

VIRGINIA COLLEGE BUILDING AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016



VIRGINIA COLLEGE BUILDING AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDING JUNE 30, 2016

Table of Contents

Management's Discussion and Analysis	1
Basic Financial Statements:	
Statement of Net Position and Governmental Funds Balance Sheet	7
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance.....	8
Notes to the Financial Statements.....	9
Supplementary Information:	
Detail of Long-Term Indebtedness	18
Schedule of Outstanding Bond Issues for Private Colleges and Universities	19
Independent Auditor's Report.....	20
Authority Officials	23

VIRGINIA COLLEGE BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This section of the annual financial report of the Virginia College Building Authority (“the Authority”) presents an analysis of the Authority’s financial performance during the fiscal year that ended on June 30, 2016. 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 College Building Authority is authorized to issue revenue bonds and notes to finance (1) capital projects of public institutions of higher education under the Pooled Bond Program; (2) capital projects of public institutions of higher education under the 21st Century College and Equipment Programs; and (3) loans to private, non-profit institutions of higher education within the Commonwealth.

Under the Pooled Bond Program, bonds of the Authority are secured by notes of participating institutions of higher education to which the general revenues of the college or university have been pledged. During the year, the Authority issued \$207.5 million of bonds under this Program.

The 21st Century Program and the Equipment Program were established in 1996 and 1986, respectively, and provide financing for state-supported institutions of higher education. The 21st Century Program provides funding for capital projects designated by the General Assembly. The Equipment Program provides funding for educational equipment. Bonds for both programs are payable from amounts to be appropriated by the General Assembly, and are frequently issued together as a single 21st Century College and Equipment Programs offering. During the year, the Authority issued \$739.8 million of bonds under this Program.

The Authority is also authorized to issue conduit revenue bonds and notes to finance educational projects through loans to private, non-profit institutions of higher education within the Commonwealth. Since these financings are not obligations of the Commonwealth, they are not included in these financial statements. However, for informational purposes only, a Schedule of Outstanding Bond Issues for Private Colleges and Universities is included on page 19 of this report.

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) combined government-wide and fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities are two basic financial statements that report information about the Authority as a whole. The data is reported using the accrual basis of accounting, and provides insight as to whether or not the Authority’s total financial position has improved as a result of the current year’s activities.

VIRGINIA COLLEGE BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The Statement of Net Position presents all of the Authority's assets and liabilities, with the difference between the two reported as "net position." Over time, increases and decreases in net position measure whether the Authority's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. receipt or payments on long-term debt obligations).

Both statements report governmental activities. The financial information in this section is related to Authority programs backed by appropriations from the Commonwealth and by note obligations from institutions of higher education. This includes the Authority's 21st Century College and Equipment Programs and Pooled Bond Program.

Fund Financial Statements

The fund financial statements provide detailed information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Authority uses to keep track of specific sources of funding and spending for a particular purpose.

All of the Authority's activity is reported in Governmental Funds Financial Statements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources. This approach is known as using the current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Authority's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the Authority.

Because the focus of governmental funds is narrower 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. By doing so, readers may better understand the long-term impact of the government'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 the governmental activities. These reconciliations are presented in the adjustment column in each of the financial statements.

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 the fund financial statements.

VIRGINIA COLLEGE BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Government-wide Financial Analysis of the Authority

The primary purpose of the Authority is to provide a vehicle for financing capital and equipment needs for state supported institutions of higher education. The Department of the Treasury provides staff support for the Authority. Consequently, the only operating costs are those attributable to its financing programs, which are paid from bond proceeds. The Authority owns no capital assets.

Condensed Statement of Net Position
(in millions)

	2016	2015
Current assets	\$ 600	\$ 429
Noncurrent assets	1,572	1,627
Total assets	2,172	2,056
Total deferred outflows	27	26
Current liabilities	685	661
Noncurrent liabilities	5,339	4,919
Total liabilities	6,024	5,580
Net position (deficit):		
Restricted	253	46
Unrestricted	(4,078)	(3,544)
Total net position (deficit)	\$ (3,825)	\$ (3,498)

Net position decreased by \$327 million, or 9%, in fiscal year 2016 as compared to fiscal year 2015. The 21st Century College and Equipment Programs comprise the majority of the Authority's net position. During the year the Authority spent \$758 million on disbursements to institutions and on bond interest expenses. Offsetting revenues were only \$433 million. The Authority's total assets increased by \$116 million, or 6%, primarily attributable to a \$208 million increase in the 21st Century College and Equipment Programs' assets and a \$93 million decrease in the Pooled Bond Program's total assets. Increases in assets were primarily driven by program receipts exceeding program disbursements. Decreases in liabilities under the Pooled Bond Program offset the Pooled Bond asset decrease, leaving a minimal change in Pooled Bond net position, while liabilities under the 21st Century College and Equipment Programs increased by \$537 million. The increase in 21st Century liabilities is tied to bonds issued. This increase is partially offset by the unspent proceeds available at year-end.

Deficit net position reported by the Authority is a function of the reporting of outstanding obligations for the 21st Century College and Equipment Programs without the reporting of the corresponding appropriation receivable from the Commonwealth, which secures these bonds. This is done since future appropriations are not considered available and do not

VIRGINIA COLLEGE BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

constitute a legally binding commitment, and generally accepted accounting principles do not permit the reporting of these receivables prior to their receipt. The General Assembly has never failed to appropriate funds to the Authority for payment of debt service on the Authority's bonds.

Condensed Statement of Activities
(in millions)

	2016	2015
Revenues:		
Appropriations from the Commonwealth	\$ 348	\$ 316
Other revenues/sources	85	87
Total revenues	433	403
Expenses:		
Interest on long-term debt	202	192
Construction and equipment disbursements	555	563
Other	3	1
Total expenses	760	756
Decrease in net position	(327)	(353)
Net position (deficit) July 1	(3,498)	(3,145)
Net position (deficit) June 30	\$ (3,825)	\$ (3,498)

The increase in revenues of \$30 million, or 7%, is attributable to a \$30 million increase in debt service-related receipts. The slight increase in expenses of \$4 million is primarily due to a \$7 million decrease in disbursements to higher education institutions, offset by an increase of \$11 million in debt service-related disbursements.

Financial Analysis of the Authority's Funds

In the Special Revenue Fund, total assets increased by \$172 million, or 58%, in fiscal year 2016. This is primarily attributable to current period receipts (comprised of \$822 million in spendable bond proceeds and \$537 million in receipts for debt service) being less than current period expenditures (comprised of \$650 million in disbursements to institutions and \$537 million in debt service expenditures). Liabilities changed slightly (\$2 million) from the prior year due to a good faith deposit received toward a July bond closing. Liabilities generally fluctuate with construction schedules and reimbursement requests.

VIRGINIA COLLEGE BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Debt Administration

As a financing entity, the whole business of the Authority is debt administration. The Authority issues bonds to finance capital projects approved by the General Assembly of the Commonwealth of Virginia. Depending on the program, certain bonds are secured by obligations of the recipient institutions of higher education; other bonds are secured by amounts to be appropriated by the General Assembly. The table below summarizes bond issuance activity during the year under each program.

**Summary of Authority Bond Obligations
(in millions)**

	21st Century Program - Capital	21st Century Program - Equipment	Pooled Bond Program	Total
Outstanding, 7/1/15	\$ 3,079	\$ 189	\$ 1,729	\$ 4,997
Issued during year	683	57	208	948
Retired during year	(168)	(48)	(103)	(319)
Defeased during year	(51)		(159)	(210)
Unamortized premium on bonds	308			308
Outstanding, 6/30/16	<u>\$ 3,851</u>	<u>\$ 198</u>	<u>\$ 1,675</u>	<u>\$ 5,724</u>

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

Virginia College Building Authority Bond Ratings

	Moody's	S&P	Fitch
21 st Century College and Equipment Programs	Aa1	AA+	AA+
Pooled Bond Program	Aa1	AA	AA+

Since the Authority's bond programs are either backed by state appropriations (21st Century College and Equipment Programs) 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

In July 2016, the Authority issued \$231.9 million in Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2016A to acquire Institutional Notes

VIRGINIA COLLEGE BUILDING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

from participating public institutions of higher education. The proceeds will be used to refund certain maturities of outstanding prior Authority Bonds.

VIRGINIA COLLEGE BUILDING AUTHORITY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

As of June 30, 2016

	Special Revenue Fund	Adjustments (Note 1F)	Statement of Net Position
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 467,553,614	\$ -	\$ 467,553,614
Short-term notes receivable	-	103,858,848	103,858,848
Restricted interest receivable	233	23,239,047	23,239,280
Interest receivable	206,158	-	206,158
Due from the federal government	-	4,807,945	4,807,945
Total current assets	<u>467,760,005</u>	<u>131,905,840</u>	<u>599,665,845</u>
Noncurrent assets:			
Restricted cash and cash equivalents	1,715,646	-	1,715,646
Long-term notes receivable	-	1,570,220,000	1,570,220,000
Total noncurrent assets	<u>1,715,646</u>	<u>1,570,220,000</u>	<u>1,571,935,646</u>
Total assets	<u>\$ 469,475,651</u>	<u>1,702,125,840</u>	<u>2,171,601,491</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding		<u>27,544,000</u>	<u>27,544,000</u>
Total deferred charge on refunding		<u>27,544,000</u>	<u>27,544,000</u>
LIABILITIES			
Current liabilities:			
Due to higher education institutions	\$ 65,389,935	93,550,275	158,940,210
Allocation payable	53,992,007	-	53,992,007
Interest payable	-	85,718,849	85,718,849
Bonds payable	-	360,180,000	360,180,000
Premium on bonds sold	-	24,137,273	24,137,273
Deposits pending distribution	2,343,000	-	2,343,000
Total current liabilities	<u>121,724,942</u>	<u>563,586,397</u>	<u>685,311,339</u>
Noncurrent liabilities:			
Bonds payable	-	5,055,235,000	5,055,235,000
Premium on bonds sold	-	284,012,551	284,012,551
Total noncurrent liabilities	<u>-</u>	<u>5,339,247,551</u>	<u>5,339,247,551</u>
Total liabilities	<u>121,724,942</u>	<u>5,902,833,948</u>	<u>6,024,558,890</u>
FUND BALANCE/NET POSITION:			
Fund balance:			
Restricted for construction and equipment	346,035,063	(346,035,063)	-
Restricted for debt service	1,715,646	(1,715,646)	-
Total fund balance	<u>347,750,709</u>	<u>(347,750,709)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 469,475,651</u>		
Net position (deficit):			
Restricted for construction and equipment purchases		252,484,555	252,484,555
Restricted for debt service		3,016	3,016
Unrestricted		(4,077,900,970)	(4,077,900,970)
Total net position (deficit)		<u>\$ (3,825,413,399)</u>	<u>\$ (3,825,413,399)</u>

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

VIRGINIA COLLEGE BUILDING AUTHORITY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE For the Fiscal Year Ended June 30, 2016

	Special Revenue Fund	Adjustments (Note 1F)	Statement of Activities
REVENUES:			
Interest on investments	\$ 1,226,192	\$ (664,449)	\$ 561,743
Interest on bonds	72,817,995	(1,088,009)	71,729,986
Receipt of note principal payments	103,696,532	(103,696,532)	-
Appropriations from the Commonwealth	348,441,959	-	348,441,959
Interest on Build America Bonds	12,390,914	(128,975)	12,261,939
Total revenues	538,573,592	(105,577,965)	432,995,627
EXPENDITURES/EXPENSES:			
Current:			
Legal and financial services	384,324	(184,898)	199,426
Bond rating fees	238,416	(57,401)	181,015
Printing and electronic distributions	10,126	(2,540)	7,586
Equipment allocation	85,908,160	-	85,908,160
Disbursement to higher education institutions	563,661,698	(94,298,355)	469,363,343
Underwriter's discount	3,313,413	(927,252)	2,386,161
Miscellaneous	270	86	356
Debt service:			
Principal retirement	319,665,000	(319,665,000)	-
Interest and fiscal charges	217,272,106	(14,676,483)	202,595,623
Total expenditures/expenses	1,190,453,513	(429,811,843)	760,641,670
Excess (deficiency) of revenues over (under) expenditures	(651,879,921)	-	-
Other financing sources (uses):			
Bond issuance	947,340,000	(947,340,000)	-
Bond premium	108,366,769	(108,366,769)	-
Payments to refunded bond escrow agent	(233,876,023)	233,876,023	-
Total other financing sources (uses)	821,830,746	(821,830,746)	-
Excess of revenues and other financing sources over expenditures and other financing uses	169,950,825	(169,950,825)	-
Change in net position	-	(327,646,043)	(327,646,043)
Fund balance/Net position (deficit), July 1, 2015	177,799,884	(3,675,567,240)	(3,497,767,356)
Fund balance/Net position (deficit), June 30, 2016	\$ 347,750,709	\$ (4,173,164,108)	\$ (3,825,413,399)

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

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

AS OF JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Virginia College Building Authority (“the Authority”) was created by the Virginia College Building Authority Act of 1966, Chapter 12, Title 23.1, *Code of Virginia*. The Authority is a public body corporate and a political subdivision, agency, and instrumentality of the Commonwealth. Under this chapter, the Authority is authorized to issue revenue bonds and notes to finance (i) capital projects under the Authority’s Pooled Bond Program, and (ii) capital projects under the Authority’s 21st Century College and Equipment Programs for all public institutions of higher education of the Commonwealth.

Under the Pooled Bond Program, the Authority issues its bonds and uses the proceeds thereof to purchase notes of public institutions of higher education in the Commonwealth. Proceeds are used by the institutions to finance or refinance capital projects approved by the General Assembly. Authority bonds issued under the Pooled Bond Program are secured by payments on the notes to which the institutions have pledged their general revenues. Pooled Bond Program bonds have been issued under a Master Indenture of Trust dated as of September 1, 1997 (“the 1997 Indenture”).

Under the 21st Century College and Equipment Programs, bonds are issued under the Master Indenture of Trust dated December 1, 1996 (“the 1996 Indenture”), which provides for the payment of debt service from amounts to be appropriated by the General Assembly through a payment agreement between the Authority and the Treasury Board. Title to the capital projects financed remains with the Commonwealth.

Pursuant to the Educational Facilities Authority Act, Article 2 of Chapter 12 of Title 23.1, *Code of Virginia*, the Authority is authorized to issue revenue bonds and notes and to use the proceeds thereof to finance educational facilities projects through loans to private, non-profit institutions of higher education within the Commonwealth. Such financings are not obligations of the Commonwealth, but are limited obligations of the Authority payable solely from loan payments made by the private, non-profit institutions of higher education. This indebtedness, therefore, is not included in the financial statements. Total debt outstanding under this program at June 30, 2016 was \$817,418,977. (Detailed information for this program is presented on page 20 in the Supplementary Information section following the Notes to the Financial Statements.)

A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, boards, commissions, and authorities over which the

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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 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 more significant policies.

B. Measurement Focus and Basis of Accounting

The accompanying financial statements are presented using the accounting principles generally accepted in the United States of America as prescribed by GASB. The government-wide statements use the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenditures are recognized when the related liability is incurred, regardless of the timing of related cash flows. For financial reporting purposes, the Authority defines payables as those items which have been identified by the submitting institutions as payable at June 30 and which have been presented to the Authority for payment by the annually established submission date.

The accompanying governmental funds financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to fund current operations. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt which is recognized when due.

The Authority uses the cash basis of accounting during the year and reports on the accrual and modified accrual basis for financial statement purposes at the end of the fiscal year.

C. Fund Accounting

The activities of the Authority are accounted for in a Special Revenue Fund. The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Fund consists of bond proceeds, bond funds and issuance expense funds. Included are funds established in accordance with the provisions of the 1996 Indenture with the Bank of New York Mellon Trust Company, N.A. for the 21st Century College Program and the Equipment Program revenue bonds issued

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

by the Authority, since their consolidation in 1999. Also included are the outstanding bonds issued under the Authority's Pooled Bond Program.

D. Bond Issuance Costs, Premiums, and Discounts

Costs associated with issuing debt are expensed in the year incurred. The original issue premium or discount, for each bond issuance, is also expensed in the year incurred unless it exceeds 1% of the amount of the bonds issued. In that case, the original issue premium or discount is deferred and amortized, on a straight-line basis, over the life of the outstanding debt. Premiums on Pooled Bonds are allocated to the participating institutions.

E. Budget to Actual Statement

Due to the nature of activity accounted for by the Authority, a budget is not prepared. Therefore, a Statement of Revenues, Expenditures, and Changes in Balances – Budget to Actual is not included in the financial statements.

F. Adjustments

The adjustments column represents the recording of bonds payable liabilities on the Statement of Net Position and the related effect of these transactions on the Statement of Activities. Governmental fund statements do not reflect bonds payable. The non-current portion of bonds payable includes those payments that are not due and payable in the current period.

2. DETAILED NOTES

A. Cash and Cash Equivalents

The Bank of New York Mellon Trust Company, N.A. holds certain deposits and cash equivalents of the Authority as trustee. Other funds of the Authority are invested in the State Treasurer's Local Government Investment Pool. Cash is defined as demand deposits, non-negotiable time deposits and certificates of deposit in accordance with Section 2.2-4401 of the *Code of Virginia*. Cash equivalents are defined as investments with an original maturity of less than three months.

Deposits held by trustees are collateralized in accordance with the Trust Subsidiary Act, Section 6.2-1057 et seq. of the *Code of Virginia*. Under the Act, the affiliate bank delivers securities to the trust department as collateral that is at least equal to the market value of the trust funds held on deposit in excess of amounts insured by federal deposit insurance.

Under a Master Indenture of Trust dated December 1, 1996, and under a Master Indenture of Trust dated September 1, 1997, the trustee is authorized to invest in

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

the following investments: bonds, notes and other obligations issued or guaranteed by the United States government; bonds, notes and other evidences of indebtedness of any state of the United States of America or any locality of any state of the United States of America that meet the requirements of *Code* Sections 2.2-4500 and 2.2-4501A.3; and investments made pursuant to the Investment of Public Funds and Local Government Investment Pool Act. At June 30, 2016, The Bank of New York Mellon Trust Company, N.A., which currently serves as trustee for both Indentures, maintained \$ 466,891,246 in cash and cash equivalents for the Authority. The Authority also directly held cash equivalents of \$2,378,014 for a total invested balance of \$469,269,260.

At June 30, 2016, the Authority’s funds were held in the Local Government Investment Pool, the State Non-Arbitrage Program[®], and other money market funds. All investments of the Authority are rated AAA by Standard and Poor’s. Details of the Authority’s investments are presented in the following schedule.

Summary of Cash and Cash Equivalents
As of June 30, 2016

Cash and cash equivalents:	
State Non-Arbitrage Program ^{® (1)}	\$ 93,468,929
Local Government Investment Pool ⁽²⁾	374,049,617
Money Market Funds ⁽³⁾	1,715,772
Cash	34,942
Total cash and cash equivalents	\$ 469,269,260

⁽¹⁾ 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 an external investment pool registered under the Investment Company Act of 1940. Participants in SNAP[®] report their investment using the net asset value per share, which is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

⁽²⁾ The Local Government Investment Pool (LGIP) enables governmental entities to maximize their return on investments by providing for a State administered fund where monies can be commingled for investment purposes in order to realize the economies of large-scale investing and professional funds management. The LGIP is managed in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 79. The LGIP 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 the LGIP should also report their investments in the LGIP at amortized cost. The LGIP is rated ‘AAAm’ by Standard & Poor’s rating service.

⁽³⁾ The Authority invests certain short-term cash balances held within its accounts in the Fidelity Treasury Money Market. This is an open-ended mutual fund registered under the

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

Investment Company Act of 1940. The fund maintains a policy of investing all their assets in U.S. Treasury obligations and repurchase agreements backed by those obligations. These funds are reported at amortized cost, which approximates fair value.

B. Notes Receivable

Under the Authority’s Pooled Bond Program, note payments made by the public institutions of higher education under the terms of note agreements between the Authority and the institutions provide for the payment of debt service on the Pooled Bonds. A summary of future minimum note payments due from the institutions is shown in the schedule below.

Future Minimum Note Payments Due from Institutions
As of June 30, 2016

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 103,858,848	\$ 73,636,699	\$ 177,495,547
2018	113,360,000	68,486,774	181,846,774
2019	113,105,000	63,112,380	176,217,380
2020	114,370,000	57,796,793	172,166,793
2021	113,520,000	52,442,506	165,962,506
2022-2026	538,800,000	183,712,609	722,512,609
2027-2031	378,895,000	77,917,172	456,812,172
2032-2036	136,795,000	25,474,022	162,269,022
2037-2041	47,290,000	7,582,618	54,872,618
2042-2046	14,085,000	1,140,737	15,225,737
Total	<u>\$ 1,674,078,848</u>	<u>\$ 611,302,310</u>	<u>\$ 2,285,381,158</u>

C. Due from the Federal Government

The America Recovery and Reinvestment Act of 2009 permits the Authority to issue federally taxable bonds known as “Build America Bonds” to finance capital expenditures. Under the “Build America Bond” program, instead of issuing federally tax-exempt bonds, the Authority can issue federally taxable Build America Bonds and elect to receive a subsidy payment from the federal government equal to 35% of each interest payment due semiannually on such taxable bonds. The Authority has issued three such series of bonds, beginning in fiscal year 2010 (the 21st Century College and Equipment Programs Series 2009F and 2010B, and the Pooled Bond Program Series 2010A). Therefore, the Authority is accruing a receivable from the federal government for the subsidy payments which will be due on August 1, 2016 (21st Century Bonds) and September 1, 2016 (Pooled Bonds). As a result of the Federal Sequestration, the actual August 1, 2016 payment was reduced by 6.8% and the corresponding

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

accrual was adjusted to reflect this reduction. It should be noted that the subsidy payments have not been pledged to the payment of the Build America Bonds, and the subsidy payments are not full faith and credit obligations of the United States. As such, future debt service payments have been reflected in these financial statements at their gross amounts, without consideration of possible future subsidy payments.

D. Due to Higher Education Institutions

Bonds were issued under the Pooled Bond Program and the proceeds of these bonds were used to purchase institutional notes from various public institutions of higher education. These institutions in turn will use the proceeds of the notes to finance capital projects. Therefore, the unspent portion of the note proceeds still held by the trustee at June 30, 2016 in the Special Revenue Fund is reflected as “due to higher education institutions” in the government-wide statements. Amounts reflected as “due to higher education institutions” in the fund financial statements represent normal year-end payables to institutions as a result of on-going operations.

E. Allocation Payable

In past fiscal years, the Authority has issued bonds to support the General Assembly allocations to finance the purchase of equipment at public institutions of higher education. The Authority is committed by this to reimburse institutions of higher education for the cost of equipment from its cash and investments

In fiscal year 2016, institutions purchased and obtained reimbursement for \$3,636,833 in equipment, relating to the FY 2016 allocation, leaving \$70,581,322 of this allocation outstanding at June 30, 2016. Institutions purchased and obtained reimbursement for \$61,388,674 in equipment, relating to the FY 2015 allocation, leaving \$2,829,481 of this allocation outstanding at June 30, 2016. Institutions also purchased and obtained reimbursement for \$2,218,276 in equipment related to the FY 2014 allocation leaving \$497,109 of this allocation outstanding at June 30, 2016. The FY 2013 allocation continues to have a balance of \$2,419 outstanding at June 30, 2016 as no additional reimbursements against this allocation occurred in FY 16. Amounts reflected as “allocation payable” in the government-wide and fund financial statements represent normal year-end payables to institutions as a result of on-going operations.

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

F. Long-Term Indebtedness

Changes in Long-Term Debt - The following is a summary of changes in long-term debt of the Authority for the year ended June 30, 2016.

Payable at July 1, 2015	\$ 5,249,589,224
Bonds issued	947,340,000
Bonds retired	(319,665,000)
Bonds refunded	(209,890,000)
Premium on bonds sold	80,435,900
Annual amortization of premium on bonds sold	(24,245,300)
Bonds payable at June 30, 2016	\$ 5,723,564,824

The schedule below reflects the amounts needed to amortize long-term debt.

Annual Requirements to Amortize Long-Term Debt
As of June 30, 2016

Year Ending June 30	Principal	Interest	Total
2017	\$ 360,180,000	\$ 227,212,521	\$ 587,392,521
2018	353,460,000	216,684,022	570,144,022
2019	349,460,000	200,476,598	549,936,598
2020	342,910,000	184,409,541	527,319,541
2021	350,860,000	168,758,911	519,618,911
2022-2026	1,612,825,000	617,923,060	2,230,748,060
2027-2031	1,368,600,000	290,586,964	1,659,186,964
2032-2036	615,745,000	66,726,116	682,471,116
2037-2041	47,290,000	7,582,618	54,872,618
2042-2046	14,085,000	1,140,737	15,225,737
Add: Unamortized			
Premium	308,149,824	-	308,149,824
Total	\$5,723,564,824	\$1,981,501,088	\$ 7,705,065,912

G. 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.

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

In accordance with Governmental Accounting Standards Board (GASB) Statement 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. However, the deferral amount for the Pooled Bond Program has been allocated to the participating institutions and is therefore not reflected in the Authority's financial statements.

The Authority issued two series of refunding bonds in fiscal year 2016. The schedule below reflects the refunding activity during the year.

Refunding Bonds Issued During Fiscal Year 2016

Program	Refunding Issue	Refunded Issue	Maturities Defeased	Amount Defeased
Pooled	2015B	2009A	2020-28, 33, 38	\$ 159,095,000
21st Century	2016B	2008A	2028	7,135,000
21st Century	2016B	2009A	2028-2029	<u>43,660,000</u>
Total Defeased, FY 2016				<u>\$ 209,890,000</u>

The issuance of the Authority's Series 2015B Pooled Program refunding bonds refunded one series of the Authority's bonds as reflected on the above schedule. This defeasance resulted in an accounting loss of \$13,006,000. Total debt service payments over the next 24 years will be reduced by \$20,667,787 resulting in a present value savings of \$15,783,584 discounted at the rate of 2.7090126 percent.

The issuance of the Authority's Series 2016B 21st Century Program refunding bonds refunded two series of the Authority's bonds as reflected on the above schedule. This defeasance resulted in an accounting loss of \$3,935,000. Total debt service payments over the next 13 years will be reduced by \$8,428,646 resulting in a present value savings of \$7,294,361 discounted at the rate of 2.2245936 percent.

At June 30, 2016, \$565,190,000 of bonds outstanding are considered defeased for financial reporting purposes.

H. Deficit Net Position

Generally accepted accounting principles direct that governmental funds recognize revenues in the accounting period in which they become both

VIRGINIA COLLEGE BUILDING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

measurable and available to finance expenditures of the fiscal period. Under the 21st Century College and Equipment Programs, bonds issued under the Master Indenture of Trust dated December 1, 1996 are secured by General Assembly appropriations through a payment agreement between the Authority and the Treasury Board. Because future appropriations are not considered available and do not constitute a legally binding commitment, the Authority ended the year with a fund deficit of \$3,825,413,399. The General Assembly has never failed to appropriate funds to the Authority for payment of debt service on the Authority's bonds.

I. Subsequent Events

In July 2016, the Authority issued \$231.9 million in Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2016A to acquire Institutional Notes from participating public institutions of higher education. The proceeds will be used to refund certain maturities of outstanding prior Authority Bonds.

J. Risk Management

The Authority is exposed to various risks of loss related to torts; theft or, damage to, and 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 state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of the 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 each of these Departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

VIRGINIA COLLEGE BUILDING AUTHORITY
SUPPLEMENTARY INFORMATION
Detail of Long-Term Indebtedness
June 30, 2016
(Dollars in Thousands)

Detail of Long-Term Indebtedness by Series

	Dated Date	Bond Program	True Interest Cost ("TIC")	Amount Issued	Institutional Notes Purchased	Outstanding July 1, 2015	Issued (Retired) During Year	Outstanding June 30, 2016	Original Maturity
Series 2005A	11/03/05	Pooled	4.27%	115,975	115,975	5,360	(5,360)	-	09/01/26
Series 2006BC	09/14/06	21st Century/Equip.	VAR	120,000	-	83,580	(6,195)	77,385	02/01/26
Series 2006A	11/30/06	Pooled	4.16%	156,130	156,130	51,250	(6,550)	44,700	09/01/28
Series 2007A Refunding	02/27/07	21st Century	4.08%	59,125	-	57,230	(6,765)	50,465	02/01/22
Series 2007A	10/31/07	Pooled	4.38%	216,905	216,905	79,685	(8,475)	71,210	09/01/37
Series 2007B	05/31/07	21st Century/Equip.	4.04%	132,095	-	4,520	(2,215)	2,305	02/01/27
Series 2007B Refunding	10/31/07	Pooled	4.05%	100,765	100,765	85,845	(10,345)	75,500	09/01/19
Series 2008A	06/12/08	21st Century/Equip.	3.93%	144,075	-	24,875	(11,260)	13,615	02/01/28
Series 2009A	01/21/09	Pooled	4.19%	291,645	291,645	220,810	(174,515)	46,295	09/01/38
Series 2009A	04/28/09	21st Century	4.30%	284,020	-	104,380	(53,975)	50,405	02/01/29
Series 2009B	04/28/09	21st Century	5.04%	84,680	-	31,750	(10,025)	21,725	02/01/18
Series 2009D	10/08/09	21st Century/Equip.	2.05%	52,420	-	16,825	(8,205)	8,620	02/01/17
Series 2009E1 Refunding	10/08/09	21st Century	3.01%	134,000	-	127,755	(9,795)	117,960	02/01/24
Series 2009E2 Refunding	10/08/09	21st Century	2.80%	74,860	-	54,570	(5,860)	48,710	02/01/23
Series 2009B	12/09/09	Pooled	4.01%	235,945	235,945	202,190	(8,330)	193,860	09/01/39
Series 2009F2	12/17/09	21st Century	3.31%	390,575	-	370,970	(19,985)	350,985	02/01/30
Series 2010A	06/02/10	21st Century/Equip.	1.80%	50,350	-	15,320	(7,470)	7,850	02/01/17
Series 2010B-2	10/26/10	21st Century	2.82%	290,600	-	290,600	(16,475)	274,125	02/01/30
Series 2010A-1	11/18/10	Pooled	1.83%	65,060	65,060	36,820	(8,750)	28,070	09/01/18
Series 2010A-2	11/18/10	Pooled	3.40%	156,610	156,610	156,610	-	156,610	09/01/40
Series 2010B Refunding	11/18/10	Pooled	2.87%	101,040	101,040	83,050	(2,960)	80,090	09/01/27
Series 2011A	08/16/11	21st Century/Equip.	3.27%	272,515	-	236,720	(15,045)	221,675	02/01/32
Series 2011A	11/16/11	Pooled	3.32%	163,335	163,335	144,565	(8,285)	136,280	09/01/36
Series 2012A	03/29/12	Pooled	2.25%	164,475	164,475	159,670	(9,855)	149,815	09/01/30
Series 2012A	05/03/12	21st Century/Equip.	2.85%	335,075	-	285,000	(16,910)	268,090	02/01/32
Series 2012B	11/29/12	Pooled	2.55%	141,070	141,070	132,880	(5,105)	127,775	09/01/42
Series 2012B	12/13/12	21st Century	2.42%	349,255	-	330,625	(10,995)	319,630	02/01/33
Series 2012C	12/13/12	21st Century	1.18%	8,350	-	5,010	(1,670)	3,340	02/01/18
Series 2013A	09/26/13	21st Century	3.63%	331,705	-	321,500	(16,085)	305,415	02/01/34
Series 2013A	11/19/13	Pooled	3.67%	74,925	74,925	74,760	(2,740)	72,020	09/01/43
Series 2013B Refunding	11/19/13	Pooled	3.24%	12,355	12,355	11,805	(885)	10,920	09/01/28
Series 2014A	05/15/14	21st Century/Equip.	3.04%	319,155	-	300,265	(15,635)	284,630	02/01/34
Series 2014B Refunding	05/15/14	21st Century	1.71%	27,985	-	21,865	(8,660)	13,205	02/01/25
Series 2014A	11/13/14	Pooled	3.11%	98,040	98,040	98,040	(2,440)	95,600	09/01/44
Series 2014B Refunding	11/13/14	Pooled	2.09%	186,035	186,035	186,035	(7,785)	178,250	09/01/35
Series 2015A	04/15/15	21st Century	3.06%	373,230	-	373,230	(10,850)	362,380	02/01/35
Series 2015B Refunding	04/15/15	21st Century	2.23%	204,880	-	204,880	(3,670)	201,210	02/01/27
Series 2015C	04/15/15	21st Century	1.62%	6,785	-	6,785	(1,105)	5,680	02/01/20
Series 2015D	08/13/15	21st Century/Equip.	2.93%	290,065	-	-	281,740	281,740	02/01/35
Series 2015A	12/03/15	Pooled	3.24%	53,615	53,615	-	53,615	53,615	09/01/45
Series 2015B Refunding	12/03/15	Pooled	2.65%	153,895	153,895	-	153,895	153,895	09/01/38
Series 2016A	06/01/16	21st Century	2.50%	360,485	-	-	360,485	360,485	02/01/36
Series 2016B	06/01/16	21st Century	2.55%	49,300	-	-	49,300	49,300	02/01/29
Series 2016C	06/01/16	21st Century	2.02%	39,980	-	-	39,980	39,980	02/01/26
Total				\$ 7,273,385	\$ 2,487,820	\$ 4,997,630	\$ 417,785	\$ 5,415,415	

Detail of Long-Term Indebtedness by Program

	Amount Issued	Institutional Notes Purchased	Outstanding July 1, 2015	Issued (Retired) During Year	Outstanding June 30, 2016
21st Century College Program	\$ 4,118,910	\$ -	\$ 3,079,200	\$ 463,295	\$ 3,542,495
Pooled Bond Program	2,487,820	2,487,820	1,729,375	(54,870)	1,674,505
Equipment Program	666,655	-	189,055	9,360	198,415
Total	\$ 7,273,385	\$ 2,487,820	\$ 4,997,630	\$ 417,785	\$ 5,415,415

VIRGINIA COLLEGE BUILDING AUTHORITY
SUPPLEMENTARY INFORMATION
Schedule of Outstanding Bond Issues for Private Colleges and Universities
June 30, 2016
(Dollars in Thousands)

College/University	Series	Dated Date	Yield (a)	Amount Originally Issued	Amount of Notes Purchased	Outstanding July 1, 2015	Issued (Retired) During Year	Outstanding June 30, 2016	Original Final Maturity
Hampden-Sydney College	2010	05/13/10	2.57%	7,190	7,190	2,480	(1,035)	1,445	09/01/18
Hampton University	2005	04/29/05	4.16%	24,500	24,500	14,125	(14,125)	-	04/01/20
	2015	07/23/15	2.30%	14,240	14,240	-	12,016	12,016	04/01/25
Liberty University	2010	12/21/10	4.85%	119,705	119,705	112,425	(2,265)	110,160	03/01/41
	2015	08/05/15	0.19%	150,000	85,000	-	85,000	85,000	N/A
Lynchburg College	2010	12/21/10	VAR	8,838	8,838	6,842	(520)	6,322	12/01/34
Marymount University	2015A	04/08/15	3.25%	65,010	65,010	65,010	(1,315)	63,695	07/01/45
	2015B	07/15/15	5.13%	66,815	66,815	-	66,815	66,815	07/01/45
Regent University	2006	08/09/06	5.03%	99,105	99,105	86,875	(590)	86,285	06/01/36
Roanoke College	2007	06/06/07	4.64%	20,430	20,430	16,270	(935)	15,335	06/30/37
Shenandoah University	2011	12/09/11	VAR	36,455	36,455	32,355	(1,665)	30,690	12/27/36
University of Richmond	2004A	08/01/04	VAR	46,000	46,000	46,000	-	46,000	08/01/34
	2006	11/08/06	VAR	55,900	55,900	55,900	-	55,900	11/01/36
	2011A	02/01/11	3.14%	27,045	27,045	19,635	(2,065)	17,570	03/01/23
	2011B	02/28/11	3.19%	40,505	40,505	40,505	(19,760)	20,745	03/01/21
	2012	11/06/12	3.39%	60,000	60,000	60,000	-	60,000	03/01/42
Washington & Lee University	1998	04/01/98	5.10%	52,205	52,205	52,205	-	52,205	01/01/31
	2001	06/01/01	5.35%	43,000	43,000	43,000	(2,805)	40,195	01/01/34
	2006	08/10/06	4.26%	20,045	20,045	905	(905)	-	01/01/26
	2015A	04/22/15	3.68%	32,040	32,040	32,040	-	32,040	01/01/40
	2015B	04/22/15	VAR	15,000	15,000	15,000	-	15,000	01/01/43
				<u>\$ 1,004,028</u>	<u>\$ 939,028</u>	<u>\$ 701,572</u>	<u>\$ 115,846</u>	<u>\$ 817,418</u>	

(a) "Yield" refers to the NIC in most cases, to the TIC when available, and to the Arbitrage Yield in other cases.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 15, 2016

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
And Review Commission

Board of Directors
Virginia College Building Authority

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and major special revenue fund of the Virginia College Building Authority, a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United

States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major special revenue fund of the Virginia College Building Authority as of June 30, 2016, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 Virginia College Building Authority's basic financial statements. The accompanying supplementary information, including the Detail of Long-Term Indebtedness and Schedule of Outstanding Bond Issues for Private Colleges and Universities, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Detail of Long Term Indebtedness and Schedule of Outstanding Bond Issues for Private Colleges and Universities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Detail of Long Term Indebtedness and Schedule of Outstanding Bond Issues for Private Colleges and Universities are 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 15, 2016, on our consideration of the Virginia College Building Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 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.

AUDITOR OF PUBLIC ACCOUNTS

SAH/clj

VIRGINIA COLLEGE BUILDING AUTHORITY
Richmond, Virginia

BOARD MEMBERS

As of June 30, 2016

Lane B. Ramsey, Chairman

John G. Dane, Vice Chairman

Sylvia Le Torrente

Katharine M. Bond

Dennis C. Laganza

Charles Mann

McLain T. O'Ferrall, Jr.

EX OFFICIO

Manju S. Ganeriwala, Treasurer, State Treasurer

Peter A. Blake, Executive Director, State Council of Higher Education for Virginia

David A. Von Moll, State Comptroller

Daniel S. Timberlake, Director, Department of Planning and Budget