenses	1,331	1,357	1,460	1,603
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	4,696	6,893	4,235	10,155
Ceded (a)	—	—	—	—
Net incurred	4,696	6,893	4,235	10,155
4. Net paid (cumulative) as of:				
End of policy year	922	1,206	836	1,979
One year later	3,270	4,680	3,195	5,573
Two years later	5,844	6,557	4,203	8,027
Three years later	8,280	8,841	4,434	8,854
Four years later	9,122	9,230	4,590	9,488
Five years later	9,270	9,274	4,734	9,736
Six years later	9,278	9,937	4,800	9,874
Seven years later	9,278	9,991	4,819	
Eight years later	9,278	9,962		
Nine years later	9,425			
5. Reestimated ceded claims and expenses (a)	—	—	—	—
6. Reestimated incurred claims and expenses:				
End of policy year	4,696	6,893	4,235	10,155
One year later	6,775	10,307	4,820	11,598
Two years later	8,961	9,908	5,031	12,880
Three years later	8,836	9,764	5,100	13,220
Four years later	9,312	9,979	4,963	11,118
Five years later	9,395	9,976	5,098	10,459
Six years later	9,341	10,280	5,018	10,540
Seven years later	9,296	10,123	4,952	
Eight years later	9,296	9,962		
Nine years later	9,426			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	4,730	3,069	717	385

The Commonwealth, through the Department of the Treasury, Division of Risk Management, provides errors and omissions liability insurance and law enforcement professional liability insurance for local governmental units, which went into effect in fiscal year 1987. Some prior year numbers have been revised to reflect the incorporation of newly available and revised source data.

See Notes on page 244 in this section.

2019	2020	2021	2022	2023	2024
$ 13,236	$ 14,327	$ 14,968	$ 14,747	$ 15,599	$ 15,017
—	—	—	—	—	—
13,236	14,327	14,968	14,747	15,599	15,017
1,530	1,670	1,627	1,601	1,654	1,560
9,160	7,462	7,608	11,111	7,792	10,541
—	—	—	—	—	—
9,160	7,462	7,608	11,111	7,792	10,541
1,075	1,267	1,251	1,949	1,628	1,090
4,180	5,255	4,158	6,374	6,227	
6,140	6,703	5,479	8,089		
10,019	7,307	5,972			
10,680	8,377				
10,836					
—	—	—	—	—	—
9,160	7,462	7,608	11,111	7,792	10,541
10,725	9,348	8,687	12,658	10,434	
10,684	10,721	7,445	10,486		
12,377	10,488	7,303			
12,123	11,268				
11,770					
2,610	3,806	(305)	(625)	2,642	—

Claims Development Information – Health Care

(Dollars in Thousands)

Comparison of Earned Revenues and Investment Income to Related Costs of Loss and Other Expenses

Fiscal and Policy Year Ended	**2015**	**2016**	**2017**	**2018**
1. Required contribution and investment revenue:				
Earned	$ 343,470	$ 392,778	$ 430,247	$ 464,631
Ceded (a)	—	—	—	—
Net earned	343,470	392,778	430,247	464,631
2. Unallocated expenses	22,748	25,422	26,650	27,590
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	327,154	386,227	419,841	433,437
Ceded (a)	—	—	—	—
Net incurred	327,154	386,227	419,841	433,437
4. Net paid (cumulative) as of:				
End of policy year	329,099	379,376	417,869	421,802
One year later	N/A	N/A	N/A	N/A
Two years later	N/A	N/A	N/A	N/A
Three years later	N/A	N/A	N/A	N/A
Four years later	N/A	N/A	N/A	N/A
Five years later	N/A	N/A	N/A	N/A
Six years later	N/A	N/A	N/A	N/A
Seven years later	N/A	N/A	N/A	
Eight years later	N/A	N/A		
Nine years later	N/A			
5. Reestimated ceded claims and expenses (a)	—	—	—	—
6. Reestimated incurred claims and expenses:				
End of policy year	327,154	386,227	419,841	433,437
One year later	327,154	386,227	419,841	433,437
Two years later	N/A	N/A	N/A	N/A
Three years later	N/A	N/A	N/A	N/A
Four years later	N/A	N/A	N/A	N/A
Five years later	N/A	N/A	N/A	N/A
Six years later	N/A	N/A	N/A	N/A
Seven years later	N/A	N/A	N/A	
Eight years later	N/A	N/A		
Nine years later	N/A			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	—	—	—	—

The Commonwealth, through its Department of Human Resource Management, provides health care insurance for local governmental units, which went into effect in fiscal year 1987. Some prior year numbers have been revised to reflect the incorporation of newly available and revised source data.

See Notes on page 244 in this section.

2019	2020	2021	2022	2023	2024
$ 481,856	$ 494,233	$ 484,726	$ 464,496	$ 523,929	$ 559,188
—	—	—	—	—	—
481,856	494,233	484,726	464,496	523,929	559,188
26,334	27,540	27,096	24,833	27,922	28,634
446,606	395,950	445,600	457,136	496,694	521,770
—	—	—	—	—	—
446,606	395,950	445,600	457,136	496,694	521,770
443,931	398,497	451,451	447,914	493,877	531,138
N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A		
N/A	N/A	N/A			
N/A	N/A				
N/A					
—	—	—	—	—	—
446,606	395,950	445,600	457,136	496,694	521,770
446,606	395,950	445,600	457,136	496,694	
N/A	N/A	N/A	N/A		
N/A	N/A	N/A			
N/A	N/A				
N/A					
—	—	—	—	—	—

Claims Development Information – Line of Duty

(Dollars in Thousands)

Comparison of Earned Revenues and Investment Income to Related Costs of Loss and Other Expenses

Fiscal and Policy Year Ended	**2015**	**2016**	**2017**	**2018**
1. Required contribution and investment revenue:				
Earned	N/A	N/A	N/A	$ 19,910
Ceded (a)	N/A	N/A	N/A	—
Net earned	N/A	N/A	N/A	19,910
2. Unallocated expenses	N/A	N/A	N/A	832
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	N/A	N/A	N/A	17,210
Ceded (a)	N/A	N/A	N/A	—
Net incurred	N/A	N/A	N/A	17,210
4. Net paid (cumulative) as of:				
End of policy year	N/A	N/A	N/A	14,779
One year later	N/A	N/A	N/A	N/A
Two years later	N/A	N/A	N/A	N/A
Three years later	N/A	N/A	N/A	N/A
Four years later	N/A	N/A	N/A	N/A
Five years later	N/A	N/A	N/A	N/A
Six years later	N/A	N/A	N/A	N/A
Seven years later	N/A	N/A	N/A	
Eight years later	N/A	N/A		
Nine years later	N/A			
5. Reestimated ceded claims and expenses (a)	—	—	—	—
6. Reestimated incurred claims and expenses:				
End of policy year	N/A	N/A	N/A	17,210
One year later	N/A	N/A	N/A	17,210
Two years later	N/A	N/A	N/A	N/A
Three years later	N/A	N/A	N/A	N/A
Four years later	N/A	N/A	N/A	N/A
Five years later	N/A	N/A	N/A	N/A
Six years later	N/A	N/A	N/A	N/A
Seven years later	N/A	N/A	N/A	
Eight years later	N/A	N/A		
Nine years later	N/A			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	—	—	—	—

The Commonwealth, through its Department of Human Resource Management, provides disability, death, and health benefits to eligible employees and their eligible family members. The Commonwealth began administering the insurance program for localities that do not participate in the State plan effective with fiscal year 2018.

See Notes on page 244 in this section.

	2019	2020	2021	2022	2023	2024
	$ 17,790	$ 17,245	$ 18,941	$ 18,830	$ 21,683	$ 22,424
	—	—	—	—	—	—
	17,790	17,245	18,941	18,830	21,683	22,424
	594	679	718	759	912	623
	16,786	15,715	18,699	16,496	22,249	21,591
	—	—	—	—	—	—
	16,786	15,715	18,699	16,496	22,249	21,591
	17,302	15,737	18,376	16,672	22,467	21,728
	N/A	N/A	N/A	N/A	N/A	
	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A			
	N/A	N/A				
	N/A					
	—	—	—	—	—	—
	16,786	15,715	18,699	16,496	22,249	21,591
	16,786	15,715	18,699	16,496	22,249	
	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A			
	N/A	N/A				
	N/A					
	—	—	—	—	—	—

Notes for Claims Development Information Tables

The tables on the previous pages illustrate how the Risk Management, Health Care, and Line of Duty Claims Funds earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the funds as of the end of each of the past several years. The rows of the tables are defined as follows:

1. This line shows the total of each fiscal year’s gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.

2. This line shows each fiscal year's other operating costs of the funds, including overhead and claims expense not allocable to individual claims.

3. This line shows the funds’ gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).

4. This section of rows shows the cumulative net amounts paid as of the end of successive years for each policy year.

5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.

6. This section of rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.)

7. This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

The columns of the tables show data for successive policy years.

Notes:

(a) During fiscal year 1997, the Commonwealth implemented GASB Statement No. 30, *Risk Financing Omnibus*. The Commonwealth has no reinsurers; therefore, the ceded amounts on lines 1, 3, and 5 are zero.

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for specific revenue sources that are restricted or committed to finance particular functions and activities of the Commonwealth.

The Health and Social Services Special Revenue Fund accounts for revenues and expenditures related to local health care assistance.

The Unclaimed Property Fund accounts for unclaimed and escheat property that the Commonwealth holds for its rightful owner. Due to the nature of these transactions, the Commonwealth incurs a liability upon receipt of the assets. The accompanying financial statements reflect an estimate of the amount that will be paid to claimants as required by governmental accounting standards.

The Other Special Revenue Fund accounts for revenues and expenditures related to business and agricultural activities, and miscellaneous activities throughout the Commonwealth.

Debt Service Funds

The Debt Service Funds account for transactions related to resources retained and used for the payment of interest and principal on long-term obligations recorded in the Governmental Activities column on the Government-wide Statement of Net Position. Resources include transfers in from other governmental funds and Federal revenue solely to be used for debt service payments.

Primary Government accounts for the payment of principal and interest on bonds used to acquire, construct, or improve parks, highways, and correctional, behavioral health, and parking facilities owned by the Commonwealth.

The Virginia Public Building Authority accounts for the payment of principal and interest on bonds used to acquire, construct, and operate public buildings used by the Commonwealth and its political subdivisions.

The Hampton Roads Transportation Accountability Commission accounts for the payment of principal and interest on bonds used for construction projects related to new or existing highways, bridges or tunnels in the localities comprising Planning District 23.

Capital Project Funds

The Capital Project Funds are maintained to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental or proprietary funds, with the exception of certain Virginia Public Building Authority disbursements.

Primary Government accounts for the financial resources acquired through the issuance of General Obligation Bonds and Energy Performance Contracts. The resources are used to acquire, construct, or improve land, public buildings, and parking facilities owned by the Commonwealth.

The Virginia Public Building Authority accounts for financial resources acquired through the issuance of section 9(d) bonds. These resources are used to acquire, construct, finance, refinance and operate public buildings used by the Commonwealth and any of its political subdivisions. Resources are also used to finance or refinance reimbursements to localities or governmental entities for the Commonwealth's share of the capital costs for certain authorized projects.

Hampton Roads Transportation Accountability Commission accounts for financial resources acquired through the sales and use and motor fuels taxes designated for Planning District 23. These resources will be used for construction projects related to new or existing highways, bridges or tunnels in the localities comprising Planning District 23.

Permanent Funds

Permanent Funds are funds whose principal must remain intact.

Commonwealth Health Research Fund provides financial grants for human health research benefiting the Commonwealth's citizens. The entire fund balance is restricted for use as such as a condition of a legal settlement.

Behavioral Health Endowment Funds provide funds for the welfare of patients in behavioral health facilities. The entire fund balance is restricted for use as such.

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2024
(Dollars in Thousands)

	Special Revenue Funds			
	Health and Social Services	Unclaimed Property	Other	Total
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 716,815	$ 224,104	$ 1,398,643	$ 2,339,562
Investments	6,218	233,362	18,770	258,350
Assets Held Pending Distribution	—	—	4,696	4,696
Receivables, Net	859,339	—	53,874	913,213
Due from Other Funds	50	—	11,217	11,267
Due from External Parties (Fiduciary Funds)	—	—	217	217
Interfund Receivable	—	—	341,343	341,343
Inventory	3,897	—	2,619	6,516
Prepaid Items	6,700	4	2,981	9,685
Other Assets	2	—	666	668
Total Assets	1,593,021	457,470	1,835,026	3,885,517
Deferred Outflows of Resources	—	—	—	—
Total Assets and Deferred Outflows of Resources	$ 1,593,021	$ 457,470	$ 1,835,026	$ 3,885,517
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts Payable	$ 19,815	$ 344	$ 49,934	$ 70,093
Amounts Due to Other Governments	2,982	—	14,165	17,147
Due to Other Funds	674	33	4,752	5,459
Due to Component Units	—	—	—	—
Due to External Parties (Fiduciary Funds)	762	29	2,270	3,061
Interfund Payable	20,000	—	—	20,000
Unearned Revenue	167,934	—	58,734	226,668
Obligations Under Securities Lending Program	52,617	—	109,015	161,632
Due to Claimants, Participants, Escrows and Providers	—	358,898	—	358,898
Other Liabilities	350,301	—	49,567	399,868
Long-term Liabilities Due Within One Year	127	—	105	232
Total Liabilities	615,212	359,304	288,542	1,263,058
Deferred Inflows of Resources	479,137	—	13,433	492,570
Total Liabilities and Deferred Inflows of Resources	1,094,349	359,304	301,975	1,755,628
Fund Balances:				
Nonspendable	10,597	4	5,600	16,201
Restricted	119,213	98,162	171,309	388,684
Committed	360,411	—	1,307,706	1,668,117
Assigned	8,451	—	48,436	56,887
Total Fund Balances	498,672	98,166	1,533,051	2,129,889
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,593,021	$ 457,470	$ 1,835,026	$ 3,885,517

Debt Service Funds			
Primary Government	Virginia Public Building Authority	Hampton Roads Transportation Accountability Commission	Total
$ 43,558	$ 99	$ 688	$ 44,345
—	—	—	—
—	—	—	—
7,885	873	—	8,758
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
51,443	972	688	53,103
—	—	—	—
$ 51,443	$ 972	$ 688	$ 53,103
$ —	$ —	$ —	$ —
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
7,069	—	—	7,069
7,069	—	—	7,069
—	—	—	—
44,374	972	688	46,034
—	—	—	—
—	—	—	—
44,374	972	688	46,034
$ 51,443	$ 972	$ 688	$ 53,103

Continued on next page

Combining Balance Sheet – Nonmajor Governmental Funds *(Continued from previous page)*

June 30, 2024
(Dollars in Thousands)

	Capital Project Funds			
	Primary Government	Virginia Public Building Authority	Hampton Roads Transportation Accountability Commission	Total
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 388	$ 160,737	$ 1,143,265	$ 1,304,390
Investments	—	—	489,301	489,301
Assets Held Pending Distribution	—	—	—	—
Receivables, Net	—	720	3,759	4,479
Due from Other Funds	—	—	58,972	58,972
Due from External Parties (Fiduciary Funds)	—	—	—	—
Interfund Receivable	—	—	—	—
Inventory	—	—	—	—
Prepaid Items	—	—	157,145	157,145
Other Assets	—	—	—	—
Total Assets	388	161,457	1,852,442	2,014,287
Deferred Outflows of Resources	—	—	—	—
Total Assets and Deferred Outflows of Resources	$ 388	$ 161,457	$ 1,852,442	$ 2,014,287
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts Payable	$ —	$ 44,369	$ 342	$ 44,711
Amounts Due to Other Governments	—	—	—	—
Due to Other Funds	—	2	56,203	56,205
Due to Component Units	102	1,145	—	1,247
Due to External Parties (Fiduciary Funds)	—	3	—	3
Interfund Payable	—	—	—	—
Unearned Revenue	—	—	—	—
Obligations Under Securities Lending Program	—	—	—	—
Due to Claimants, Participants, Escrows and Providers	—	—	—	—
Other Liabilities	—	—	29,645	29,645
Long-term Liabilities Due Within One Year	—	—	—	—
Total Liabilities	102	45,519	86,190	131,811
Deferred Inflows of Resources	—	—	—	—
Total Liabilities and Deferred Inflows of Resources	102	45,519	86,190	131,811
Fund Balances:				
Nonspendable	—	—	157,145	157,145
Restricted	286	115,938	1,609,107	1,725,331
Committed	—	—	—	—
Assigned	—	—	—	—
Total Fund Balances	286	115,938	1,766,252	1,882,476
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 388	$ 161,457	$ 1,852,442	$ 2,014,287

Permanent Funds			
Commonwealth Health Research Board	Behavioral Health Endowment Funds	Total	Total Nonmajor Governmental Funds
$ 501	$ 143	$ 644	$ 3,688,941
50,520	—	50,520	798,171
—	—	—	4,696
—	—	—	926,450
—	—	—	70,239
—	—	—	217
—	—	—	341,343
—	—	—	6,516
—	—	—	166,830
—	—	—	668
51,021	143	51,164	6,004,071
—	—	—	—
$ 51,021	$ 143	$ 51,164	$ 6,004,071
$ 32	$ —	$ 32	$ 114,836
—	—	—	17,147
1	—	1	61,665
—	—	—	1,247
3	—	3	3,067
—	—	—	20,000
—	—	—	226,668
51	—	51	161,683
—	—	—	358,898
—	—	—	429,513
—	—	—	232
87	—	87	1,394,956
—	—	—	499,639
87	—	87	1,894,595
48,795	48	48,843	222,189
2,139	95	2,234	2,162,283
—	—	—	1,668,117
—	—	—	56,887
50,934	143	51,077	4,109,476
$ 51,021	$ 143	$ 51,164	$ 6,004,071

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Special Revenue Funds			
	Health and Social Services	Unclaimed Property	Other	Total
Revenues				
Taxes	$ 1,590,833	$ —	$ 166,556	$ 1,757,389
Rights and Privileges	161,245	—	231,834	393,079
Institutional Revenue	99,220	—	34,165	133,385
Interest, Dividends, Rents, and Other Investment Income (Loss)	16,226	20,362	70,461	107,049
Federal Grants and Contracts	—	—	—	—
Other	351,020	236,127	675,160	1,262,307
Total Revenues	2,218,544	256,489	1,178,176	3,653,209
Expenditures				
Current:				
General Government	1,668	6,881	231,444	239,993
Education	56	—	41,461	41,517
Transportation	—	—	9,158	9,158
Resources and Economic Development	56,597	—	529,500	586,097
Individual and Family Services	2,035,498	—	107,744	2,143,242
Administration of Justice	420	—	130,352	130,772
Capital Outlay	84	—	9,762	9,846
Debt Service:				
Principal Retirement	2,799	520	6,424	9,743
Interest and Charges	1,528	46	2,365	3,939
Total Expenditures	2,098,650	7,447	1,068,210	3,174,307
Revenues Over (Under) Expenditures	119,894	249,042	109,966	478,902
Other Financing Sources (Uses)				
Transfers In	2,585	—	121,049	123,634
Transfers Out	(3,424)	(200,000)	(57,233)	(260,657)
Notes Issued	—	—	—	—
Insurance Recoveries	—	—	393	393
Long term Leases Issued	—	—	94	94
Long term SBITAs Issued	74,146	—	1,033	75,179
Bonds Issued	—	—	—	—
Premium on Debt Issuance	—	—	—	—
Refunding Bonds Issued	—	—	—	—
Sale of Capital Assets	160	—	—	160
Payment to Refunded Bond Escrow Agents	—	—	—	—
Total Other Financing Sources (Uses)	73,467	(200,000)	65,336	(61,197)
Net Change in Fund Balances	193,361	49,042	175,302	417,705
Fund Balance, July 1, as restated	305,311	49,124	1,357,749	1,712,184
Fund Balance, June 30	$ 498,672	$ 98,166	$ 1,533,051	$ 2,129,889

Debt Service Funds			
Primary Government	Virginia Public Building Authority	Hampton Roads Transportation Accountability Commission	Total
$ —	$ —	$ —	$ —
—	—	—	—
—	—	—	—
2,053	—	993	3,046
130,658	2,135	—	132,793
15,451	—	—	15,451
148,162	2,135	993	151,290
—	—	—	—
—	—	—	—
6,434	—	—	6,434
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
270,043	223,880	—	493,923
155,145	132,220	79,976	367,341
431,622	356,100	79,976	867,698
(283,460)	(353,965)	(78,983)	(716,408)
280,411	353,731	79,385	713,527
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
63,736	9,147	—	72,883
454,330	135,965	—	590,295
—	—	—	—
(517,211)	(144,878)	—	(662,089)
281,266	353,965	79,385	714,616
(2,194)	—	402	(1,792)
46,568	972	286	47,826
$ 44,374	$ 972	$ 688	$ 46,034

Continued on next page

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Capital Project Funds			
	Primary Government	Virginia Public Building Authority	Hampton Roads Transportation Accountability Commission	Total
Revenues				
Taxes	$ —	$ —	$ —	$ —
Rights and Privileges	—	—	—	—
Institutional Revenue	—	—	—	—
Interest, Dividends, Rents, and Other Investment Income (Loss)	35	8,948	91,668	100,651
Federal Grants and Contracts	—	—	—	—
Other	—	—	—	—
Total Revenues	35	8,948	91,668	100,651
Expenditures				
Current:				
General Government	—	—	—	—
Education	—	—	—	—
Transportation	—	—	—	—
Resources and Economic Development	—	—	—	—
Individual and Family Services	—	—	—	—
Administration of Justice	—	—	—	—
Capital Outlay	747	382,970	575,446	959,163
Debt Service:				
Principal Retirement	—	—	—	—
Interest and Charges	—	—	—	—
Total Expenditures	747	382,970	575,446	959,163
Revenues Over (Under) Expenditures	(712)	(374,022)	(483,778)	(858,512)
Other Financing Sources (Uses)				
Transfers In	—	—	298,975	298,975
Transfers Out	—	—	(79,385)	(79,385)
Notes Issued	—	—	—	—
Insurance Recoveries	—	—	—	—
Long term Leases Issued	—	—	—	—
Long term SBITAs Issued	—	—	—	—
Bonds Issued	—	252,405	235,119	487,524
Premium on Debt Issuance	—	28,132	7,627	35,759
Refunding Bonds Issued	—	—	—	—
Sale of Capital Assets	—	—	—	—
Payment to Refunded Bond Escrow Agents	—	—	—	—
Total Other Financing Sources (Uses)	—	280,537	462,336	742,873
Net Change in Fund Balances	(712)	(93,485)	(21,442)	(115,639)
Fund Balance, July 1, as restated	998	209,423	1,787,694	1,998,115
Fund Balance, June 30	$ 286	$ 115,938	$ 1,766,252	$ 1,882,476

Permanent Funds			
Commonwealth Health Research Board	Behavioral Health Endowment Funds	Total	Total Nonmajor Governmental Funds
$ —	$ —	$ —	$ 1,757,389
—	—	—	393,079
—	—	—	133,385
4,573	7	4,580	215,326
—	—	—	132,793
—	—	—	1,277,758
4,573	7	4,580	3,909,730
—	—	—	239,993
—	—	—	41,517
—	—	—	15,592
—	—	—	586,097
2,128	—	2,128	2,145,370
—	—	—	130,772
—	—	—	969,009
—	—	—	503,666
—	—	—	371,280
2,128	—	2,128	5,003,296
2,445	7	2,452	(1,093,566)
—	—	—	1,136,136
—	—	—	(340,042)
—	—	—	—
—	—	—	393
—	—	—	94
—	—	—	75,179
—	—	—	487,524
—	—	—	108,642
—	—	—	590,295
—	—	—	160
—	—	—	(662,089)
—	—	—	1,396,292
2,445	7	2,452	302,726
48,489	136	48,625	3,806,750
$ 50,934	$ 143	$ 51,077	$ 4,109,476

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Health and Social Services			
	Original Budget	**Final Budget**	**Actual**	**Final/Actual Variance Positive (Negative)**
Revenues:				
Taxes:				
Sales and Use	$ —	$ —	$ —	$ —
Motor Fuel	—	—	—	—
Deeds, Contracts, Suits	—	—	—	—
Alcoholic Beverage Sales	—	—	—	—
Tobacco Products	—	—	—	—
Public Service Corporations	2,372	2,372	1,417	(955)
Other Taxes	1,041,466	1,341,056	1,469,304	128,248
Rights and Privileges	149,173	151,215	156,232	5,017
Sales of Property and Commodities	969	1,081	2,581	1,500
Assessments and Receipts for Support of Special Services	27,625	59,450	51,153	(8,297)
Institutional Revenue	85,331	95,679	96,613	934
Interest, Dividends, and Rents	1,063	2,993	14,558	11,565
Fines, Forfeitures, Court Fees, Penalties, and Escheats	6,506	6,374	1,788	(4,586)
Receipts from Cities, Counties, and Towns	68,508	67,023	64,975	(2,048)
Private Donations, Gifts and Contracts	2,527	2,501	2,552	51
Other	183,094	135,971	268,621	132,650
Total Revenues	1,568,634	1,865,715	2,129,794	264,079
Expenditures:				
Current:				
General Government	—	—	—	—
Education	288	953	24	929
Transportation	—	—	—	—
Resources and Economic Development	50,110	61,664	58,040	3,624
Individual and Family Services	1,577,532	2,581,170	1,894,798	686,372
Administration of Justice	690	3,007	316	2,691
Capital Outlay	1,396	1,396	90	1,306
Debt Service:				
Principal Retirement	2,799	2,799	2,799	—
Interest and Charges	1,528	1,528	1,528	—
Total Expenditures	1,634,343	2,652,517	1,957,595	694,922
Revenues Over (Under) Expenditures	(65,709)	(786,802)	172,199	959,001
Other Financing Sources (Uses):				
Transfers:				
Transfers In	225	225	2,585	2,360
Transfers Out	(12,689)	(171)	(3,424)	(3,253)
Total Other Financing Sources (Uses)	(12,464)	54	(839)	(893)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(78,173)	(786,748)	171,360	958,108
Fund Balance, July 1	471,876	471,876	471,876	—
Fund Balance, June 30	$ 393,703	$ (314,872)	$ 643,236	$ 958,108

See Notes on page 258 in this section.

Other			
Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
$ 36,000	$ 38,000	$ 29,743	$ (8,257)
33,000	29,300	31,111	1,811
5,000	4,547	2,471	(2,076)
789	789	834	45
107	112	112	—
15,690	15,750	15,546	(204)
61,141	84,889	84,217	(672)
290,113	269,277	225,409	(43,868)
270,838	268,454	177,656	(90,798)
143,954	155,188	155,447	259
30,418	32,497	34,160	1,663
28,426	19,170	65,353	46,183
57,269	53,430	49,124	(4,306)
1,345	1,286	1,427	141
2,763	2,564	5,132	2,568
220,097	232,804	290,574	57,770
1,196,950	1,208,057	1,168,316	(39,741)
175,311	285,627	266,157	19,470
69,273	58,958	42,870	16,088
9,352	9,904	9,290	614
498,683	632,248	525,967	106,281
189,612	190,876	107,629	83,247
117,810	143,462	129,437	14,025
28,062	36,266	9,956	26,310
6,424	6,424	6,424	—
2,365	2,365	2,365	—
1,096,892	1,366,130	1,100,095	266,035
100,058	(158,073)	68,221	226,294
27,508	73,007	121,049	48,042
(10,594)	(13,209)	(56,779)	(43,570)
16,914	59,798	64,270	4,472
116,972	(98,275)	132,491	230,766
1,461,299	1,461,299	1,461,299	—
$ 1,578,271	$ 1,363,024	$ 1,593,790	$ 230,766

1. Basis of Budgeting vs. Modified Accrual Basis Fund Balance (1)

Since the presentation of financial data on the basis of budgeting differs from that presented under accounting principles generally accepted in the United States of America, a schedule reconciling the fund balance on a budgetary basis at June 30, 2024, to the fund balance on a modified accrual basis follows.

(Dollars in Thousands)	**Health and Social Services**	**Other**
Fund Balance, Basis of Budgeting	$ 643,236	$ 1,593,790
Adjustments from Budget to Modified Accrual:		
Net Accrued Revenues:		
Taxes	136,969	19,662
Other Revenue/Other Sources	36,792	(24,628)
Medicaid Payable	(350,299)	—
Net Accrued Expenditures/Other Uses	34,540	(53,045)
Fund Reclassification - Budget to Modified Accrual	(2,566)	(2,728)
Fund Balance, Modified Accrual Basis	$ 498,672	$ 1,533,051

1. As discussed in Note 1.E., the Unclaimed Property Fund has no approved budget.

2. Appropriations

The amounts presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds are principally on a cash basis and represent the original budget adopted by the General Assembly and all supplemental appropriations and transfers. The following schedule reconciles original appropriations to the final adjusted expenditure appropriations for the Nonmajor Special Revenue Funds, at June 30, 2024, except for the Unclaimed Property Fund, which has no approved budget.

(Dollars in Thousands)	**Health and Social Services**	**Other**
Appropriations (1)	$ 1,634,343	$ 1,096,892
Supplemental Appropriations:		
Reappropriations (2)	1,396	110,524
Subsequent Executive (3)	524,556	216,115
Subsequent Legislative (4)	494,689	8,422
Capital Outlay Reversions (5)	—	(6,611)
Transfers (6)	(1,071)	46,103
Capital Outlay Adjustment (7)	(1,396)	(105,315)
Appropriations, as adjusted	$ 2,652,517	$ 1,366,130

1. Represents the budget appropriated through Chapter 769, 2023 Acts of Assembly Reconvened Session as amended by Chapter 1, 2024 Special Session I Acts of Assembly.
2. Actions taken to reappropriate any prior year unexpended balances per authority of the language in the Appropriation Act.
3. Actions taken by the Governor to appropriate any additional revenues collected so that they can be legally spent.
4. Actions taken by the Governor and the General Assembly to adjust the budget.
5. Represents reversions of unexpended capital outlay balances.
6. Represents transfers required by the Appropriation Act.
7. Capital outlay appropriations cover the projects' lives and usually extend beyond the current fiscal year. These amounts have been adjusted to report the amount authorized for expenditure during the current fiscal year.

Nonmajor Enterprise Funds

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

Alcoholic Beverage Control operates facilities for the distribution and sale of distilled spirits and wine, as well as enforcement and management of liquor licenses.

Risk Management accounts for pooled resources received and used by the Department of the Treasury for financing local government insurance programs. This includes Local Entities Bond Insurance, Public Officials Insurance and Law Enforcement Insurance.

Local Choice Health Care administers a health care plan for the employees of participating local governments.

Line of Duty accounts for the disability, death, and health benefits provided to eligible local government employees and their family members.

Advantage Vanpool Self Insurance accounts for pooled resources to provide liability, uninsured motorist, and physical damage protection for commuter vanpools. The basis for estimating the liabilities for unpaid claims and claim adjustment expenses is the actuarial analysis performed by the Commonwealth's actuary for Risk Management.

Virginia Industries for the Blind manufactures products for sale to governments, certain private organizations, and the general public.

Consolidated Laboratory provides water testing services and a newborn screening program.

eVA Procurement System accounts for the statewide electronic procurement system.

Department of Environmental Quality accounts for the Title V program that offers services to the general public.

Wireless E-911 Service Board assists in the establishment of wireless E-911 service in Virginia localities.

Virginia Museum of Fine Arts accounts for gift shop and food service activities.

Science Museum of Virginia accounts for gift shop activities.

Behavioral Health Local Funds account for the canteen store and work activity programs.

Combining Statement of Fund Net Position – Nonmajor Enterprise Funds

June 30, 2024

(Dollars in Thousands)

	Alcoholic Beverage Control	Risk Management	Local Choice Health Care	Line of Duty
Assets and Deferred Outflows of Resources				
Current Assets:				
Cash and Cash Equivalents	$ 33,019	$ 51,713	$ 165,024	$ 2,303
Receivables, Net	22,333	4	47,283	326
Due From Other Funds	—	—	—	—
Inventory	107,880	—	—	—
Prepaid Items	1,490	87	—	—
Other Assets	424	—	—	—
Total Current Assets	165,146	51,804	212,307	2,629
Noncurrent Assets:				
Other Assets	5,478	44	63	—
Nondepreciable Capital Assets	11,542	—	—	—
Other Capital Assets, Net	295,324	556	—	—
Total Noncurrent Assets	312,344	600	63	—
Total Assets	477,490	52,404	212,370	2,629
Deferred Outflows of Resources	40,157	252	328	—
Total Assets and Deferred Outflows of Resources	517,647	52,656	212,698	2,629
Liabilities and Deferred Inflows of Resources				
Current Liabilities:				
Accounts Payable	79,088	850	3,087	179
Amounts Due to Other Governments	—	—	—	—
Due to Other Funds	12,890	6	46	—
Due to External Parties (Fiduciary Funds)	908	8	10	—
Interfund Payable	54,755	—	—	—
Unearned Revenue	1,807	66	—	—
Obligations Under Securities Lending Program	3,742	5,271	13,534	235
Other Liabilities	—	—	—	—
Insurance Claims Payable Due Within One Year	—	12,502	50,393	1,187
Long-term Liabilities Due Within One Year	32,860	108	142	—
Total Current Liabilities	186,050	18,811	67,212	1,601
Noncurrent Liabilities:				
Insurance Claims Payable Due in More Than One Year	—	31,216	—	—
Long-term Liabilities Due in More Than One Year	304,253	1,179	1,208	—
Total Noncurrent Liabilities	304,253	32,395	1,208	—
Total Liabilities	490,303	51,206	68,420	1,601
Deferred Inflows of Resources	16,678	182	249	—
Total Liabilities and Deferred Inflows of Resources	506,981	51,388	68,669	1,601
Net Position				
Net Investment in Capital Assets	90,572	101	—	—
Restricted for Net Other Postemployment Benefit - Virginia Sickness and Disability Program	4,738	46	67	—
Unrestricted	(84,644)	1,121	143,962	1,028
Total Net Position (Deficit)	$ 10,666	$ 1,268	$ 144,029	$ 1,028

Advantage Vanpool Self Insurance	Virginia Industries for the Blind	Consolidated Laboratory	eVA Procurement System	Department of Environmental Quality	Wireless E-911 Service Board	Virginia Museum of Fine Arts
$ 5,268	$ 10,852	$ 5,080	$ 18,621	$ 2,625	$ 77,008	$ 504
66	1,530	291	5,009	—	6,587	304
—	—	530	1,052	—	—	—
—	7,223	39	—	—	—	372
—	—	—	—	—	—	—
35	—	—	—	—	—	6
5,369	19,605	5,940	24,682	2,625	83,595	1,186
—	153	192	164	370	85	97
—	149	—	—	—	—	—
6	8,133	1,659	182,690	—	133	—
6	8,435	1,851	182,854	370	218	97
5,375	28,040	7,791	207,536	2,995	83,813	1,283
—	823	961	1,012	1,775	392	551
5,375	28,863	8,752	208,548	4,770	84,205	1,834
6	2,131	1,240	3,940	722	1,486	614
—	—	—	—	—	10,957	—
—	68	153	210	1,098	5	16
—	47	33	38	58	10	16
—	—	—	—	—	—	—
—	—	3,962	—	33	—	174
537	—	—	—	268	7,856	—
—	—	—	—	1	—	—
—	—	—	—	—	—	—
2	33	252	7,281	554	66	8
545	2,279	5,640	11,469	2,734	20,380	828
—	—	—	—	—	—	—
5	4,541	3,713	180,475	8,628	1,904	2,082
5	4,541	3,713	180,475	8,628	1,904	2,082
550	6,820	9,353	191,944	11,362	22,284	2,910
—	770	668	701	1,059	152	308
550	7,590	10,021	192,645	12,421	22,436	3,218
—	8,282	1,659	254	—	133	—
—	161	200	173	376	79	95
4,825	12,830	(3,128)	15,476	(8,027)	61,557	(1,479)
$ 4,825	$ 21,273	$ (1,269)	$ 15,903	$ (7,651)	$ 61,769	$ (1,384)

Continued on next page

Combining Statement of Fund Net Position – Nonmajor Enterprise Funds *(Continued from previous page)*

June 30, 2024

(Dollars in Thousands)

	Science Museum of Virginia	Behavioral Health Local Funds	Total
Assets and Deferred Outflows of Resources			
Current Assets:			
Cash and Cash Equivalents	$ 1,201	$ 358	$ 373,576
Receivables, Net	11	—	83,744
Due From Other Funds	—	—	1,582
Inventory	82	—	115,596
Prepaid Items	—	—	1,577
Other Assets	—	—	465
Total Current Assets	1,294	358	576,540
Noncurrent Assets:			
Other Assets	5	—	6,651
Nondepreciable Capital Assets	—	—	11,691
Other Capital Assets, Net	15	—	488,516
Total Noncurrent Assets	20	—	506,858
Total Assets	1,314	358	1,083,398
Deferred Outflows of Resources	52	—	46,303
Total Assets and Deferred Outflows of Resources	1,366	358	1,129,701
Liabilities and Deferred Inflows of Resources			
Current Liabilities:			
Accounts Payable	648	—	93,991
Amounts Due to Other Governments	—	—	10,957
Due to Other Funds	15	—	14,507
Due to External Parties (Fiduciary Funds)	—	—	1,128
Interfund Payable	—	—	54,755
Unearned Revenue	1	—	6,043
Obligations Under Securities Lending Program	—	—	31,443
Other Liabilities	—	110	111
Insurance Claims Payable Due Within One Year	—	—	64,082
Long-term Liabilities Due Within One Year	—	—	41,306
Total Current Liabilities	664	110	318,323
Noncurrent Liabilities:			
Insurance Claims Payable Due in More Than One Year	—	—	31,216
Long-term Liabilities Due in More Than One Year	98	—	508,086
Total Noncurrent Liabilities	98	—	539,302
Total Liabilities	762	110	857,625
Deferred Inflows of Resources	31	—	20,798
Total Liabilities and Deferred Inflows of Resources	793	110	878,423
Net Position			
Net Investment in Capital Assets	15	—	101,016
Restricted for Net Other Postemployment Benefit - Virginia Sickness and Disability Program	5	—	5,940
Unrestricted	553	248	144,322
Total Net Position (Deficit)	$ 573	$ 248	$ 251,278

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Alcoholic Beverage Control	Risk Management	Local Choice Health Care	Line of Duty
Operating Revenues				
Charges for Sales and Services	$ 1,220,731	$ 12,947	$ 559,107	$ 22,359
Interest, Dividends, Rents, and Other Investment Income	—	—	—	—
Other	35,436	—	81	—
Total Operating Revenues	1,256,167	12,947	559,188	22,359
Operating Expenses				
Cost of Sales and Services	708,424	—	—	—
Prizes and Claims	—	9,824	521,770	21,591
Personal Services	186,176	1,157	1,277	—
Contractual Services	48,169	646	25,484	958
Supplies and Materials	4,740	1	1,750	—
Depreciation and Amortization	42,130	16	—	—
Rent, Insurance, and Other Related Charges	16,636	93	—	—
Interest Expense	—	—	—	—
Non-recurring Cost Estimate Payments to Providers	—	—	—	—
Other	1,360	3	—	—
Total Operating Expenses	1,007,635	11,740	550,281	22,549
Operating Income (Loss)	248,532	1,207	8,907	(190)
Nonoperating Revenues (Expenses)				
Interest, Dividends, Rents, and Other Investment Income	2,205	2,309	6,398	115
Other	869	(225)	(638)	(12)
Total Nonoperating Revenues (Expenses)	3,074	2,084	5,760	103
Income (Loss) Before Transfers	251,606	3,291	14,667	(87)
Transfers In	676	—	—	—
Transfers Out	(252,519)	—	(513)	—
Change in Net Position	(237)	3,291	14,154	(87)
Total Net Position (Deficit), July 1	10,903	(2,023)	129,875	1,115
Total Net Position (Deficit), June 30	$ 10,666	$ 1,268	$ 144,029	$ 1,028

Advantage Vanpool Self Insurance	Virginia Industries for the Blind	Consolidated Laboratory	eVA Procurement System	Department of Environmental Quality	Wireless E-911 Service Board	Virginia Museum of Fine Arts
$ 468	$ 47,120	$ 17,613	$ 28,232	$ 12,836	$ 77,060	$ 8,920
—	—	—	—	—	—	—
—	35	—	—	—	—	6
468	47,155	17,613	28,232	12,836	77,060	8,926
—	31,048	—	—	—	—	2,660
85	—	—	—	—	—	—
13	10,057	4,730	4,698	11,643	1,450	4,611
24	1,948	1,792	3,583	549	6,740	1,078
—	186	4,941	—	66	2	232
—	405	529	9,965	—	17	—
1	2,069	1,360	931	584	119	33
—	—	—	38	—	—	—
—	—	—	—	—	53,282	—
—	1,013	1,196	1,046	18	67	—
123	46,726	14,548	20,261	12,860	61,677	8,614
345	429	3,065	7,971	(24)	15,383	312
212	—	—	—	35	3,163	—
(22)	(253)	29	(5,812)	69	(310)	29
190	(253)	29	(5,812)	104	2,853	29
535	176	3,094	2,159	80	18,236	341
—	—	—	—	—	—	—
—	—	(1,703)	—	—	(13,450)	(14)
535	176	1,391	2,159	80	4,786	327
4,290	21,097	(2,660)	13,744	(7,731)	56,983	(1,711)
$ 4,825	$ 21,273	$ (1,269)	$ 15,903	$ (7,651)	$ 61,769	$ (1,384)

Continued on next page

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Science Museum of Virginia	Behavioral Health Local Funds	Total
Operating Revenues			
Charges for Sales and Services	$ 657	$ 299	$ 2,008,349
Interest, Dividends, Rents, and Other Investment Income	—	—	—
Other	—	—	35,558
Total Operating Revenues	657	299	2,043,907
Operating Expenses			
Cost of Sales and Services	196	283	742,611
Prizes and Claims	—	—	553,270
Personal Services	193	—	226,005
Contractual Services	54	—	91,025
Supplies and Materials	16	—	11,934
Depreciation and Amortization	1	—	53,063
Rent, Insurance, and Other Related Charges	—	—	21,826
Interest Expense	—	—	38
Non-recurring Cost Estimate Payments to Providers	—	—	53,282
Other	2	—	4,705
Total Operating Expenses	462	283	1,757,759
Operating Income (Loss)	195	16	286,148
Nonoperating Revenues (Expenses)			
Interest, Dividends, Rents, and Other Investment Income	—	—	14,437
Other	2	—	(6,274)
Total Nonoperating Revenues (Expenses)	2	—	8,163
Income (Loss) Before Transfers	197	16	294,311
Transfers In	—	—	676
Transfers Out	—	(60)	(268,259)
Change in Net Position	197	(44)	26,728
Total Net Position (Deficit), July 1	376	292	224,550
Total Net Position (Deficit), June 30	$ 573	$ 248	$ 251,278

Combining Statement of Cash Flows – Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Alcoholic Beverage Control	Risk Management	Local Choice Health Care	Line of Duty
Cash Flows from Operating Activities				
Receipts for Sales and Services	$ 1,239,599	$ 13,048	$ 555,003	$ 22,326
Internal Activity-Receipts from Other Funds	—	—	—	—
Internal Activity-Payments to Other Funds	—	—	—	—
Payments to Suppliers for Goods and Services	(719,500)	—	(1,462)	—
Payments for Contractual Services	(48,169)	92	(23,448)	(1,089)
Payments for Prizes, Claims, and Loss Control	—	(9,246)	(531,138)	(21,728)
Payments to Employees	(172,398)	(1,616)	(3,658)	—
Payments to Providers for Non-recurring Cost Estimates	—	—	—	—
Other Operating Revenue	8,858	—	—	—
Other Operating Expense	(33,717)	—	—	—
Net Cash Provided by (Used for) Operating Activities	274,673	2,278	(4,703)	(491)
Cash Flows from Noncapital Financing Activities				
Transfers In from Other Funds	677	—	—	—
Transfers Out to Other Funds	(594,412)	—	(514)	—
Other Noncapital Financing Receipt Activities	407,722	—	—	—
Other Noncapital Financing Disbursement Activities	(52,517)	—	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	(238,530)	—	(514)	—
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(3,182)	(517)	—	—
Payment of Principal and Interest on Bonds and Notes	(34,145)	—	—	—
Proceeds from Sale of Capital Assets	79	—	—	—
Other Capital and Related Financing Receipt Activities	1,587	—	—	—
Net Cash Used for Capital and Related Financing Activities	(35,661)	(517)	—	—
Cash Flows from Investing Activities				
Investment Income on Cash, Cash Equivalents, and Investments	—	2,070	5,742	103
Net Cash Provided by Investing Activities	—	2,070	5,742	103
Net Increase (Decrease) in Cash and Cash Equivalents	482	3,831	525	(388)
Cash and Cash Equivalents, July 1	29,219	42,611	150,965	2,456
Cash and Cash Equivalents, June 30	$ 29,701	$ 46,442	$ 151,490	$ 2,068
Reconciliation of Cash and Cash Equivalents				
Per the Statement of Net Position:				
Cash and Cash Equivalents	$ 33,019	$ 51,713	$ 165,024	$ 2,303
Cash and Travel Advances	424	—	—	—
Less:				
Securities Lending Cash Equivalents	(3,742)	(5,271)	(13,534)	(235)
Cash and Cash Equivalents per the Statement of Cash Flows	$ 29,701	$ 46,442	$ 151,490	$ 2,068

Advantage Vanpool Self Insurance	Virginia Industries for the Blind	Consolidated Laboratory	eVA Procurement System	Department of Environmental Quality	Wireless E-911 Service Board	Virginia Museum of Fine Arts
$ 463	$ 43,964	$ 15,637	$ 22,534	$ 12,836	$ 77,005	$ 8,775
—	3,956	—	6,128	—	—	—
—	—	(1,740)	(1,586)	—	—	—
—	(31,914)	(4,260)	(25)	(83)	(2)	(2,799)
(11)	(2,041)	(1,492)	(519)	(549)	(6,741)	(1,111)
(90)	—	—	—	—	—	—
(18)	(10,664)	(4,920)	(5,001)	(11,969)	(1,776)	(4,704)
—	—	—	—	—	(51,514)	—
—	35	—	—	—	—	—
—	(2,506)	—	(4)	(584)	—	—
344	830	3,225	21,527	(349)	16,972	161
—	—	—	—	—	—	—
—	—	(1,703)	—	—	(13,450)	(14)
—	—	—	—	—	—	—
—	—	(330)	(5,500)	—	—	—
—	—	(2,033)	(5,500)	—	(13,450)	(14)
(6)	(69)	(301)	—	—	—	—
—	—	—	(12,620)	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
(6)	(69)	(301)	(12,620)	—	—	—
190	—	—	—	—	2,837	—
190	—	—	—	—	2,837	—
528	761	891	3,407	(349)	6,359	147
4,203	10,091	4,189	15,214	2,706	62,793	363
$ 4,731	$ 10,852	$ 5,080	$ 18,621	$ 2,357	$ 69,152	$ 510
$ 5,268	$ 10,852	$ 5,080	$ 18,621	$ 2,625	$ 77,008	$ 504
—	—	—	—	—	—	6
(537)	—	—	—	(268)	(7,856)	—
$ 4,731	$ 10,852	$ 5,080	$ 18,621	$ 2,357	$ 69,152	$ 510

Continued on next page

Combining Statement of Cash Flows – Nonmajor Enterprise Funds *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Science Museum of Virginia	Behavioral Health Local Funds	Total
Cash Flows from Operating Activities			
Receipts for Sales and Services	$ 657	$ 288	$ 2,012,135
Internal Activity-Receipts from Other Funds	—	—	10,084
Internal Activity-Payments to Other Funds	—	—	(3,326)
Payments to Suppliers for Goods and Services	(571)	(283)	(760,899)
Payments for Contractual Services	—	—	(85,078)
Payments for Prizes, Claims, and Loss Control	—	—	(562,202)
Payments to Employees	—	—	(216,724)
Payments to Providers for Non-recurring Cost Estimates	—	—	(51,514)
Other Operating Revenue	1	—	8,894
Other Operating Expense	(1)	—	(36,812)
Net Cash Provided by (Used for) Operating Activities	86	5	314,558
Cash Flows from Noncapital Financing Activities			
Transfers In from Other Funds	—	—	677
Transfers Out to Other Funds	—	(61)	(610,154)
Other Noncapital Financing Receipt Activities	—	—	407,722
Other Noncapital Financing Disbursement Activities	—	—	(58,347)
Net Cash Provided by (Used for) Noncapital Financing Activities	—	(61)	(260,102)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	—	—	(4,075)
Payment of Principal and Interest on Bonds and Notes	—	—	(46,765)
Proceeds from Sale of Capital Assets	—	—	79
Other Capital and Related Financing Receipt Activities	—	—	1,587
Net Cash Used for Capital and Related Financing Activities	—	—	(49,174)
Cash Flows from Investing Activities			
Investment Income on Cash, Cash Equivalents, and Investments	—	—	10,942
Net Cash Provided by Investing Activities	—	—	10,942
Net Increase (Decrease) in Cash and Cash Equivalents	86	(56)	16,224
Cash and Cash Equivalents, July 1	1,115	414	326,339
Cash and Cash Equivalents, June 30	$ 1,201	$ 358	$ 342,563
Reconciliation of Cash and Cash Equivalents			
Per the Statement of Net Position:			
Cash and Cash Equivalents	$ 1,201	$ 358	$ 373,576
Cash and Travel Advances	—	—	430
Less:			
Securities Lending Cash Equivalents	—	—	(31,443)
Cash and Cash Equivalents per the Statement of Cash Flows	$ 1,201	$ 358	$ 342,563

	Alcoholic Beverage Control	Risk Management	Local Choice Health Care	Line of Duty
Reconciliation of Operating Income				
To Net Cash Provided by (Used for)				
Operating Activities:				
Operating Income (Loss)	$ 248,532	$ 1,207	$ 8,907	$ (190)
Adjustments to Reconcile Operating				
Income to Net Cash Provided by (Used for)				
Operating Activities:				
Depreciation and Amortization	42,130	16	—	—
Miscellaneous Nonoperating Income	—	14	19	—
Other	(71)	—	—	—
Change in Assets, Deferred Outflows of Resources, Liabilities, and				
Deferred Inflows of Resources				
(Increase) Decrease in Accounts Receivable	(7,535)	(3)	(4,185)	(33)
(Increase) Decrease in Due from Other Funds	—	—	—	—
(Increase) Decrease in Other Assets: Due Within One Year	—	—	—	—
(Increase) Decrease in Other Assets: Due in More Than One Year	(517)	—	1	—
(Increase) Decrease in Inventory	(4,020)	—	—	—
(Increase) Decrease in Prepaid Items	(201)	18	—	—
(Increase) Decrease in Deferred Outflows of Resources	(1,621)	(82)	(86)	—
Increase (Decrease) in Accounts Payable	(5,817)	65	(11,026)	(466)
Increase (Decrease) in Amounts Due to Other Governments	—	—	—	—
Increase (Decrease) in Due to Other Funds	(191)	(11)	39	—
Increase (Decrease) in Due to External Parties (Fiduciary Funds)	(84)	1	(1)	—
Increase (Decrease) in Unearned Revenue	(74)	60	—	—
Increase (Decrease) in Other Liabilities	—	—	—	—
Increase (Decrease) in Insurance Claims Payable: Due Within One Year	—	382	1,681	198
Increase (Decrease) in Insurance Claims Payable: Due in More Than One Year	—	167	—	—
Increase (Decrease) in Long-term Liabilities: Due Within One Year	186	94	3	—
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	14,032	381	12	—
Increase (Decrease) in Deferred Inflows of Resources	(10,076)	(31)	(67)	—
Net Cash Provided by (Used for) Operating Activities	$ 274,673	$ 2,278	$ (4,703)	$ (491)
Noncash Investing, Capital, and Financing Activities:				
The following transactions occurred prior to the Statement of Net Position date:				
Long-term Subscription-based Information Technology Arrangements Used to Finance Capital Assets	$ 6,245	$ —	$ —	$ —
Long-term Leases Used to Finance Capital Assets	29,000	—	—	—
Other	1,601	—	—	—
Total Noncash, Investing, Capital, and Financing Activities	$ 36,846	$ —	$ —	$ —

Continued on next page

Combining Statement of Cash Flows – Nonmajor Enterprise Funds *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Advantage Vanpool Self Insurance	Virginia Industries for the Blind	Consolidated Laboratory
Reconciliation of Operating Income			
To Net Cash Provided by (Used for)			
Operating Activities:			
Operating Income (Loss)	$ 345	$ 429	$ 3,065
Adjustments to Reconcile Operating			
Income to Net Cash Provided by (Used for)			
Operating Activities:			
Depreciation and Amortization	—	405	529
Miscellaneous Nonoperating Income	—	45	56
Other	—	(297)	—
Change in Assets, Deferred Outflows of Resources, Liabilities, and			
Deferred Inflows of Resources			
(Increase) Decrease in Accounts Receivable	(5)	1,914	(75)
(Increase) Decrease in Due from Other Funds	—	—	—
(Increase) Decrease in Other Assets: Due Within One Year	(6)	—	—
(Increase) Decrease in Other Assets: Due in More Than One Year	—	(6)	(6)
(Increase) Decrease in Inventory	—	521	18
(Increase) Decrease in Prepaid Items	—	—	—
(Increase) Decrease in Deferred Outflows of Resources	—	(210)	(264)
Increase (Decrease) in Accounts Payable	6	(1,531)	875
Increase (Decrease) in Amounts Due to Other Governments	—	—	—
Increase (Decrease) in Due to Other Funds	—	(21)	(147)
Increase (Decrease) in Due to External Parties (Fiduciary Funds)	—	35	2
Increase (Decrease) in Unearned Revenue	—	(187)	(709)
Increase (Decrease) in Other Liabilities	—	—	—
Increase (Decrease) in Insurance Claims Payable: Due Within One Year	—	—	—
Increase (Decrease) in Insurance Claims Payable: Due in More Than One Year	—	—	—
Increase (Decrease) in Long-term Liabilities: Due Within One Year	1	(14)	148
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	3	268	69
Increase (Decrease) in Deferred Inflows of Resources	—	(521)	(336)
Net Cash Provided by (Used for) Operating Activities	$ 344	$ 830	$ 3,225
Noncash Investing, Capital, and Financing Activities:			
The following transactions occurred prior to the Statement of Net Position date:			
Long-term Subscription-based Information Technology Arrangements Used to Finance Capital Assets	$ —	$ —	$ —
Long-term Leases Used to Finance Capital Assets	—	—	—
Other	—	—	—
Total Noncash, Investing, Capital, and Financing Activities	$ —	$ —	$ —

eVA Procurement System	Department of Environmental Quality	Wireless E-911 Service Board	Virginia Museum of Fine Arts	Science Museum of Virginia	Behavioral Health Local Funds	Total
$ 7,971	$ (24)	$ 15,383	$ 312	$ 195	$ 16	$ 286,148
9,965	—	17	—	1	—	53,063
59	104	16	29	2	—	344
—	—	(39)	—	(16)	—	(423)
1,672	—	(55)	(151)	3	—	(8,453)
(205)	—	—	—	—	—	(205)
—	—	—	—	—	—	(6)
(14)	(19)	(5)	(4)	(1)	—	(571)
—	—	—	(55)	(26)	—	(3,562)
—	—	—	—	—	—	(183)
(587)	(440)	(10)	(79)	(15)	—	(3,394)
2,474	176	505	160	22	—	(14,557)
—	—	1,140	—	—	—	1,140
160	64	(12)	(1)	(76)	—	(196)
6	(3)	—	(1)	—	—	(45)
—	(37)	—	(4)	—	—	(951)
—	—	—	—	—	(11)	(11)
—	—	—	—	—	—	2,261
—	—	—	—	—	—	167
207	8	(3)	(3)	—	—	627
(277)	635	153	175	16	—	15,467
96	(813)	(118)	(217)	(19)	—	(12,102)
$ 21,527	$ (349)	$ 16,972	$ 161	$ 86	$ 5	$ 314,558

$ —	$ —	$ —	$ —	$ —	$ —	$ 6,245
—	—	—	—	—	—	29,000
—	—	—	—	—	—	1,601
$ —	$ —	$ —	$ —	$ —	$ —	$ 36,846

Internal Service Funds

Internal Service Funds account for the operations of state agencies that render services to other state agencies, institutions, or other governmental units of the Commonwealth on a cost-reimbursement basis.

Technology and Data Services accounts for the installation and maintenance of the state government's telephone system; the development, use and maintenance of the Commonwealth's data processing systems; the development of automated systems, and the activities of the Chief Data Officer to create a Commonwealth data inventory, enterprise data dictionary, and catalog.

Enterprise Application accounts for the development and operation of the Commonwealth's Performance Budgeting System, Cardinal Financial System, and Human Capital Management System. Funding is derived from charges to agencies for the ongoing costs of the Commonwealth's enterprise applications, including recovery of the development and implementation costs initially funded through working capital advances.

Virginia Correctional Enterprises accounts for the manufacturing activities of the Commonwealth's correctional facilities.

Health Care accounts for the health insurance programs provided to state employees and for retirees who are not yet eligible to participate in Medicare.

Line of Duty accounts for the disability, death, and health benefits provided to eligible state employees and their family members.

Fleet Management accounts for the Commonwealth's motor vehicle pool.

Property Management accounts for real estate services, non-routine facility maintenance, and the disposal of state-owned property.

Risk Management accounts for the insurance programs provided to state agencies and institutions.

General Services accounts for a variety of services, including the purchase of supplies, the sale of surplus property, water testing, graphic design and engineering.

Payroll Service Bureau accounts for the payroll and leave accounting services provided to state agencies and institutions.

Combining Statement of Fund Net Position – Internal Service Funds

June 30, 2024

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Assets and Deferred Outflows of Resources				
Current Assets:				
Cash and Cash Equivalents	$ 119,616	$ 29,291	$ 9,085	$ 510,880
Receivables, Net	1,151	—	2,067	51,367
Due From Other Funds	32,439	—	1,945	35,686
Due From External Parties (Fiduciary Funds)	—	—	—	275
Due From Component Units	—	—	—	36,789
Inventory	—	—	12,902	—
Prepaid Items	12,650	2,074	—	—
Other Assets	26,971	—	1,124	—
Total Current Assets	192,827	31,365	27,123	634,997
Noncurrent Assets:				
Other Assets	1,283	158	491	166
Nondepreciable Capital Assets	—	—	388	—
Other Capital Assets, Net	56,257	101,366	7,902	—
Total Noncurrent Assets	57,540	101,524	8,781	166
Total Assets	250,367	132,889	35,904	635,163
Deferred Outflows of Resources	9,131	945	2,722	934
Total Assets and Deferred Outflows of Resources	259,498	133,834	38,626	636,097
Liabilities and Deferred Inflows of Resources				
Current Liabilities:				
Accounts Payable	53,757	1,641	2,444	97,920
Amounts Due to Other Governments	—	—	—	—
Due to Other Funds	159	17	386	84
Due to External Parties (Fiduciary Funds)	285	23	87	31
Interfund Payable	40,000	21,836	—	—
Unearned Revenue	36,149	—	3,087	—
Obligations Under Securities Lending Program	—	—	—	55,666
Other Liabilities	—	—	—	—
Insurance Claims Payable Due Within One Year	—	—	—	126,055
Long-term Liabilities Due within One Year	24,401	409	388	412
Total Current Liabilities	154,751	23,926	6,392	280,168
Noncurrent Liabilities:				
Interfund Payable	—	113,879	—	—
Insurance Claims Payable Due In More Than One Year	—	—	—	—
Long-term Liabilities Due in More Than One Year	51,940	2,915	12,181	2,828
Total Noncurrent Liabilities	51,940	116,794	12,181	2,828
Total Liabilities	206,691	140,720	18,573	282,996
Deferred Inflows of Resources	3,715	783	2,965	712
Total Liabilities and Deferred Inflows of Resources	210,406	141,503	21,538	283,708
Net Position				
Net Investment in Capital Assets	5,056	101,175	7,197	—
Restricted for Net Other Postemployment Benefit - Virginia Sickness and Disability Program	1,245	173	573	175
Unrestricted	42,791	(109,017)	9,318	352,214
Total Net Position (Deficit)	$ 49,092	$ (7,669)	$ 17,088	$ 352,389

Line of Duty	Fleet Management	Property Management	Risk Management	General Services	Payroll Service Bureau	Total
$ 941	$ 9,038	$ 29,218	$ 270,514	$ 9,581	$ 866	$ 989,030
96	6,146	361	11	1,384	—	62,583
37	6,820	1,868	—	2,027	—	80,822
—	—	—	—	—	—	275
—	—	—	—	—	—	36,789
—	35	180	—	6,161	—	19,278
—	—	—	15	—	167	14,906
—	—	—	—	—	—	28,095
1,074	22,039	31,627	270,540	19,153	1,033	1,231,778
—	52	562	108	332	99	3,251
—	—	—	—	1,378	—	1,766
—	37,867	314,656	877	763	54	519,742
—	37,919	315,218	985	2,473	153	524,759
1,074	59,958	346,845	271,525	21,626	1,186	1,756,537
—	227	2,676	642	1,595	612	19,484
1,074	60,185	349,521	272,167	23,221	1,798	1,776,021
73	1,679	11,205	1,548	3,691	130	174,088
—	—	—	—	—	3	3
—	113	192	38	3,733	13	4,735
—	8	87	17	57	19	614
—	—	—	1,460	—	—	63,296
—	90	25,124	30,189	—	—	94,639
96	—	—	27,391	—	—	83,153
—	—	570	—	265	—	835
485	—	—	70,508	—	—	197,048
—	6,041	18,667	307	506	138	51,269
654	7,931	55,845	131,458	8,252	303	669,680
—	—	—	11,499	—	—	125,378
—	—	—	316,164	—	—	316,164
—	21,951	348,999	2,610	8,704	2,365	454,493
—	21,951	348,999	330,273	8,704	2,365	896,035
654	29,882	404,844	461,731	16,956	2,668	1,565,715
—	161	1,922	479	1,109	525	12,371
654	30,043	406,766	462,210	18,065	3,193	1,578,086
—	11,206	(38,971)	155	1,043	54	86,915
—	54	586	115	346	109	3,376
420	18,882	(18,860)	(190,313)	3,767	(1,558)	107,644
$ 420	$ 30,142	$ (57,245)	$ (190,043)	$ 5,156	$ (1,395)	$ 197,935

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Operating Revenues				
Charges for Sales and Services	$ 434,821	$ 74,959	$ 51,178	$ 1,915,027
Other	—	—	—	—
Total Operating Revenues	434,821	74,959	51,178	1,915,027
Operating Expenses				
Cost of Sales and Services	—	—	38,353	—
Prizes and Claims	—	—	—	1,929,743
Personal Services	31,962	4,008	5,999	4,903
Contractual Services	300,044	34,639	2,145	80,814
Supplies and Materials	67	4	844	1,838
Depreciation and Amortization	49,124	17,999	917	—
Rent, Insurance, and Other Related Charges	57,890	660	370	—
Interest Expense	—	1	—	—
Other	1,585	2	96	—
Total Operating Expenses	440,672	57,313	48,724	2,017,298
Operating Income (Loss)	(5,851)	17,646	2,454	(102,271)
Nonoperating Revenues (Expenses)				
Interest, Dividends, Rents, and Other Investment Income	—	—	—	24,626
Other	(6,011)	40	8	(2,483)
Total Nonoperating Revenues (Expenses)	(6,011)	40	8	22,143
Income (Loss) Before Transfers	(11,862)	17,686	2,462	(80,128)
Transfers In	—	—	—	—
Transfers Out	—	(1,073)	(1,000)	—
Change in Net Position	(11,862)	16,613	1,462	(80,128)
Total Net Position (Deficit), July 1, as restated	60,954	(24,282)	15,626	432,517
Total Net Position (Deficit), June 30	$ 49,092	$ (7,669)	$ 17,088	$ 352,389

Line of Duty	Fleet Management	Property Management	Risk Management	General Services	Payroll Service Bureau	Total
$ 9,133	$ 23,578	$ 123,994	$ 100,734	$ 47,015	$ 3,678	$ 2,784,117
—	—	—	72	—	—	72
9,133	23,578	123,994	100,806	47,015	3,678	2,784,189
—	—	—	—	35,168	—	73,521
8,819	—	—	78,030	—	—	2,016,592
—	1,084	13,692	3,000	7,470	2,802	74,920
391	5,656	17,294	14,829	4,457	74	460,343
—	3,472	1,809	2	163	1	8,200
—	8,905	26,967	24	301	4	104,241
—	1,094	54,365	1,964	1,598	144	118,085
—	—	—	—	—	—	1
—	1,067	2,473	26,704	150	4	32,081
9,210	21,278	116,600	124,553	49,307	3,029	2,887,984
(77)	2,300	7,394	(23,747)	(2,292)	649	(103,795)
47	—	—	12,459	110	—	37,242
(5)	2,245	(28,071)	(1,279)	55	35	(35,466)
42	2,245	(28,071)	11,180	165	35	1,776
(35)	4,545	(20,677)	(12,567)	(2,127)	684	(102,019)
—	—	—	—	388	—	388
—	(599)	—	(15,192)	—	—	(17,864)
(35)	3,946	(20,677)	(27,759)	(1,739)	684	(119,495)
455	26,196	(36,568)	(162,284)	6,895	(2,079)	317,430
$ 420	$ 30,142	$ (57,245)	$ (190,043)	$ 5,156	$ (1,395)	$ 197,935

Combining Statement of Cash Flows – Internal Service Funds

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Cash Flows from Operating Activities				
Receipts for Sales and Services	$ 7,635	$ 12,900	$ 18,890	$ 834,298
Internal Activity-Receipts from Other Funds	426,059	62,061	34,870	1,023,510
Internal Activity-Payments to Other Funds	(275)	—	(529)	—
Payments to Suppliers for Goods and Services	(6,528)	(4)	(36,313)	—
Payments for Contractual Services	(343,717)	(38,635)	(2,306)	(82,613)
Payments for Prizes, Claims, and Loss Control	—	—	—	(1,835,063)
Payments to Employees	(31,887)	(4,320)	(7,907)	(5,257)
Payments for Interest	—	(1)	—	—
Other Operating Revenue	—	—	—	—
Other Operating Expense	—	(726)	—	—
Net Cash Provided by (Used for) Operating Activities	51,287	31,275	6,705	(65,125)
Cash Flows from Noncapital Financing Activities				
Transfers In from Other Funds	—	—	—	—
Transfers Out to Other Funds	—	(1,073)	(1,000)	—
Other Noncapital Financing Receipt Activities	—	—	—	—
Other Noncapital Financing Disbursement Activities	—	(21,836)	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	—	(22,909)	(1,000)	—
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	—	—	(1,179)	—
Payment of Principal and Interest on Bonds and Notes	(23,917)	(199)	(383)	—
Proceeds from Sale of Capital Assets	—	—	—	—
Net Cash Used for Capital and Related Financing Activities	(23,917)	(199)	(1,562)	—
Cash Flows from Investing Activities				
Investment Income on Cash, Cash Equivalents, and Investments	—	—	—	22,089
Net Cash Provided by Investing Activities	—	—	—	22,089
Net Increase (Decrease) in Cash and Cash Equivalents	27,370	8,167	4,143	(43,036)
Cash and Cash Equivalents, July 1	92,246	21,124	4,942	498,250
Cash and Cash Equivalents, June 30	$ 119,616	$ 29,291	$ 9,085	$ 455,214
Reconciliation of Cash and Cash Equivalents				
Per the Statement of Net Position:				
Cash and Cash Equivalents	$ 119,616	$ 29,291	$ 9,085	$ 510,880
Less:				
Securities Lending Cash Equivalents	—	—	—	(55,666)
Cash and Cash Equivalents per the Statement of Cash Flows	$ 119,616	$ 29,291	$ 9,085	$ 455,214

Line of Duty	Fleet Management	Property Management	Risk Management	General Services	Payroll Service Bureau	Total
$ 7,554	$ 1,727	$ 5,158	$ 67,939	$ 8,499	$ 69	$ 964,669
1,566	14,752	117,343	26,446	44,185	3,609	1,754,401
—	(857)	(2,414)	—	(2,940)	—	(7,015)
—	(3,777)	(47,466)	818	(36,328)	(1)	(129,599)
(445)	(6,927)	(14,905)	(14,862)	(4,341)	(74)	(508,825)
(8,875)	—	—	(84,935)	—	—	(1,928,873)
—	(1,139)	(14,269)	(3,201)	(7,767)	(3,061)	(78,808)
—	—	—	—	—	—	(1)
—	—	—	82	—	—	82
—	(31)	(2,038)	(28,653)	—	(183)	(31,631)
(200)	3,748	41,409	(36,366)	1,308	359	34,400
—	—	—	—	388	—	388
—	(599)	—	(15,192)	—	—	(17,864)
—	—	—	1,668	—	—	1,668
—	—	—	(3,337)	(400)	—	(25,573)
—	(599)	—	(16,861)	(12)	—	(41,381)
—	(1,504)	—	(820)	(129)	—	(3,632)
—	(5,501)	(46,610)	—	(102)	—	(76,712)
—	3,135	—	—	—	—	3,135
—	(3,870)	(46,610)	(820)	(231)	—	(77,209)
42	—	—	11,134	—	—	33,265
42	—	—	11,134	—	—	33,265
(158)	(721)	(5,201)	(42,913)	1,065	359	(50,925)
1,003	9,759	34,419	286,036	8,516	507	956,802
$ 845	$ 9,038	$ 29,218	$ 243,123	$ 9,581	$ 866	$ 905,877
$ 941	$ 9,038	$ 29,218	$ 270,514	$ 9,581	$ 866	$ 989,030
(96)	—	—	(27,391)	—	—	(83,153)
$ 845	$ 9,038	$ 29,218	$ 243,123	$ 9,581	$ 866	$ 905,877

Continued on next page

Combining Statement of Cash Flows – Internal Service Funds *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Reconciliation of Operating Income				
To Net Cash Provided by (Used for)				
Operating Activities:				
Operating Income (Loss)	$ (5,851)	$ 17,646	$ 2,454	$ (102,271)
Adjustments to Reconcile Operating				
Income to Net Cash Provided by (Used for)				
Operating Activities:				
Depreciation and Amortization	49,124	17,999	917	—
Interest, Dividends, Rents, and Other Investment Income	—	—	—	—
Miscellaneous Nonoperating Income	416	55	174	54
Other	(7,405)	(183)	—	—
Change in Assets, Deferred Outflows of Resources, Liabilities, and				
Deferred Inflows of Resources				
(Increase) Decrease in Accounts Receivable	1,518	—	(260)	(47,474)
(Increase) Decrease in Due from Other Funds	(2,309)	—	384	(1,834)
(Increase) Decrease in Due from External Parties (Fiduciary Funds)	—	—	—	(12)
(Increase) Decrease in Due from Component Units	—	—	—	(7,897)
(Increase) Decrease in Other Assets: Due Within One Year	6,928	—	2,285	—
(Increase) Decrease in Other Assets: Due in More Than One Year	(120)	6	4	3
(Increase) Decrease in Inventory	—	—	3,666	—
(Increase) Decrease in Prepaid Items	1,278	(2,066)	—	—
(Increase) Decrease in Deferred Outflows of Resources	(2,570)	(329)	(600)	(215)
Increase (Decrease) in Accounts Payable	(342)	(1,379)	(1,236)	63,709
Increase (Decrease) in Amounts Due to Other Governments	—	—	—	—
Increase (Decrease) in Due to Other Funds	28	(394)	216	82
Increase (Decrease) in Due to External Parties (Fiduciary Funds)	25	5	(5)	(1)
Increase (Decrease) in Interfund Payables: Due Within One Year	40,000	—	—	—
Increase (Decrease) in Unearned Revenue	(9,922)	—	144	—
Increase (Decrease) in Other Liabilities	—	—	—	—
Increase (Decrease) in Insurance Claims Payable: Due Within One Year	—	—	—	30,866
Increase (Decrease) in Insurance Claims Payable: Due in More Than One Year	—	—	—	—
Increase (Decrease) in Long-term Liabilities: Due Within One Year	(23,268)	59	(15)	30
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	6,162	(212)	322	67
Increase (Decrease) in Deferred Inflows of Resources	(2,405)	68	(1,745)	(232)
Net Cash Provided by (Used for) Operating Activities	$ 51,287	$ 31,275	$ 6,705	$ (65,125)
Noncash Investing, Capital, and Financing Activities:				
The following transactions occurred prior to the Statement of Net Position date:				
Long-term Subscription-based Information Technology Arrangements Used to Finance Capital Assets	$ —	$ —	$ 799	$ —
Long-term Leases Used to Finance Capital Assets	—	—	—	—
Trade-Ins of Used Equipment on New Equipment	—	—	1	—
Installment Purchases Used to Finance Capital Assets	—	—	—	—
Total Noncash, Investing, Capital, and Financing Activities	$ —	$ —	$ 800	$ —

Line of Duty	Fleet Management	Property Management	Risk Management	General Services	Payroll Service Bureau	Total
$ (77)	$ 2,300	$ 7,394	$ (23,747)	$ (2,292)	$ 649	$ (103,795)
—	8,905	26,967	24	301	4	104,241
—	—	—	—	110	—	110
—	13	155	36	93	35	1,031
—	—	133	—	—	—	(7,455)
(11)	(1,624)	31	(8)	13	—	(47,815)
(2)	(4,656)	(10)	—	5,812	—	(2,615)
—	—	—	—	—	—	(12)
—	—	—	—	—	—	(7,897)
—	—	—	—	—	—	9,213
—	(1)	(10)	1	(9)	7	(119)
—	1	2	—	(161)	—	3,508
—	—	—	27	—	(35)	(796)
—	(40)	(556)	(146)	(421)	(122)	(4,999)
(191)	(1,054)	9,085	38	(1,939)	(11)	66,680
—	—	—	—	—	(6)	(6)
—	(135)	(16)	16	(138)	(1)	(342)
—	(1)	(6)	(4)	4	(1)	16
—	—	—	—	—	—	40,000
—	90	(1,284)	(6,332)	—	—	(17,304)
—	—	6	—	167	—	173
81	—	—	3,214	—	—	34,161
—	—	—	(10,118)	—	—	(10,118)
—	40	398	152	247	19	(22,338)
—	19	370	642	116	(91)	7,395
—	(109)	(1,250)	(161)	(595)	(88)	(6,517)
$ (200)	$ 3,748	$ 41,409	$ (36,366)	$ 1,308	$ 359	$ 34,400
$ —	$ —	$ —	$ —	$ —	$ —	$ 799
—	—	40,292	—	—	—	40,292
—	—	—	—	—	—	1
—	12,774	—	—	—	—	12,774
$ —	$ 12,774	$ 40,292	$ —	$ —	$ —	$ 53,866

Fiduciary Funds

Private Purpose Trust Funds

Private Purpose Trust Funds reflect funds that benefit individuals, organizations, and other governments; have a trust that meets GASB Statement No. 84, Fiduciary Activities, criteria; and are not required to be reported in another fiduciary fund type.

Defined Contribution 529 Program accounts for program activities offered by the Virginia College Savings Plan (Virginia529). The program is a defined contribution college savings program in which participants can save for qualified higher education expenses by making contributions and investments into portfolios of their choice.

Legal Settlement accounts for receipts from court judgments that are deposited and subsequently distributed to the appropriate injured parties.

Gas and Oil Board Escrow Account accounts for the funds held in escrow awaiting disbursement to the validated owner of property containing gas and oil interest.

Miscellaneous Trust accounts for perpetual trusts created through donations to the state. Earnings are used for the benefit of donor-specified local entities.

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds reflect activities of the pension, other postemployment, and employee benefit plans with trusts that meet GASB Statement No. 84 criteria. All plans are administered by the Virginia Retirement System.

The Virginia Retirement System provides retirement benefits to Commonwealth employees, teachers, political subdivision employees, and other qualifying employees.

The State Police Officers' Retirement System provides retirement benefits to Virginia state police officers.

The Judicial Retirement System provides retirement benefits to the Commonwealth's judiciary.

The Virginia Law Officers' Retirement System provides retirement benefits to correctional officers, capital police officers, university police officers, and game wardens.

Other Postemployment Retiree Health Insurance Credit accounts for the health insurance credits provided by the Commonwealth which offset a portion of the retirees' monthly insurance premiums.

Other Employment Group Life provides life insurance coverage to members of the retirement systems.

Other Postemployment Disability Insurance Trust provides income protection to Commonwealth employees for absences caused by sickness or disability.

Other Postemployment Line of Duty Death and Disability provides death and health benefits to beneficiaries of certain law enforcement and rescue personnel disabled or killed in the line of duty.

Virginia Local Disability Program provides long-term disability benefits to local government employees of participating localities.

Custodial Funds - External Investment Pool

Custodial Funds - External Investment Pool reflects the external portion of the Local Government Investment Pool sponsored by the Commonwealth. This fund does not have a trust that meets GASB Statement No. 84 criteria.

Local Government Investment Pool (LGIP) helps local governmental entities maximize their rate of return by commingling their resources for investment purposes.

Custodial Funds - Other

Custodial Funds - Other reflect funds that are similar to Private Purpose Trust Funds, except they do not have a trust that meets GASB Statement No. 84 criteria.

Collection of Taxes and Fees account for taxes and fees imposed by localities and collected by the Commonwealth on behalf of the localities to be distributed to localities.

Deposits of Insurance Carriers accounts for security deposits of insurance carriers as protection to the policyholders of the Commonwealth.

Inmate and Ward accounts for the savings of inmates and wards of the Departments of Corrections and Juvenile Justice.

Child Support Collection accounts for court-ordered child support payments that flow through the Department of Social Services.

Behavioral Health Patient accounts for the savings of patients in the Commonwealth's behavioral health facilities including amounts for patient burial.

Wilson Workforce and Rehabilitation Center accounts for student funds held by the center.

Third Party Administrator accounts for funds held in custody for assets of the Virginia Railway Express commuter rail liability insurance plan.

Virginia Veterans' Care Center Resident accounts for the savings of residents of the Virginia Veterans Care Centers.

Volunteer Firefighters and Rescue Squad Workers accounts for the Volunteer Firefighters' and Rescue Squad Workers' Service Award Program.

VRS Investment Portfolio accounts for the investment option for the VRS administered Defined Contribution Plans that is the VRS Investment Portfolio (VRSIP).

Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds

June 30, 2024
(Dollars in Thousands)

	Defined Contribution 529 Program	Legal Settlement	Gas and Oil Board Escrow Account
Assets and Deferred Outflows of Resources			
Cash and Cash Equivalents	$ 477,498	$ 8,844	$ —
Investments:			
Bonds and Mortgage Securities	535,573	—	—
Stocks	1,592	—	—
Fixed Income Commingled Funds	1,094,764	—	—
Index and Pooled Funds	4,639,884	—	—
Real Estate	75,543	—	—
Mutual and Money Market Funds	675,324	—	—
Other	1,841,137	—	—
Total Investments	8,863,817	—	—
Assets Held Pending Distribution	—	—	4,911
Receivables, Net:			
Accounts	1	—	—
Interest and Dividends	30,769	—	—
Other Receivables	768	—	—
Total Receivables	31,538	—	—
Other Assets	—	—	—
Total Assets	9,372,853	8,844	4,911
Deferred Outflows of Resources	—	—	—
Total Assets and Deferred Outflows of Resources	9,372,853	8,844	4,911
Liabilities and Deferred Inflows of Resources			
Accounts Payable	7,331	—	—
Obligations Under Securities Lending	—	243	—
Due to Claimants, Participants, Escrows and Providers	2,537	—	—
Other Liabilities	—	15	—
Payable for Security Transactions	6,930	—	—
Total Liabilities	16,798	258	—
Deferred Inflows of Resources	—	—	—
Total Liabilities and Deferred Inflows of Resources	16,798	258	—
Net Position Restricted for Individuals, Organizations, and Other Governments	$ 9,356,055	$ 8,586	$ 4,911

Miscellaneous Trust	Total
$ 66	$ 486,408
—	535,573
—	1,592
—	1,094,764
—	4,639,884
—	75,543
—	675,324
—	1,841,137
—	8,863,817
—	4,911
—	1
—	30,769
—	768
—	31,538
—	—
66	9,386,674
—	—
66	9,386,674
—	7,331
—	243
—	2,537
—	15
—	6,930
—	17,056
—	—
—	17,056
$ 66	$ 9,369,618

Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Defined Contribution 529 Program	Legal Settlement	Gas and Oil Board Escrow Account
Additions:			
Investment Income:			
Interest, Dividends, and Other Investment Income (Loss)	$ 1,013,495	$ 101	$ —
Total Investment Income	1,013,495	101	—
Less Investment Expenses	8,859	10	—
Net Investment Income	1,004,636	91	—
Contributions:			
Participants	1,063,409	—	117
Total Contributions	1,063,409	—	117
Other Revenue	—	—	79
Legal Settlement Collections	—	2,940	—
Total Additions	2,068,045	3,031	196
Deductions:			
Educational Expense Benefits	655,259	—	—
Beneficiary Payments	—	—	375
Shares Redeemed	46,095	—	—
Legal Settlement Payments to Injured Parties	—	134	—
Other Deductions	—	19	—
Total Deductions	701,354	153	375
Net Increase (Decrease) in Fiduciary Net Position	1,366,691	2,878	(179)
Net Position, July 1	7,989,364	5,708	5,090
Net Position, June 30	$ 9,356,055	$ 8,586	$ 4,911

Miscellaneous Trust	Total
$ 4	$ 1,013,600
4	1,013,600
—	8,869
4	1,004,731
—	1,063,526
—	1,063,526
—	79
—	2,940
4	2,071,276
—	655,259
—	375
—	46,095
—	134
4	23
4	701,886
—	1,369,390
66	8,000,228
$ 66	$ 9,369,618

Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds

June 30, 2024
(Dollars in Thousands)

	Virginia Retirement System	State Police Officers' Retirement System	Judicial Retirement System
Assets and Deferred Outflows of Resources			
Cash and Cash Equivalents	$ 549,946	$ 5,951	$ 3,680
Investments:			
Bonds and Mortgage Securities	20,126,528	221,759	137,122
Stocks	24,961,344	275,031	170,062
Index and Pooled Funds	13,373,177	147,349	91,111
Real Estate	13,067,928	143,986	89,032
Private Equity	35,548,800	391,686	242,194
Short-term Investments	4,025,309	44,352	27,424
Total Investments	111,103,086	1,224,163	756,945
Receivables, Net:			
Contributions	294,569	2,188	1,063
Interest and Dividends	297,359	3,276	2,026
Security Transactions	3,797,359	41,840	25,871
Other Receivables	50,746	308	190
Total Receivables	4,440,033	47,612	29,150
Due from Internal Parties (Governmental Funds and Business-type Activities)	34,510	258	125
Due from Component Units	26,779	—	—
Property, Plant, Furniture, Equipment, and Intangibles	19,110	—	—
Total Assets	116,173,464	1,277,984	789,900
Deferred Outflows of Resources	—	—	—
Total Assets and Deferred Outflows of Resources	116,173,464	1,277,984	789,900
Liabilities and Deferred Inflows of Resources			
Accounts Payable	35,552	294	182
Due to Internal Parties (Governmental Funds and Business-type Activities)	275	—	—
Obligations Under Securities Lending	4,188,256	46,147	28,535
Other Liabilities	28,165	260	161
Retirement Benefits Payable	525,687	6,812	4,325
Refunds Payable	4,950	—	—
Compensated Absences Payable	4,940	—	—
Insurance Premiums and Claims Payable	—	—	—
Payable for Security Transactions	5,802,567	63,934	39,533
Lease Liabilities	2,785	—	—
Subscription-based Information Technology Arrangement Liabilities	886	—	—
Total Liabilities	10,594,063	117,447	72,736
Deferred Inflows of Resources	—	—	—
Total Liabilities and Deferred Inflows of Resources	10,594,063	117,447	72,736
Net Position Restricted for			
Pensions	105,579,401	1,160,537	717,164
Other Employment Benefits	—	—	—
Total Net Position Restricted for Pensions and Other Employment Benefits	$ 105,579,401	$ 1,160,537	$ 717,164

Virginia Law Officers' Retirement System	Other Postemployment Retiree Health Insurance Credit	Other Employment Group Life	Other Postemployment Disability Insurance Trust	Other Postemployment Line of Duty Death and Disability	Virginia Local Disability Program	Total
$ 10,648	$ 3,915	$ 16,196	$ 3,491	$ 27	$ 147	$ 594,001
396,852	145,911	603,568	130,075	993	5,479	21,768,287
492,182	180,963	748,557	161,322	1,231	6,794	26,997,486
263,689	96,952	401,044	86,429	660	3,640	14,464,051
257,670	94,739	391,890	84,456	645	3,558	14,133,904
700,943	257,719	1,066,061	230,072	1,753	9,353	38,448,581
79,370	29,183	120,713	26,015	198	1,096	4,353,660
2,190,706	805,467	3,331,833	718,369	5,480	29,920	120,165,969
3,636	18,072	22,430	852	—	1,337	344,147
5,863	2,156	8,917	1,922	15	81	321,615
74,875	27,530	113,878	24,542	187	1,034	4,107,116
550	308	837	11,244	27	22	64,232
84,924	48,066	146,062	38,560	229	2,474	4,837,110
427	2,117	2,629	101	—	153	40,320
824	4,110	4,160	750	—	—	36,623
—	—	—	—	—	—	19,110
2,287,529	863,675	3,500,880	761,271	5,736	32,694	125,693,133
—	—	—	—	—	—	—
2,287,529	863,675	3,500,880	761,271	5,736	32,694	125,693,133
525	15,368	1,054	3,679	110	494	57,258
—	—	—	—	—	—	275
82,583	30,364	125,600	27,068	207	1,140	4,529,900
466	171	708	153	401	6	30,491
12,809	—	—	—	—	—	549,633
—	312	—	—	—	—	5,262
—	—	—	—	—	—	4,940
—	—	119,374	—	—	—	119,374
114,414	42,067	174,011	37,501	286	1,580	6,275,893
—	—	—	—	—	—	2,785
—	—	—	—	—	—	886
210,797	88,282	420,747	68,401	1,004	3,220	11,576,697
—	—	—	—	—	—	—
210,797	88,282	420,747	68,401	1,004	3,220	11,576,697
2,076,732	—	—	—	—	—	109,533,834
—	775,393	3,080,133	692,870	4,732	29,474	4,582,602
$ 2,076,732	$ 775,393	$ 3,080,133	$ 692,870	$ 4,732	$ 29,474	$ 114,116,436

Combining Statement of Changes in Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Virginia Retirement System	State Police Officers' Retirement System	Judicial Retirement System
Additions:			
Investment Income:			
Interest, Dividends, and Other Investment Income (Loss)	$ 10,296,549	$ 112,653	$ 70,186
Total Investment Income	10,296,549	112,653	70,186
Less Investment Expenses	836,520	9,164	5,719
Net Investment Income	9,460,029	103,489	64,467
Contributions:			
Member	1,086,388	8,546	2,590
Employer	3,268,970	50,767	26,925
Total Contributions	4,355,358	59,313	29,515
Other Revenue	1,912	—	—
Transfers In	—	10	—
Total Additions	13,817,299	162,812	93,982
Deductions:			
Retirement Benefits	6,184,077	80,552	54,211
Refunds to Former Members	115,643	717	173
Retiree Health Insurance Credits	—	—	—
Insurance Premiums and Claims	—	—	—
Administrative Expenses	63,019	646	383
Other Expenses	1,240	115	9
Long-term Disability Benefits	—	—	—
Transfers Out	1,189	—	—
Total Deductions	6,365,168	82,030	54,776
Net Increase in Fiduciary Net Position	7,452,131	80,782	39,206
Net Position, July 1	98,127,270	1,079,755	677,958
Net Position, June 30	$ 105,579,401	$ 1,160,537	$ 717,164

Virginia Law Officers' Retirement System	Other Postemployment Retiree Health Insurance Credit	Other Employment Group Life	Other Postemployment Disability Insurance Trust	Other Postemployment Line of Duty Death and Disability	Virginia Local Disability Program	Total
$ 201,448	$ 64,442	$ 307,552	$ 66,469	$ 1,296	$ 2,544	$ 11,123,139
201,448	64,442	307,552	66,469	1,296	2,544	11,123,139
16,383	5,199	24,775	5,380	94	204	903,438
185,065	59,243	282,777	61,089	1,202	2,340	10,219,701
20,044	—	206,452	—	—	—	1,324,020
97,758	300,460	139,355	34,657	15,074	11,834	3,945,800
117,802	300,460	345,807	34,657	15,074	11,834	5,269,820
—	—	80	1,219	745	—	3,956
1,179	—	—	—	—	—	1,189
304,046	359,703	628,664	96,965	17,021	14,174	15,494,666
152,250	—	—	—	—	—	6,471,090
4,922	—	—	—	—	—	121,455
—	183,252	—	—	—	—	183,252
—	—	252,812	—	16,478	—	269,290
1,143	894	1,180	470	823	221	68,779
60	42	2,278	160	—	—	3,904
—	—	—	38,244	—	5,620	43,864
—	—	—	—	—	—	1,189
158,375	184,188	256,270	38,874	17,301	5,841	7,162,823
145,671	175,515	372,394	58,091	(280)	8,333	8,331,843
1,931,061	599,878	2,707,739	634,779	5,012	21,141	105,784,593
$ 2,076,732	$ 775,393	$ 3,080,133	$ 692,870	$ 4,732	$ 29,474	$ 114,116,436

Combining Statement of Fiduciary Net Position – Custodial Funds - External Investment Pool

June 30, 2024
(Dollars in Thousands)

	Local Government Investment Pool (LGIP)	Total
Assets and Deferred Outflows of Resources		
Cash and Cash Equivalents	$ 3,109,784	$ 3,109,784
Investments:		
Bonds and Mortgage Securities	193,780	193,780
Short-term Investments	8,182,465	8,182,465
Total Investments	8,376,245	8,376,245
Receivables, Net:		
Interest and Dividends	36,193	36,193
Total Receivables	36,193	36,193
Total Assets	11,522,222	11,522,222
Deferred Outflows of Resources	—	—
Total Assets and Deferred Outflows of Resources	11,522,222	11,522,222
Liabilities and Deferred Inflows of Resources		
Due to Internal Parties (Governmental Funds and Business-type Activities)	16	16
Total Liabilities	16	16
Deferred Inflows of Resources	—	—
Total Liabilities and Deferred Inflows of Resources	16	16
Net Position Restricted for Pool Participants	$ 11,522,206	$ 11,522,206

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds - External Investment Pool

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Local Government Investment Pool (LGIP)	Total
Additions:		
Investment Income:		
Interest, Dividends, and Other Investment Income	$ 510,923	$ 510,923
Total Investment Income	510,923	510,923
Less Investment Expenses	1,124	1,124
Net Investment Income	509,799	509,799
Shares Sold	12,830,228	12,830,228
Reinvested Distributions	509,298	509,298
Total Additions	13,849,325	13,849,325
Deductions:		
Shares Redeemed	11,741,763	11,741,763
Distributions to Shareholders from Net Investment Income	509,799	509,799
Total Deductions	12,251,562	12,251,562
Net Increase in Fiduciary Net Position	1,597,763	1,597,763
Net Position, July 1	9,924,443	9,924,443
Net Position, June 30	$ 11,522,206	$ 11,522,206

Combining Statement of Fiduciary Net Position – Custodial Funds - Other

June 30, 2024
(Dollars in Thousands)

	Collection of Taxes and Fees	Deposits of Insurance Carriers	Inmate and Ward	Child Support Collection
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 173,523	$ —	$ 24,271	$ 12,501
Investments:				
Bonds and Mortgage Securities	—	—	—	—
Stocks	—	—	—	—
Index and Pooled Funds	—	—	—	—
Real Estate	—	—	—	—
Private Equity	—	—	—	—
Short-term Investments	—	—	—	—
Total Investments	—	—	—	—
Assets Held Pending Distribution	—	498,251	—	—
Receivables, Net:				
Accounts	1	—	96	—
Interest and Dividends	—	—	—	—
Security Transactions	—	—	—	—
Taxes	202,711	—	—	—
Other Receivables	—	—	11	—
Total Receivables	202,712	—	107	—
Due from Internal Parties (Governmental and Business-type Activities)	24	—	318	—
Other Assets	—	—	—	—
Total Assets	376,259	498,251	24,696	12,501
Deferred Outflows of Resources	—	—	—	—
Total Assets and Deferred Outflows of Resources	376,259	498,251	24,696	12,501
Liabilities and Deferred Inflows of Resources				
Accounts Payable	—	—	2,946	2
Amounts Due to Other Governments	372,852	—	—	—
Due to Internal Parties (Governmental Funds and Business-type Activities)	33	—	300	—
Obligations Under Securities Lending Program	195	—	—	—
Due to Claimants, Participants, Escrows and Providers	—	—	185	—
Other Liabilities	1,026	—	1,456	—
Compensated Absences Payable	—	—	—	—
Insurance Premiums and Claims Payable	—	—	—	—
Payable for Security Transactions	—	—	—	—
Total Liabilities	374,106	—	4,887	2
Deferred Inflows of Resources	—	—	—	—
Total Liabilities and Deferred Inflows of Resources	374,106	—	4,887	2
Net Position Restricted for Individuals, Organizations, and Other Governments	$ 2,153	$ 498,251	$ 19,809	$ 12,499

Behavioral Health Patient	Wilson Workforce Rehabilitation Center	Third Party Administrator	Virginia Veterans' Care Center Resident	Volunteer Firefighters and Rescue Squad Workers	VRS Investment Portfolio	Total
$ 1,192	$ 3	$ 11,683	$ 319	$ 129	$ 69	$ 223,690
—	—	—	—	1,200	14,727	15,927
—	—	—	—	1,489	18,264	19,753
—	—	—	—	798	9,785	10,583
—	—	—	—	780	9,561	10,341
—	—	—	—	2,121	26,010	28,131
—	—	—	—	267	3,271	3,538
—	—	—	—	6,655	81,618	88,273
—	—	—	—	—	—	498,251
—	—	—	—	—	—	97
—	—	—	—	17	218	235
—	—	—	—	227	2,778	3,005
—	—	—	—	—	—	202,711
—	—	—	—	2	20	33
—	—	—	—	246	3,016	206,081
—	—	—	—	—	—	342
—	—	11	—	—	—	11
1,192	3	11,694	319	7,030	84,703	1,016,648
—	—	—	—	—	—	—
1,192	3	11,694	319	7,030	84,703	1,016,648
—	—	1	—	2	20	2,971
—	—	—	—	—	—	372,852
—	—	—	—	—	—	333
—	—	1,192	—	250	3,064	4,701
—	—	—	—	—	—	185
—	—	—	—	1	17	2,500
—	—	2	—	—	—	2
—	—	64	—	—	—	64
—	—	—	—	346	4,246	4,592
—	—	1,259	—	599	7,347	388,200
—	—	—	—	—	—	—
—	—	1,259	—	599	7,347	388,200
$ 1,192	$ 3	$ 10,435	$ 319	$ 6,431	$ 77,356	$ 628,448

Combining Statement of Changes in Fiduciary Net Position – Custodial Funds - Other

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Collection of Taxes and Fees	Deposits of Insurance Carriers	Inmate and Ward	Child Support Collection
Additions:				
Investment Income:				
Interest, Dividends, and Other Investment Income	$ 77	$ —	$ —	$ —
Total Investment Income	77	—	—	—
Less Investment Expenses	8	—	—	—
Net Investment Income	69	—	—	—
Contributions:				
Member	—	—	—	—
Employer	—	—	—	—
Total Contributions	—	—	—	—
Other Revenue	—	14,090	—	—
Sales Tax Collections for Other Governments	1,848,731	—	—	—
Child Support Collections	—	—	—	589,685
Collections for Inmates and Wards	—	—	5,102	—
Collections for Behavioral Health Patients	—	—	—	—
Collateral Received and Related Additions	—	260,083	—	—
Fee Collections for Other Governments	10,782	—	—	—
Collections for Veterans' Care Center Residents	—	—	—	—
Other Additions	6,118	—	—	1
Total Additions	1,865,700	274,173	5,102	589,686
Deductions:				
Refunds to Former Members	—	—	—	—
Administrative Expenses	590	—	—	—
Sales Tax Payments to Other Governments	1,848,725	—	—	—
Child Support Payments to Individuals	—	—	—	586,175
Payments for Inmates and Wards	—	—	7,420	—
Payments for Behavioral Health Patients	—	—	—	—
Collateral Disbursed and Related Deductions	—	266,012	—	—
Fee Payments to Other Governments	9,872	—	—	—
Payments for Veterans' Care Center Residents	—	—	—	—
Other Deductions	6,151	—	2	—
Total Deductions	1,865,338	266,012	7,422	586,175
Net Increase (Decrease) in Fiduciary Net Position	362	8,161	(2,320)	3,511
Net Position, July 1	1,791	490,090	22,129	8,988
Net Position, June 30	$ 2,153	$ 498,251	$ 19,809	$ 12,499

	Behavioral Health Patient	Wilson Workforce Rehabilitation Center	Third Party Administrator	Virginia Veterans' Care Center Resident	Volunteer Firefighters and Rescue Squad Workers	VRS Investment Portfolio	Total
	$ —	$ —	$ 496	$ —	$ 613	$ 6,366	$ 7,552
	—	—	496	—	613	6,366	7,552
	—	—	51	—	49	357	465
	—	—	445	—	564	6,009	7,087
	—	—	—	—	61	—	61
	—	—	—	—	87	1,105	1,192
	—	—	—	—	148	1,105	1,253
	—	—	—	—	3	2,461	16,554
	—	—	—	—	—	—	1,848,731
	—	—	—	—	—	—	589,685
	—	—	—	—	—	—	5,102
	2,911	—	—	—	—	—	2,911
	—	—	—	—	—	—	260,083
	—	—	—	—	—	—	10,782
	—	—	—	1,343	—	—	1,343
	—	3	41	—	—	—	6,163
	2,911	3	486	1,343	715	9,575	2,749,694
	—	—	—	—	143	540	683
	—	—	20	—	—	—	610
	—	—	—	—	—	—	1,848,725
	—	—	—	—	—	—	586,175
	—	—	—	—	—	—	7,420
	2,953	—	—	—	—	—	2,953
	—	—	—	—	—	—	266,012
	—	—	—	—	—	—	9,872
	—	—	—	1,591	—	—	1,591
	—	5	—	—	—	—	6,158
	2,953	5	20	1,591	143	540	2,730,199
	(42)	(2)	466	(248)	572	9,035	19,495
	1,234	5	9,969	567	5,859	68,321	608,953
	$ 1,192	$ 3	$ 10,435	$ 319	$ 6,431	$ 77,356	$ 628,448

Nonmajor Component Units

Component Units are organizations that are legally separate from the Commonwealth of Virginia. Each discrete component unit serves or benefits those outside of the primary government.

The Higher Education Institutions account for the resources received and used in the operation of the Commonwealth's institutions of higher education and medical teaching hospitals.

Higher Education Institutions included in this section are:

University of Virginia, including the University of Virginia Medical Center and the University of Virginia's College at Wise
Virginia Polytechnic Institute and State University
Virginia Commonwealth University, including the Virginia Commonwealth University Health System Authority
The College of William & Mary, including Richard Bland College and the Virginia Institute of Marine Science
Virginia Military Institute
Virginia State University
Norfolk State University
University of Mary Washington
James Madison University
Radford University
Old Dominion University
George Mason University
Virginia Community College System
Christopher Newport University
Longwood University
Southwest Virginia Higher Education Center
Roanoke Higher Education Authority
Institute for Advanced Learning and Research
Southern Virginia Higher Education Center
New College Institute

The Virginia Innovation Partnership Authority supports the life cycle of innovation, including research, development, and commercialization, as well as related investment and seed-stage funding, in the Commonwealth.

The Virginia Economic Development Partnership works to enhance and increase the Commonwealth's commerce and trade, both domestically and internationally.

The Virginia Outdoors Foundation promotes preservation and fundraising for the purchase of preservation land.

The Virginia Port Authority is empowered to maintain and operate Virginia's ports.

The Virginia Passenger Rail Authority promotes, sustains, and expands the availability of passenger and commuter rail service in the Commonwealth.

The Virginia Tourism Authority promotes tourism and film production industries of the Commonwealth.

The Virginia Foundation for Healthy Youth determines the appropriate recipients of monies in the Virginia Tobacco Settlement Fund.

The Tobacco Region Revitalization Commission determines the appropriate recipients of monies in the Tobacco Indemnification and Community Revitalization Fund.

The Hampton Roads Sanitation District Commission operates a wastewater treatment system for 20 localities in the Chesapeake Bay Area.

The Virginia Biotechnology Research Partnership Authority assists in the development of a biotechnology research park.

The Virginia Small Business Financing Authority assists small businesses in the Commonwealth in obtaining financing for new businesses or the expansion of existing businesses.

The Virginia School for the Deaf and Blind Foundation operates exclusively for the benefit of the Virginia School for the Deaf and Blind.

The Science Museum of Virginia Foundation operates to implement and fund projects and operations of the Science Museum of Virginia.

The Virginia Commercial Space Flight Authority disseminates knowledge pertaining to scientific and technological research and development among public and private entities including, but not limited to, knowledge in the area of commercial space flight, and to promote industrial and economic development.

The Danville Science Center, Inc. promotes programs, projects, and operations to inspire visitors to enrich their lives through science.

The Virginia Museum of Fine Arts Foundation implements and funds programs, projects, and operations of the Virginia Museum of Fine Arts.

The A. L. Philpott Manufacturing Extension Partnership promotes industrial expansion by providing consulting services to manufacturers.

The Fort Monroe Authority assists in implementing a reuse plan for Commonwealth-owned property at the former army installation at Fort Monroe. The Authority works to preserve and protect the historic resources, provide public access to and stewardship of the natural resources at Fort Monroe.

The Assistive Technology Loan Fund Authority provides assistance with loans for the purchase of assistive technology or other equipment to enable Virginians with disabilities to become more independent.

The Virginia Land Conservation Foundation acquires interests in preservation land and provides grants to other entities to acquire interests in preservation land.

The Library of Virginia Foundation promotes and supports the Library of Virginia.

The Virginia Health Workforce Development Authority leads statewide policy and programmatic efforts that recruit, train, and retain Virginia's health care workforce.

Combining Statement of Net Position – Nonmajor Component Units

June 30, 2024
(Dollars in Thousands)

	University of Virginia	Virginia Polytechnic Institute and State University	Virginia Commonwealth University	The College of William and Mary
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 537,774	$ 325,491	$ 457,035	$ 163,429
Investments	12,673,175	1,112,669	2,437,747	714,016
Receivables, Net	948,317	148,505	775,014	44,780
Contributions Receivable, Net	174,050	177,161	13,903	109,083
Due from Primary Government	82,310	104,677	210,264	40,423
Due from Component Units	250	18,030	10,565	8,632
Inventory	77,178	18,656	57,969	656
Prepaid Items	37,589	13,559	35,025	7,698
Other Assets	154,314	45,726	13,555	2,380
Restricted Cash and Cash Equivalents	353,262	167,890	82,885	26,327
Restricted Investments	2,366,877	1,360,952	1,086,711	715,988
Restricted Receivables, Net	105,234	374	46,561	1,844
Other Restricted Assets	134,229	23,886	44,563	226,254
Nondepreciable Capital Assets	753,317	724,920	206,556	329,358
Other Capital Assets, Net	5,293,002	2,528,853	3,035,415	943,916
Total Assets	23,690,878	6,771,349	8,513,768	3,334,784
Deferred Outflows of Resources	167,483	118,484	141,964	39,478
Total Assets and Deferred Outflows of Resources	23,858,361	6,889,833	8,655,732	3,374,262
Liabilities and Deferred Inflows of Resources				
Accounts Payable	504,162	184,349	282,812	71,381
Amounts Due to Other Governments	—	—	—	—
Due to Primary Government	—	8,839	6,351	2,404
Due to External Parties (Fiduciary Funds)	1,288	8,876	7,464	1,824
Unearned Revenue	93,662	81,261	74,717	19,465
Obligations Under Securities Lending Program	—	—	—	114
Other Liabilities	1,175,647	105,787	145,632	9,105
Insurance Claims Payable:				
Due Within One Year	14,689	—	8,000	—
Due in More Than One Year	—	—	32,900	—
Long-term Liabilities:				
Due Within One Year	223,182	111,209	172,867	35,828
Due in More Than One Year	4,667,276	1,341,730	1,589,246	517,592
Total Liabilities	6,679,906	1,842,051	2,319,989	657,713
Deferred Inflows of Resources	297,935	79,567	119,514	49,659
Total Liabilities and Deferred Inflows of Resources	6,977,841	1,921,618	2,439,503	707,372
Net Position				
Net Investment in Capital Assets	2,700,886	2,406,870	2,176,564	978,367
Restricted For:				
Nonexpendable:				
Higher Education	2,751,528	901,694	517,314	860,696
Other	—	—	—	—
Expendable:				
Capital Projects/Construction/Capital Acquisition	—	—	—	—
Debt Service	—	—	—	—
Gifts and Grants	—	—	—	—
Higher Education	6,029,690	1,028,125	980,259	686,020
Net Other Postemployment Benefit - Virginia Sickness and Disability Program	23,816	11,541	17,248	4,254
Other	—	—	—	—
Unrestricted	5,374,600	619,985	2,524,844	137,553
Total Net Position (Deficit)	$ 16,880,520	$ 4,968,215	$ 6,216,229	$ 2,666,890

Virginia Military Institute	Virginia State University	Norfolk State University	University of Mary Washington	James Madison University	Radford University	Old Dominion University	George Mason University
$ 43,373	$ 33,602	$ 57,308	$ 37,539	$ 338,959	$ 178,756	$ 206,861	$ 653,228
163,521	20,064	75,981	2,461	37,062	8,817	46,512	81,108
1,222	18,912	6,698	29,751	21,546	5,312	78,507	109,101
14,961	—	7,017	1,587	8,323	2,960	37,549	32,022
18,303	90,329	24,503	14,284	109,224	53,234	17,595	16,110
1,126	8,875	1,475	17	2,534	1,903	992	14,106
8,214	—	—	153	1,246	678	467	1,822
827	4,186	3,302	1,309	11,006	14,282	4,547	7,445
324	—	1,025	670	80	—	2,078	1,182
9	30,514	6,647	5,413	34,014	746	46,618	19,317
624,010	83,541	20,871	83,908	166,614	80,167	326,463	399,981
829	—	—	—	—	—	—	—
6,232	2,738	2,650	1,192	13,971	5,419	5,805	50,576
13,759	108,903	23,931	42,395	191,242	137,874	77,709	305,825
419,700	278,030	283,026	436,950	1,254,849	338,136	862,047	1,204,958
1,316,410	679,694	514,434	657,629	2,190,670	828,284	1,713,750	2,896,781
8,074	19,215	15,887	9,667	50,477	19,787	39,587	89,398
1,324,484	698,909	530,321	667,296	2,241,147	848,071	1,753,337	2,986,179
11,770	29,561	19,683	13,425	55,569	21,772	59,788	105,550
236	—	—	—	—	—	—	—
—	527	525	419	3,142	2,686	2,483	3,937
362	496	449	200	4,676	859	1,731	4,253
1,037	3,995	3,978	1,636	22,026	5,162	35,778	61,487
1,978	1,280	2,823	1,894	22,924	14,711	12,603	49,156
546	4,528	4,252	4,327	4,769	1,261	6,404	8,064
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
4,385	15,647	9,569	19,347	46,326	21,208	38,393	62,007
89,691	131,851	153,492	274,139	622,939	148,429	471,048	784,928
110,005	187,885	194,771	315,387	782,371	216,088	628,228	1,079,382
5,298	11,785	9,772	13,280	36,932	18,411	26,001	70,759
115,303	199,670	204,543	328,667	819,303	234,499	654,229	1,150,141
413,360	316,642	206,615	221,599	1,033,102	390,976	632,221	1,059,299
358,051	32,557	20,921	84,933	113,256	46,279	196,203	216,652
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
298,156	138,046	48,483	54,513	179,487	97,038	181,848	195,104
1,121	2,735	2,661	1,266	7,665	3,498	5,827	10,698
—	—	—	—	—	—	—	—
138,493	9,259	47,098	(23,682)	88,334	75,781	83,009	354,285
$ 1,209,181	$ 499,239	$ 325,778	$ 338,629	$ 1,421,844	$ 613,572	$ 1,099,108	$ 1,836,038

Continued on next page

Combining Statement of Net Position – Nonmajor Component Units *(Continued from previous page)*

June 30, 2024
(Dollars in Thousands)

	Virginia Community College System	Christopher Newport University	Longwood University	Southwest Virginia Higher Education Center
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 493,147	$ 54,396	$ 10,781	$ —
Investments	209,525	2,900	77	—
Receivables, Net	28,060	2,945	16,147	5,799
Contributions Receivable, Net	10,372	10,462	2,309	—
Due from Primary Government	80,205	71,732	15,697	868
Due from Component Units	14,420	164	555	80
Inventory	1,615	209	620	—
Prepaid Items	19,308	2,100	1,516	—
Other Assets	—	810	21,122	—
Restricted Cash and Cash Equivalents	9,388	4,875	7,916	—
Restricted Investments	262,772	62,920	144,533	—
Restricted Receivables, Net	1,643	—	—	—
Other Restricted Assets	21,816	4,578	1,169	76
Nondepreciable Capital Assets	195,484	67,708	62,509	3,475
Other Capital Assets, Net	1,334,845	660,419	509,043	11,518
Total Assets	2,682,600	946,218	793,994	21,816
Deferred Outflows of Resources	124,451	14,477	10,295	482
Total Assets and Deferred Outflows of Resources	2,807,051	960,695	804,289	22,298
Liabilities and Deferred Inflows of Resources				
Accounts Payable	112,557	22,952	12,801	191
Amounts Due to Other Governments	1,069	—	—	—
Due to Primary Government	4,198	604	494	11
Due to External Parties (Fiduciary Funds)	2,889	287	233	12
Unearned Revenue	54,450	2,760	2,210	—
Obligations Under Securities Lending Program	122	4,038	22	—
Other Liabilities	13,844	6,492	10,154	—
Insurance Claims Payable:				
Due Within One Year	—	—	—	—
Due in More Than One Year	—	—	—	—
Long-term Liabilities:				
Due Within One Year	41,953	25,567	13,456	162
Due in More Than One Year	590,785	302,412	463,946	1,585
Total Liabilities	821,867	365,112	503,316	1,961
Deferred Inflows of Resources	93,719	9,628	9,522	285
Total Liabilities and Deferred Inflows of Resources	915,586	374,740	512,838	2,246
Net Position				
Net Investment in Capital Assets	1,387,758	455,478	217,305	14,993
Restricted For:				
Nonexpendable:				
Higher Education	165,316	39,505	63,371	—
Other	—	—	—	—
Expendable:				
Capital Projects/Construction/Capital Acquisition	—	—	—	—
Debt Service	—	—	—	—
Gifts and Grants	—	—	—	—
Higher Education	336,168	104,139	39,393	341
Net Other Postemployment Benefit - Virginia Sickness and Disability Program	23,024	2,272	1,231	77
Other	—	—	—	—
Unrestricted	(20,801)	(15,439)	(29,849)	4,641
Total Net Position (Deficit)	$ 1,891,465	$ 585,955	$ 291,451	$ 20,052

Roanoke Higher Education Authority	Institute for Advanced Learning and Research	Southern Virginia Higher Education Center	New College Institute	Virginia Innovation Partnership Authority	Virginia Economic Development Partnership	Virginia Outdoors Foundation
$ 3,410	$ 21,066	$ 5	$ 409	$ 78,757	$ 12,077	$ 17,680
100	3,371	—	—	41	—	8,948
5,559	14,734	130	—	1,113	346	853
—	—	—	—	—	—	—
—	—	373	908	—	—	—
78	73	—	—	—	—	—
—	—	—	—	—	—	—
58	458	—	—	268	771	59
343	—	—	—	—	19	—
53	285	181	—	2,417	—	3,336
—	—	—	—	—	—	500
—	—	—	—	—	—	—
—	1,269	164	55	—	1,033	—
1,986	38,453	—	—	—	—	6,752
24,472	47,779	1,481	8,353	146	16,282	1,726
36,059	127,488	2,334	9,725	82,742	30,528	39,854
88	227	1,190	408	—	8,154	149
36,147	127,715	3,524	10,133	82,742	38,682	40,003
254	8,554	287	98	1,204	1,958	158
—	—	—	—	—	—	—
—	—	27	11	—	52	—
—	—	26	9	—	351	7
1	5,739	—	—	2,417	118	—
—	—	—	—	—	—	—
—	106	—	—	456	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
146	104	281	4	97	3,273	233
114	35	3,457	1,120	244	32,580	559
515	14,538	4,078	1,242	4,418	38,332	957
6,358	558	563	412	—	2,718	42
6,873	15,096	4,641	1,654	4,418	41,050	999
26,449	79,038	1,481	8,353	113	1,216	8,478
—	—	—	—	—	—	—
—	—	—	—	—	—	60
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
505	1,473	181	—	—	—	—
—	—	166	63	—	899	—
—	—	—	—	—	—	3,090
2,320	32,108	(2,945)	63	78,211	(4,483)	27,376
$ 29,274	$ 112,619	$ (1,117)	$ 8,479	$ 78,324	$ (2,368)	$ 39,004

Continued on next page

Combining Statement of Net Position – Nonmajor Component Units *(Continued from previous page)*

June 30, 2024
(Dollars in Thousands)

	Virginia Port Authority	Virginia Passenger Rail Authority	Virginia Tourism Authority	Virginia Foundation for Healthy Youth
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 122,085	$ 466,690	$ 26,764	$ 28,410
Investments	725,508	256,072	—	—
Receivables, Net	148,572	14,728	159	—
Contributions Receivable, Net	—	—	—	—
Due from Primary Government	1,145	35,724	—	—
Due from Component Units	—	—	—	—
Inventory	27,283	—	—	—
Prepaid Items	5,730	32,932	203	—
Other Assets	4,825	—	7	6
Restricted Cash and Cash Equivalents	474,658	—	—	—
Restricted Investments	47,664	—	—	—
Restricted Receivables, Net	—	—	—	—
Other Restricted Assets	—	381	367	77
Nondepreciable Capital Assets	828,435	707,707	811	—
Other Capital Assets, Net	4,859,235	60,179	551	—
Total Assets	7,245,140	1,574,413	28,862	28,493
Deferred Outflows of Resources	43,560	6,169	2,054	412
Total Assets and Deferred Outflows of Resources	7,288,700	1,580,582	30,916	28,905
Liabilities and Deferred Inflows of Resources				
Accounts Payable	64,266	44,158	2,456	734
Amounts Due to Other Governments	—	—	—	—
Due to Primary Government	—	34	22	12
Due to External Parties (Fiduciary Funds)	3	141	120	13
Unearned Revenue	283,492	44,838	—	—
Obligations Under Securities Lending Program	6,208	—	—	2,145
Other Liabilities	12,870	24,027	—	3,145
Insurance Claims Payable:				
Due Within One Year	—	—	—	—
Due in More Than One Year	—	—	—	—
Long-term Liabilities:				
Due Within One Year	51,061	463	439	18
Due in More Than One Year	5,175,828	13,908	7,701	1,702
Total Liabilities	5,593,728	127,569	10,738	7,769
Deferred Inflows of Resources	50,966	1,053	1,212	344
Total Liabilities and Deferred Inflows of Resources	5,644,694	128,622	11,950	8,113
Net Position				
Net Investment in Capital Assets	560,600	714,996	1,362	—
Restricted For:				
Nonexpendable:				
Higher Education	—	—	—	—
Other	—	—	—	—
Expendable:				
Capital Projects/Construction/Capital Acquisition	—	102,049	—	—
Debt Service	136,439	—	—	—
Gifts and Grants	—	—	—	—
Higher Education	—	—	—	—
Net Other Postemployment Benefit - Virginia Sickness and Disability Program	—	146	379	86
Other	—	—	8,732	—
Unrestricted	946,967	634,769	8,493	20,706
Total Net Position (Deficit)	$ 1,644,006	$ 1,451,960	$ 18,966	$ 20,792

Tobacco Region Revitalization Commission	Hampton Roads Sanitation District Commission	Virginia Biotechnology Research Partnership Authority	Virginia Small Business Financing Authority	Virginia School for the Deaf and Blind Foundation	Science Museum of Virginia Foundation	Virginia Commercial Space Flight Authority	Danville Science Center, Inc.
$ 6,433	$ 216,609	$ 20,511	$ 12,497	$ 3,192	$ 2,270	$ 77,958	$ 179
159,123	65,916	7,692	—	3,568	1,699	—	1,019
13,413	74,820	1,253	22,900	—	7	6,976	2
—	—	—	—	—	450	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	26,288	—	—	—	—	—	5
6	—	20	—	—	34	137	37
78	322	906	—	—	—	—	—
6,719	22,307	58	81,980	—	6,057	—	96
155,243	—	—	—	—	22,584	—	654
—	—	—	—	—	—	—	—
50	—	130	4,166	—	—	—	—
—	1,170,045	7,176	—	—	—	41,477	—
—	1,341,588	199	—	—	6	135,263	84
341,065	2,917,895	37,945	121,543	6,760	33,107	261,811	2,076
289	39,373	220	430	—	—	—	—
341,354	2,957,268	38,165	121,973	6,760	33,107	261,811	2,076
98	106,171	1,618	180	—	36	8,336	—
—	—	—	—	—	—	—	—
10	—	—	—	—	2,016	—	—
10	—	—	11	—	—	—	—
—	—	1,483	—	—	427	11,013	—
568	—	—	919	—	—	—	—
2,655	18,247	—	56	—	—	11	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
95	208,446	63	3	—	—	323	—
1,058	1,256,122	43	1,304	—	—	2,792	—
4,494	1,588,986	3,207	2,473	—	2,479	22,475	—
258	16,625	60	199	—	—	788	—
4,752	1,605,611	3,267	2,672	—	2,479	23,263	—
—	1,110,507	7,375	—	—	6	168,518	84
—	—	—	—	—	—	—	—
—	—	—	—	—	8,050	—	254
161,961	—	—	—	—	590	—	—
—	22,307	—	—	—	—	—	—
—	—	—	101,226	—	18,435	—	496
—	—	—	—	—	—	—	—
56	—	—	45	—	—	—	—
—	—	854	1,940	—	—	46,824	—
174,585	218,843	26,669	16,090	6,760	3,547	23,206	1,242
$ 336,602	$ 1,351,657	$ 34,898	$ 119,301	$ 6,760	$ 30,628	$ 238,548	$ 2,076

Continued on next page

Combining Statement of Net Position – Nonmajor Component Units *(Continued from previous page)*

June 30, 2024
(Dollars in Thousands)

	Virginia Museum of Fine Arts Foundation	A. L. Philpott Manufacturing Extension Partnership	Fort Monroe Authority	Assistive Technology Loan Fund Authority
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	$ 8,075	$ 740	$ 6,225	$ 3,438
Investments	23,586	—	—	—
Receivables, Net	711	399	16,291	3,627
Contributions Receivable, Net	7,975	—	—	—
Due from Primary Government	—	—	—	—
Due from Component Units	—	—	—	—
Inventory	—	—	—	—
Prepaid Items	71	—	216	—
Other Assets	4,200	—	—	—
Restricted Cash and Cash Equivalents	16,464	—	3,662	—
Restricted Investments	271,235	—	—	—
Restricted Receivables, Net	—	—	—	—
Other Restricted Assets	—	—	110	—
Nondepreciable Capital Assets	1,691	—	691	—
Other Capital Assets, Net	3,143	461	401	112
Total Assets	337,151	1,600	27,596	7,177
Deferred Outflows of Resources	—	—	609	—
Total Assets and Deferred Outflows of Resources	337,151	1,600	28,205	7,177
Liabilities and Deferred Inflows of Resources				
Accounts Payable	626	378	1,438	—
Amounts Due to Other Governments	—	—	—	—
Due to Primary Government	—	—	35	—
Due to External Parties (Fiduciary Funds)	—	—	33	—
Unearned Revenue	—	—	2,776	—
Obligations Under Securities Lending Program	—	—	—	—
Other Liabilities	1,882	—	352	—
Insurance Claims Payable:				
Due Within One Year	—	—	—	—
Due in More Than One Year	—	—	—	—
Long-term Liabilities:				
Due Within One Year	775	144	137	61
Due in More Than One Year	46,604	585	2,078	56
Total Liabilities	49,887	1,107	6,849	117
Deferred Inflows of Resources	—	—	14,803	—
Total Liabilities and Deferred Inflows of Resources	49,887	1,107	21,652	117
Net Position				
Net Investment in Capital Assets	759	3	1,086	—
Restricted For:				
Nonexpendable:				
Higher Education	—	—	—	—
Other	181,322	—	649	—
Expendable:				
Capital Projects/Construction/Capital Acquisition	11,392	—	—	—
Debt Service	—	—	—	—
Gifts and Grants	113,159	—	—	61
Higher Education	—	—	—	—
Net Other Postemployment Benefit - Virginia Sickness and Disability Program	—	—	114	—
Other	—	—	—	—
Unrestricted	(19,368)	490	4,704	6,999
Total Net Position (Deficit)	$ 287,264	$ 493	$ 6,553	$ 7,060

Virginia Land Conservation Foundation	Library of Virginia Foundation	Virginia Health Workforce Development Authority	Total Nonmajor Component Units
$ 35,775	$ 192	$ 568	$ 4,763,694
—	1,639	—	18,843,917
—	—	163	2,567,372
—	384	—	610,568
—	—	—	987,908
—	—	—	83,875
—	79	—	223,138
—	19	19	204,737
—	—	—	253,972
—	—	—	1,414,094
—	3,742	—	8,287,930
—	—	—	156,485
—	—	—	552,956
—	—	—	6,050,189
—	24	—	25,896,192
35,775	6,079	750	70,897,027
—	—	—	972,538
35,775	6,079	750	71,869,565
1	66	355	1,751,753
—	—	—	1,305
—	—	—	38,839
—	—	—	36,623
—	107	—	816,035
3,649	—	—	125,154
—	1	—	1,564,620
—	—	—	22,689
—	—	—	32,900
—	—	—	1,107,272
—	—	—	18,698,979
3,650	174	355	24,196,169
—	—	—	949,026
3,650	174	355	25,145,195
—	—	—	17,302,459
—	—	—	6,368,276
—	2,468	—	192,803
—	—	—	275,992
—	—	—	158,746
—	1,658	—	235,035
—	—	—	10,398,969
—	—	—	120,888
—	—	—	61,440
32,125	1,779	395	11,609,762
$ 32,125	$ 5,905	$ 395	$ 46,724,370

Combining Statement of Activities – Nonmajor Component Units

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue
Higher Education					
University of Virginia	$ 6,519,917	$ 4,915,198	$ 1,312,500	$ 138,366	$ (153,853)
Virginia Polytechnic Institute and State University	2,096,154	1,142,092	694,767	218,775	(40,520)
Virginia Commonwealth University	4,693,024	4,065,391	515,397	231,944	119,708
The College of William and Mary	638,855	346,936	192,173	131,221	31,475
Virginia Military Institute	129,239	51,129	77,011	8,240	7,141
Virginia State University	249,837	68,592	54,203	63,898	(63,144)
Norfolk State University	251,525	62,983	50,660	8,776	(129,106)
University of Mary Washington	142,126	65,685	22,811	20,293	(33,337)
James Madison University	692,578	474,898	75,678	12,378	(129,624)
Radford University	235,750	85,239	37,137	33,289	(80,085)
Old Dominion University	692,402	258,697	136,332	32,817	(264,556)
George Mason University	1,369,839	626,080	417,855	105,381	(220,523)
Virginia Community College System	1,401,926	270,744	473,166	82,005	(576,011)
Christopher Newport University	193,027	114,489	12,821	82,032	16,315
Longwood University	206,247	89,953	33,210	19,133	(63,951)
Southwest Virginia Higher Education Center	4,515	1,444	104	933	(2,034)
Roanoke Higher Education Authority	6,156	1,682	194	818	(3,462)
Institute for Advanced Learning and Research	34,817	27,092	409	42,075	34,759
Southern Virginia Higher Education Center	7,180	665	478	213	(5,824)
New College Institute	5,119	258	16	213	(4,632)
Total Higher Education	19,570,233	12,669,247	4,106,922	1,232,800	(1,561,264)
Other Nonmajor Component Units					
Virginia Innovation Partnership Authority	66,982	5,788	12,955	—	(48,239)
Virginia Economic Development Partnership	62,261	593	1,812	—	(59,856)
Virginia Outdoors Foundation	10,528	4,675	73	—	(5,780)
Virginia Port Authority	921,858	766,925	67,320	168,906	81,293
Virginia Passenger Rail Authority	159,036	84,338	—	86,487	11,789
Virginia Tourism Authority	37,189	1,159	2,335	—	(33,695)
Virginia Foundation for Healthy Youth	14,534	—	1,606	—	(12,928)
Tobacco Region Revitalization Commission	14,632	—	15	—	(14,617)
Hampton Roads Sanitation District Commission	321,179	434,094	—	46,425	159,340
Virginia Biotechnology Research Partnership Authority	7,732	2,015	1,894	9,750	5,927
Virginia Small Business Financing Authority	2,693	2,329	2,287	—	1,923
Virginia School for the Deaf and Blind Foundation	691	—	—	—	(691)
Science Museum of Virginia Foundation	4,817	—	1,918	—	(2,899)
Virginia Commercial Space Flight Authority	36,266	1,010	4,380	11,287	(19,589)
Danville Science Center, Inc.	360	21	123	—	(216)
Virginia Museum of Fine Arts Foundation	38,776	177	25,825	—	(12,774)
A. L. Philpott Manufacturing Extension Partnership	7,288	2,998	2,503	—	(1,787)
Fort Monroe Authority	14,025	7,169	—	907	(5,949)
Assistive Technology Loan Fund Authority	549	—	1	—	(548)
Virginia Land Conservation Foundation	13,941	—	3,927	—	(10,014)
Library of Virginia Foundation	1,586	107	—	—	(1,479)
Virginia Health Workforce Development Authority	2,178	10	1,989	—	(179)
Total Other Nonmajor	1,739,101	1,313,408	130,963	323,762	29,032
Total Nonmajor Component Units	$ 21,309,334	$ 13,982,655	$ 4,237,885	$ 1,556,562	$ (1,532,232)

General Revenues							
Operating Appropriations from Primary Government	Unrestricted Grants and Contributions	Investment Earnings	Misc.	Contributions to Permanent and Term Endowments	Change in Net Position	Net Position (Deficit) July 1, as restated	Net Position (Deficit) June 30
$ 300,084	$ 38,172	$ 549,491	$ 99,892	$ 100,679	$ 934,465	$ 15,946,055	$ 16,880,520
403,275	11,677	103,360	40,405	58,546	576,743	4,391,472	4,968,215
368,247	10,813	280,417	34,318	18,630	832,133	5,384,096	6,216,229
127,654	16,098	24,756	24,928	78,811	303,722	2,363,168	2,666,890
29,136	—	19,585	864	10,529	67,255	1,141,926	1,209,181
106,509	5,902	10,095	5,488	769	65,619	433,620	499,239
120,254	7,380	11,213	547	7,152	17,440	308,338	325,778
55,535	838	1,139	1,141	5,738	31,054	307,575	338,629
178,887	1,025	17,041	2,566	9,686	79,581	1,342,263	1,421,844
109,522	708	8,458	4,058	2,306	44,967	568,605	613,572
272,025	—	26,074	4	17,177	50,724	1,048,384	1,099,108
327,792	1,633	39,212	30,786	8,295	187,195	1,648,843	1,836,038
703,335	11,158	17,159	37,742	12,292	205,675	1,685,790	1,891,465
60,957	1,088	8,895	1,327	2,860	91,442	494,513	585,955
55,870	—	7,187	3,139	2,283	4,528	286,923	291,451
4,194	—	—	—	—	2,160	17,892	20,052
2,436	68	137	—	2	(819)	30,093	29,274
7,326	—	625	—	—	42,710	69,909	112,619
5,511	300	—	—	—	(13)	(1,104)	(1,117)
3,085	—	—	—	—	(1,547)	10,026	8,479
3,241,634	106,860	1,124,844	287,205	335,755	3,535,034	37,478,387	41,013,421
42,484	—	11,612	45	—	5,902	72,422	78,324
50,520	—	996	172	—	(8,168)	5,800	(2,368)
5,753	60	3,392	—	—	3,425	35,579	39,004
56,556	—	53,599	—	—	191,448	1,452,558	1,644,006
—	161,165	37,103	—	—	210,057	1,241,903	1,451,960
25,283	—	1,548	—	—	(6,864)	25,830	18,966
1,200	10,409	1,064	2	—	(253)	21,045	20,792
—	—	11,813	2,438	—	(366)	336,968	336,602
—	—	13,673	1,622	—	174,635	1,177,022	1,351,657
—	—	1,593	—	—	7,520	27,378	34,898
—	—	5,063	—	—	6,986	112,315	119,301
—	48	1,279	84	—	720	6,040	6,760
—	1,706	520	—	1,438	765	29,863	30,628
42,562	11,399	—	2,511	—	36,883	201,665	238,548
—	89	104	—	160	137	1,939	2,076
—	14,329	3,526	663	10,566	16,310	270,954	287,264
1,753	—	—	—	—	(34)	527	493
7,000	—	—	538	—	1,589	4,964	6,553
—	—	333	—	—	(215)	7,275	7,060
16,000	—	—	—	—	5,986	26,139	32,125
—	572	709	9	324	135	5,770	5,905
—	—	—	—	—	(179)	574	395
249,111	199,777	147,927	8,084	12,488	646,419	5,064,530	5,710,949
$ 3,490,745	$ 306,637	$ 1,272,771	$ 295,289	$ 348,243	$ 4,181,453	$ 42,542,917	$ 46,724,370

Debt Schedules

Summary Schedule – Total Debt and Other Long-term Obligations of the Commonwealth

Last Five Fiscal Years
(Dollars in Thousands)

	For the Fiscal Year Ended June 30,				
	2024	2023	2022	2021	2020
Tax-Supported Debt:					
Primary Government:					
General Obligation Bonds (1):					
Section 9(b) Bonds (2)	$ 120,065	$ 173,122	$ 225,600	$ 278,221	$ 330,934
Section 9(c) Bonds (2)	3,582	4,646	5,664	6,640	10,666
Subtotal - General Obligation Bonds	123,647	177,768	231,264	284,861	341,600
Nongeneral Obligation Debt:					
Section 9(d) Bonds (2)	6,156,745	6,322,042	6,518,374	6,133,638	5,842,140
Other Long-term Debt and Obligations (3)	5,771,365	5,332,634	4,604,382	6,803,664	6,165,536
Total Primary Government	12,051,757	11,832,444	11,354,020	13,222,163	12,349,276
Component Units:					
General Obligation Bonds (1):					
Section 9(c) Bonds (2)	929,445	940,849	912,817	955,729	886,837
Subtotal - General Obligation Bonds	929,445	940,849	912,817	955,729	886,837
Nongeneral Obligation Bonds:					
Section 9(d) Bonds (2)	6,226,218	6,005,675	5,600,244	5,329,127	4,617,976
Other Long-term Debt (3)	4,045,960	3,833,712	3,323,306	4,847,537	4,431,713
Total Component Units	11,201,623	10,780,236	9,836,367	11,132,393	9,936,526
Total Tax-Supported Debt	23,253,380	22,612,680	21,190,387	24,354,556	22,285,802
Debt Not Supported by Taxes:					
Primary Government:					
Total Primary Government (2)	5,886,142	5,809,575	6,046,949	4,914,220	4,237,848
Component Units:					
Section 9(d) Moral Obligation Bonds (2)	917,954	906,848	929,911	914,377	933,279
Section 9(d) Other Debt (2)	17,333,513	15,882,401	15,834,374	14,824,823	13,742,979
Other Long-term Debt (4)	8,480,240	8,163,830	7,904,490	5,856,213	5,613,885
Foundations (5)	1,643,054	2,056,375	1,814,098	1,760,809	1,795,783
Total Component Units	28,374,761	27,009,454	26,482,873	23,356,222	22,085,926
Total Debt Not Supported by Taxes	34,260,903	32,819,029	32,529,822	28,270,442	26,323,774
Total Debt of the Commonwealth	$ 57,514,283	$ 55,431,709	$ 53,720,209	$ 52,624,998	$ 48,609,576

	2024	2023	2022	2021	2020
Section 9(b) Debt:					
Public Facilities Bonds (2)	$ 120,065	$ 173,122	$ 225,600	$ 278,221	$ 330,934
Subtotal 9(b) Debt	120,065	173,122	225,600	278,221	330,934
Section 9(c) Debt:					
Higher Educational Institution Bonds (2)	929,445	940,849	912,817	955,729	886,837
Transportation Facilities Bonds (2)	—	—	—	—	3,083
Parking Facilities Bonds (2)	3,582	4,646	5,664	6,640	7,583
Subtotal 9(c) Debt	933,027	945,495	918,481	962,369	897,503
Total General Obligation Debt (1)	$ 1,053,092	$ 1,118,617	$ 1,144,081	$ 1,240,590	$ 1,228,437

(1) Total general obligation debt for the fiscal year ended.

(2) All amounts are net of unamortized discounts and premiums.

(3) Includes long-term lease liabilities, installment purchase obligations, pension liability, the long-term portion of the liability for compensated absences, and other debt supported by taxes.

(4) Includes bonds payable, notes payable, and other debt not supported by taxes.

(5) Foundations represent FASB reporting entities defined in Note 1.B.

Tax-Supported Debt and Other Long-term Obligations

Last Five Fiscal Years
(Dollars in Thousands)

	For the Fiscal Year Ended June 30,				
	2024	2023	2022	2021	2020
Primary Government:					
General Obligation Debt (1) (3):					
Section 9(b) Debt					
Public Facilities (2)	$ 120,065	$ 173,122	$ 225,600	$ 278,221	$ 330,934
Subtotal Section 9(b) Debt	120,065	173,122	225,600	278,221	330,934
Section 9(c) Debt					
Parking Facilities (2)	3,582	4,646	5,664	6,640	7,583
Transportation Facilities (2)	—	—	—	—	3,083
Subtotal Section 9(c) Debt	3,582	4,646	5,664	6,640	10,666
Subtotal General Obligation Debt	123,647	177,768	231,264	284,861	341,600
Nongeneral Obligation Debt:					
Section 9(d) Debt:					
Transportation Debt (2)	2,632,683	2,802,412	2,737,497	2,661,007	2,813,942
Virginia Public Building Authority (2)	3,524,062	3,519,630	3,780,877	3,472,631	3,028,198
Subtotal Section 9(d) Debt	6,156,745	6,322,042	6,518,374	6,133,638	5,842,140
Other Long-term Debt:					
Capital Lease Obligations (5)	—	—	—	27,768	28,413
Long-term Lease Liabilities (5)	349,010	330,682	366,188	—	—
Long-Term Subscription-Based Information Technology Arrangements (6)	204,165	137,104	—	—	—
Installment Purchase Obligations (4)	89,457	88,575	107,224	127,673	132,774
Economic Development Authority Obligations (2)	—	—	—	7,542	15,624
Subtotal Other Long-term Debt	642,632	556,361	473,412	162,983	176,811
Other Long-term Obligations:					
Compensated Absences	385,190	370,698	333,763	346,551	324,364
Net Pension Liability	3,756,222	3,430,433	2,728,430	5,058,611	4,407,825
Net OPEB Liability	768,602	745,003	784,210	880,210	839,468
Total OPEB Liability	191,029	198,865	247,471	314,039	378,330
Pollution Remediation Liability	4,115	8,171	8,685	9,140	9,475
Other Liabilities	23,575	23,103	28,411	32,130	29,263
Subtotal Other Long-term Obligations	5,128,733	4,776,273	4,130,970	6,640,681	5,988,725
Total Primary Government	12,051,757	11,832,444	11,354,020	13,222,163	12,349,276
Component Units:					
General Obligation Bonds (1) (3):					
Section 9(c) Debt					
Higher Educational Institutions (2)	929,445	940,849	912,817	955,729	886,837
Subtotal General Obligation Debt	929,445	940,849	912,817	955,729	886,837
Nongeneral Obligation Debt:					
Section 9(d) Debt:					
Virginia Port Authority (2)	353,816	368,903	210,246	222,831	223,708
Virginia College Building Authority (2)	5,872,402	5,636,772	5,389,998	5,101,393	4,384,599
Virginia Biotechnology Research Partnership Authority (2)	—	—	—	4,903	9,669
Subtotal Section 9(d) Debt	6,226,218	6,005,675	5,600,244	5,329,127	4,617,976
Other Long-term Debt:					
Capital Lease Obligations (5)	—	—	—	14,522	6,905
Long-term Lease Liabilities (5)	265,938	273,442	188,883	—	—
Long-Term Subscription-Based Information Technology Arrangements (6)	33,098	46,363	—	—	—
Installment Purchase Obligations (4)	220,229	225,249	232,324	96,340	83,385
Subtotal Other Long-term Debt	519,265	545,054	421,207	110,862	90,290
Other Long-term Obligations:					
Compensated Absences	423,895	419,401	379,422	390,615	363,109
Net Pension Liability	2,273,888	2,035,998	1,640,724	3,290,270	2,886,551
Net OPEB Liability	676,337	677,281	690,385	812,883	804,994
Total OPEB Liability	152,575	155,978	191,568	242,907	286,769
Subtotal Other Long-term Obligations	3,526,695	3,288,658	2,902,099	4,736,675	4,341,423
Total Component Units	11,201,623	10,780,236	9,836,367	11,132,393	9,936,526
Total Tax-Supported Debt	$ 23,253,380	$ 22,612,680	$ 21,190,387	$ 24,354,556	$ 22,285,802

(1) The general obligation debt is the only debt or long-term obligation that is backed by the full faith and credit of the Commonwealth.
(2) All amounts are net of unamortized discounts and premiums.
(3) See Note 1 on previous page.
(4) As discussed in Note 27, certain balances above contain Direct Borrowings and Direct Placements.
(5) GASB Statement No. 87, *Leases*, was effective starting with fiscal year 2022. This statement changed the lease liability classifications.
(6) GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was effective starting with fiscal year 2023.

Debt and Other Long-term Obligations Not Supported by Taxes

Last Five Fiscal Years
(Dollars in Thousands)

	For the Fiscal Year Ended June 30,				
	2024	2023	2022	2021	2020
Primary Government:					
Other Long-term Debt & Obligations:					
Grant Anticipation Notes (GARVEES) (1)	$ 768,265	$ 873,808	$ 979,791	$ 1,086,897	$ 1,059,387
I-81 Revenue Bonds (1)	114,152	100,822	102,401	—	—
Hampton Roads Transportation Accountability Commission (1)	2,799,940	2,562,835	2,785,352	1,748,229	1,023,334
Net Pension Liability	149,602	132,815	95,141	176,370	152,107
Net OPEB Liability	23,798	23,259	21,595	24,598	23,677
Total OPEB Liability	8,505	8,573	9,854	11,878	13,781
Compensated Absences	15,082	15,244	13,699	14,545	13,663
Long-term Lease Liabilities (2)	306,363	294,156	311,969	—	—
Long-term Subscription-Based Information Technology Arrangements (3)	205,932	215,236	—	—	—
Installment Purchase Obligations	—	—	572	771	964
Educational Benefits Payable	1,301,781	1,384,699	1,613,747	1,733,998	1,831,064
Lottery Prizes Payable	192,722	198,128	112,828	116,934	119,871
Total Primary Government	5,886,142	5,809,575	6,046,949	4,914,220	4,237,848
Component Units:					
Section 9(d) Moral Obligation Debt: (1)					
Virginia Resources Authority	917,954	906,848	929,911	914,377	933,279
Subtotal Section 9(d) Moral Obligation Debt	917,954	906,848	929,911	914,377	933,279
Section 9(d) Other Debt:					
Higher Educational Institutions (1):					
Auxiliary Enterprise Revenue Bonds	3,856,909	3,884,222	3,862,619	3,512,199	2,826,103
Teaching Hospitals Revenue Bonds (4) (5)	631,934	541,194	586,944	594,175	594,376
Subtotal Higher Education Institutions Debt	4,488,843	4,425,416	4,449,563	4,106,374	3,420,479
Virginia Housing Development Authority (1) (5)	6,266,161	4,763,715	4,679,799	4,358,584	3,997,125
Virginia Public School Authority (1) (5)	3,994,960	4,048,594	3,993,860	3,604,298	3,563,368
Virginia Port Authority (1)	251,788	259,020	266,025	272,815	279,396
Virginia Resources Authority (1)	2,331,761	2,385,656	2,445,127	2,482,752	2,482,611
Subtotal Section 9(d) Other Debt	17,333,513	15,882,401	15,834,374	14,824,823	13,742,979
Other Long-term Debt:					
Hampton Roads Sanitation District Commission (1)	1,317,446	979,742	868,472	835,006	835,479
Notes Payable (5)	1,853,899	1,981,825	1,882,451	1,809,657	2,007,388
Net Pension Liability	38,598	29,852	6,127	48,790	38,170
Net OPEB Liability	9,353	14,450	17,469	3,568	11,712
Total OPEB Liability	15,087	20,489	66,845	60,781	65,481
Capital Lease Obligations (2)	—	—	—	2,334,082	2,340,329
Long-term Lease Liabilities (2)	4,737,379	4,643,267	4,555,998	—	—
Long-term Subscription-Based Information Technology Arrangements (3)	168,543	163,492	—	—	—
Other Long-term Debt	339,935	330,713	507,128	764,329	315,326
Foundations (6)	1,643,054	2,056,375	1,814,098	1,760,809	1,795,783
Subtotal Other Long-term Debt	10,123,294	10,220,205	9,718,588	7,617,022	7,409,668
Subtotal Section 9(d) and Other Debt	27,456,807	26,102,606	25,552,962	22,441,845	21,152,647
Total Component Units	28,374,761	27,009,454	26,482,873	23,356,222	22,085,926
Total Debt Not Supported by Taxes (7)	$ 34,260,903	$ 32,819,029	$ 32,529,822	$ 28,270,442	$ 26,323,774

(1) All amounts are net of unamortized discounts and premiums.
(2) GASB Statement No. 87, *Leases*, was effective starting with fiscal year 2022. This statement changed the lease liability classifications.
(3) GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was effective starting with fiscal year 2023.
(4) Includes the Virginia Commonwealth University Health System Authority.
(5) As discussed in Note 27, certain balances above contain Direct Borrowings and Direct Placements.
(6) Foundations represent FASB reporting entities defined in Note 1.B.
(7) These amounts are not backed by the full faith and credit of the Commonwealth.

Authorized and Unissued Tax-Supported Debt

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	As of June 30, 2023	New Debt Authorized	Debt Issued	Other Adjustments	As of June 30, 2024
Section 9(c) Debt (Primary Government):					
Higher Educational Institution Bonds	$ 618,175	$ 124,285	$ 64,145	$ (7,364)	$ 670,951
Parking Facilities Bonds	226	—	—	—	226
Subtotal Section 9(c) Debt	618,401	124,285	64,145	(7,364)	671,177
Section 9(d) Debt:					
Primary Government:					
Transportation Contract Revenue Bonds					
(Northern Virginia Transportation District Fund Program)	24,700	—	—	—	24,700
U.S. Route 58 Corridor Development Program	226,400	—	—	—	226,400
Transportation Capital Projects Revenue Bonds	146,634	—	—	—	146,634
Component Units:					
Virginia Public Building Authority (Projects)	1,345,158	498,278	252,405	(27,595)	1,563,436
Virginia Public Building Authority (Jails)	58,539	—	—	(22,395)	36,144
Virginia College Building Authority (21st Century)	1,010,009	402,601	556,905	(43,095)	812,610
Virginia College Building Authority (Equipment Program)	91,650	192,800	85,310	(6,340)	192,800
Subtotal Section 9(d) Debt	2,903,090	1,093,679	894,620	(99,425)	3,002,724
Total Authorized and Unissued Tax-Supported Debt	$ 3,521,491	$ 1,217,964	$ 958,765	$ (106,789)	$ 3,673,901

Tax-Supported Debt – Annual Debt Service Requirements [1]

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

Fiscal Year Ending June 30	General Obligation Debt Sections 9(a), 9(b) and 9(c)			Other Tax-Supported Debt Section 9(d) [1] [2]		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 110,020	$ 38,452	$ 148,472	$ 778,934	$ 467,267	$ 1,246,201
2026	107,155	32,958	140,113	779,269	445,791	1,225,060
2027	98,860	28,272	127,132	767,456	409,987	1,177,443
2028	85,110	23,923	109,033	753,765	375,048	1,128,813
2029	72,700	20,602	93,302	746,240	339,554	1,085,794
2030	65,885	17,714	83,599	728,795	304,448	1,033,243
2031	62,380	15,274	77,654	689,235	269,964	959,199
2032	53,380	13,078	66,458	659,885	239,352	899,237
2033	53,665	11,211	64,876	626,850	210,984	837,834
2034	48,630	9,359	57,989	628,435	183,498	811,933
2035	42,745	7,764	50,509	601,965	157,587	759,552
2036	35,400	6,387	41,787	544,925	132,685	677,610
2037	27,720	5,252	32,972	488,620	110,847	599,467
2038	25,160	4,328	29,488	405,140	90,951	496,091
2039	22,070	3,432	25,502	421,860	74,228	496,088
2040	20,670	2,698	23,368	367,685	57,265	424,950
2041	12,285	2,031	14,316	335,605	43,036	378,641
2042	10,775	1,555	12,330	276,410	30,169	306,579
2043	5,845	1,100	6,945	189,540	19,211	208,751
2044	6,085	862	6,947	97,510	12,025	109,535
2045	1,340	612	1,952	59,315	7,798	67,113
2046	1,400	551	1,951	41,575	5,571	47,146
2047	1,465	488	1,953	37,945	3,753	41,698
2048	1,530	423	1,953	31,855	2,003	33,858
2049	1,605	346	1,951	18,515	486	19,001
2050	1,685	266	1,951	—	—	—
2051	1,770	182	1,952	—	—	—
2052	1,860	93	1,953	—	—	—
Subtotal	979,195	249,213	1,228,408	11,077,329	3,993,508	15,070,837
Add						
Accretion on Capital Appreciation Bonds	—	—	—	14,741	—	14,741
Add						
Unamortized Premium	73,897	—	73,897	1,290,893	—	1,290,893
Total	$ 1,053,092	$ 249,213	$ 1,302,305	$ 12,382,963	$ 3,993,508	$ 16,376,471

[1] Does not include long-term leases, installment purchase obligations, regional jail reimbursements under the original treasury board program, compensated absences, pension liability, OPEB liability, pollution remediation liability and other liabilities.

[2] Includes principal amount of $6,156,745 (dollars in thousands) for the primary government, net of accretion on capital appreciation and unamortized premiums and discounts.

Principal	Total Interest	Total
$ 888,954	$ 505,719	$ 1,394,673
886,424	478,749	1,365,173
866,316	438,259	1,304,575
838,875	398,971	1,237,846
818,940	360,156	1,179,096
794,680	322,162	1,116,842
751,615	285,238	1,036,853
713,265	252,430	965,695
680,515	222,195	902,710
677,065	192,857	869,922
644,710	165,351	810,061
580,325	139,072	719,397
516,340	116,099	632,439
430,300	95,279	525,579
443,930	77,660	521,590
388,355	59,963	448,318
347,890	45,067	392,957
287,185	31,724	318,909
195,385	20,311	215,696
103,595	12,887	116,482
60,655	8,410	69,065
42,975	6,122	49,097
39,410	4,241	43,651
33,385	2,426	35,811
20,120	832	20,952
1,685	266	1,951
1,770	182	1,952
1,860	93	1,953
12,056,524	4,242,721	16,299,245
14,741	—	14,741
1,364,790	—	1,364,790
$ 13,436,055	$ 4,242,721	$ 17,678,776

Tax-Supported Debt – Detail of Long-term Indebtedness (1)

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt					
Section 9(b) Debt (Primary Government):					
Public Facilities Bonds					
Series 2012A Refunding	$ 35,540	$ 13,775	$ (13,775)	$ —	
Series 2013 Refunding	128,250	57,225	(57,225)	—	
Series 2015	102,520	53,620	(9,105)	44,515	06/01/25-28
Series 2016B Refunding	39,695	24,175	(3,955)	20,220	06/01/25-29
Series 2019C Refunding	10,535	5,670	(1,070)	4,600	06/01/25-29
Series 2024B Refunding	39,510	—	39,510	39,510	06/01/25-27
Unamortized Premium	—	18,657	(7,437)	11,220	
Total Public Facilities Bonds	356,050	173,122	(53,057)	120,065	
Total Section 9(b) Debt	356,050	173,122	(53,057)	120,065	
Section 9(c) Debt					
Higher Educational Institution bonds (Component Units)					
Series 2010 Bonds					
Christopher Newport University					
Construct Residence Hall	34,480	23,900	(1,095)	22,805	06/01/25-40
The College of William and Mary					
Construct New Dormitory	2,010	840	(105)	735	06/01/25-30
Renovate Residence Halls	4,440	1,835	(240)	1,595	06/01/25-30
George Mason University					
Housing VIII	39,420	23,440	(1,655)	21,785	06/01/25-35
Renovate Commons	1,325	585	(75)	510	06/01/25-30
Smithsonian CRC Housing	5,415	3,215	(225)	2,990	06/01/25-35
James Madison University					
Renovate Bluestone Dormitories, Phase IV	14,890	6,150	(805)	5,345	06/01/25-30
Old Dominion University					
Renovate Student Housing, Phase I	1,975	810	(105)	705	06/01/25-30
Virginia Commonwealth University					
Construct West Grace Housing and Parking Phase I	29,130	17,300	(1,225)	16,075	06/01/25-35
Virginia Polytechnic Institute and State University					
Construct Academic and Student Affairs Building	34,650	14,640	(1,925)	12,715	06/01/25-30
Parking Auxiliary Projects	745	305	(40)	265	06/01/25-30
Subtotal Series 2010 Bonds	168,480	93,020	(7,495)	85,525	
Series 2012 Bonds					
The College of William and Mary					
Dining Commons Hall Renovation 2005 Refunding	1,289	660	(660)	—	
Dorm Renovation - 2005 Refunding	779	399	(399)	—	
George Mason University					
Student Housing Construction, VII - 2005 Refunding	2,674	1,369	(1,369)	—	
Longwood University					
Housing Facilities Renovation - 2005 Refunding	545	280	(280)	—	
Old Dominion University					
Housing Renovation, Phase I - 2005 Refunding	655	335	(335)	—	
University of Mary Washington					
Seacobeck Dining Hall - 2005 Refunding	655	335	(335)	—	
Virginia Military Institute					
Crozet Hall & Parking - 2004A Refunding	3,019	1,696	(831)	865	06/01/25
Virginia Polytechnic Institute and State University					
Renovate Dietrick Servery - 2004A Refunding	942	363	(363)	—	
Subtotal Series 2012 Bonds	10,558	5,437	(4,572)	865	

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt *(continued)*					
Section 9(c) Debt *(continued)*					
Higher Educational Institution bonds (Component Units) *(continued)*					
Series 2013 Bonds					
The College of William and Mary					
Construct New Dormitory	8,770	5,175	(5,175)	—	
Dining Commons Hall Renovation - 2005A Ref Portion	1,831	1,389	(1,389)	—	
Dorm Renovations - 2005A Ref Portion	1,113	844	(844)	—	
Dorm Renovations - 2006B Ref Portion	1,412	919	(919)	—	
Renovate Dormitory	4,660	2,745	(2,745)	—	
George Mason University					
Construct Student Housing VII & Entrance Rd - 2007B Ref Portion	4,579	1,450	(1,450)	—	
Construct Student Housing VII - 2007B Refunded Portion	584	188	(188)	—	
Construct Student Housing VII - 2006B Refunded Portion	9,186	5,978	(5,978)	—	
Student Housing Construction, VII - 2005A Ref Portion	10,503	9,533	(9,533)	—	
James Madison University					
Construct Dining Hall - 2007B Refunded Portion	8,207	2,601	(2,601)	—	
Renovate Bluestone Residence Hall, Ph 3 - 2007B Ref Portion	893	284	(284)	—	
Renovate Residence Hall - 2006B Refunded Portion	1,953	1,272	(1,272)	—	
Longwood University					
Housing Facility Renovation - 2005A Refunded Portion	472	286	(286)	—	
Renovate Cox Hall - 2007B Refunded Portion	2,461	780	(780)	—	
Renovate Housing Facilities - 2006B Refunded Portion	1,852	1,204	(1,204)	—	
Old Dominion University					
Construct Residence Hall, Ph II - 2007B Refunded Portion	6,344	2,008	(2,008)	—	
Construct Residence Hall, Ph II - 2006B Refunded Portion	2,761	1,799	(1,799)	—	
Housing Renovations, Ph I - 2005A Refunded Portion	570	349	(349)	—	
Radford University					
Washington Hall	5,040	2,970	(2,970)	—	
University of Mary Washington					
Seacobeck Dining Hall - 2005A Refunded Portion	565	344	(344)	—	
Virginia Commonwealth University					
Monroe Park Housing - 2007B Refunded Portion	3,252	1,026	(1,026)	—	
Virginia Polytechnic Institute and State University					
Construct New Residence Hall - 2007A Refunded Portion	7,842	3,850	(3,850)	—	
Improve Residence and Dining Halls - 2007A Refunded Portion	3,576	1,756	(1,756)	—	
Parking Projects - 2006B Refunded Portion	218	140	(140)	—	
Virginia State University					
Construct Dining Hall - 2006B Refunded Portion	1,431	933	(933)	—	
Construct Residence Hall - 2007A Refunded Portion	1,132	554	(554)	—	
Construct Residence Halls - 2006B Refunded Portion	5,541	3,608	(3,608)	—	
Construct Two Residence Halls - 2007B Refunded Portion	11,232	3,555	(3,555)	—	
Subtotal Series 2013 Bonds	107,980	57,540	(57,540)	—	
Series 2014 Bonds					
College Of William and Mary					
Renovate Dormitories	9,005	5,885	(5,885)	—	
George Mason University					
Student Housing VIII	2,235	1,460	(1,460)	—	
James Madison University					
Student Housing Phase I	46,660	30,495	(30,495)	—	
Radford University					
Renovate Residence Halls	11,080	7,240	(7,240)	—	
Subtotal Series 2014 Bonds	68,980	45,080	(45,080)	—	

Continued on next page

Tax-Supported Debt – Detail of Long-term Indebtedness (1) *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024

(Dollars in Thousands)

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt *(continued)*					
Section 9(c) Debt *(continued)*					
Higher Educational Institution bonds (Component Units) *(continued)*					
Series 2015 Bonds					
Christopher Newport University					
Construct Residential Housing	18,860	13,725	(885)	12,840	06/01/25-35
Expand Dining Hall	8,960	6,520	(420)	6,100	06/01/25-35
College of William and Mary					
Renovate Graduate St. - 2008B Ref Portion	1,482	836	(149)	687	06/01/25-28
Renovate Dormitories	10,980	3,135	(225)	2,910	06/01/25-34
George Mason University					
Construct Housing VII & Entrance Road - 2007B Ref Portion	6,817	6,255	—	6,255	06/01/26-32
Construct Student Housing VII - 2006B Refunding Portion	11,765	11,765	—	11,765	06/01/27-31
Construct Student Housing VII - 2007B Refunding Portion	854	781	—	781	06/01/26-32
Renovate President Park, Phase II - 2008B Refunding Portion	1,999	1,126	(202)	924	06/01/25-28
Student Housing VII - 2008B Refunding Portion	1,366	1,014	(82)	932	06/01/25-33
Student Housing VII - C - 2008B Refunding Portion	17,566	13,026	(1,042)	11,984	06/01/25-33
James Madison University					
Construct Dining Hall - 2007B Refunding Portion	3,650	2,649	—	2,649	06/01/26-27
Construct New Residence Hall - 2008B Refunding Portion	11,695	6,601	(1,171)	5,430	06/01/25-28
Renovate Bluestone Residence Hall, Ph 3 - 2007B Ref Portion	403	291	—	291	06/01/26-27
Longwood University					
Renovate Cox Hall - 2007B Refunding Portion	1,089	791	—	791	06/01/26-27
Renovate Cox Hall - 2008B Refunding Portion	2,785	1,569	(278)	1,291	06/01/25-28
Old Dominion University					
Construct Residence Hall, Phase II - 2007B Refunding Portion	2,827	2,050	—	2,050	06/01/26-27
Quad Housing Phase II - 2008B Refunding Portion	24,074	13,596	(2,410)	11,186	06/01/25-28
Radford University					
Renovate Residence Halls	8,820	6,230	(400)	5,830	06/01/25-35
Virginia Commonwealth University					
Monroe Park Housing - 2007B Refunding Portion	6,806	6,411	—	6,411	06/01/26-37
Virginia Polytechnic Institute and State University					
New Residence Hall - 2008B Refunding Portion	10,671	6,025	(1,070)	4,955	06/01/25-28
Parking Auxiliary Project - 2008B Refunding Portion	921	511	(91)	420	06/01/25-28
Virginia State University					
Construct Two Residence Halls - 2007B Refunding Portion	4,995	3,623	—	3,623	06/01/26-27
Subtotal Series 2015 Bonds	159,385	108,530	(8,425)	100,105	
Series 2016 Bonds					
George Mason University					
Housing VIII - 09B Refunding Portion	6,230	4,940	(360)	4,580	06/01/25-34
Student Housing VII-C - 2009B Refunding Portion	6,190	4,915	(360)	4,555	06/01/25-34
James Madison University					
Construct Dining Hall	53,700	40,585	(2,390)	38,195	06/01/25-36
Norfolk State University					
Renovate and Upgrade Dormitories	7,875	4,995	(525)	4,470	06/01/25-31
Radford University					
Renovate Residence Halls	7,160	5,410	(320)	5,090	06/01/25-36
Richard Bland College					
Convert Humanities & Social Science Building to Student Housing	2,465	1,900	(110)	1,790	06/01/25-36
Virginia Polytechnic Institute and State University					
Improve Residence & Dining Halls - 2009B Refunding Portion	2,310	1,510	(220)	1,290	06/01/25-29
Parking Structure - 2009B Refunding Portion	18,890	14,985	(1,100)	13,885	06/01/25-34
Renovate Ambler Johnston Hall - 2009 B Refunding Portion	24,200	15,875	(2,345)	13,530	06/01/25-29
Subtotal Series 2016 Bonds	129,020	95,115	(7,730)	87,385	

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt *(continued)*					
Section 9(c) Debt *(continued)*					
Higher Educational Institution bonds (Component Units) *(continued)*					
Series 2018 Bonds					
College of William & Mary					
Renovate Dormitories	13,405	11,160	(535)	10,625	06/01/25-38
James Madison University					
Construct Dining Hall	16,785	13,975	(675)	13,300	06/01/25-38
Construct Phillips Dining	24,515	20,410	(985)	19,425	06/01/25-38
Norfolk State University					
Construct Residential Housing	52,185	40,670	(3,250)	37,420	06/01/25-33
Subtotal Series 2018 Bonds	106,890	86,215	(5,445)	80,770	
Series 2019 Bonds					
College of William & Mary					
Renovate Dormitories	2,625	2,260	(105)	2,155	06/01/25-39
Renovate Dormitories	2,235	1,930	(90)	1,840	06/01/25-39
George Mason University					
Housing Building V 2009C Refunding - 2001 Refunding	5,645	1,445	(1,445)	—	
Old Dominion University					
New Residential Halls, Phase 1	49,465	42,665	(1,975)	40,690	06/01/25-39
Subtotal Series 2019 Bonds	59,970	48,300	(3,615)	44,685	
Series 2020 Bonds					
College of William & Mary					
Construct New Dorm 11A Ref Portion	9,980	8,480	(1,030)	7,450	06/01/25-31
George Mason University					
Housing VIII 11A Ref Portion	16,255	15,875	(1,155)	14,720	06/01/25-36
Renovate Commons 11A Ref Portion	10,345	9,300	(1,060)	8,240	06/01/25-31
Smithsonian CRC Housing 11A Ref Portion	3,350	3,260	(235)	3,025	06/01/25-36
Student Housing VII-C 11A Ref Portion	865	805	(60)	745	06/01/25-36
Old Dominion University					
Student Housing Renovation, Phase II	10,005	9,595	(425)	9,170	06/01/25-40
Radford University					
Acquire Property for Campus Expansion	16,030	14,485	(640)	13,845	06/01/25-40
Virginia Commonwealth University					
West Grace Housing-North 11A Ref Portion	21,305	20,805	(1,510)	19,295	06/01/25-36
Virginia Polytechnic Institute and State University					
Renovate Ambler Johnston Hall 11A Ref Portion	13,070	11,750	(1,335)	10,415	06/01/25-31
Creativity & Innovation District Living Learning Community	84,305	77,800	(3,450)	74,350	06/01/25-40
Virginal State University					
Construct Gateway Center Res Hall Ph II 11A Ref Portion	23,055	20,015	(2,425)	17,590	06/01/25-31
Construct Quad Housing Ph II 11A Ref Portion	19,905	17,520	(2,130)	15,390	06/01/25-31
Subtotal Series 2020 Bonds	228,470	209,690	(15,455)	194,235	

Continued on next page

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt *(continued)*					
Section 9(c) Debt *(continued)*					
Higher Educational Institution bonds (Component Units) *(continued)*					
Series 2021 Bonds					
Christopher Newport University					
Construct Residential Housing 17632 2015A Ref (2021 Mat.)	760	760	—	760	06/01/36
Construct Residential Housing 17632 2015A Ref (2022 Mat.)	880	880	—	880	06/01/37
Expand Dining Hall 18118 2015A Ref (2021 Mat.)	365	365	—	365	06/01/36
Expand Dining Hall 18118 2015A Ref (2022 Mat.)	415	415	—	415	06/01/37
George Mason University					
Construct SH VII & Entrance Road 2007B 2013B Ref (2022 Mat.)	710	710	—	710	06/01/34
Construct SH VII & Entrance Road 2007B 2013B Ref (2021 Mat.)	610	610	—	610	06/01/33
Construct Student Housing VII 2007B 2013B Ref (2021 Mat.)	80	80	—	80	06/01/33
Construct Student Housing VII 2007B 2013B Ref (2022 Mat.)	90	90	—	90	06/01/34
Housing Building V - 2001 2019B Ref (2022 Mat.)	1,370	1,370	—	1,370	06/01/26
Housing Building V - 2002 2019B Ref (2022 Mat.)	585	585	(585)	—	
Housing Building V - 2001 2019B Ref (2021 Mat.)	1,200	1,200	—	1,200	06/01/25
Student Housing Construction, VII 2006B 2019B Ref (2022 Mat.)	1,850	1,850	—	1,850	06/01/33
Student Housing Construction, VII 2005 2019B Ref (2022 Mat.)	1,265	1,265	—	1,265	06/01/32
Student Housing Construction, VII 2005 2019B Ref (2021 Mat.)	825	825	—	825	06/01/31
Student Housing Construction, VII 2006B 2019B Ref (2021 Mat.)	1,410	1,410	—	1,410	06/01/32
Housing VIII 2010A-2 Ref (2021 & 2022 Mat.)	3,145	3,145	—	3,145	06/01/36-37
Housing VIII 2009B 2016B Ref (2021 Mat.)	315	315	—	315	06/01/35
Housing VIII 2009B 2016B Ref (2022 Mat.)	360	360	—	360	06/01/36
Renovate President's Park 2008B 2015B Ref (2022 Mat.)	180	180	—	180	06/01/30
Renovate President's Park 2008B 2015B Ref (2021 Mat.)	135	135	—	135	06/01/29
Renovate Commons 2010A-2 Ref (2021 & 2022 Mat.)	120	120	—	120	06/01/31-32
Smithsonian CRC Housing 2010A-2 Ref (2021 & 2022 Mat.)	440	440	—	440	06/01/36-37
Student Housing VII 2008B 2015B Ref (2021 Mat.)	75	75	—	75	06/01/34
Student Housing VII 2008B 2015B Ref (2022 Mat.)	80	80	—	80	06/01/35
Student Housing VII-C 2008B 2015B Ref (2021 Mat.)	885	885	—	885	06/01/34
Student Housing VII-C 2008B 2015B Ref (2022 Mat.)	1,030	1,030	—	1,030	06/01/35
Student Housing VII-C 2009B 2016B Ref (2021 Mat.)	310	310	—	310	06/01/35
Student Housing VII-C 2009B 2016B Ref (2022 Mat.)	355	355	—	355	06/01/36
Student Housing VIII 2014A Ref (2021 Mat.)	95	95	—	95	06/01/35
Student Housing VIII 2014A Ref (2022 Mat.)	110	110	—	110	06/01/36
Norfolk State University					
Construct Residential Housing - 2018A Ref (2021 Mat.)	2,745	2,745	—	2,745	06/01/34
Construct Residential Housing - 2018A Ref (2022 Mat.)	3,205	3,205	—	3,205	06/01/35
Renovate and Upgrade Dormitories 2016A Ref (2021 Mat.)	400	400	—	400	06/01/32
Renovate and Upgrade Dormitories 2016A Ref (2022 Mat.)	520	520	—	520	06/01/33
Old Dominion University					
Construct Residence Hall, Phase II 2007B 2013B Ref (2021 Mat.)	695	695	—	695	06/01/28
Construct Residence Hall, Phase II 2007B 2013B Ref (2022 Mat.)	875	875	—	875	06/01/29
Construct New Residence Halls, Phase 1 2019A Ref (2021 Mat.)	1,755	1,755	—	1,755	06/01/40
Construct New Residence Halls, Phase 1 2019A Ref (2022 Mat.)	1,930	1,930	—	1,930	06/01/41
Housing Renovations, Phase I 2005 2019B Ref (2022 Mat.)	255	255	—	255	06/01/27
Housing Renovations, Phase I 2005 2019B Ref (2021 Mat.)	215	215	—	215	06/01/26
Construct Residence Hall, Phase II 2006B 2019B Ref (2022 Mat.)	505	505	—	505	06/01/28
Construct Residence Hall, Phase II 2006B 2019B Ref (2021 Mat.)	395	395	—	395	06/01/27
Quad Housing Phase II 2008B 2015B Ref (2021 Mat.)	1,620	1,620	—	1,620	06/01/29
Quad Housing Phase II 2008B 2015B Ref (2022 Mat.)	2,125	2,125	—	2,125	06/01/30
Renovate Student Housing, Phase I 2010A-2 Ref (2021 & 2022 Mat.)	170	170	—	170	06/01/31-32
Subtotal Series 2021 Bonds	37,460	37,460	(585)	36,875	

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt *(continued)*					
Section 9(c) Debt *(continued)*					
Higher Educational Institution bonds (Component Units) *(continued)*					
Series 2022 Bonds					
Virginia Polytechnic Institute					
Hitt Hall	40,100	40,100	—	40,100	06/01/25-42
Innovation Camp Academic Building - Parking Supplement	29,375	29,375	—	29,375	06/01/26-52
New Upper Quad Residence Hall	25,405	25,405	(835)	24,570	06/01/25-42
Subtotal Series 2022 Bonds	94,880	94,880	(835)	94,045	
Series 2024 Bonds					
College of William & Mary					
Construct New Dorm (17808) 13A Ref Portion	4,190	—	4,190	4,190	06/01/25-33
Dining Com Hall Reno 13B Ref_05A Portion	1,352	—	1,352	1,352	06/01/25-26
Dormitory Renovations 13B Ref_05A Portion	822	—	822	822	06/01/25-26
Dormitory Renovations 13B Ref_06B Portion	607	—	607	607	06/01/25-26
Renovate Dorm (17933) 13A Ref Portion	2,225	—	2,225	2,225	06/01/25-33
Renovate Dormitories (17933) 14A Ref Portion	4,810	—	4,810	4,810	06/01/25-34
Renovate Dormitories (18100)	9,840	—	9,840	9,840	06/01/25-44
Renovate Dormitories (18218)	10,005	—	10,005	10,005	06/01/25-44
George Mason University					
CNSTR SH VII & ENTR RD 13B Ref_07B Portion	729	—	729	729	06/01/25
CNSTR SH VII 13B Ref_07B Portion	95	—	95	95	06/01/25
Constr Stu Housing VII 13B Ref_06B Portion	4,002	—	4,002	4,002	06/01/25-26
Stud Housing Constr, VII 13B Ref_05A Portion	8,738	—	8,738	8,738	06/01/25-30
Student Housing VIII (17570) 14A Ref Portion	1,195	—	1,195	1,195	06/01/25-34
James Madison University					
CNSTR DH 13B Ref_07B Portion	1,305	—	1,305	1,305	06/01/2025
REN BLUESTONE RH, PH 3 13B Ref_07B Portion	142	—	142	142	06/01/2025
Renovate Residence Hall 13B Ref_06B Portion	841	—	841	841	06/01/25-26
Student Housing Ph I (17949) 14A Ref Portion	24,910	—	24,910	24,910	06/01/25-34
JMU Village Student Housing, Phase I (18596)	44,300	—	44,300	44,300	06/01/25-44
Longwood University					
Housing Facilities Reno 13B Ref_05A Portion	281	—	281	281	06/01/2025
REN COX HALL 13B Ref_07B Portion	393	—	393	393	06/01/2025
Reno Housing Facilities 13B Ref_06B Portion	795	—	795	795	06/01/25-26
Old Dominion University					
CNSTR RH, PHASE II 13B Ref_07B Portion	1,007	—	1,007	1,007	06/01/2025
Constr Resi Hall, Ph II 13B Ref_06B Portion	1,189	—	1,189	1,189	06/01/25-26
Housing Reno Phase I 13B Ref_05A Portion	344	—	344	344	06/01/2025
Radford University					
Reno Residence Halls (17565) 14A Ref Portion	5,915	—	5,915	5,915	06/01/25-34
Washington Hall (17948) 13A Ref Portion	2,405	—	2,405	2,405	06/01/25-33
University of Mary Washington					
Seacobeck Dining Hall 13B Ref_05A Portion	339	—	339	339	06/01/2025
Virginia Commonwealth University		—			
MONROE PARK HOUSING 13B Ref_07B Portion	516	—	516	516	06/01/2025
Virginia Polytechnic Institute and State					
Constr New Resi Hall 13B Ref_07A Portion	2,836	—	2,836	2,836	06/01/25-27
Parking Projects 13B Ref_06B Portion	94	—	94	94	06/01/25-26
Improve Resi & Dining Hall 13B Ref_07 Portion	1,294	—	1,294	1,294	06/01/25-27
Virginia State University					
CNSTR TWO RH 13B Ref_07B Portion	1,783	—	1,783	1,783	06/01/2025
Constr Resi Halls 13B Ref_06B Portion	2,392	—	2,392	2,392	06/01/25-26
Constr Resi Halls 13B Ref_07A Portion	408	—	408	408	06/01/25-27
Construct Dining Hall 13B Ref_06B Portion	616	—	616	616	06/01/25-26
Subtotal Series 2024 Bonds	142,715	—	142,715	142,715	

Continued on next page

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
General Obligation Debt *(continued)*					
Section 9(c) Debt *(continued)*					
Higher Educational Institution bonds (Component Units) *(continued)*					
Unamortized Premium	—	59,582	2,658	62,240	
Subtotal Higher Educational Institution Bonds	1,314,788	940,849	(11,404)	929,445	
Parking Facilities Bonds (Primary Government)					
Series 2012 Refunding (2004A Ref)	1,062	408	(408)	—	
Series 2016 Refunding - 2009B Refunding Portion	5,625	3,690	(545)	3,145	06/01/25-29
Unamortized Premium	—	548	(111)	437	
Subtotal Parking Facilities Bonds	6,687	4,646	(1,064)	3,582	
Total Section 9(c) Debt	1,321,475	945,495	(12,468)	933,027	
Total General Obligation Debt	1,677,525	1,118,617	(65,525)	1,053,092	
Nongeneral Obligation Debt					
Section 9(d) Debt					
Virginia Public Building Authority Bonds (Primary Government)					
Series 2010B2 Taxable BABs	195,310	128,690	(15,275)	113,415	08/01/24-30
Series 2012A Refunding	72,415	19,905	(9,820)	10,085	08/01/24
Series 2013A	143,400	59,265	(6,895)	52,370	08/01/24-33
Series 2013B Refunding	72,370	11,930	(11,930)	—	
Series 2014A	132,875	77,810	(71,435)	6,375	08/01/24
Series 2014B Taxable	29,735	19,720	(1,375)	18,345	08/01/24-34
Series 2014C Refunding	298,390	126,295	(95,465)	30,830	08/01/24
Series 2015A	232,980	173,485	(10,130)	163,355	08/01/24-35
Series 2015B Refunding	134,730	59,095	(8,900)	50,195	08/01/24-28
Series 2016A	206,420	161,810	(8,770)	153,040	08/01/24-36
Series 2016B Refunding	178,955	146,165	(25,375)	120,790	08/01/24-29
Series 2016C AMT	147,420	117,390	(5,935)	111,455	08/01/24-36
Series 2016D Taxable	13,830	10,355	(625)	9,730	08/01/24-36
Series 2017A Refunding	145,325	127,920	—	127,920	08/01/25-31
Series 2018A	160,605	139,360	(5,975)	133,385	08/01/24-38
Series 2018B Taxable	17,400	14,880	(695)	14,185	08/01/24-38
Series 2019A	178,105	161,025	(6,255)	154,770	08/01/24-39
Series 2019B AMT	133,805	121,090	(4,680)	116,410	08/01/24-39
Series 2019C Taxable	25,040	10,040	(5,000)	5,040	08/01/2024
Series 2020A	204,180	191,535	(6,755)	184,780	08/01/24-40
Series 2020B	204,770	167,330	(25,650)	141,680	08/01/24-30
Series 2020C Taxable	100,295	92,260	(4,115)	88,145	08/01/24-40
Series 2021A	535,225	518,855	(17,210)	501,645	08/01/24-41
Series 2021B Taxable	11,030	9,970	(1,065)	8,905	08/01/24-31
Series 2022A	432,950	432,950	(12,995)	419,955	08/01/24-42
Series 2022B Taxable	20,055	20,055	(5,000)	15,055	08/01/24-26
Series 2024A	222,305	—	222,305	222,305	08/01/25-44
Series 2024B Refunding	135,965	—	135,965	135,965	08/01/25-34
Series 2024C Taxable	30,100	—	30,100	30,100	08/01/25-30
Unamortized Premium	—	400,445	(16,613)	383,832	
Total Virginia Public Building Authority Bonds	4,415,985	3,519,630	4,432	3,524,062	

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
Nongeneral Obligation Debt *(continued)*					
Section 9(d) Debt					
Virginia College Building Authority Bonds (Component Unit)					
21st Century College Program					
Series 2009E Refunding	134,000	17,725	(17,725)	—	
Series 2010B2 Taxable BABs	290,600	132,660	(19,545)	113,115	02/01/25-30
Series 2012B	349,255	19,955	—	19,955	02/01/2026
Series 2014A	319,155	26,190	(12,455)	13,735	02/01/2026
Series 2014B	27,985	4,885	—	4,885	02/01/2025
Series 2015A	373,230	36,965	(8,015)	28,950	02/01/25-34
Series 2015B Refunding	204,880	113,030	(24,915)	88,115	02/01/25-27
Series 2015D1	233,300	165,050	(20,195)	144,855	02/01/25-35
Series 2016A	360,485	167,840	(10,400)	157,440	02/01/25-36
Series 2016 B Refunding	49,300	49,300	—	49,300	02/01/28-29
Series 2016C	39,980	12,685	(4,135)	8,550	02/01/25-26
Series 2017A	75,100	14,230	(14,230)	—	
Series 2017B Refunding	173,295	89,520	(19,365)	70,155	02/01/25-28
Series 2017C	492,730	410,205	(14,245)	395,960	02/01/25-37
Series 2017D Taxable	99,915	42,280	(10,165)	32,115	02/01/25-27
Series 2017E Refunding	560,555	497,150	(42,365)	454,785	02/01/25-32
Series 2018A	75,685	23,920	(11,670)	12,250	02/01/2025
Series 2019A	513,245	409,275	(27,330)	381,945	02/01/25-39
Series 2019B	134,855	120,470	(5,285)	115,185	02/01/25-39
Series 2019C	229,135	168,180	(20,655)	147,525	02/01/25-30
Series 2020A	339,360	279,345	(19,150)	260,195	02/01/25-40
Series 2020B	341,455	179,345	(3,085)	176,260	02/01/25-40
Series 2021A	537,115	481,860	(25,600)	456,260	02/01/25-41
Series 2022A	584,175	573,095	(10,275)	562,820	02/01/25-42
Series 2022B	48,070	22,335	(17,885)	4,450	02/01/2025
Series 2023A	618,815	618,815	(36,250)	582,565	02/01/25-43
Series 2023B	341,810	341,810	—	341,810	02/01/29-35
Series 2024A	642,215	—	642,215	642,215	02/01/25-44
Unamortized Premium	—	618,652	(11,645)	607,007	
Total Virginia College Building Authority Bonds	8,189,700	5,636,772	235,630	5,872,402	
Transportation Debt (Primary Government)					
Route 28 Refunding Bonds	87,444	35,458	(13,153)	22,305	04/01/25-27
Transportation Revenue Bonds (U.S. Route 58)	171,365	361,925	(25,145)	336,780	05/15/25-48
Northern Virginia Transportation District Program	143,660	43,230	(4,280)	38,950	05/15/25-34
Capital Projects	2,495,785	2,116,990	(154,160)	1,962,830	05/15/25-46
Unamortized Premium	—	244,809	27,009	271,818	
Total Section 9(d) Transportation Debt	2,898,254	2,802,412	(169,729)	2,632,683	

Continued on next page

Tax-Supported Debt – Detail of Long-term Indebtedness (1) *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

Series	Amount Issued	Outstanding June 30, 2023	Issued (Retired) During Year	Outstanding June 30, 2024	Maturity
Nongeneral Obligation Debt *(continued)*					
Section 9(d) Debt					
Virginia Port Authority Debt (Component Unit)					
Series 2012	108,015	40,795	(7,625)	33,170	07/01/24-27
Series 2020	77,845	75,210	(1,235)	73,975	07/01/24-40
Series 2020B	19,770	19,770	(2,530)	17,240	07/01/24-29
Series 2023A	148,520	148,520	—	148,520	07/01/32-48
Series 2023B	52,675	52,675	—	52,675	07/01/28-36
Unamortized Premium	—	31,933	(3,697)	28,236	
Total Virginia Port Authority Debt	406,825	368,903	(15,087)	353,816	
Total Section 9(d) Debt	15,910,764	12,327,717	55,246	12,382,963	
Nongeneral Obligation Debt and Other Obligations					
Other Long-term Debt					
Long-term Leases	—	604,124	10,824	614,948	
Long-term SBITAs	—	183,467	53,796	237,263	
Installment Purchase Obligations	—	313,824	(4,138)	309,686	
Total Other Long-term Debt	—	1,101,415	60,482	1,161,897	
Other Long-term Obligations					
Compensated Absences	—	790,099	18,986	809,085	
Net Pension Liability	—	5,466,431	563,679	6,030,110	
Net OPEB Liability	—	1,422,284	22,655	1,444,939	
Total OPEB Liability	—	354,843	(11,239)	343,604	
Other	—	31,274	(3,584)	27,690	
Total Other Long-term Obligations	—	8,064,931	590,497	8,655,428	
Total Nongeneral Obligation Debt and Other Obligations	15,910,764	21,494,063	706,225	22,200,288	
Total Tax-Supported Debt and Other Obligations	$ 17,588,289	$ 22,612,680	$ 640,700	$ 23,253,380	

(1) Pursuant to GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Governmental Activities include internal service funds.

STATISTICAL SECTION

The financial presentations included in this section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commonwealth's overall financial health.

Statistical schedules related to property taxes are not presented since the Commonwealth does not assess property taxes.

Contents

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Financial Trends

Ten-Year Schedule of Revenues and Expenditures – Modified Accrual Basis
General Governmental Revenues by Source and Expenditures by Function

For Fiscal Year Ended June 30

(Dollars in Millions)

	2024	2023	2022	2021
Tax Revenues:				
Individual and Fiduciary Income	$ 21,594	$ 17,782	$ 19,497	$ 17,079
Sales and Use	7,430	7,425	7,428	6,525
Motor Fuels	2,013	1,886	1,770	1,425
Corporation Income	1,982	2,045	1,977	1,569
Public Service Corporations	124	121	119	118
Motor Vehicle Sales and Use	1,218	1,218	1,214	1,119
Communications Sales and Use	277	290	301	312
Gross Premiums of Insurance Companies	704	656	612	556
Alcoholic Beverage Sales	243	239	228	220
Deeds, Contracts, Wills, and Suits	499	526	803	810
Beer and Beverage Excise	39	39	41	43
Estate	—	—	—	1
Tobacco Products	227	247	276	288
Bank Stock	26	31	37	27
Wine and Spirits/ABC Liter	31	32	33	33
Other Taxes	2,073	1,734	1,352	1,153
Total Tax Revenues	38,480	34,271	35,688	31,278
Other Revenues:				
Federal Grants and Contracts	24,034	24,517	26,000	27,186
Institutional Revenue	173	147	147	145
Sales of Property and Commodities	227	314	314	116
Rights and Privileges	1,366	1,279	1,216	1,212
Interest, Dividends, and Rents	1,805	855	(474)	150
Fines, Forfeitures, Costs, Penalties and Escheats	418	404	330	339
Assessments	238	200	184	160
Other Revenues	2,226	2,109	2,229	2,241
Total Other Revenues	30,487	29,825	29,946	31,549
Total Revenues	$ 68,967	$ 64,096	$ 65,634	$ 62,827
Percentage Increase (Decrease) From Previous Year	7.6 %	(2.3)%	4.5 %	18.3 %
Expenditures by Function:				
Education	$ 16,502	$ 15,486	$ 14,058	$ 12,031
Administration of Justice	3,977	3,780	3,424	3,190
Individual and Family Services	31,024	30,318	29,886	30,481
Resources and Economic Development	2,082	1,765	1,668	1,396
Transportation	8,021	7,394	7,735	6,761
General Government (1)	4,386	4,764	4,626	5,336
Capital Outlay	1,485	1,044	1,128	1,434
Total Expenditures	$ 67,477	$ 64,551	$ 62,525	$ 60,629
Percentage Increase Over Previous Year	4.5 %	3.2 %	3.1 %	21.2 %

(1) General Government expenditure amounts include debt service principal retirement and interest charges.

Source: Department of Accounts

	2020	2019	2018	2017	2016	2015
	$ 15,664	$ 14,836	$ 14,141	$ 13,070	$ 12,652	$ 12,248
	5,726	5,457	5,277	5,089	4,984	4,832
	1,098	1,084	1,032	997	977	887
	1,059	920	875	806	773	797
	110	112	112	108	108	119
	941	972	935	948	910	846
	347	359	383	395	405	416
	544	552	508	504	490	454
	194	174	161	154	148	140
	554	443	505	503	471	441
	42	42	42	42	43	43
	—	—	1	8	—	—
	162	151	161	170	176	179
	27	30	24	22	18	19
	30	29	29	27	26	26
	816	515	133	120	115	110
	27,314	25,676	24,319	22,963	22,296	21,557
	22,067	11,999	10,537	10,392	9,885	9,727
	164	210	233	241	267	303
	93	33	54	40	56	38
	1,135	1,129	1,081	1,021	977	978
	369	360	159	146	134	91
	327	362	343	354	347	352
	158	151	150	137	137	137
	1,459	1,020	1,849	1,101	995	987
	25,772	15,264	14,406	13,432	12,798	12,613
	$ 53,086	$ 40,940	$ 38,725	$ 36,395	$ 35,094	$ 34,170
	29.7 %	5.7 %	6.4 %	3.7 %	2.7 %	3.7 %
	$ 10,868	$ 10,448	$ 10,129	$ 9,816	$ 9,373	$ 9,372
	3,172	3,086	3,044	2,875	2,801	2,690
	24,141	16,954	15,641	14,805	14,186	13,421
	1,107	1,015	926	981	915	929
	5,542	5,455	6,015	5,732	5,817	5,348
	4,334	3,522	3,420	3,385	3,527	3,261
	848	616	504	381	331	251
	$ 50,012	$ 41,096	$ 39,679	$ 37,975	$ 36,950	$ 35,272
	21.7 %	3.6 %	4.5 %	2.8 %	4.8 %	2.9 %

Net Position by Component
Accrual Basis of Accounting

Last Ten Fiscal Years
(Dollars in Millions)

	2024	2023	2022	2021
Governmental Activities:				
Net Investment in Capital Assets	$ 27,894	$ 27,140	$ 26,643	$ 26,280
Restricted	6,065	5,315	4,932	3,868
Unrestricted	13,224	9,663	7,609	1,587
Total Governmental Activities Net Position	47,183	42,118	39,184	31,735
Business-type Activities:				
Net Investment in Capital Assets	114	147	146	151
Restricted	1,471	1,504	1,416	137
Unrestricted	1,923	1,719	1,489	1,644
Total Business-type Activities Net Position	3,508	3,370	3,051	1,932
Primary Government:				
Net Investment in Capital Assets	28,008	27,287	26,789	26,431
Restricted	7,536	6,819	6,348	4,005
Unrestricted	15,147	11,382	9,098	3,231
Total Primary Government Net Position	$ 50,691	$ 45,488	$ 42,235	$ 33,667

Source: Department of Accounts

2020	2019	2018	2017	2016	2015
$ 26,758	$ 26,032	$ 25,527	$ 25,539	$ 24,309	$ 23,407
4,555	2,194	1,918	954	1,365	1,436
(1,331)	(3,483)	(5,115)	(5,344)	(5,560)	(5,406)
29,982	24,743	22,330	21,149	20,114	19,437
64	40	34	38	33	34
665	1,485	1,349	1,208	1,045	845
1,050	947	684	692	508	500
1,779	2,472	2,067	1,938	1,586	1,379
26,822	26,072	25,561	25,577	24,342	23,441
5,220	3,679	3,267	2,162	2,410	2,281
(281)	(2,536)	(4,431)	(4,652)	(5,052)	(4,906)
$ 31,761	$ 27,215	$ 24,397	$ 23,087	$ 21,700	$ 20,816

Changes in Net Position
Accrual Basis of Accounting

Last Ten Fiscal Years
(Dollars in Millions)

	2024	2023	2022	2021
Expenses				
Governmental Activities:				
General Government	$ 3,900	$ 3,674	$ 3,881	$ 5,107
Education	17,874	16,865	14,982	12,766
Transportation	7,403	6,916	6,580	6,148
Resources and Economic Development	2,115	1,749	1,633	1,423
Individual and Family Services	30,790	30,182	29,511	30,575
Administration of Justice	3,994	3,711	3,212	3,235
Interest and Charges on Long-term Debt	283	310	288	272
Total Governmental Activities Expenses	66,359	63,407	60,087	59,526
Business-type Activities:				
Virginia Lottery	4,574	3,737	2,951	2,484
Virginia College Savings Plan	223	221	123	124
Unemployment Compensation	275	191	170	1,199
Alcoholic Beverage Control	1,021	1,022	928	904
Risk Management	12	6	13	11
Local Choice Health Care	551	525	478	475
Line of Duty	23	23	18	20
Advantage Vanpool Self Insurance Fund	—	—	—	—
Route 460 Funding Corporation of Virginia	—	—	—	—
Virginia Industries for the Blind	47	45	43	65
Consolidated Laboratory	15	14	14	13
eVA Procurement System	26	19	21	22
Department of Environmental Quality Title V	13	12	11	12
Wireless E-911	62	51	58	49
Museum and Library Gift Shops	9	8	7	5
Behavioral Health Canteen and Work Activity	—	—	—	—
Total Business-type Activities Expenses	6,851	5,874	4,835	5,383
Total Primary Government Expenses	$ 73,210	$ 69,281	$ 64,922	$ 64,909
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 391	$ 321	$ 325	$ 305
Education	791	719	721	628
Transportation	952	892	846	849
Resources and Economic Development	670	765	742	534
Individual and Family Services	441	342	186	209
Administration of Justice	291	264	615	254
Operating Grants and Contributions	24,041	24,071	25,387	26,952
Capital Grants and Contributions	1,809	1,977	1,574	1,390
Total Governmental Activities Program Revenues	29,386	29,351	30,396	31,121

Source: Department of Accounts

2020	2019	2018	2017	2016	2015
$ 4,017	$ 3,218	$ 3,194	$ 3,119	$ 3,230	$ 3,267
11,541	11,104	10,731	10,457	10,178	9,845
5,175	4,927	5,240	4,611	4,528	4,369
1,158	1,027	971	1,074	1,008	970
24,120	16,566	15,598	14,708	14,024	13,277
3,180	2,946	2,989	2,853	2,922	2,751
262	257	167	222	240	224
49,453	40,045	38,890	37,044	36,130	34,703
1,542	1,643	1,521	1,420	1,415	1,300
56	61	294	206	103	155
1,246	274	323	348	390	431
792	699	666	632	615	580
18	15	10	10	14	10
422	473	460	447	412	350
17	18	18	—	—	—
—	—	—	—	—	—
—	—	—	—	1	13
52	50	46	53	42	43
14	11	11	11	10	9
22	21	20	21	23	23
12	10	10	11	11	10
43	44	43	44	42	37
6	7	8	7	7	7
—	—	—	—	—	—
4,242	3,326	3,430	3,210	3,085	2,968
$ 53,695	$ 43,371	$ 42,320	$ 40,254	$ 39,215	$ 37,671
$ 338	$ 307	$ 323	$ 310	$ 306	$ 297
633	684	649	608	563	545
821	827	756	717	675	691
406	400	386	392	375	379
258	280	350	345	365	366
241	299	283	280	284	316
21,488	10,927	9,871	9,469	9,147	8,915
1,463	1,528	1,953	1,642	1,467	1,619
25,648	15,252	14,571	13,763	13,182	13,128

Continued on next page

Changes in Net Position
Accrual Basis of Accounting *(Continued from previous page)*

Last Ten Fiscal Years
(Dollars in Millions)

	2024	2023	2022	2021
Business-type Activities:				
Charges for Services:				
Virginia Lottery	$ 5,521	$ 4,613	$ 3,752	$ 3,259
Virginia College Savings Plan	383	422	(71)	707
Unemployment Compensation	244	278	406	418
Alcoholic Beverage Control	1,258	1,232	1,172	1,135
Risk Management	15	16	15	15
Local Choice Health Care	566	527	465	483
Line of Duty	21	21	19	19
Advantage Vanpool Self Insurance Fund	1	1	—	1
Virginia Industries for the Blind	47	42	49	67
Consolidated Laboratory	18	16	16	15
eVA Procurement System	28	31	30	26
Department of Environmental Quality Title V	13	12	12	12
Wireless E-911	80	76	75	69
Museum and Library Gift Shops	10	8	8	4
Operating Grants and Contributions	4	—	1,054	257
Capital Contributions	—	6	4	77
Total Business-type Activities Program Revenue	8,209	7,301	7,006	6,564
Total Primary Government Program Revenues	$ 37,595	$ 36,652	$ 37,402	$ 37,685
Net (Expense)/Revenue				
Governmental Activities	$ (36,973)	$ (34,056)	$ (29,691)	$ (28,405)
Business-type Activities	1,358	1,427	2,171	1,181
Total Primary Government Net Expense	$ (35,615)	$ (32,629)	$ (27,520)	$ (27,224)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Individual and Fiduciary Income	$ 21,673	$ 17,846	$ 19,564	$ 17,067
Sales and Use	7,432	7,417	7,448	6,527
Corporation Income	2,003	2,072	2,000	1,579
Motor Fuel	2,014	1,884	1,773	1,422
Motor Vehicle Sales and Use	1,218	1,218	1,214	1,119
Communications Sales and Use	277	290	301	312
Premiums of Insurance Companies	694	664	612	551
Public Service Corporations	124	121	119	118
Other Taxes	3,130	2,845	2,771	2,573
Unrestricted Grants and Contributions	55	61	64	102
Investment Earnings	1,454	735	(538)	37
Miscellaneous	456	556	749	381
Special Item	—	—	—	—
Transfers	1,226	1,122	1,076	1,040
Total Governmental Activities	41,756	36,831	37,153	32,828
Business-type Activities:				
Other Taxes	9	9	9	9
Investment Earnings	10	4	—	1
Miscellaneous	1	1	16	2
Special Items	—	—	—	—
Transfers	(1,226)	(1,122)	(1,076)	(1,040)
Total Business-type Activities	(1,206)	(1,108)	(1,051)	(1,028)
Total Primary Government	$ 40,550	$ 35,723	$ 36,102	$ 31,800
Change in Net Position				
Governmental Activities	$ 4,783	$ 2,775	$ 7,462	$ 4,423
Business-type Activities	152	318	1,120	153
Total Primary Government	$ 4,935	$ 3,093	$ 8,582	$ 4,576

Source: Department of Accounts

2020	2019	2018	2017	2016	2015
$ 2,150	$ 2,294	$ 2,140	$ 1,991	$ 2,007	$ 1,844
95	307	296	404	146	188
372	411	461	513	594	693
1,001	903	845	807	772	730
14	13	13	13	9	8
492	482	463	430	393	343
17	18	20	—	—	—
1	—	—	—	—	—
51	51	44	53	42	44
14	12	12	10	9	10
23	21	21	21	21	20
13	12	9	9	11	11
66	64	61	60	58	55
6	7	8	7	7	8
66	—	1	4	—	—
10	—	—	—	—	—
4,391	4,595	4,394	4,322	4,069	3,954
$ 30,039	$ 19,847	$ 18,965	$ 18,085	$ 17,251	$ 17,082
$ (23,805)	$ (24,793)	$ (24,319)	$ (23,281)	$ (22,948)	$ (21,575)
149	1,269	964	1,112	984	986
$ (23,656)	$ (23,524)	$ (23,355)	$ (22,169)	$ (21,964)	$ (20,589)
$ 15,666	$ 14,872	$ 14,118	$ 13,113	$ 12,685	$ 12,266
5,721	5,458	5,267	5,104	4,994	4,830
1,074	924	852	834	773	801
1,101	1,084	1,031	998	976	888
941	972	935	948	910	846
347	359	383	396	405	416
549	554	517	479	485	453
110	112	112	108	108	119
1,825	1,388	1,055	1,050	1,001	959
56	60	61	55	48	49
247	239	72	65	63	16
469	369	525	467	282	206
—	—	—	—	—	(134)
856	875	827	770	787	728
28,962	27,266	25,755	24,387	23,517	22,443
9	9	9	9	9	9
2	2	1	1	1	2
—	—	—	—	—	—
—	—	—	—	—	34
(856)	(875)	(827)	(770)	(787)	(728)
(845)	(864)	(817)	(760)	(777)	(683)
$ 28,117	$ 26,402	$ 24,938	$ 23,627	$ 22,740	$ 21,760
$ 5,157	$ 2,473	$ 1,436	$ 1,106	$ 569	$ 868
(696)	405	147	352	207	303
$ 4,461	$ 2,878	$ 1,583	$ 1,458	$ 776	$ 1,171

Fund Balance, Governmental Funds
Modified Accrual Basis of Accounting

Last Ten Fiscal Years
(Dollars in Millions)

	2024	2023	2022	2021
General Fund				
Nonspendable	$ 151	$ 163	$ 188	$ 147
Restricted	2,879	2,798	2,693	1,850
Committed	9,050	7,740	5,694	2,445
Assigned	2,807	1,817	3,105	2,667
Unassigned	—	—	—	—
Total	$ 14,887	$ 12,518	$ 11,680	$ 7,109
All Other Governmental Funds				
Special Revenue Funds				
Nonspendable	$ 400	$ 229	$ 236	$ 224
Restricted	1,308	1,161	994	729
Committed	6,980	6,140	5,197	4,290
Assigned	58	47	49	45
Unassigned	—	—	—	(50)
Debt Service Funds				
Restricted	46	48	46	46
Capital Projects Funds				
Nonspendable	157	—	4	1
Restricted	1,725	1,998	2,612	1,812
Permanent Funds				
Nonspendable	50	46	45	47
Restricted	2	2	2	2
Total	$ 10,726	$ 9,671	$ 9,185	$ 7,146

Source: Department of Accounts

2020	2019	2018	2017	2016	2015
$ 107	$ 103	$ 105	$ 127	$ 114	$ 120
659	669	567	568	908	1,086
1,326	1,095	759	482	397	296
1,257	—	—	—	—	—
—	(264)	(588)	(679)	(709)	(653)
$ 3,349	$ 1,603	$ 843	$ 498	$ 710	$ 849
$ 207	$ 157	$ 159	$ 147	$ 159	$ 128
2,889	729	679	570	583	759
3,696	2,949	2,391	2,148	2,094	2,244
39	34	32	29	29	29
(89)	(63)	(98)	(67)	—	(60)
45	46	42	32	22	45
—	—	—	—	—	—
1,580	1,366	1,292	194	40	288
38	39	38	37	34	35
2	2	2	2	1	1
$ 8,407	$ 5,259	$ 4,537	$ 3,092	$ 2,962	$ 3,469

Changes in Fund Balance, Governmental Funds
Modified Accrual Basis of Accounting

Last Ten Fiscal Years
(Dollars in Millions)

	2024	2023	2022	2021
Revenues				
Taxes	$ 38,480	$ 34,271	$ 35,688	$ 31,278
Rights and Privileges	1,366	1,279	1,216	1,212
Institutional Revenue	173	147	147	145
Interest, Dividends, Rents, and Other Investment Income	1,805	855	(474)	150
Federal Grants and Contracts	24,034	24,517	26,000	27,186
Other	3,109	3,027	3,057	2,856
Total Revenues	68,967	64,096	65,634	62,827
Expenditures				
General Government	3,451	3,416	3,763	4,539
Education	16,502	15,486	14,058	12,031
Transportation	8,021	7,394	7,735	6,761
Resources and Economic Development	2,082	1,765	1,668	1,396
Individual and Family Services	31,024	30,317	29,886	30,481
Administration of Justice	3,977	3,780	3,424	3,190
Capital Outlay	1,485	1,044	1,128	1,434
Debt Service:				
Principal Retirement	556	954	463	440
Interest and Charges	379	395	400	357
Total Expenditures	67,477	64,551	62,525	60,629
Revenues Over (Under) Expenditures	1,490	(455)	3,109	2,198
Other Financing Sources (Uses)				
Transfers In	2,969	3,118	3,011	2,254
Transfers Out	(1,726)	(1,972)	(1,920)	(1,206)
Notes Issued	3	4	2	14
Insurance Recoveries	1	2	6	3
Capital Leases Issued (1)	—	—	—	1
Long-Term Leases Issued (1)	4	13	20	—
Long-Term SBITAs Issued (2)	130	77	—	—
Bonds Issued	503	557	2,068	1,251
Premium on Debt Issuance	109	20	328	273
Refunding Bonds Issued	590	818	180	11
Sale of Capital Assets	14	6	10	17
Payments to Refunded Bond Escrow Agents	(662)	(876)	(215)	(11)
Total Other Financing Sources (Uses)	1,935	1,767	3,490	2,607
Net Change in Fund Balances	$ 3,425	$ 1,312	$ 6,599	$ 4,805
Debt Service as a Percentage of Noncapital Expenditures (3)	1.46 %	2.26 %	1.44 %	1.37 %

(1) As a result of the implementation of GASB Statement No. 87, *Leases*, during fiscal year 2022, the Long-term Leases Issued line item has been added beginning with fiscal year 2022. Capital Leases Issued line item data is presented for fiscal years prior to 2022.

(2) As a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during fiscal year 2023, the Long-term SBITAs Issued line item has been added beginning with fiscal year 2023.

(3) Noncapital expenditures exclude expenditures for capital outlay, which are recorded by function. The majority of these expenditures were for Transportation.

Source: Department of Accounts

2020	2019	2018	2017	2016	2015
$ 27,314	$ 25,676	$ 24,319	$ 22,963	$ 22,296	$ 21,557
1,135	1,129	1,081	1,021	977	978
164	210	233	241	267	303
369	360	159	146	134	91
22,067	11,999	10,537	10,392	9,885	9,727
2,037	1,566	2,396	1,632	1,535	1,514
53,086	40,940	38,725	36,395	35,094	34,170
3,522	2,774	2,692	2,691	2,821	2,544
10,868	10,448	10,129	9,816	9,373	9,372
5,542	5,455	6,015	5,732	5,817	5,348
1,107	1,015	926	981	915	929
24,141	16,954	15,641	14,805	14,186	13,421
3,172	3,086	3,044	2,875	2,801	2,690
848	616	504	381	331	251
475	427	433	413	424	441
337	321	295	281	282	276
50,012	41,096	39,679	37,975	36,950	35,272
3,074	(156)	(954)	(1,580)	(1,856)	(1,102)
2,008	1,989	1,913	1,731	1,673	1,706
(1,149)	(1,106)	(1,086)	(959)	(884)	(972)
24	19	15	8	4	7
6	2	4	1	1	1
1	1	1	2	1	—
—	—	—	—	—	—
—	—	—	—	—	—
719	648	1,280	685	274	671
129	83	367	174	45	150
273	43	1,062	276	76	536
5	7	22	11	15	24
(279)	(49)	(1,271)	(331)	(93)	(618)
1,737	1,637	2,307	1,598	1,112	1,505
$ 4,811	$ 1,481	$ 1,353	$ 18	$ (744)	$ 403
1.71%	1.92%	1.95%	2.01%	2.05%	2.22%

Comparison of General Fund Balance

Last Ten Fiscal Years
(Dollars in Millions)

	Fund Balance	
Fiscal Year Ended June 30,	Budgetary Basis	Modified Accrual Basis
2024	$ 15,561.9	$ 14,887.3
2023	15,092.7	12,517.7
2022	13,375.0	11,679.6
2021	7,505.1	7,109.0
2020	3,524.6	3,348.8
2019	2,799.3	1,602.7
2018	1,787.0	843.5
2017	1,339.9	498.4
2016	1,478.4	710.3
2015	1,759.2	848.4

Source: Department of Accounts

Revenue Capacity

Personal Income Tax Rates

Last Ten Fiscal Years
(Dollars in Millions)

For the Fiscal Year Ended June 30	Personal Income Tax Collections (1)	Personal Income (2)(3)	Average Effective Rate (3)(4)
2024	$ 20,310	$ 663,501	3.06%
2023	20,032	626,144	3.20%
2022	19,362	584,804	3.31%
2021	17,304	557,767	3.10%
2020	15,352	516,726	2.97%
2019	15,226	491,415	3.10%
2018	14,106	470,507	3.00%
2017	13,053	453,521	2.88%
2016	12,556	438,582	2.86%
2015	12,329	424,359	2.91%

(1) Tax revenues from individual and fiduciary income tax.

(2) Personal income amounts provided by U.S. Bureau of Economic Analysis website.

(3) Amounts for fiscal years 2015 through 2023 were revised to reflect the incorporation of newly available and revised source data, as well as improved estimating methodologies.

(4) Average effective rate equals tax collections divided by income.

Sources: Department of Taxation
U.S. Bureau of Economic Analysis

Effective Tax Rates (1)

Tax Years 2022 through 2023

Income Tax Bracket	Tax Rate
$0 - $3,000	2.00%
$3,000 - $5,000	$60 + (3% of excess over $3,000)
$5,000 - $17,000	$120 + (5% of excess over $5,000)
Over $17,000	$720 + (5.75% of excess over $17,000)

(1) Amounts shown are for all filing status returns.

Source: Department of Taxation

Personal Income Tax Filers and Liability by Income Level (1) (2)

Current Tax Year and Ten Years Ago

Income Level	Tax Year Ended December 31, 2022				Tax Year Ended December 31, 2013			
	Number of Returns	% of Total	Income Tax Liability	% of Total	Number of Returns	% of Total	Income Tax Liability	% of Total
$100,000 and higher	1,072,190	25.6%	$ 13,853,642,215	78.4%	687,720	18.3%	$ 6,982,322,552	66.0%
$75,000 - $99,999	374,504	8.9%	1,367,612,195	7.8%	322,261	8.6%	1,170,564,302	11.1%
$50,000 - $74,999	576,089	13.8%	1,330,138,971	7.5%	488,520	13.0%	1,158,182,854	10.9%
$25,000 - $49,999	914,890	21.9%	969,447,726	5.5%	850,304	22.5%	1,010,305,976	9.5%
$10,000 - $24,999	652,713	15.6%	145,174,091	0.8%	758,813	20.1%	260,591,447	2.5%
$9,999 and lower	594,225	14.2%	5,073,656	0.0%	658,051	17.5%	4,376,554	0.0%
Total	4,184,611	100.0%	$ 17,671,088,854	100.0%	3,765,669	100.0%	$10,586,343,685	100.0%

(1) Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the state's revenue.

(2) Tax year 2022 is the most recent year for which data are available.

Source: Department of Taxation

Personal Income by Industry (1) (2)

Last Ten Fiscal Years
(Dollars in Millions)

	2024	2023	2022	2021
Farm Earnings	$ 262	$ 1,125	$ 1,024	$ 435
Agricultural/Forestry, Fishing, and Other	490	464	430	446
Mining	814	802	677	519
Construction	26,339	24,277	22,330	20,824
Manufacturing	23,976	22,750	21,239	20,374
Transportation, Warehousing, Information and Public Utilities	28,076	26,220	24,662	21,529
Wholesale Trade	15,800	14,995	13,626	12,380
Retail Trade	21,034	20,221	19,534	18,523
Finance, Insurance, Real Estate, Rental and Leasing	33,112	30,830	29,302	28,226
Services	205,813	191,806	178,676	164,621
Federal, Civilian	35,036	32,726	30,787	29,772
Military	15,748	14,435	14,538	13,436
State and Local Government	46,531	43,299	40,756	38,978
Other (3)	210,470	202,194	187,223	187,704
Total Personal Income	$ 663,501	$ 626,144	$ 584,804	$ 557,767

(1) Personal income figures for fiscal year 2024 are estimated.

(2) Amounts for fiscal years 2015 through 2023 were revised to reflect the incorporation of newly available and revised source data.

(3) Includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.

Source: U.S. Bureau of Economic Analysis (BEA)

Note: Details may not agree to BEA due to rounding.

2020	2019	2018	2017	2016	2015
$ 299	$ 323	$ 424	$ 413	$ 422	$ 589
438	452	465	461	461	404
567	654	615	426	251	507
19,848	18,882	17,869	17,162	16,611	16,202
19,545	19,175	18,257	17,494	17,757	18,151
19,385	18,751	17,128	17,106	17,780	17,916
11,830	11,508	11,236	10,726	10,497	10,365
16,747	16,306	15,887	15,697	15,609	15,220
25,953	25,169	23,909	22,309	21,203	19,788
156,420	151,898	145,200	138,933	133,733	128,030
28,617	27,820	26,841	26,008	25,194	24,307
12,323	11,739	12,413	13,472	12,992	12,787
38,909	37,427	36,410	35,570	34,741	33,664
165,845	151,311	143,853	137,744	131,331	126,429
$ 516,726	$ 491,415	$ 470,507	$ 453,521	$ 438,582	$ 424,359

Taxable Sales by Business Class (1) (2)

Last Ten Calendar Years
(Dollars in Millions)

	2023	2022	2021	2020
Alcoholic Beverage (3)	N/A	N/A	N/A	N/A
Apparel	$ 5,062	$ 5,135	$ 4,990	$ 3,658
Automotive	4,618	4,390	4,109	3,583
Food	44,162	41,509	38,320	34,473
Fuel	3,338	3,484	3,220	2,639
Furniture, Home Furnishings, and Equipment	3,269	3,824	2,496	2,088
General Merchandise	26,484	26,273	23,167	21,889
Hotels, Motels, Tourist Camps, etc.	4,268	4,143	3,088	2,126
Lumber, Building Materials, and Supply	10,700	11,491	12,181	10,894
Machinery, Equipment, and Supplies	384	323	283	242
Miscellaneous	25,800	25,018	23,765	20,344
Other Miscellaneous and Unidentifiable	5,780	3,411	3,034	2,422
Total	$ 133,865	$ 129,001	$ 118,653	$ 104,358
Direct Sales Tax Rate	5.3 %	5.3 %	5.3 %	5.3 %

(1) Retail sales information is available only on a calendar-year basis.

(2) Some prior year amounts may have been revised to reflect the incorporation of newly available and revised source data.

(3) Alcoholic Beverage is included in Food starting in tax year 2019.

Sources: Bureau of Economic Analysis
Department of Taxation
Weldon Cooper Center for Public Service, University of Virginia

2019		2018		2017		2016		2015		2014
N/A	$	762	$	784	$	658	$	718	$	676
4,996		5,061		4,986		5,049		5,001		4,918
3,513		3,448		3,234		3,238		3,159		3,024
34,320		32,935		31,908		31,564		30,627		28,972
2,560		2,318		2,221		2,144		1,967		1,864
2,251		2,228		2,338		3,222		2,840		2,199
21,682		21,831		21,643		21,686		21,917		21,693
3,989		3,857		3,738		3,590		3,452		3,238
9,775		9,567		7,739		9,123		8,865		8,589
290		290		287		292		330		303
21,524		21,215		22,179		18,888		19,067		18,458
2,860		2,537		2,520		2,225		2,273		2,270
$ 107,760	$	106,049	$	103,577	$	101,679	$	100,216	$	96,204
5.3 %		5.3 %		5.3 %		5.3 %		5.3 %		5.3 %

Sales Tax Revenue by Business Class (1)

Tax Year 2022 and Nine Years Ago

	Tax Year Ended December 31, 2023 (2) (3)				Tax Year Ended December 31, 2014			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Alcoholic Beverage	N/A	N/A	N/A	N/A	359	0.3%	$ 676,002,220	0.7%
Apparel	3,503	3.4%	$ 5,062,435,580	3.8%	3,814	3.7%	4,917,950,090	5.1%
Automotive	2,707	2.7%	4,617,846,698	3.4%	3,028	2.9%	3,024,332,962	3.2%
Food	24,730	24.3%	44,162,305,581	33.0%	22,178	21.4%	28,972,022,860	30.1%
Fuel	2,194	2.2%	3,338,235,967	2.5%	2,443	2.4%	1,863,822,561	1.9%
Furniture, Home Furnishings, and Equipment	2,360	2.3%	3,268,910,248	2.4%	2,631	2.5%	2,199,275,947	2.3%
General Merchandise	13,861	13.6%	26,483,438,108	19.8%	16,081	15.5%	21,692,828,701	22.5%
Hotels, Motels, Tourist Camps, etc.	2,247	2.2%	4,267,643,831	3.2%	2,314	2.3%	3,237,643,337	3.4%
Lumber, Building Materials, and Supply	3,855	3.8%	10,700,135,749	8.0%	5,547	5.4%	8,588,922,803	8.9%
Machinery, Equipment, and Supply	136	0.1%	383,928,476	0.3%	159	0.2%	303,274,966	0.3%
Miscellaneous	34,058	33.5%	25,800,245,429	19.3%	38,182	36.9%	18,458,204,372	19.2%
Other Miscellaneous and Unidentifiable	12,162	11.9%	5,779,872,019	4.3%	6,750	6.5%	2,269,632,597	2.4%
Total	101,813	100.0%	$ 133,864,997,686	100.0%	103,486	100.0%	$ 96,203,913,416	100.0%

(1) Due to confidentiality issues, the names of the ten largest revenue payers are not presented. The categories presented are intended to provide alternative information regarding the sources of the state's revenue.

(2) Tax year 2023 is the most recent year for which data are available.

(3) Alcoholic Beverage is included in Food starting in tax year 2019.

Source: Weldon Cooper Center for Public Service, University of Virginia

Debt Capacity

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Amounts in Thousands except Per Capita)

For the Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Non-General Obligation Bonds	Governmental Activities: Other Long-term Obligations (1)	Business-type Activities: Non-General Obligation Bonds	Business-type Activities: Other Long-term Obligations (1)	Total Primary Government	Debt as a Percentage of Personal Income (2)	Amount Per Capita (3)
2024	$ 123,647	$ 7,039,162	$ 3,547,499	$ —	$ 407,368	$ 11,117,676	1.68 %	$ 1,272
2023	177,768	7,296,672	3,218,686	—	409,902	11,103,028	1.77 %	1,275
2022	231,264	7,600,566	3,376,774	—	194,531	11,403,135	1.95 %	1,316
2021	284,861	7,220,535	1,911,212	—	771	9,417,379	1.69 %	1,097
2020	341,600	6,901,527	1,200,145	—	964	8,444,236	1.63 %	982
2019	416,501	6,982,091	749,490	—	518	8,148,600	1.66 %	951
2018	476,528	7,274,962	171,180	—	—	7,922,670	1.68 %	934
2017	538,211	6,245,009	188,640	—	5,025	6,976,885	1.54 %	824
2016	601,632	5,826,798	200,227	—	5,359	6,634,016	1.51 %	789
2015	675,371	5,911,768	222,877	320,110	5,708	7,135,834	1.68 %	851

(1) Pension, compensated absences, other postemployment benefits, other liabilities, lottery prizes payable, educational benefits payable, and pollution remediation obligations have been excluded.

(2) Personal income amounts used for this calculation were obtained from the U. S. Bureau of Economic Analysis.

(3) Population statistics used in this calculation were provided by the Department of Taxation and the Weldon Cooper Center for Public Service at the University of Virginia. Fiscal year 2024 population was estimated.

Sources: Department of Accounts
Department of Taxation
U. S. Bureau of Economic Analysis

Ratios of General Obligation Bonded Debt Outstanding

Last Ten Fiscal Years
(Amounts in Thousands except Per Capita)

For the Fiscal Year Ended June 30,	General Bonded Debt Outstanding [1] [2] Governmental 9(b) [3]	Governmental 9(c) [4]	Higher Education [5] 9(c)	Total	Percentage of Tax Revenues [6]	Amount Per Capita [7]
2024	$ 120,065	$ 3,582	$ 929,445	$ 1,053,092	5.18%	$ 121
2023	173,122	4,646	940,849	1,118,617	5.58%	129
2022	225,600	5,664	912,817	1,144,081	5.91%	132
2021	278,221	6,640	955,729	1,240,590	7.17%	145
2020	330,934	10,666	886,837	1,228,437	8.00%	143
2019	401,873	14,628	893,106	1,309,607	8.85%	153
2018	457,764	18,764	836,874	1,313,402	9.31%	155
2017	515,468	22,743	897,018	1,435,229	11.00%	169
2016	571,915	29,717	877,118	1,478,750	11.78%	176
2015	642,181	33,190	936,857	1,612,228	13.08%	192

[1] Amounts are net of unamortized premiums and discounts.

[2] There are currently no Section 9(a) bonds outstanding.

[3] Section 9(b) bonds have been authorized by the citizens of Virginia through bond referenda to finance capital projects. These bonds are retired through the use of state appropriations.

[4] Section 9(c) bonds are issued to finance capital projects which, when completed, will generate revenue to repay the debt.

[5] While these bonds are issued for and allocated to institutions, they are backed by the full faith and credit of the Commonwealth.

[6] Individual and fiduciary Income tax collections were used for this calculation.

[7] Population statistics used in this calculation are provided by the Department of Taxation and the Weldon Cooper Center for Public Service at the University of Virginia. Fiscal year 2024 population was estimated.

Source: Department of Accounts

Computation of Legal Debt Limit and Margin

Last Ten Fiscal Years
(Dollars in Thousands)

Tax Revenues Required for Computation	2024	2023	2022	2021
Taxes on Income and Retail Sales:				
Individual and Fiduciary Income Tax [1]	$ 20,310,406	$ 20,032,168	$ 19,361,618	$ 17,304,476
Corporate Income Tax [2]	1,907,065	2,031,120	1,978,697	1,515,692
State Sales and Use Tax [3]	5,283,496	5,291,556	5,080,554	4,624,545
Total	$ 27,500,967	$ 27,354,844	$ 26,420,869	$ 23,444,713
Average Tax Revenues (Three Fiscal Years)	$ 27,092,227	$ 25,740,142	$ 23,447,232	$ 21,213,055
Section 9(a) [2] General Obligation Debt Limit [4]				
Debt Issuance Limit				
(30% of 1.15 times annual tax revenues)	$ 9,487,834	$ 9,437,421	$ 9,115,200	$ 8,088,426
Less Bonds Outstanding:	—	—	—	—
Debt Issuance Margin for Section 9(a) [2]				
General Obligation Bonds	$ 9,487,834	$ 9,437,421	$ 9,115,200	$ 8,088,426
Debt Applicable to Limit as a % Limit	0.00 %	0.00 %	0.00 %	0.00 %
Section 9(b) General Obligation Debt Limit				
Debt Issuance Limit				
(1.15 times average tax revenues for three fiscal years)	$ 31,156,061	$ 29,601,163	$ 26,964,317	$ 24,395,013
Less Bonds Outstanding:**				
Public Facilities Bonds	120,065	173,122	225,600	278,221
Debt Issuance Margin for Section 9(b)				
General Obligation Bonds	$ 31,035,996	$ 29,428,041	$ 26,738,717	$ 24,116,792
Debt Applicable to Limit as a % Limit	0.39 %	0.58 %	0.84 %	1.14 %
Additional Section 9(b) Debt Borrowing Restriction:				
Four-year Authorization Restriction (25% of 9(b) Debt Limit)	$ 7,789,015	$ 7,400,291	$ 6,741,079	$ 6,098,753
Less 9(b) Debt authorized in past three fiscal years	—	—	—	—
Maximum Additional Borrowing Restriction (amount that may be authorized by the General Assembly)	$ 7,789,015	$ 7,400,291	$ 6,741,079	$ 6,098,753
Section 9(c) General Obligation Debt Limit				
Debt Issuance Limit				
(1.15 times average tax revenues for three fiscal years)	$ 31,156,061	$ 29,601,163	$ 26,964,317	$ 24,395,013
Less Bonds Outstanding:**				
Parking Facilities Bonds	3,582	4,646	5,664	6,640
Transportation Facilities Bonds	—	—	—	—
Higher Educational Institution Bonds	929,445	940,849	912,817	955,729
Debt Issuance Margin for Section 9(c)				
General Obligation Bonds	$ 30,223,034	$ 28,655,668	$ 26,045,836	$ 23,432,644
Debt Applicable to Limit as a % Limit	2.99 %	3.19 %	3.41 %	3.94 %

**Bonds included on this schedule are only those which are backed by the full faith and credit of the Commonwealth.

[1] Includes taxes imposed pursuant to Articles 2 and 9 of Chapter 3, Title 58.1 of the *Code of Virginia*.

[2] Includes taxes imposed pursuant to Article 10 of Chapter 3, Title 58.1 of the *Code of Virginia.*

[3] Includes taxes imposed pursuant to Chapter 6, Title 58.1 of the *Code of Virginia,* less taxes identified in Sections 58.1-605 and 58.1-638.

[4] Debt limit applies only to debt authorized pursuant to Article X, Section 9(a)(2) of the Constitution of Virginia.

Sources: Department of Accounts, Department of the Treasury

2020	2019	2018	2017	2016	2015
$ 15,351,603	$ 14,801,986	$ 14,105,766	$ 13,052,887	$ 12,555,624	$ 12,328,675
1,011,650	943,391	861,897	826,961	764,948	831,907
4,112,861	3,972,960	3,827,078	3,720,552	3,651,400	3,587,849
$ 20,476,114	$ 19,718,337	$ 18,794,741	$ 17,600,400	$ 16,971,972	$ 16,748,431
$ 19,663,064	$ 18,704,493	$ 17,789,038	$ 17,106,934	$ 16,376,822	$ 15,904,892
$ 7,064,259	$ 6,802,826	$ 6,484,186	$ 6,072,138	$ 5,855,330	$ 5,778,209
—	—	—	—	—	—
$ 7,064,259	$ 6,802,826	$ 6,484,186	$ 6,072,138	$ 5,855,330	$ 5,778,209
0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
$ 22,612,524	$ 21,510,167	$ 20,457,393	$ 19,672,974	$ 18,833,345	$ 18,290,626
330,934	401,873	457,764	515,468	571,915	642,181
$ 22,281,590	$ 21,108,294	$ 19,999,629	$ 19,157,506	$ 18,261,430	$ 17,648,445
1.46 %	1.87 %	2.24 %	2.62 %	3.04 %	3.51 %
$ 5,653,131	$ 5,377,542	$ 5,114,348	$ 4,918,244	$ 4,708,336	$ 4,572,656
—	—	—	—	—	—
$ 5,653,131	$ 5,377,542	$ 5,114,348	$ 4,918,244	$ 4,708,336	$ 4,572,656
$ 22,612,524	$ 21,510,167	$ 20,457,393	$ 19,672,974	$ 18,833,345	$ 18,290,626
7,583	8,567	9,850	11,101	15,155	16,036
3,083	6,061	8,914	11,642	14,562	17,154
886,837	893,106	836,874	897,018	877,118	936,857
$ 21,715,021	$ 20,602,433	$ 19,601,755	$ 18,753,213	$ 17,926,510	$ 17,320,579
3.97 %	4.22 %	4.18 %	4.68 %	4.82 %	5.30 %

Schedule of Pledged Revenue Bond Coverage
Primary Government 9(d) General Long-term Debt

Last Ten Fiscal Years
(Dollars in Thousands except Coverage)

	For the Fiscal Year Ended June 30,	Beginning Balance, as restated	Pledged Revenues	Operating Expenses (1)	Net Available for Debt Service	Debt Service Requirements (2) Principal	Interest	Coverage
Primary Government Revenue Bonds:	2024	$ —	$ —	$ —	—	$ —	$ —	—
Route 460 Funding Corporation of	2023	—	—	—	—	—	—	—
Virginia (3)	2022	—	—	—	—	—	—	—
(Series 2012A and 2012B CAB)	2021	—	—	—	—	—	—	—
	2020	—	—	—	—	—	—	—
	2019	—	—	—	—	—	—	—
	2018	—	—	—	—	—	—	—
	2017	—	—	—	—	—	—	—
	2016	1,261	—	436	825	—	—	—
	2015	(20,991)	—	524	(21,515)	—	11,726	(1.83)

(1) Operating expenses are exclusive of principal and interest.

(2) Includes principal and interest of revenue bonds only. Does not include debt defeasance transactions.

(3) The Route 460 Funding Corporation of Virginia continuing operations ceased during fiscal year 2016.

Source: Department of Accounts

Demographic and Economic Information

Schedule of Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population In Thousands (1)	Personal Income In Thousands (2)(3)	Per Capita Income (3)	Public Primary and Secondary School Enrollment	Unemployment Rate
2024	8,737	$ 663,500,755	$ 75,941	1,252,426	2.7 %
2023	8,705	626,144,472	71,929	1,261,962	3.0 %
2022	8,667	584,803,894	67,475	1,263,342	2.8 %
2021	8,582	557,766,520	64,993	1,251,970	4.3 %
2020	8,603	516,726,088	60,063	1,252,756	4.4 %
2019	8,566	491,414,793	57,368	1,298,083	2.9 %
2018	8,481	470,507,302	55,478	1,290,513	3.3 %
2017	8,470	453,520,815	53,544	1,293,049	4.0 %
2016	8,412	438,582,257	52,138	1,267,591	4.1 %
2015	8,383	424,358,514	50,621	1,279,773	4.9 %

(1) Population figures are estimated.

(2) Personal income amount for fiscal year 2024 is estimated.

(3) PY Personal income and per capita income amounts for 2015 - 2023 were revised to reflect the incorporation of newly available and revised source data, as well as improved estimating methodologies.

Sources: Virginia Department of Education - School Enrollment
Virginia Department of Taxation - Population 2018-2024
Virginia Employment Commission - Unemployment Rate
U.S. Bureau of Economic Analysis - Personal Income
Weldon Cooper Center at UVA - Population 2015-2017

Principal Employers (1)

Current Year and Nine Years Ago (2)

Employer	2023	2014
U.S. Department of Defense	1	1
Wal-Mart	2	2
Fairfax County Public Schools	3	3
Amazon Fulfillment Services Inc. (3)	4	-
Sentara Healthcare	5	5
Huntington Ingalls Industries, Inc.	6	4
University of Virginia / Blue Ridge Hospital (3)	7	-
Inova Health System (3)	8	-
Food Lion	9	6
U.S. Department of Homeland Security	10	10

(1) The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All Employers above have an employment size of 1,000 or more.

(2) Calendar year 2023 is the most recent information available.

(3) Previous ranking not available.

Source: Virginia Employment Commission

Operating Information

State Employees by Function (1)

Last Ten Fiscal Years

	2024	2023	2022	2021
General Government				
Virginia Information Technologies Agency	317	262	218	211
Department of Taxation	821	918	812	796
Department of General Services	628	604	585	606
All other	2,566	3,182	2,329	2,023
Education				
Colleges and Universities (1)	71,905	65,961	60,678	65,859
All other	3,074	3,461	2,783	2,603
Transportation				
Department of Transportation	7,862	7,933	7,516	7,567
Department of Motor Vehicles	2,321	2,383	2,079	2,182
All other	321	313	312	323
Resources and Economic Development				
Department of Conservation & Recreation	1,093	1,559	976	913
Department of Environmental Quality	856	835	796	769
All other	3,662	4,131	3,526	3,342
Individual and Family Services				
Department of Health	3,312	3,227	3,159	3,255
Behavioral Health Agencies	6,177	5,973	5,044	5,165
All other	5,971	5,718	5,490	5,678
Administration of Justice				
Department of State Police	2,831	2,824	2,687	2,761
Department of Juvenile Justice	1,430	1,865	1,671	1,792
Correctional Facilities	8,792	8,497	7,957	8,511
All other	8,931	9,101	8,195	7,722
Business-type Activities				
Alcoholic Beverage Control	3,542	3,956	3,726	3,650
Virginia Lottery	399	387	361	325
All other	148	142	134	125
State Total (2)	136,959	133,232	121,034	126,178

(1) Includes salaried and wage employees but excludes adjunct faculty.

(2) Totals have been rounded and may vary slightly from the Department of Human Resource Management reports.

Source: Department of Human Resource Management

2020	2019	2018	2017	2016	2015
189	203	208	207	213	260
806	854	856	846	862	855
635	623	591	596	594	608
1,796	1,791	1,746	1,760	1,730	1,675
65,167	68,350	65,079	66,305	64,450	56,777
2,344	2,805	2,323	2,853	2,714	2,634
7,558	7,661	7,745	7,806	7,601	7,372
2,094	2,137	2,016	2,074	2,078	2,023
352	342	331	330	317	263
751	1,076	1,125	1,103	1,130	1,106
787	789	797	803	814	826
2,940	2,889	2,997	2,991	2,935	2,957
3,370	3,445	3,431	3,559	3,408	3,565
5,556	5,808	5,971	6,285	6,628	7,378
5,492	5,410	5,444	5,509	5,539	5,505
2,744	2,704	2,675	2,654	2,725	2,773
1,866	1,883	1,876	1,934	2,057	2,086
9,448	9,424	9,433	9,436	9,731	9,272
6,780	6,654	6,577	6,538	6,552	6,505
2,375	2,280	2,355	1,682	2,737	2,294
301	296	279	279	285	284
119	113	102	100	96	100
123,470	127,537	123,957	125,650	125,196	117,118

Operating Indicators by Function

Last Ten Fiscal Years

	2024	2023	2022
General Government			
Virginia Department of Taxation			
Number of Returns Processed (calendar year) (1)	Not yet available	8,863,810	8,693,880
Education			
State Council of Higher Education			
Number of Students Enrolled at State-supported Colleges and Universities	535,706	519,093	517,438
Department of Education			
Number of Public Primary and Secondary School Enrollment	1,252,426	1,261,962	1,263,342
Resources and Economic Development			
Department of Environmental Quality			
Number of Permits Issued	3,163	2,937	6,153
Number of Inspections Conducted	5,232	5,158	4,714
Department of Housing and Community Development			
Number of Housing Units Improved to Define Standards through Housing Programs	3,831	2,315	2,307
Department of Agriculture and Consumer Services			
Number of Food Inspections Conducted	11,718	10,811	8,924
Number of Weights/Measure Equipment Inspected	101,308	93,299	91,987
Department of Forestry			
Number of Firefighters Trained in Forest Fire Control	761	783	597
Individual and Family Services			
Office of Children's Services			
Number of Youth Served	15,924	15,032	14,489
Department for Aging and Rehabilitative Services			
Number of Medicare Recipients	1,676,230	1,632,543	1,595,943
Department of Medical Assistance Services			
Number of Medicaid Recipients	2,206,675	2,100,660	1,938,378
Department of Behavioral Health and Developmental Services (2)			
Number of Patients Served	1,845	1,766	1,642
Number of Beds Used	2,352	2,328	2,289
Department of Social Services			
Average Number of Households Receiving Food Stamps	453,106	459,684	413,334
Number of Households Receiving Child Support Enforcement Assistance	210,203	215,472	220,161
Department of Health			
Number of WIC Participants	110,738	191,387	1,446,205
Number of Childhood Immunizations Administered	421,205	1,189,902	1,321,443
Administration of Justice			
Supreme Court			
Number of Criminal Trials (calendar year)	608,995	570,343	495,056
Number of Civil Trials (calendar year)	1,188,179	1,100,045	901,639
Number of Traffic Hearings (calendar year)	1,299,320	1,100,878	1,085,734
Compensation Board			
Number of Constitutional Officers Receiving Financial Support	646	653	653
Department of State Police			
Number of Traffic Citations Issued (calendar year)	391,197	353,391	287,305
Number of Arrests (calendar year)	18,742	17,714	14,307
Department of Corrections			
Number of Inmates	23,198	24,516	25,847

2021	2020	2019	2018	2017	2016	2015
8,530,643	8,248,902	8,183,057	7,935,274	7,842,664	7,849,647	7,746,235
524,932	525,335	521,471	521,444	524,340	528,673	534,280
1,251,970	1,252,756	1,298,083	1,290,513	1,293,049	1,267,591	1,279,773
3,407	6,550	3,020	2,719	5,393	2,564	7,173
5,153	3,904	5,971	6,095	8,706	7,962	7,848
2,108	2,602	3,333	2,413	3,614	3,031	3,491
8,528	8,244	9,986	9,576	9,175	8,246	5,583
102,366	103,047	101,551	98,643	83,558	79,876	82,355
237	139	794	707	982	892	1,178
14,589	15,285	15,645	15,233	15,042	16,135	15,700
1,565,504	1,742,473	1,628,702	1,492,436	1,420,405	1,358,179	1,328,435
1,761,460	1,644,569	1,486,511	1,310,815	1,300,028	1,319,227	1,255,960
1,831	1,902	1,944	1,982	2,058	2,104	2,229
2,132	2,202	2,255	2,306	2,448	2,619	2,813
377,121	348,551	343,417	354,783	372,773	391,632	411,768
226,681	235,548	292,176	302,984	304,565	310,933	314,377
191,387	190,746	196,435	201,461	223,931	239,711	249,499
82,402	218,571	1,287,433	1,319,475	1,410,886	1,371,582	1,534,373
520,867	646,416	639,056	640,340	642,593	642,216	686,795
950,357	1,340,592	1,317,267	1,290,994	1,166,949	1,166,073	1,171,042
1,038,540	1,649,266	1,622,583	1,659,637	1,622,252	1,714,779	1,903,845
653	653	652	651	652	649	650
249,979	344,414	456,318	479,208	495,404	592,670	644,218
15,549	17,916	20,130	19,565	20,872	22,320	20,608
24,179	27,239	29,938	29,912	29,991	30,038	30,258

Continued on next page

Operating Indicators by Function *(Continued from previous page)*

Last Ten Fiscal Years

	2024	2023	2022
Business-type Activities			
Virginia Lottery			
Number of Plays Sold - Pick 3	321,354,202	324,780,177	349,713,514
Number of Plays Sold - Pick 4	324,230,787	353,152,599	361,898,368
Number of Plays Sold - Pick 5 (3)	39,980,244	3,583,425	—
Number of Plays Sold - Cash 5	36,244,276	35,734,799	34,840,052
Number of Plays Sold - Mega Millions	159,940,971	182,885,499	92,599,907
Number of Plays Sold - Win for Life (4)	—	—	—
Number of Plays Sold - Decades of Dollars (4)	—	—	—
Number of Plays Sold - Millionaire Raffle	12,500,000	12,500,000	10,000,000
Number of Plays Sold - Powerball	212,890,670	178,785,207	133,446,065
Number of Plays Sold - Bank A Million (5)	8,875,029	9,485,514	10,025,841
Number of Plays Sold - Money Ball (6)	—	—	—
Number of Plays Sold - Cash 4 Life	29,474,108	29,633,086	29,459,358
Number of Plays Sold - Print 'n Play (7)	59,806,167	52,918,665	56,972,703
Number of Tickets Sold - Instant Tickets	1,314,085,654	1,281,673,073	1,325,071,263
Number of Tickets Sold - iLottery Instants (8)	2,903,957,135	2,060,238,758	1,279,177,631
Number of Tickets Sold - Keno (9)	35,730,857	35,646,663	46,962,415
Number of Tickets Sold - iLottery Raffle (10)	2,000,000	2,033,687	500,000
Number of Tickets Sold - Cash Pop (10)	59,934,766	48,804,689	21,748,148
Virginia College Savings Plan			
Number of Prepaid529 contract holders	36,583	41,358	46,338
Number of Tuition Track Portfolio accounts (11)	11,072	9,434	5,762
Virginia Employment Commission			
Number of Individuals Receiving Unemployment Benefits (12)	172,643	136,978	105,793
New Unemployment Benefit Claims	126,850	168,398	301,095

(1) Information for fiscal year 2024 is not yet available.

(2) This agency is structured to provide services primarily in a community setting. The funding level for FY 2024 was $738.2 million for community programs and $670.1 million for inpatient facilities. DBHDS is committed to providing care in the most appropriate setting and will continue to fund and develop community based treatment options. There is some growth in the inpatient census due to the number of civil commitments attributable to forensic patients (those who come from the corrections system).

(3) Pick 5 began during fiscal year 2023; therefore, information for fiscal year 2022 and prior is not available.

(4) Win for Life and Decades for Dollars ended during fiscal year 2015; therefore, information for fiscal year 2016 and thereafter is not available.

(5) Bank A Million began during fiscal year 2016; therefore, information for fiscal year 2015 and prior years is not available.

(6) Money Ball ended during fiscal year 2016; therefore, information for fiscal year 2017 and thereafter is not available.

(7) Fast Play Bingo was renamed Print 'n Play during fiscal year 2017.

(8) iLottery Instants, formerly called Digital E-games, are available through the Lottery Mobile App and began during fiscal year 2019; therefore, information for fiscal year 2018 and prior is not available.

(9) Keno is a new game that began during fiscal year 2021; therefore, information for fiscal year 2020 and prior is not available.

(10) iLottery Raffle and Cash Pop are new games that began during fiscal year 2022; therefore information for fiscal year 2021 and prior is not available.

(11) Tuition Track Portfolio is a new portfolio option in fiscal year 2021; therefore, information for fiscal year 2020 and prior is not available.

(12) Prior year amount has been adjusted based on revised information from the Virginia Employment Commission.

2021	2020	2019	2018	2017	2016	2015
390,284,730	336,933,331	329,229,522	296,627,276	276,560,578	272,748,955	272,253,482
376,114,441	322,440,569	326,360,467	302,727,557	291,852,118	279,841,494	268,645,030
—	—	—	—	—	—	—
38,667,449	32,195,638	33,818,907	33,202,456	31,427,856	30,419,782	29,895,533
129,473,910	89,763,948	166,953,172	130,782,622	84,351,249	87,404,430	94,283,607
—	—	—	—	—	—	2,979,902
—	—	—	—	—	—	9,365,110
10,000,000	7,500,000	7,500,000	7,491,580	6,600,000	6,600,000	6,600,000
103,409,694	76,072,327	125,460,795	110,388,116	112,705,215	163,892,079	96,580,238
11,419,108	11,710,004	13,184,754	13,282,492	13,460,880	14,520,460	—
—	—	—	—	—	2,616,104	16,766,958
31,254,468	27,400,930	18,174,238	15,241,200	15,314,148	19,037,030	3,812,708
61,746,903	75,470,085	50,562,452	45,434,462	39,890,998	29,243,465	24,205,141
1,302,108,413	1,166,776,472	1,221,921,293	1,184,641,974	1,117,709,151	1,100,574,151	1,018,488,394
758,328,065	2,341,949	399,969	—	—	—	—
46,168,831	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
53,493	57,952	62,514	63,073	64,072	65,101	66,364
2,542	—	—	—	—	—	—
352,124	1,088,208	64,932	66,632	75,012	87,685	92,762
800,443	1,020,588	134,411	141,554	160,952	185,558	202,040

Sources: State Council of Higher Education, Department of Social Services, Compensation Board, Department of Education, Department of Agriculture & Consumer Services, Department of Forestry, Department of Transportation, Virginia Lottery, Virginia College Savings Plan, Virginia Employment Commission, Department of Environmental Quality, Department of Housing and Community Development, Office of Children's Services, Department of Medical Assistance Services, Department of Behavioral Health and Developmental Services, Department of Health, Supreme Court, Department of State Police, Department of Corrections, Department of Aging and Rehabilitative Services, Department of Taxation

Capital Asset Statistics by Function (1)

Last Ten Fiscal Years

	2024	2023	2022
General Government			
Department of General Services			
Number of Buildings	61	61	55
Total Square Footage of Buildings	6,418,163	6,411,288	5,530,005
Vehicles	10,407	10,605	11,242
Education			
State Council of Higher Education			
Campuses of In-State Institutions	247	241	267
Campuses of Out-of-State Institutions	71	62	89
Transportation			
Department of Transportation			
Bridges Maintained (1)	Not yet available	13,198	13,190
State Maintained Highway Lane Miles (calendar year) (1)	Not yet available	73,257	73,149
Vehicles	5,572	5,712	5,994
Number of Buildings (2)	3,470	3,481	3,484
Total Square Footage of Buildings	8,681,417	8,527,645	8,534,739
Resources and Economic Development			
Department Conservation & Recreation			
State Parks	45	39	39
Acres of State Parks (in thousands)	82	80	72
Natural Area Preserves	44	42	42
Acres of Natural Area Preserves (in thousands)	35	34	33
Historic Sites	2	3	3
Acres of Historic Sites (in thousands)	0.3	0.3	0.3
Number of Buildings (3)	1,526	1,479	1,478
Total Square Footage of Buildings	3,382,504	3,319,765	3,106,293
Department of Forestry			
State Forests	26	26	26
Buildings	260	262	266
Total Square Footage of Buildings	541,078	541,176	547,010
Individual and Family Services			
Department of Behavioral Health and Developmental Services			
Number of Buildings	331	351	349
Total Square Footage of Buildings	5,339,441	5,347,750	5,182,410
Administration of Justice			
Department of State Police			
Number of Stations	75	75	67
Number of Buildings	137	143	142
Total Square Footage of Buildings	653,091	682,791	682,663
Department of Corrections			
Number of Buildings	1,796	1,808	1,818
Total Square Footage of Buildings	12,874,846	12,160,466	12,099,218
Business-type Activities			
Alcoholic Beverage Control			
Number of Buildings	20	21	25
Total Square Footage of Buildings	494,957	502,677	1,593,451

(1) Information not yet available for fiscal year 2024.
(2) Includes storage sheds
(3) Includes cabins

2021	2020	2019	2018	2017	2016	2015
54	66	65	66	66	64	65
5,254,727	5,321,474	5,301,474	5,351,754	5,351,754	4,901,754	5,032,991
12,000	12,585	13,425	14,021	14,920	14,519	14,669
266	245	265	258	255	246	231
82	91	117	120	134	129	132
13,192	13,176	13,167	13,175	13,106	13,101	13,098
72,998	72,861	72,681	72,522	72,397	75,096	72,210
6,339	6,726	6,992	7,401	7,567	7,754	7,503
3,492	3,509	3,520	3,533	3,485	3,489	3,492
8,570,188	8,415,994	8,427,682	8,346,916	8,264,527	8,262,042	8,269,556
39	39	39	39	39	39	39
71	74	74	73	73	73	71
42	42	39	39	39	39	39
33	31	31	33	35	34	34
3	3	3	3	3	3	3
0.3	0.3	0.3	0.3	0.3	0.3	0.3
1,480	1,415	1,417	1,405	1,359	1,359	1,360
3,079,760	2,813,096	2,816,696	2,789,799	2,562,851	2,562,851	2,583,309
26	24	24	24	24	23	23
297	295	295	295	295	295	295
603,102	600,602	600,602	600,602	600,602	600,602	600,602
374	392	392	394	407	407	409
5,133,281	5,409,231	5,409,231	5,413,168	5,568,709	5,568,709	5,571,068
67	67	67	67	66	66	65
142	142	147	147	147	147	147
682,663	682,663	685,109	685,109	685,109	685,109	685,109
1,842	1,871	1,857	1,854	1,849	1,858	1,823
12,279,524	12,129,118	12,107,287	12,165,957	12,082,187	12,105,357	11,826,751
25	23	23	23	23	24	24
1,585,193	1,174,901	1,174,901	1,174,901	1,174,901	1,180,501	1,180,501

Sources: Department of Conservation and Recreation
Department of Forestry
Department of Motor Vehicles
Department of State Police
Department of Transportation
Department of the Treasury
State Council of Higher Education for Virginia

Employees of the Department of Accounts

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APPENDIX E

LITERARY FUND

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APPENDIX E

LITERARY FUND

General

The Literary Fund is a permanent and perpetual school fund created in 1810 and established by the Constitution of Virginia as a depository for moneys derived by the Commonwealth from criminal fines and forfeitures, escheated property and income from the investment of moneys on deposit in the Literary Fund. The moneys therein are held by the State Treasurer and administered by the State Board of Education "for public school purposes, including the teachers retirement fund."

Article VIII, Section 8 of the Constitution of Virginia, as amended, provides:

> The General Assembly shall set apart as a permanent and perpetual school fund the present Literary Fund; the proceeds of all public lands donated by Congress for free public school purposes, of all escheated property, of all waste and unappropriated lands, of all property accruing to the Commonwealth by forfeiture except as hereinafter provided, of all fines collected for offenses committed against the Commonwealth, and of the annual interest on the Literary Fund; and such other sums as the General Assembly may appropriate. But so long as the principal of the Fund totals as much as eighty million dollars, the General Assembly may set aside all or any part of additional moneys received into its principal for public school purposes, including the teachers retirement fund.
>
> The General Assembly may provide by general law an exception from this section for the proceeds from the sale of all property seized and forfeited to the Commonwealth for a violation of the criminal laws of this Commonwealth proscribing the manufacture, sale or distribution of a controlled substance or marijuana. Such proceeds shall be paid into the state treasury and shall be distributed by law for the purpose of promoting law enforcement.
>
> The Literary Fund shall be held and administered by the Board of Education in such manner as may be provided by law. The General Assembly may authorize the Board of Education to borrow other funds against assets of the Literary Fund as collateral, such borrowing not to involve the full faith and credit of the Commonwealth.
>
> The principal of the Fund shall include assets of the Fund in other funds or authorities which are repayable to the Fund.

Literary Fund Loans

Pursuant to Chapter 10, Title 22.1, Code of Virginia, 1950, as amended, the Board of Education is empowered to make Literary Fund loans to local school jurisdictions for the construction, renovation and expansion of school buildings. When construction or renovation is completed or the amount of the loan commitment is reached, the local school jurisdictions issue "Literary Fund Obligations". The annual income on the Literary Fund Obligations is available for all purposes of the Literary Fund.

Income

In fiscal year 2024, the Literary Fund had gross receipts of approximately $306 million and disbursements of approximately $77 million. In fiscal year 2023, the Literary Fund had gross receipts of approximately $312 million and disbursements of approximately $115 million. In fiscal year 2022, the Literary Fund had gross receipts of approximately $292 million and disbursements of approximately $81 million. In fiscal year 2021, the Literary Fund had gross receipts of approximately $158 million and disbursements of approximately $230 million. In fiscal year 2020, the Literary Fund had gross receipts of approximately $249 million and disbursements of approximately $213 million.

Appropriations from the Literary Fund

By the terms of the constitutional provision creating the Literary Fund, the General Assembly may appropriate Literary Fund moneys for "public school purposes, including the teacher retirement fund". Although, prior to 1990, Literary Fund moneys had been used primarily to make Literary Fund loans, the General Assembly has since appropriated a substantial portion of moneys from the Literary Fund to supplement appropriations from the Commonwealth's General Fund for teacher retirement benefits and for other educational related purposes. The 2021 Appropriation Act provided appropriations of $162.0 million and $83.0 million for fiscal years 2021 and 2022, respectively, for teacher retirement and the Commonwealth’s share of local school boards’ Social Security costs. In addition, the 2023 Appropriation Act does not provide appropriations for teacher retirement and the Commonwealth’s share of local school boards’ Social Security costs from the Literary Fund in fiscal years 2023 and 2024, while it does direct a transfer of $50.0 million from the Literary Fund into the School Construction Fund for competitive grants to fund school construction, expansion, or modernization of public school buildings. The 2024 Appropriation Act does not provide appropriations for the Commonwealth’s share of local school boards’ Social Security costs from the Literary Fund in fiscal years 2025 and 2026, while it does provide the appropriation of $150.0 million for fiscal year 2026, for teacher retirement.

In May 2020, the Authority issued $62.5 million School Technology and Security Notes, Series VIII. In May 2021, the Authority issued $60.5 million School Educational Technology Notes, Series IX. In May 2022, the Authority issued $63.7 million School Educational Technology Notes, Series X. In May 2023, the Authority issued $63.6 million School Educational Technology Notes, Series XI. In May 2024, the Authority issued $64.5 million School Educational Technology Notes, Series XII. All five series of notes are payable from appropriations from the Literary Fund.

The 2024 Appropriation Act also directs the Authority to issue approximately $56.1 million and $56.2 million of School Educational Technology Notes as well as $12.0 million and $12.0 million of School Security Equipment Notes in the 2025 and 2026 fiscal years, respectively. The 2024 Appropriation Act includes sufficient appropriations from the Literary Fund to pay debt service coming due during the biennium on the Authority’s School Technology and Security Notes Series VIII, IX, X, XI and XII. See “THE AUTHORITY – Other Authority Financings – *School Technology and Security Notes*” in the front portion of this Official Statement.

The following table reflects the financial activity of the Literary Fund for the year ended June 30, 2024.

Literary Fund
Report of Receipts, Disbursements and Changes in Fund Balance (Cash Basis Unaudited)
Years Ended June 30

	2024	2023	2022	2021	2020
Beginning Fund Balance:					
Cash and Investments	$467,361,654	$270,274,088	$59,672,585	$131,386,241	$95,134,055
Temporary Loans Receivable	-	-	-	-	-
Permanent Loans Receivable	45,936,216	50,070,469	65,561,886	86,426,097	98,828,788
Total Beginning Balance	513,297,870	320,344,557	125,234,471	217,812,338	193,962,843
Receipts:					
Revenues:					
Interest on Temporary Loans	8,272	-	-	-	-
Interest on Permanent Loans	1,012,734	1,101,415	1,474,948	1,932,434	2,437,445
Interest on Investments	24,717,452	7,338,685	311,581	1,163,086	2,796,419
Miscellaneous Revenue	-	20.00	-	20.00	40.00
Principal Payments on Perm Loans	3,791,285	4,134,252	15,491,417	20,864,211	19,902,691
Total Revenues	29,529,743	12,574,372	17,277,946	23,959,751	25,136,595
Transfers from VPSA 1987 Reserve	-	-	-	-	-
Transfer Perm. Loans From VPSA	-	-	-	-	-
Transfer from VPSA	-	-	-	-	-
Increase in Temporary Loans Receivable	-	-	-	-	-
Other Transfers In:					
Unclaimed Property Act	200,000,000	240,000,000	220,000,000	85,000,000	165,000,000
VPSA	-	-	-	-	-
Escheats	(300)	(300)	(300)	(400)	51,564
Unclaimed Lottery Prizes	20,491,643	12,643,140	17,166,542	10,323,582	14,054,551
Fines, Fees and Forfeitures (1)	56,267,849	46,431,567	37,270,768	38,667,170	45,008,288
Total Transfers In	276,759,192	299,074,407	274,437,010	133,990,352	224,114,403
Total Receipts	306,288,935	311,648,779	291,714,956	157,950,103	249,250,998
Disbursements:					
Interest Rate Subsidy Program	-	-	-	-	-
Investment Fees	565,505	358,239	107,217	169,838	148,388
Temporary Loan Disbursements	9,817,897	-	-	-	7,500,000
Decrease in Temporary Loans Receivable	-	-	-	-	-
Subtotal	10,383,402	358,239	107,217	169,838	7,648,388
Other Transfers Out:					
Appropriations to Dept. of Education (2)	-	50,000,000	15,900,000	162,000,000	136,349,570
Transfers to the General Fund	-	-	-	-	-
To VPSA; Equipment Issues (3)	66,361,574	64,202,974	65,106,236	67,493,921	69,000,854
To VPSA; Cost of Issuance	-	-	-	-	-
Total Transfers Out	66,361,574	114,202,974	81,006,236	229,493,921	205,350,424
Total Disbursements	76,744,976	114,561,213	81,113,453	229,663,759	212,998,812
Ending Fund Balance:					
Cash and Investments	696,905,613	467,361,654	270,274,088	59,672,585	131,386,241
Temporary Loans Receivable	7,962,427	-	-	-	-
Permanent Loans Receivable	44,000,402	45,936,216	50,070,469	65,561,886	86,426,097
Ending Fund Balance	748,868,442	513,297,870	320,344,557	125,234,471	217,812,338
Less Encumbered Funds (4)	(63,887,573)	-	-	-	(31,967,276)
Less Cash to Cover $80,000,000 (5)	(28,037,171)	(34,063,784)	(29,929,531)	(14,438,114)	-
Available Fund Balance	$ 656,943,698	$ 479,234,086	$ 290,415,026	$ 110,796,357	$ 185,845,062

(1) Includes interest on Unclaimed Property balances and interest on fines, fees and forfeitures.
(2) Represents appropriations for teacher retirement benefits and other educational related purposes.
(3) Represents funds transferred to the Authority to pay debt service and cost of issuance on the Authority's School Educational Technology Notes.
(4) Represents funds restricted for payment to localities for approved Literary Fund Loans and Interest Rate Subsidy Program amounts.
(5) This was added to the schedule in January 2021 to assist in monitoring the amount of cash that needs to be set aside per Constitutional requirements to maintain a balance of $80,000,000 in the Fund. The required asset base is comprised of outstanding loans and cash. When outstanding loans fall below the threshhold, cash must be retained to make up the difference.

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APPENDIX F

CONTINUING DISCLOSURE UNDERTAKINGS

APPENDIX F
TABLE OF CONTENTS

CONTINUING DISCLOSURE UNDERTAKING OF THE VIRGINIA PUBLIC SCHOOL AUTHORITY PURSUANT TO THE SERIES RESOLUTION ADOPTED MARCH 13, 2025

The following continuing disclosure undertaking was adopted by the Virginia Public School Authority in its Series Resolution adopted March 13, 2025. Defined terms used in such undertaking as contained in such Series Resolution have been changed to reflect the defined terms used in this Official Statement.

Continuing Disclosure Undertaking

(a) **Purpose**. This continuing disclosure undertaking is being made by the Authority with respect to the School Financing Bonds (1997 Resolution), Series 2025A and School Financing Refunding Bonds (1997 Resolution) Series 2025B (collectively, the "Series 2025 Bonds") for the benefit of the holders and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Authority acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this undertaking.

(b) **Definitions**. In addition to the definitions elsewhere set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"**Annual Report**" means any Annual Report provided by the Authority pursuant to, and as described in, subsections (c) and (d) below.

"**Dissemination Agent**" means the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by such Authority and which has filed with such Authority a written acceptance of such designation.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

"**Fiscal Year**" means the twelve-month period, at the end of which the Authority's financial position and the results of its operations for the preceding twelve months are determined. Currently the Authority's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"**[H]older**" means, for purposes of this undertaking, any person who is a record owner or beneficial owner of a Bond.

"**Listed Events**" means any of the events listed in subsection (b)(5)(i)(C) of the Rule which are as follows:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of security holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Authority;

For the purposes of the event identified in this subsection (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xv) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

"**MOP**" means (i) a Local Issuer that has outstanding Local School Bonds held to the credit of the General Pledge Fund and the principal, interest and redemption premium components on which are credited to the 1997 Resolution Pledge Account in an aggregate principal amount that exceeds 10% of the aggregate principal amount of the Authority's outstanding Bonds and (ii) the Commonwealth.

"**MSRB**" means the Municipal Securities Rulemaking Board, or any successor thereto or to the functions of the MSRB contemplated by this Undertaking.

"**Participating Underwriter**" means any of the original underwriters of the Authority's Series 2025 Bonds required to comply with the Rule in connection with the offering of such Bonds.

"**Rule**" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**Undertaking**" means the continuing disclosure undertaking assumed by the Authority in this undertaking.

(c) **Provision of Annual Reports; Audited Financial Statements.**

1. Not later than 10 months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2025, the Authority shall, or shall cause the Dissemination Agent (if different from the Authority) to, provide to the MSRB, in the electronic format prescribed by the MSRB, an Annual Report which is consistent with the requirements of (d) of this undertaking. Not later than 10 days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if applicable). In each case, the Annual Report (A) may be submitted as a single document or as separate documents comprising a package, (B) may cross-reference other information as provided in (d) of this undertaking, and (C) shall include such financial statements as may be required by the Rule.

2. The annual financial statements of the Authority shall be prepared on the basis of generally accepted accounting principles and will be audited by either the Auditor of Public Accounts or a firm of independent certified public accountants. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the MSRB when they become publicly available.

3. If the Authority fails to provide an Annual Report to the MSRB by the date required in subsection (1) above, or to file its audited annual financial statements when available as described in subsection (2) above, the Authority shall send a notice to the MSRB in substantially the form attached hereto as Schedule 1 in a timely manner.

(d) **Content of Annual Reports.** Each Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following information, all with a view toward assisting Participating Underwriters in complying with the Rule.

1. Updated information showing the expected "Income Available to Pay Debt Service" as of the date of issuance of the most recent Series of Bonds issued during the period beginning July 1 and ending on the date of the Annual Report. In the event no Bonds were issued during the aforementioned time period, the updated information shall be as of the end of the preceding Fiscal Year.

2. Updated information showing the names of the Local Issuers and the principal amount of their Local School Bonds held in the General Pledge Fund and the principal, interest and redemption premium of which are credited to the 1997 Resolution Pledge Account and an updated list showing the names of the Local Issuers who are MOPs as of the end of the preceding Fiscal Year, who have ceased to be MOPs during the preceding Fiscal Year and who were MOPs as of the date of issuance of the most recent Series of Bonds issued during the period beginning July 1 and ending on the date of the Annual Report. In the event no Bonds were issued during the aforementioned time period, the updated information shall be as of the end of the preceding Fiscal Year.

3. A summary of receipts and disbursements for the Literary Fund for the preceding Fiscal Year.

4. A summary of information respecting appropriations made by the Virginia General Assembly from the Literary Fund for the current biennium.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Authority, which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by reference.

(e) **Reporting of Listed Events.** The Authority will provide in a timely manner, not in excess of ten business days after the occurrence of the event, to the MSRB notice of any of the Listed Events with respect to the Bonds. The Authority does not undertake to provide the above-described notice in the event of a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Official Statement, (ii) the only open issue is which Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Bond Resolution, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts may be reduced by prior optional redemptions or Bond purchases.

(f) **Dissemination Agent.** The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its undertaking and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Authority shall be the Dissemination Agent.

(g) **Amendment.** Notwithstanding any other provision of the Bond Resolution, the Authority may amend its undertaking as set forth in this undertaking if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

(h) **Additional Information.** Nothing in this undertaking shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this undertaking. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this undertaking, the Authority shall have no obligation under this undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

(i) **Default.** Any person referred to in section (j) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to file its Annual Report or to give notice of a Listed Event. In addition, holders of not less than a majority in aggregate principal amount of the Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Continuing Disclosure undertaking, or to enforce any other obligation of the Authority hereunder. A default under this undertaking shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this undertaking in the event of any failure of the Authority to comply with its undertaking shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

(j) **Beneficiaries.** This undertaking shall inure solely to the benefit of the Authority, the Participating Underwriters, and holders from time to time of the Authority's Bonds, and shall create no rights in any other person or entity.

(k) **Format of Filings.** Unless otherwise required by the MSRB, all notice, documents and information provided to the MSRB pursuant to this Undertaking shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) system, the current Internet address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be provided in an electronic format prescribed by the MSRB (currently, portable document format (pdf) which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

(l) **Obligated Persons.** The Authority has determined that the Commonwealth is an "obligated person", within the meaning of the Rule, that is or may be material to the Bonds, as evidenced by its inclusion in the definition of MOP. In addition, the Authority has established in the definition of a MOP the objective criteria that it will apply consistently, on a continuing basis, in determining whether a particular Local Issuer is an "obligated person", within the meaning of the Rule, that is or may be material to the Bonds. The Authority covenants that it will require each Local Issuer that is or may become a MOP to execute and deliver to the Authority an undertaking by which the Local Issuer will agree that if it becomes a MOP, it will, so long as it remains a MOP, file annually the financial information, operating data, and financial statements, and provide notices of Listed Events with respect to its bonds held in the General Pledge Fund and credited to the 1997 Resolution Pledge Account if material, as required by the Rule.

(m) **Termination.** The obligations of the Authority pursuant to its undertaking with respect to the Bonds shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Bonds.

SCHEDULE 1

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

$__________
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING BONDS
(1997 RESOLUTION)
consisting of:

$__________	**$__________**
School Financing Bonds	**School Financing Refunding Bonds**
(1997 Resolution)	**(1997 Resolution)**
Series 2025A	**Series 2025B**

CUSIP Numbers: (Base CUSIP: 92818H)

(__________)

Dated: ________, 2025

NOTICE IS HEREBY GIVEN that the Virginia Public School Authority (the "Authority") has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 12 of the Series Resolution which was adopted on March 13, 2025, by the Board of Commissioners of the Authority and which authorized the bonds described above. The Authority anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by ____________________.

Dated: ____________________

VIRGINIA PUBLIC SCHOOL AUTHORITY

By ____

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Commonwealth of Virginia (the "Commonwealth") in connection with the issuance by the Virginia Public School Authority (the "Authority") of $__________ aggregate principal amount of its School Financing Bonds (1997 Resolution) Series 2025A and School Financing Refunding Bonds (1997 Resolution) Series 2025B (collectively, the "Series 2025 Bonds") pursuant to the provisions of a resolution adopted on March 13, 2025 (the "Series Resolution") by the Board of Commissioners of the Authority. Proceeds of the Series 2025 Bonds are being used by the Authority to purchase general obligation bonds issued by local governments for capital school projects and to refund certain outstanding bonds of the Authority. The Authority has advised the Commonwealth that it has determined that the Commonwealth constitutes an "obligated person" within the meaning of the Rule in respect of the Series 2025 Bonds and the Commonwealth concurs in such determination. The Commonwealth hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Commonwealth for the benefit of the Holders of the Bonds and in order to assist the Participating Underwriters in complying with the Rule. The Commonwealth acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the 1997 Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commonwealth pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the Commonwealth, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Commonwealth and which has filed with the Commonwealth a written acceptance of such designation.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system, the current Internet address of which is http://emma.msrb.org, and any successor thereto.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

"Fiscal Year" shall mean the twelve-month period, at the end of which the financial position of the Commonwealth and results of its operations for such period are determined. Currently, the Commonwealth's Fiscal Year begins July 1 and continues through June 30 of the next year.

"Holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Series 2025 Bond.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

"Participating Underwriter" shall mean any of the original underwriters of the Series 2025 Bonds required to comply with the Rule in connection with the offering of such Series 2025 Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports; Audited Financial Statements.

(a) Not later than seven months following the end of each Fiscal Year of the Commonwealth, commencing with the Fiscal Year ending June 30, 2025, the Commonwealth shall, or shall cause the Dissemination Agent (if different from the Commonwealth) to submit to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 10 days prior to said date, the Commonwealth shall provide the Annual Report to the Dissemination Agent (if applicable). In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include such financial statements as may be required by the Rule.

(b) The annual financial statements of the Commonwealth shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be submitted to EMMA when they become publicly available.

(c) If the Commonwealth fails to submit an Annual Report to EMMA by the date required in subsection (a) hereof, or to submit its audited annual financial statements to EMMA when they become publicly available, the Commonwealth shall send, in a timely manner, an appropriate notice to the MSRB in substantially the form attached hereto as Schedule 1 or in such form as may be provided by the MSRB as the applicable form for filing such notice via EMMA.

SECTION 4. Content of Annual Reports. Each Annual Report required to be filed hereunder shall include, at a minimum, the information referred to in Schedule 2 as it relates to the Commonwealth, all with a view toward assisting Participating Underwriters in complying with the Rule. Any or all of such information may be incorporated by reference from other documents, including official statements containing information with respect to the Commonwealth, which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Commonwealth shall clearly identify each such other document so incorporated by reference.

SECTION 5. Notice of Rating Changes. The Commonwealth will provide in a timely manner, not in excess of ten business days after the occurrence of the event, to the Authority and to EMMA notice of any changes in the ratings of the Commonwealth's general obligation bonds by the rating agencies requested by the Commonwealth to rate such bonds.

SECTION 6. Notice of Bankruptcy, Insolvency, Receivership or Similar Event. The Commonwealth will provide to the Authority and to EMMA in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any bankruptcy, insolvency, receivership or similar event of the Commonwealth. For purposes of this Section, a bankruptcy, insolvency, receivership or similar event of the Commonwealth is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Commonwealth in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commonwealth, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commonwealth.

SECTION 7. Notice of Merger, Consolidation, Acquisition or Similar Event. The Commonwealth will provide to the Authority and to EMMA in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any consummation of a merger, consolidation, or acquisition involving the Commonwealth or the sale of all or substantially all of the assets of the Commonwealth, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

SECTION 8. Notice of Incurrence of Financial Obligation. The Commonwealth will provide in a timely manner not in excess of ten business days after the occurrence of the event to the Authority and to EMMA notice of any incurrence of a Financial Obligation of the Commonwealth, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commonwealth, any of which affect Holders, if material.

SECTION 9. Notice of Financial Difficulties with respect to a Financial Obligation. The Commonwealth will provide in a timely manner not in excess of ten business days after the occurrence of the event to the Authority and to EMMA notice of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commonwealth, any of which reflect financial difficulties.

SECTION 10. Termination of Reporting Obligation. The obligations of the Commonwealth under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Series 2025 Bonds, and the Authority shall notify the Commonwealth promptly of the occurrence of either such event.

SECTION 11. Dissemination Agent. The Commonwealth may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Commonwealth shall be the Dissemination Agent.

SECTION 12. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Commonwealth may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

SECTION 13. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commonwealth from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notices described in Sections 5 through 9 above, in addition to that which is required by this Disclosure Agreement. If the Commonwealth chooses to include any information in any Annual Report or notice described in Sections 5 through 9 above, in addition to that which is specifically required by this Disclosure Agreement, the Commonwealth shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice.

SECTION 14. Default. Any person referred to in Section 15 (other than the Commonwealth) may take such action as may be permitted by law against the appropriate public official to secure compliance with the obligation of the Commonwealth to file its Annual Report or to give notices as described in Sections 5 through 9 above. In addition, Holders of not less than a majority in aggregate principal amount of the Series 2025 Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the Commonwealth hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under any applicable resolution or other debt authorization of the Commonwealth, and the sole remedy under this Disclosure Agreement in the event of any failure of the Commonwealth to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Commonwealth, the Authority, the Participating Underwriters, and Holders from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

SECTION 16. EMMA. All filings under this Disclosure Agreement shall be made solely by transmitting such filings to the MSRB via EMMA, as described in 1934 Act Release No. 59062. Should the Securities and Exchange Commission approve any additional or subsequent internet-based electronic filing system for satisfying the continuing disclosure filing requirements of the Rule, any filings required under this Disclosure Agreement may be made by transmitting such filing to such system, as described in the applicable Securities and Exchange Commission regulation or release approving such filing system.

SECTION 17. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: May _____, 2025

COMMONWEALTH OF VIRGINIA

By: ____

AGREED TO AND ACKNOWLEDGED:

VIRGINIA PUBLIC SCHOOL AUTHORITY

By: ____

Authorized Representative

SCHEDULE 1

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COMMONWEALTH OF VIRGINIA

in connection with
$__________
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING BONDS
(1997 RESOLUTION)
consisting of:

$__________	**$__________**
School Financing Bonds	**School Financing Refunding Bonds**
(1997 Resolution)	**(1997 Resolution)**
Series 2025A	**Series 2025B**

CUSIP Numbers: (Base CUSIP: 92818H)

(__________)

Dated: __________ _____, 2025

NOTICE IS HEREBY GIVEN that the Commonwealth of Virginia (the "Commonwealth") has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to that certain Series Resolution adopted on March 13, 2025, by the Board of Commissioners of the Virginia Public School Authority. The Commonwealth anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by ____________________.

Date: _______________

COMMONWEALTH OF VIRGINIA

By: ___________________________________
State Treasurer

SCHEDULE 2

CONTENT OF ANNUAL REPORT

General Fund. Information concerning revenues, sources of revenues, expenditures, categories of expenditures and balances of the General Fund of the Commonwealth for the preceding fiscal year.

Appropriation Act. A summary of the material budgetary aspects of the Appropriation Act for the current biennium.

Debt. Updated information respecting tax-supported and other outstanding debt of the Commonwealth including a historical summary of outstanding tax-supported debt; a summary of authorized but unissued tax-supported debt and a summary of annual debt service on outstanding tax-supported debt.

Retirement Plans. Updated information (to the extent not shown in the latest audited annual financial statements) respecting pension and retirement plans administered by the Commonwealth including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.

Litigation. A summary of material litigation pending against the Commonwealth.

Demographic Information. Updated demographic information respecting the Commonwealth such as its population and tax base.

Economic Information. Updated economic information respecting the Commonwealth such as income, employment, industry and infrastructure data.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the Commonwealth and the United States as a whole is contemporaneously available and, in the judgment of the Commonwealth, informative, such information may be included. Where, in the judgment of the Commonwealth, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

Local Issuer Standard Form[1]

CONTINUING DISCLOSURE AGREEMENT

[This Continuing Disclosure Agreement will impose obligations on the Local Issuer if and only if the Local Issuer is or has become and remains a "Material Obligated Person," as defined below]

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the [County/City/Town of ____________], Virginia (the "Local Issuer") in connection with the issuance by the Virginia Public School Authority (the "Authority") of $[principal amount] aggregate principal amount of its School Financing [and Refunding] Bonds (1997 Resolution) Series [year][letter] (the "Series [year][letter] Bonds") pursuant to the provisions of a bond resolution [(the "1997 Resolution") adopted on October 23, 1997][2], as amended and restated. The Series [year][letter] Bonds and all other parity bonds heretofore and hereafter issued under the 1997 Resolution are collectively called the "Bonds." A portion of the proceeds of the Series [year][letter] Bonds is being used by the Authority to purchase the general obligation school bond (the "Local School Bond") of the Local Issuer pursuant to a bond sale agreement between the Authority and the Local Issuer (the "Bond Sale Agreement"). Pursuant to paragraph 4 of the Bond Sale Agreement, the Local Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Local Issuer for the benefit of the holders of the Series [year][letter] Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Local Issuer acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the 1997 Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Local Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"bond sale agreement" shall mean the Bond Sale Agreement and any other comparable written commitment of the Local Issuer to sell its Local School Bond to the Authority.

"Dissemination Agent" shall mean the Local Issuer, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by such Local Issuer and which has filed with such Local Issuer a written acceptance of such designation.

"Filing Date" shall have the meaning given to such term in Section 3(a) hereof.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the Local Issuer's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Series [year][letter] Bond.

"Listed Events" shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule.

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[1] This agreement, in substantially this form, has been executed by substantially every Local Issuer with Local School Bonds outstanding and pledged to Bonds issued under the 1997 Resolution.

[2] Alternatively, the agreement may refer to the Authority's 1991 Resolution if the Local School Bonds were acquired with the proceeds of 1991 Resolution bonds and transferred and pledged under the 1997 Resolution in connection with a refunding transaction under the 1997 Resolution.

"local school bonds" shall mean the Local School Bond and any other bonds of the Local Issuer pledged as security for Bonds issued under the Authority's 1997 Resolution.

"Material Obligated Person" (or "MOP") shall mean the Local Issuer if it has local school bonds outstanding in an aggregate principal amount that exceeds 10% of the aggregate principal amount of all outstanding Bonds of the Authority.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

"Participating Underwriter" shall mean any of the original underwriters of the Authority's Series [year][letter] Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) **The Local Issuer shall, or shall cause the Dissemination Agent to, provide the MSRB, in the format prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement**. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than 12 months after the end of any Fiscal Year (commencing with its Fiscal Year ending June 30, [year]) as of the end of which such Local Issuer was a MOP, unless as of the Filing Date the Local Issuer is no longer a MOP.[3] Not later than ten (10) days prior to the Filing Date, the Local Issuer shall provide the Annual Report to the Dissemination Agent (if applicable) and shall provide copies to the Authority. In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the Local Issuer's audited financial statements prepared in accordance with applicable state law or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of such Local Issuer must be submitted, if and when available, together with or separately from the Annual Report.

(b) **If the Local Issuer is unable to provide an Annual Report to the MSRB by the date required in subsection (a), the Local Issuer shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A in a timely manner**.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the Local Issuer, including operating data,

(i) updating such information relating to the Local Issuer as shall have been included or cross-referenced in the final Official Statement of the Authority describing the Authority's Series [year][letter] Bonds or

(ii) if there is no such information described in clause (i), updating such information relating to the Local Issuer as shall have been included or cross-referenced in any comparable disclosure document of the Local Issuer relating to its tax-supported obligations or

(iii) if there is no such information described in clauses (i) or (ii) above, initially setting forth and then updating the information referred to in Exhibit B as it relates to the Local Issuer, all with a view toward assisting Participating Underwriters in complying with the Rule.

[3] The Authority will covenant in the Bond Sale Agreement to advise the Local Issuer within 60 days of the end of each Fiscal Year if such Local Issuer was a Material Obligated Person as of the end of such Fiscal Year. Upon written request, the Authority will also advise the Local Issuer as to its status as a MOP as of any other date.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the Local Issuer is an "obligated person" (within the meaning of the Rule), which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Local Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. Whenever the Local Issuer is a Material Obligated Person required to file Annual Reports pursuant to Section 3(a) hereof and obtains knowledge of the occurrence of a Listed Event, such Local Issuer shall file in a timely manner, not in excess of ten business days after the occurrence of the event, a notice of such occurrence with the MSRB with a copy to the Authority.

SECTION 6. Termination of Reporting Obligation. The Local Issuer's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Local School Bond.

SECTION 7. Dissemination Agent. The Local Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Local Issuer shall advise the Authority of any such appointment or discharge. If at any time there is not any other designated Dissemination Agent, the Local Issuer shall be the Dissemination Agent. [The initial Dissemination Agent shall be _____________.]

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Local Issuer may amend this Disclosure Agreement, if such amendment has been approved in writing by the Authority and is supported by an opinion of independent counsel, acceptable to the Authority, with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Local Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Local Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, such Local Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the Local Issuer) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Local Issuer to file its Annual Report or to give notice of a Listed Event. The Authority may, and the holders of not less than a majority in aggregate principal amount of Series [year][letter] Bonds outstanding may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the Local Issuer hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the applicable resolution or bonds of the Local Issuer, and the sole remedy under this Disclosure Agreement in the event of any failure of the Local Issuer to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Local Issuer, the Participating Underwriters, and holders from time to time of the Authority's Series [year][letter] Bonds, and shall create no rights in any other person or entity.

SECTION 12. Form of Filings. Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) system, the current Internet address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be provided in an electronic format prescribed by the MSRB (currently, portable document format (pdf) which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the MSRB. The Local Issuer shall include with each filing made under this Disclosure Agreement the CUSIP identifier related to each of the Series [year][letter] Bonds and all other Bonds that are outstanding at the time of such filing. The Local Issuer may obtain the relevant CUSIP identifiers from the Authority in connection with any filing required under this Disclosure Agreement.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: ____________

[COUNTY/CITY/TOWN OF _________], VIRGINIA

By: ______________________________________
Name: ______________________________________
Title: ______________________________________

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED FINANCIAL STATEMENTS]

$[Principal Amount]
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING [AND REFUNDING] BONDS (1997 RESOLUTION)
SERIES [Year][Letter]

CUSIP Numbers:
(Base CUSIP: 92818H)
(__________)

Dated: __________ _____, 2025

Name of Local Issuer: [COUNTY/CITY/TOWN OF ______________], VIRGINIA

NOTICE IS HEREBY GIVEN that the [County/City/Town of ________,] Virginia (the "Local Issuer") has not provided an Annual Report as required by Section 3(a) of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to that certain Series Resolution adopted on __________ _____, 2025, by the Board of Commissioners of the Virginia Public School Authority, the proceeds of which were used to purchase $____________ [General Obligation School Bond], Series 2025__ of the Local Issuer. [The Local Issuer anticipates that the Annual Report will be filed by _____________.] The Local Issuer is a material "obligated person" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, with respect to the above-named bonds of the Authority.

Dated:_______________

[COUNTY/CITY/TOWN OF _________], VIRGINIA

By: ____________________________________
Name: ____________________________________
Title: ____________________________________

EXHIBIT B

CONTENT OF ANNUAL REPORT

Description of the Local Issuer. A description of the Local Issuer including a summary of its form of government, budgetary processes and its management and officers.

Debt. A description of the terms of the Local Issuer's outstanding tax-supported and other debt including a historical summary of outstanding tax-supported debt; a summary of authorized but unissued tax-supported debt; a summary of legal debt margin; a summary of overlapping debt; and a summary of annual debt service on outstanding tax-supported debt as of the end of the preceding fiscal year. The Annual Report should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Issuer and any unfunded pension liabilities.

Financial Data. Financial information respecting the Local Issuer including a description of revenues and expenditures for its major funds and a summary of its tax policy, structure and collections as of the end of the preceding fiscal year.

Capital Improvement Plan. A summary of the Local Issuer's capital improvement plan.

Demographic, Economic and Supplemental Information. A summary of the Local Issuer's demographic and economic characteristics such as population, income, employment, and public school enrollment and infrastructure data as of the end of the preceding fiscal year. The Annual Report should also include a description of material litigation pending against the Local Issuer.

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PROPOSED FORM OF OPINION OF BOND COUNSEL

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Set forth below is the proposed form of the opinion of McGuireWoods LLP, Bond Counsel. It is preliminary and subject to change prior to the delivery of the Series 2025 Bonds.

[Letterhead of McGuireWoods LLP]

May _____, 2025

Virginia Public School Authority
Richmond, Virginia 23219

VIRGINIA PUBLIC SCHOOL AUTHORITY

SCHOOL FINANCING BONDS (1997 RESOLUTION) SERIES 2025A

SCHOOL FINANCING REFUNDING BONDS (1997 RESOLUTION) SERIES 2025B

Ladies and Gentlemen:

We have served as bond counsel to the Virginia Public School Authority ("VPSA") in connection with the issuance of VPSA's $__________ School Financing Bonds (1997 Resolution), Series 2025A (the "Series 2025A Bonds") and $__________ School Financing Refunding Bonds (1997 Resolution) Series 2025B (the "Series 2025B Bonds," and together with the Series 2025A Bonds, the "Series 2025 Bonds"). The Series 2025 Bonds have been issued under (i) Chapter 11, Title 22.1, Code of Virginia of 1950, as amended (the "Enabling Act"), (ii) a bond resolution adopted by VPSA's Board of Commissioners on October 23, 1997, as last amended and restated on September 20, 2012, and as previously supplemented (the "Bond Resolution"), and (iii) a series resolution adopted by VPSA's Board of Commissioners on March 13, 2025 (the "Series Resolution" and together with the Bond Resolution, the "Resolution"). We refer you to the Series 2025 Bonds and the Series Resolution for a description of the purposes for which the Series 2025 Bonds are issued, the terms of the Series 2025 Bonds and the security for the Series 2025 Bonds. Unless otherwise defined, each capitalized term used in this opinion letter has the meaning given it in the Resolution.

In connection with our opinions, we have examined the Constitution of Virginia and the applicable laws of both the United States and the Commonwealth of Virginia (the "Commonwealth"), including without limitation the Internal Revenue Code of 1986, as amended (the "Code") and the Enabling Act, and such certified proceedings and other documents of VPSA as we deem necessary to render this opinion letter.

VPSA is issuing the Series 2025A Bonds for the purpose of purchasing certain general obligation school bonds to be issued by certain Virginia localities, as further described in the Resolution (the "2025A Local Issuers"). VPSA is issuing the Series 2025B Bonds for the purpose of current refunding in advance of their stated maturity certain bonds of VPSA issued under the Bond Resolution, which were issued for the purpose of purchasing certain general obligation school bonds issued by certain Virginia localities (the "Related Local Issuers").

As to questions of fact material to our opinions we have relied upon and are assuming the accuracy of certifications and representations of VPSA, VPSA officers and other public officials and certain other third parties contained in certificates and other documents delivered at closing, including without limitation, certifications as to the use of proceeds of the Series 2025 Bonds, without undertaking to verify any of them by independent investigation. In addition, we have relied upon computations provided by Davenport & Company LLC, financial advisor to VPSA, the mathematical accuracy of which was verified by Bingham Arbitrage Rebate Services, Inc., as verification agent, relating to the yield on the investments in the escrow fund established with a portion of the proceeds of the Series 2025B Bonds and the yield on the Series 2025 Bonds and the sufficiency of the escrow fund established to provide for the payment and redemption of the applicable refunded bonds.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic, and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this financing have been duly authorized, executed, and delivered by all parties to them other than VPSA, and we have further assumed the due organization, existence, and powers of all parties other than VPSA.

Based on the foregoing, we are of the opinion that, under current law:

1. VPSA is a public body corporate and an agency and instrumentality of the Commonwealth duly created by and existing pursuant to the Enabling Act.

2. The Resolution has been duly adopted by VPSA.

3. VPSA has the requisite authority and power under the Enabling Act and the Resolution to issue and sell the Series 2025 Bonds and to apply the proceeds from the issuance and sale of the Series 2025 Bonds as set forth in the Series Resolution. All conditions precedent to the issuance of the Series 2025 Bonds as set forth in the Enabling Act and the Resolution have been fulfilled.

4. The Series 2025 Bonds have been duly authorized, executed, and delivered in accordance with the Enabling Act and the Resolution and constitute valid and binding limited obligations of VPSA.

5. The Series 2025 Bonds, the outstanding bonds heretofore issued under the Resolution and any additional series of bonds that may be hereafter issued from time to time under the Resolution, under the conditions, limitations and restrictions set forth in the Resolution, for the purpose of providing funds for the purchase of local school bonds and for the purpose of refunding bonds issued under the provisions of the Resolution or other indebtedness of VPSA, are payable from certain funds of VPSA pledged to their payment, including (i) payments derived from local school bond principal, interest and redemption premium, if any, components ("Components") credited to the Virginia Public School Authority General Pledge Fund 1997 Resolution Account (the "1997 Resolution Pledge Account"), a special account established within the Virginia Public School Authority General Pledge Fund, a special fund established under the Resolution within which certain local school bonds are held (the "General Pledge Fund"), (ii) the proceeds of the sale of any such Components credited to the 1997 Resolution Pledge Account, (iii) payments of monies derived from operation of the "State Aid Intercept Provision" contained in Section 15.2-2659, Code of Virginia 1950, as amended, in the event of default in payment of debt service on local school bonds having Components credited to the 1997 Resolution Pledge Account, and (iv) appropriations by the General Assembly of the Commonwealth to VPSA to make up deficiencies in debt service. The Resolution requires that if a payment default occurs on a local school bond and if VPSA has not received the defaulted payment from the implementation of the State Aid Intercept Provision, VPSA shall file a warrant with the State Treasurer requesting that an amount equal to the deficiency be made available to VPSA from moneys appropriated by the General Assembly. The Resolution requires the Chair to notify the Governor on or before December 1 of each year of his estimate of total debt service during each fiscal year of the biennium on bonds of VPSA issued and projected to be issued under the Resolution. The Enabling Act requires the Governor to include such appropriations for the payment of debt service in his budget submission to the General Assembly each year. The General Assembly has the power, but is not legally obligated, to make appropriations in respect of the payment of such debt service. The Series 2025 Bonds do not constitute a debt of the Commonwealth or pledge of the faith and credit of the Commonwealth, and neither the faith and credit nor the taxing power of the Commonwealth or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the Series 2025 Bonds.

6. Interest on the Series 2025 Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Code, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. We express no opinion regarding other federal tax consequences with respect to the Series 2025 Bonds.

In delivering this opinion, we are assuming continuing compliance with the Covenants (as defined below) by VPSA, each of the 2025A Local Issuers, and each of the local school boards associated with the 2025A Local Issuers (the "2025A Local School Boards"), each of the Related Local Issuers, and each of the local school boards associated with the Related Local Issuers (the "Related Local School Boards") so that interest on the Series 2025 Bonds will (A) remain excludable from gross income for federal income tax purposes under Section 103 of the Code, and (B) not become a Specific Tax Preference Item. It should be noted that this firm has served as bond counsel to the Counties of Frederick, Roanoke and York, each of which is a 2025A Local Issuer. VPSA, the 2025A Local Issuers, the 2025A Local School Boards, the Related Local Issuers and the Related Local School Boards, as applicable, have covenanted in their respective tax agreements to comply with the provisions of the Code applicable to the Series 2025 Bonds including, among other things, requirements as to the use, expenditure and investment of the proceeds thereof, the use of the property financed or refinanced thereby, the source of the payment thereof and the security therefor, the arbitrage yield restrictions and rebate payment obligations imposed by the Code and certain other actions that could cause interest thereon to be includible in gross income of their owners (the "Covenants"). A failure to comply with the Covenants could cause interest on the Series 2025 Bonds to become includible in gross income for federal income tax purposes retroactive to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2025 Bonds from becoming includible in gross income for federal income tax purposes.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2025 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the tax agreements of the 2025A Local Issuers, the Related Local Issuers or VPSA, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such document. We express no opinion concerning any effect on the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

7. In accordance with Section 22.1-172 of the Enabling Act, the Series 2025 Bonds, their transfer and the income from them, including any profit made on their sale, are exempt from taxation by the Commonwealth and any municipality, county or other political subdivision thereof. We express no opinion regarding (i) other tax consequences arising with respect to the Series 2025 Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the Series 2025 Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth and its political subdivisions.

The obligations of VPSA under the Series 2025 Bonds and the Resolution and the enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws now or hereafter in effect relating to or affecting creditor's rights. The obligations are also subject to the exercise of judicial discretion in accordance with general principles of equity, which may limit the enforcement of certain remedies but which do not affect the validity of such obligation.

Our services as bond counsel have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to opine on the validity of the Series 2025 Bonds, the enforceability of the Resolution and the tax status of the interest on the Series 2025 Bonds. The foregoing opinions are in no respect an opinion as to VPSA's business or financial resources or its ability to provide for the payment of the Series 2025 Bonds or the accuracy or completeness of any information, including VPSA's Preliminary Official Statement dated __________ _____, 2025, and Official Statement dated __________ _____, 2025, that anyone may have relied upon in making the decision to purchase the Series 2025 Bonds.

This opinion letter is given as of the date hereof, and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

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APPENDIX H

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2025 Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2025 Bonds are required to be printed and delivered to DTC.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2025 Bonds will be printed and delivered.

NEITHER THE AUTHORITY, ANY LOCAL ISSUERS, NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2025 BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2025 BONDS.

So long as Cede & Co. is the registered owner of the Series 2025 Bonds, as nominee of DTC, references in this Official Statement to the Owner or Owners of the Series 2025 Bonds or Owners means Cede & Co. and shall not mean the Beneficial Owners.

The Authority may enter into amendments to its agreement with DTC or any successor depository without the consent of the Beneficial Owners.

APPENDIX I

NOTICE OF SALE – SERIES 2025A BONDS

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NOTICE OF SALE

$85,110,000*

Virginia Public School Authority

School Financing Bonds (1997 Resolution)
Series 2025A

Electronic Bids, via PARITY Competitive Bidding System ("PARITY") only, for the purchase of all, and not less than all, of its $85,110,000* Virginia Public School Authority (the "Authority") School Financing Bonds (1997 Resolution) Series 2025A (the "Bonds" or "Series 2025A Bonds") will be received until 10:15 a.m., RICHMOND, VIRGINIA TIME, on Tuesday, April 22, 2025 (unless such time or date is changed as described herein), by the Authority.

Preliminary Official Statement

The Authority has authorized the preparation and distribution of a Preliminary Official Statement dated April 15, 2025 (the "Preliminary Official Statement") containing information relating to the Bonds. This Notice of Sale and the Preliminary Official Statement are available on the Internet at https://finpressllc.com.

Concurrently with the sale of the Series 2025A Bonds, the Authority is offering pursuant to competitive bidding its School Financing Refunding Bonds (1997 Resolution) Series 2025B (the "Series 2025B Bonds") pursuant to the provisions of a separate notice of sale. No detailed information is being provided herein regarding the Series 2025B Bonds.

The Series 2025A Bonds and the Series 2025B Bonds are both being sold pursuant to the Preliminary Official Statement.

The Series 2025A Bonds

Authorization and Security

The Bonds are being issued under the Bond Resolution duly adopted by the Authority on October 23, 1997, as amended and restated and supplemented (the "1997 Resolution"), to provide funds for the purchase of general obligation school bonds (the "2025A Local School Bonds") of the Counties of Frederick, Nelson, Roanoke and York in the Commonwealth of Virginia (the "2025A Local Issuers"). Additional series of bonds may be issued from time to time, under the conditions, limitations and restrictions set forth in the 1997 Resolution, on a parity with the outstanding series of bonds issued under the 1997 Resolution, for the purpose of providing funds for the purchase of general obligation school bonds of cities, counties and towns in the Commonwealth of Virginia (the "Commonwealth") and for the purpose of refunding bonds issued under the provisions of the 1997 Resolution.

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* *Preliminary, subject to adjustment as provided herein.*

Bonds issued under the 1997 Resolution will be secured by principal and interest payments on the local school bonds held by the Authority and pledged to the payment of bonds issued under the 1997 Resolution. The local school bonds are general obligations of the respective local issuers, to the payment of which their full faith and credit and taxing power are irrevocably pledged. The Authority has covenanted in the 1997 Resolution to seek in the Governor's budget submission each year a sum sufficient appropriation of an amount at least equal to scheduled debt service on the bonds issued under the 1997 Resolution during the fiscal years covered by such budget. The General Assembly has the power to make future appropriations with respect to the debt service on the bonds, but is under no legal obligation to do so. The bonds will not constitute a debt or a pledge of the faith and credit of the Commonwealth.

Details of Bonds; Book-Entry-Only

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable semiannually on February 1 and August 1, beginning February 1, 2026. The Bonds will be issued as fully registered bonds only in book-entry form payable to a nominee of The Depository Trust Company ("DTC") as securities depository for the Bonds. Reference is made to the Preliminary Official Statement relating to the Bonds for the applicable provisions relating to the transfer of beneficial ownership, manner of redemption, the responsibilities of DTC participants and the right of the Authority to discontinue use of the book-entry-only system.

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Maturity Schedule

The principal of the Bonds will be due (subject to the right of prior redemption as hereinafter set forth) on the 1st day of August in the following years and in the following amounts, respectively:

Preliminary Maturity Schedule*

Year of Maturity	Principal Amount	Year of Maturity	Principal Amount
2026	$2,990,000	2038	$4,135,000
2027	3,005,000	2039	4,215,000
2028	3,575,000	2040	4,295,000
2029	3,620,000	2041	4,375,000
2030	3,660,000	2042	4,465,000
2031	3,715,000	2043	4,550,000
2032	3,765,000	2044	4,630,000
2033	3,820,000	2045	4,710,000
2034	3,880,000	2046	1,330,000
2035	3,940,000	2047	1,390,000
2036	4,010,000	2048	1,450,000
2037	4,070,000	2049	1,515,000

*Preliminary, subject to adjustment as provided herein.

Revised Maturity Schedule

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts (the "Preliminary Annual Principal Amounts" and, collectively with reference to the Preliminary Aggregate Principal Amount, the "Preliminary Amounts") as set forth above in this Notice of Sale may be revised before the viewing of electronic bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount," the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 (www.tm3.com) NOT LATER THAN 9:00 A.M. RICHMOND, VIRGINIA TIME, ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS. Prospective bidders may request notification by facsimile transmission of any revisions in Preliminary Amounts by so advising and furnishing their telecopier numbers to Davenport & Company LLC at (804) 697-2915 by 12 Noon, RICHMOND, VIRGINIA TIME, at least one day prior to the date for receipt of bids.

Changes to Revised Maturity Schedule

The Authority further reserves the right to change the Revised Aggregate Principal Amount and the Revised Annual Principal Amounts after the determination of the winning bidder, by increasing or decreasing the Revised Aggregate Principal Amount after the determination of the winning bidder, by not more than 25% of such amount for the Bonds. Such changes, if any, will determine the "Final Annual Principal Amounts" and the "Final Aggregate Principal Amount." THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Prices will not change. The Authority anticipates that the Final Annual Principal Amounts and the Final Aggregate Principal Amount of the Bonds will be communicated to the successful bidder by 5:00 p.m., Richmond, Virginia time, on the day of the sale.

Term Bond Option

The successful bidder may submit bids that contain one or more term bonds. The successful bidder may designate two or more of the consecutive serial maturities as one, but not more than one, term bond maturity equal in aggregate principal amount, and with amortization requirements corresponding, to such designated serial maturities.

Optional Redemption*

The Bonds which are stated to mature on or after August 1, 2036, may be redeemed prior to their respective maturities, at the option of the Authority, from any moneys that may be made available for such purpose, either in whole or in part, on any date beginning August l, 2035, at a redemption price of par, together with the interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds to be redeemed shall be selected by DTC and its participants by lot so long as a book-entry-only system with DTC is continued. Notice of redemption shall be given by certified or registered mail to DTC or its nominee as the registered owner of the Bonds. Such notice shall be mailed not more than 60 or less than 30 days prior to the date fixed for redemption. The Authority will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

Electronic Bidding and Bidding Procedures

Registration to Bid

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System ("BiDCOMP/Parity"). If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase

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* *Preliminary, subject to change.*

of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. By contracting with Parity a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from PARITY at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Bonds. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify the Director of Debt Management of the Commonwealth by telephone at (804) 225-2142. After receipt of bids is closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers, and does not constitute the award of the Bonds. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Virginia Public School Authority AON Bid Form (the "Bid Form") via BiDCOMP/Parity. Bids must be communicated electronically to BiDCOMP/Parity by 10:15 a.m., Richmond, Virginia time, on Tuesday, April 22, 2025 unless such time and/or date is changed as described herein (see "Changes to Bid Date, Closing Date"). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the State Treasurer, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

Bid Specifications

No bid for less than all of the Bonds offered will be entertained. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%. Each bidder must specify in its bid the amount and the maturities of the Bonds of each rate, and the Bonds maturing on the same date must bear interest at the same rate. Any number of interest rates may be named, provided that no interest rate may exceed 5.00% or be less than 1.00%. There is a minimum price per maturity of 97.50%. There is a minimum aggregate bid price of 100% of the aggregate principal amount of the Bonds plus accrued interest.

Each bidder is required to transmit electronically by means of the Bid Form via BiDCOMP/Parity an unconditional bid specifying the rate or rates of interest and the price at which the bidder will purchase the Bonds.

Good Faith Deposit

After receipt of the bids is closed and prior to the award, the apparent successful bidder indicated on BiDCOMP/Parity must submit a good faith deposit (the "Deposit") for $851,100 to the Authority by wire transfer. Wire instructions will be provided to the apparent successful bidder in a timely fashion after receipt of the bids is closed and the wire transfer must be submitted to the Authority by the successful bidder not later than 4:00 p.m., Richmond, Virginia time on the date of receipt of bids. The award to the apparent successful bidder is contingent upon receipt of the Deposit and the Bonds will not be awarded to such bidder until the Authority has confirmation of receipt of the Deposit.

Award of the Series 2025A Bonds

Award or rejection of bids will be made by the Authority prior to 5:00 p.m. Richmond, Virginia time on the date of receipt of bids. Upon such notice, such successful bidder shall advise the Authority of the Initial Reoffering Prices and yields to the public of the various maturities of the Bonds as described below. Such information, among other things, will be used by the Authority to calculate the final principal amount of each maturity and the Final Aggregate Principal Amount of the Bonds.

The proceeds of the Deposit will be held as security for the performance of the successful bidder's bid and applied to the purchase price of the Bonds, but in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest will be allowed thereon.

ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., RICHMOND, VIRGINIA TIME, ON THE DATE OF RECEIPT OF BIDS. An award of the Bonds, if made, will be made by the Authority by 5:00 P.M. Richmond, Virginia time. Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Authority, based on the Revised Amounts described above. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price (exclusive of accrued interest). The true interest cost shall be calculated from the dated date of the Bonds. In case of a tie, the Authority may select the successful bidder. The Authority reserves the right to waive any irregularities in any bid and to reject any or all bids.

Changes to Bid Date, Closing Date

Amendments to the Notice of Sale

The Authority reserves the right to change the time and/or the date, from time to time, established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on TM3 (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Davenport & Company LLC at (804) 697-2915 by 12 Noon, Richmond, Virginia time, on the day prior to the announced date for receipt of bids.

Any change to the time or date for receipt of bids will be announced via TM3 not later than 9:00 a.m., Richmond, Virginia time, on any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by 5:00 p.m., Richmond, Virginia time, the business day prior to such alternative time for receipt of bids.

On any such alternative date and time for receipt of bids, the Authority will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

The Authority may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids.

Other Amendments

The Authority reserves the right to otherwise amend this Notice of Sale. The Authority expects that it would publish notification of any such amendment via TM3 not later than 9:00 a.m. Richmond, Virginia time on any announced date for receipt of bids and would provide notification by facsimile transmission to prospective bidders who have so requested such notification and provided their telecopier numbers to Davenport & Company LLC.

Closing; Miscellaneous

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of each maturity of the Bonds to the general public and shall, within 30 minutes after being notified that such bidder's bid appears to be the apparent winning bid, subject to verification, advise the Authority of the yields to the public and initial public offering prices of the Bonds (the "Initial Reoffering Prices").

The Bonds will be delivered on or about May 13, 2025* (the "Closing Date") through the facilities of DTC against payment of the purchase price therefor (less the amount of the Deposit) in Federal Reserve funds. The approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel to the Authority, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers.

After the award of the Bonds, the Authority will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. Final Official Statements will be provided to the successful bidder within seven business days after the award of the Bonds in such quantities as may be necessary for the successful bidder's regulatory compliance.

The Authority expects the successful bidder to deliver copies of the final Official Statement to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board (the "MSRB"). The successful bidder will be required to acknowledge receipt of such final Official Statement, to certify that it has made delivery of the final Official Statement to such parties, to acknowledge that the Authority expects the successful bidder to deliver copies of such final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the final Official Statement and only in states where the offer is legal.

To assist the successful bidder in complying with the requirements of Rule 15c2-12(b)(5) (the "Rule") of the Securities Exchange Act of 1934, as amended, the MSRB will be provided annual information respecting the Authority, any local issuer designated as an obligated person and the Commonwealth, including audited financial statements. In addition, the Authority and any local issuer designated as an obligated person will provide to the MSRB notice of the occurrence of any events described in the Rule and the Commonwealth will provide notice of any change in the ratings of its general obligation bonds.

It is the policy of the Commonwealth pursuant to Executive Order 35 (2019) to ensure that small businesses and businesses owned by women, minorities and service disabled veterans receive every opportunity to compete for the Commonwealth's business. Following award of the Bonds the Authority requires that the winning bidder provide a listing of syndicate members noting

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* *Preliminary, subject to change.*

any minority, women, service disabled veterans or disadvantaged business enterprises participating in the syndicate.

Issue Price Certificate

The successful bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority on or prior to the Closing Date an "issue price" or similar certificate setting forth the reasonably expected initial offering prices to the public or the actual sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form attached hereto as Schedule 1, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Authority and Bond Counsel. All actions to be taken by the Authority under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority's financial advisor (Davenport & Company LLC) and any notice or report to be provided to the Authority may be provided to the Authority's financial advisor.

If the Authority's financial advisor has certified to the Authority that the competitive sale requirements specified in the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) have been satisfied, the Authority will furnish to the successful bidder on the sale date written notice thereof.

In the event that the competitive sale requirements are not satisfied, the Authority shall so advise the successful bidder in writing on the sale date, and the successful bidder shall be subject to the "hold-the-offering-price rule" for each maturity, unless the successful bidder confirms on the sale date that it has sold at least 10% of a given maturity as described below.

The Authority may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Authority if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Authority shall notify the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the initial offering price, or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth business day after the sale date; or

(ii) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth business day after the sale date.

The Authority acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that the 10% test has been satisfied as to the Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the Authority to the successful bidder.

CUSIP Numbers

CUSIP numbers will be applied for by the Authority with respect to the Bonds, but the Authority will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery or make payment for the Bonds.

Additional Information

Copies of the Preliminary Official Statement in its entirety, including all appendices, may be obtained from Financial Press, LLC at https://finpressllc.com. Physical copies are available upon request by calling Financial Press, LLC at (804) 928-6366.

VIRGINIA PUBLIC SCHOOL AUTHORITY

By: JOHN R. RILEY, JR., Chair

SCHEDULE 1

Form of Issue Price Certificate

$__________
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING BONDS (1997 RESOLUTION)
SERIES 2025A

The undersigned, on behalf of __________ (the "[Successful Bidder]"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

[Competitive Sale Requirements Met]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the [Successful Bidder] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the [Successful Bidder] in formulating its bid to purchase the Bonds. A copy of the pricing wire or other equivalent communication for the Bonds is attached as Schedule B.

(b) The [Successful Bidder] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the [Successful Bidder] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) "*Issuer*" means the Virginia Public School Authority.

(b) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "*Sale Date*" means the date that the Bonds are awarded by the Issuer to the Successful Bidder. The Sale Date of the Bonds is [DATE].

(e) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ___________________________________
Name: ________________________________

Dated: [ISSUE DATE]

[Competitive Sale Requirements Not Met – General Rule to Apply (to those maturities for which 10% were sold on the sale date) /Hold-The-Offering Price to Apply (to those maturities for which 10% were NOT sold on the sale date]

1. Sale of the Bonds – General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. Hold-the-Offering Price Maturities.

(a) The [Successful Bidder] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [Successful Bidder] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the [Successful Bidder] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) "*General Rule Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date), or (ii) the date on which the [Successful Bidder] has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "*Issuer*" means the Virginia Public School Authority.

(e) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) "*Sale Date*" means the date that the Bonds are awarded by the Issuer to the Successful Bidder. The Sale Date of the Bonds is [DATE].

(h) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ___________________________________
Name: ________________________________

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES OR SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

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NOTICE OF SALE – SERIES 2025B BONDS

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NOTICE OF SALE

\$190,270,000*

Virginia Public School Authority

School Financing Refunding Bonds (1997 Resolution)
Series 2025B

Electronic Bids, via PARITY Competitive Bidding System ("PARITY") only, for the purchase of all, and not less than all, of its \$190,270,000* Virginia Public School Authority (the "Authority") School Financing Refunding Bonds (1997 Resolution) Series 2025B (the "Bonds" or "Series 2025B Bonds") will be received until 10:45 a.m., RICHMOND, VIRGINIA TIME, on Tuesday, April 22, 2025 (unless such time or date is changed as described herein), by the Authority.

Preliminary Official Statement

The Authority has authorized the preparation and distribution of a Preliminary Official Statement dated April 15, 2025 (the "Preliminary Official Statement") containing information relating to the Bonds. This Notice of Sale and the Preliminary Official Statement are available on the Internet at https://finpressllc.com.

Concurrently with the sale of the Series 2025B Bonds, the Authority is offering pursuant to competitive bidding its School Financing Bonds (1997 Resolution) Series 2025A (the "Series 2025A Bonds") pursuant to the provisions of a separate notice of sale. No detailed information is being provided herein regarding the Series 2025A Bonds.

The Series 2025A Bonds and the Series 2025B Bonds are both being sold pursuant to the Preliminary Official Statement.

The Series 2025B Bonds

Authorization and Security

The Bonds are being issued under the Bond Resolution duly adopted by the Authority on October 23, 1997, as amended and restated and supplemented (the "1997 Resolution"), to provide funds for the refunding in advance of their maturity certain bonds of the Authority issued under the 1997 Resolution and certain other outstanding obligations of the Authority (the "Refunded Bonds"). Additional series of bonds may be issued from time to time, under the conditions, limitations and restrictions set forth in the 1997 Resolution, on a parity with the outstanding series of bonds issued under the 1997 Resolution, for the purpose of providing funds for the purchase of general obligation school bonds of cities, counties and towns in the Commonwealth of Virginia (the "Commonwealth") and for the purpose of refunding bonds issued under the provisions of the 1997 Resolution.

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* *Preliminary, subject to adjustment as provided herein.*

Bonds issued under the 1997 Resolution will be secured by principal and interest payments on the local school bonds held by the Authority and pledged to the payment of bonds issued under the 1997 Resolution. The local school bonds are general obligations of the respective local issuers, to the payment of which their full faith and credit and taxing power are irrevocably pledged. The Authority has covenanted in the 1997 Resolution to seek in the Governor's budget submission each year a sum sufficient appropriation of an amount at least equal to scheduled debt service on the bonds issued under the 1997 Resolution during the fiscal years covered by such budget. The General Assembly has the power to make future appropriations with respect to the debt service on the bonds, but is under no legal obligation to do so. The bonds will not constitute a debt or a pledge of the faith and credit of the Commonwealth.

Details of Bonds; Book-Entry-Only

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable semiannually on February 1 and August 1, beginning August 1, 2025. The Bonds will be issued as fully registered bonds only in book-entry form payable to a nominee of The Depository Trust Company ("DTC") as securities depository for the Bonds. Reference is made to the Preliminary Official Statement relating to the Bonds for the applicable provisions relating to the transfer of beneficial ownership, manner of redemption, the responsibilities of DTC participants and the right of the Authority to discontinue use of the book-entry-only system.

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Maturity Schedule

The principal of the Bonds will be due (subject to the right of prior redemption as hereinafter set forth) on the 1st day of August in the following years and in the following amounts, respectively:

Preliminary Maturity Schedule*

Year of Maturity	Principal Amount	Year of Maturity	Principal Amount
2025	$2,205,000	2032	$7,990,000
2026	44,045,000	2033	4,980,000
2027	44,950,000	2034	2,695,000
2028	30,500,000	2035	2,845,000
2029	21,190,000	2036	2,135,000
2030	11,195,000	2037	2,255,000
2031	11,785,000	2038	1,500,000

*Preliminary, subject to adjustment as provided herein.

Revised Maturity Schedule

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts (the "Preliminary Annual Principal Amounts" and, collectively with reference to the Preliminary Aggregate Principal Amount, the "Preliminary Amounts") as set forth above in this Notice of Sale may be revised before the viewing of electronic bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount," the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 (www.tm3.com) NOT LATER THAN 9:00 A.M. RICHMOND, VIRGINIA TIME, ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS. Prospective bidders may request notification by facsimile transmission of any revisions in Preliminary Amounts by so advising and furnishing their telecopier numbers to Davenport & Company LLC at (804) 697-2915 by 12 Noon, RICHMOND, VIRGINIA TIME, at least one day prior to the date for receipt of bids.

Changes to Revised Maturity Schedule

The Authority further reserves the right to change the Revised Aggregate Principal Amount and the Revised Annual Principal Amounts after the determination of the winning bidder, by increasing or decreasing the Revised Aggregate Principal Amount after the determination of the winning bidder, by not more than 25% of such amount for the Bonds. Such changes, if any, will determine the "Final Annual Principal Amounts" and the "Final Aggregate Principal Amount." THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS

WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Prices will not change. The Authority anticipates that the Final Annual Principal Amounts and the Final Aggregate Principal Amount of the Bonds will be communicated to the successful bidder by 5:00 p.m., Richmond, Virginia time, on the day of the sale.

Term Bond Option

The successful bidder may submit bids that contain one or more term bonds. The successful bidder may designate two or more of the consecutive serial maturities as one, but not more than one, term bond maturity equal in aggregate principal amount, and with amortization requirements corresponding, to such designated serial maturities.

Optional Redemption*

The Bonds which are stated to mature on or after August 1, 2036, may be redeemed prior to their respective maturities, at the option of the Authority, from any moneys that may be made available for such purpose, either in whole or in part, on any date beginning August l, 2035, at a redemption price of par, together with the interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds to be redeemed shall be selected by DTC and its participants by lot so long as a book-entry-only system with DTC is continued. Notice of redemption shall be given by certified or registered mail to DTC or its nominee as the registered owner of the Bonds. Such notice shall be mailed not more than 60 or less than 30 days prior to the date fixed for redemption. The Authority will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

Electronic Bidding and Bidding Procedures

Registration to Bid

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System ("BiDCOMP/Parity"). If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. By contracting with Parity a prospective bidder is not obligated to submit a bid in connection with the sale.

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* *Preliminary, subject to change.*

IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from PARITY at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Bonds. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify the Director of Debt Management of the Commonwealth by telephone at (804) 225-2142. After receipt of bids is closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers, and does not constitute the award of the Bonds. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Virginia Public School Authority AON Bid Form (the "Bid Form") via BiDCOMP/Parity. Bids must be communicated electronically to BiDCOMP/Parity by 10:45 a.m., Richmond, Virginia time, on Tuesday, April 22, 2025 unless such time and/or date is changed as described herein (see "Changes to Bid Date, Closing Date"). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the State Treasurer, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

Bid Specifications

No bid for less than all of the Bonds offered will be entertained. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%. Each bidder must specify in its bid the amount and the maturities of the Bonds of each rate, and the Bonds maturing on the same date must bear interest at the same rate. Any number of interest rates may be named, provided that no interest rate may exceed 5.00% or be less than 1.00%. There is a minimum price per maturity of 97.50%. There is a minimum aggregate bid price of 100% of the aggregate principal amount of the Bonds plus accrued interest.

Each bidder is required to transmit electronically by means of the Bid Form via BiDCOMP/Parity an unconditional bid specifying the rate or rates of interest and the price at which the bidder will purchase the Bonds.

Good Faith Deposit

After receipt of the bids is closed and prior to the award, the apparent successful bidder indicated on BiDCOMP/Parity must submit a good faith deposit (the "Deposit") for $1,902,700 to the Authority by wire transfer. Wire instructions will be provided to the apparent successful bidder in a timely fashion after receipt of the bids is closed and the wire transfer must be submitted to the Authority by the successful bidder not later than 4:00 p.m., Richmond, Virginia time on the date of receipt of bids. The award to the apparent successful bidder is contingent upon receipt of the Deposit and the Bonds will not be awarded to such bidder until the Authority has confirmation of receipt of the Deposit.

Award of the Series 2025B Bonds

Award or rejection of bids will be made by the Authority prior to 5:00 p.m. Richmond, Virginia time on the date of receipt of bids. Upon such notice, such successful bidder shall advise the Authority of the Initial Reoffering Prices and yields to the public of the various maturities of the Bonds as described below. Such information, among other things, will be used by the Authority to calculate the final principal amount of each maturity and the Final Aggregate Principal Amount of the Bonds.

The proceeds of the Deposit will be held as security for the performance of the successful bidder's bid and applied to the purchase price of the Bonds, but in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest will be allowed thereon.

ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., RICHMOND, VIRGINIA TIME, ON THE DATE OF RECEIPT OF BIDS. An award of the Bonds, if made, will be made by the Authority by 5:00 P.M. Richmond, Virginia time. Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Authority, based on the Revised Amounts described above. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price (exclusive of accrued interest). The true interest cost shall be calculated from the dated date of the Bonds. In case of a tie, the Authority may select the successful bidder. The Authority reserves the right to waive any irregularities in any bid and to reject any or all bids.

Changes to Bid Date, Closing Date

Amendments to the Notice of Sale

The Authority reserves the right to change the time and/or the date, from time to time, established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on TM3 (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Davenport & Company LLC at (804) 697-2915 by 12 Noon, Richmond, Virginia time, on the day prior to the announced date for receipt of bids.

Any change to the time or date for receipt of bids will be announced via TM3 not later than 9:00 a.m., Richmond, Virginia time, on any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by 5:00 p.m., Richmond, Virginia time, the business day prior to such alternative time for receipt of bids.

On any such alternative date and time for receipt of bids, the Authority will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

The Authority may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids.

Other Amendments

The Authority reserves the right to otherwise amend this Notice of Sale. The Authority expects that it would publish notification of any such amendment via TM3 not later than 9:00 a.m. Richmond, Virginia time on any announced date for receipt of bids and would provide notification by facsimile transmission to prospective bidders who have so requested such notification and provided their telecopier numbers to Davenport & Company LLC.

Closing; Miscellaneous

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of each maturity of the Bonds to the general public and shall, within 30 minutes after being notified that such bidder's bid appears to be the apparent winning bid, subject to verification, advise the Authority of the yields to the public and initial public offering prices of the Bonds (the "Initial Reoffering Prices").

The Bonds will be delivered on or about May 13, 2025* (the "Closing Date") through the facilities of DTC against payment of the purchase price therefor (less the amount of the Deposit) in Federal Reserve funds. The approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel to the Authority, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers.

After the award of the Bonds, the Authority will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. Final Official Statements will be provided to the successful bidder within seven business days after the award of the Bonds in such quantities as may be necessary for the successful bidder's regulatory compliance.

The Authority expects the successful bidder to deliver copies of the final Official Statement to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board (the "MSRB"). The successful bidder will be required to acknowledge receipt of such final Official Statement, to certify that it has made delivery of the final Official Statement to such parties, to acknowledge that the Authority expects the successful bidder to deliver copies of such final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the final Official Statement and only in states where the offer is legal.

To assist the successful bidder in complying with the requirements of Rule 15c2-12(b)(5) (the "Rule") of the Securities Exchange Act of 1934, as amended, the MSRB will be provided annual information respecting the Authority, any local issuer designated as an obligated person and the Commonwealth, including audited financial statements. In addition, the Authority and any local issuer designated as an obligated person will provide to the MSRB notice of the occurrence of any events described in the Rule and the Commonwealth will provide notice of any change in the ratings of its general obligation bonds.

It is the policy of the Commonwealth pursuant to Executive Order 35 (2019) to ensure that small businesses and businesses owned by women, minorities and service disabled veterans receive every opportunity to compete for the Commonwealth's business. Following award of the Bonds the Authority requires that the winning bidder provide a listing of syndicate members noting any minority, women, service disabled veterans or disadvantaged business enterprises participating in the syndicate.

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* *Preliminary, subject to change.*

Issue Price Certificate

The successful bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority on or prior to the Closing Date an "issue price" or similar certificate setting forth the reasonably expected initial offering prices to the public or the actual sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form attached hereto as Schedule 1, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Authority and Bond Counsel. All actions to be taken by the Authority under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority's financial advisor (Davenport & Company LLC) and any notice or report to be provided to the Authority may be provided to the Authority's financial advisor.

If the Authority's financial advisor has certified to the Authority that the competitive sale requirements specified in the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) have been satisfied, the Authority will furnish to the successful bidder on the sale date written notice thereof.

In the event that the competitive sale requirements are not satisfied, the Authority shall so advise the successful bidder in writing on the sale date, and the successful bidder shall be subject to the "hold-the-offering-price rule" for each maturity, unless the successful bidder confirms on the sale date that it has sold at least 10% of a given maturity as described below.

The Authority may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Authority if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Authority shall notify the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the initial offering price, or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth business day after the sale date; or

(ii) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth business day after the sale date.

The Authority acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that the 10% test has been satisfied as to the Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the Authority to the successful bidder.

CUSIP Numbers

CUSIP numbers will be applied for by the Authority with respect to the Bonds, but the Authority will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery or make payment for the Bonds.

Additional Information

Copies of the Preliminary Official Statement in its entirety, including all appendices, may be obtained from Financial Press, LLC at https://finpressllc.com. Physical copies are available upon request by calling Financial Press, LLC at (804) 928-6366.

VIRGINIA PUBLIC SCHOOL AUTHORITY

By: JOHN R. RILEY, JR., Chair

SCHEDULE 1

Form of Issue Price Certificate

$__________
VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING REFUNDING BONDS (1997 RESOLUTION)
SERIES 2025B

The undersigned, on behalf of __________ (the "[Successful Bidder]"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

[Competitive Sale Requirements Met]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the [Successful Bidder] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the [Successful Bidder] in formulating its bid to purchase the Bonds. A copy of the pricing wire or other equivalent communication for the Bonds is attached as Schedule B.

(b) The [Successful Bidder] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the [Successful Bidder] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) "*Issuer*" means the Virginia Public School Authority.

(b) "*Maturity"* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "*Public"* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "*Sale Date"* means the date that the Bonds are awarded by the Issuer to the Successful Bidder. The Sale Date of the Bonds is [DATE].

(e) "*Underwriter"* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ___________________________________
Name: ________________________________

Dated: [ISSUE DATE]

[Competitive Sale Requirements Not Met – General Rule to Apply (to those maturities for which 10% were sold on the sale date) /Hold-The-Offering Price to Apply (to those maturities for which 10% were NOT sold on the sale date]

1. Sale of the Bonds – General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. Hold-the-Offering Price Maturities.

(a) The [Successful Bidder] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [Successful Bidder] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the [Successful Bidder] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) "*General Rule Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date), or (ii) the date on which the [Successful Bidder] has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "*Issuer*" means the Virginia Public School Authority.

(e) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) "*Sale Date*" means the date that the Bonds are awarded by the Issuer to the Successful Bidder. The Sale Date of the Bonds is [DATE].

(h) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ___________________________________
Name: ________________________________

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES OR SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

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