



VERMONT ECONOMIC DEVELOPMENT AUTHORITY

(A Component Unit of the State of Vermont)

**Financial Statements
with Supplementary Information
as of and for the Years Ended
June 30, 2021 and 2020**

(and Report of Independent Auditors)



VERMONT ECONOMIC DEVELOPMENT AUTHORITY

(A Component Unit of the State of Vermont)

Financial Statements with Supplementary Information

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Report on Management's Responsibility

November 15, 2021

Management is responsible for the preparation, integrity and objectivity of this report, the *Financial Statements with Supplementary Information* of the Vermont Economic Development Authority ("VEDA" or the "Authority"). The report was prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), applying certain estimates and judgments as required.

The Authority's internal controls are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets. Such controls are based on established policies and procedures and are implemented by trained, skilled personnel. The Authority's employment policy prescribes that VEDA and all its employees maintain the highest ethical standards and that its business practices be conducted in a manner that is above reproach.

KPMG LLP, independent auditors, are retained to audit the Authority's basic financial statements. Their accompanying report is based on an audit conducted in accordance with auditing standards generally accepted in the United States of America, which include consideration of the Authority's internal controls to establish a basis for reliance thereon in determining the nature, timing and extent of audit tests to be applied.

The Members of the Authority fulfill their responsibility for these financial statements through the Authority's Audit Committee, which is comprised of a subset of its Members. The Audit Committee meets periodically with the independent auditors, both privately and with management present, to review accounting, auditing, internal controls and financial reporting matters.

The undersigned management of the Authority certify to the accuracy and completeness of the information contained in these *Financial Statements with Supplementary Information* and to the maintenance and effectiveness of disclosure controls and procedures.

Cassie Polhemus

Cassandra Polhemus, Chief Executive Officer

Thad Richardson

Thad Richardson, Chief Financial Officer



KPMG LLP
One Park Place
463 Mountain View Drive, Suite 400
Colchester, VT 05446-9909

Independent Auditors' Report

The Members of the Authority
Vermont Economic Development Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Vermont Economic Development Authority (the Authority), as of and for the years ended June 30, 2021 and 2020, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Vermont Economic Development Authority as of June 30, 2021 and 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary combining schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary combining schedules 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 opinions, the supplementary combining schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

KPMG LLP

Colchester, Vermont
November 15, 2021

Vermont Economic Development Authority

Management's Discussion and Analysis

Required Supplementary Information (Unaudited)

Dollar Amounts in Thousands, Years are Fiscal

Introduction

The Vermont Economic Development Authority ("VEDA" or the "Authority") is an instrumentality of the State of Vermont (the "State") whose purpose is to promote economic development in Vermont by providing financial assistance to commercial and agricultural enterprises. VEDA serves a wide range of economic sectors including: manufacturing, agriculture, travel and tourism, technology and other services including not-for-profits.

The *Financial Statements with Supplementary Information* consist of three main parts: management's discussion and analysis ("MD&A"); the basic financial statements which provide both short-term and long-term information about the Authority's overall financial status; and the notes to the financial statements which are an integral part of the report as they provide additional explanation and more detailed information regarding the amounts in the basic financial statements and other significant aspects of the Authority's operations.

The *Supplementary Information* includes combining financial statements for the Vermont Small Business Development Corporation and the Vermont 504 Corporation where certain funds are presented discretely.

The Basic Financial Statements

There are three statements that comprise the Authority's enterprise fund basic financial statements.

The **Statement of Net Position** presents information on the Authority's assets and liabilities with the difference between the two reported as Net Position (also referred to as capital or equity). This statement is presented as of the Authority's year end, June 30.

The **Statement of Revenues, Expenses and Changes in Net Position** reports operating revenues and expenses incurred in the normal course of business (operating income or loss) plus non-operating revenues and expenses such as non-exchange transactions including grants, transfers between entities and other transactions of an unusual or non-recurring nature.

The **Statement of Cash Flows** reports on the sources and uses of changes in cash and cash equivalents for the year. Activities that effect a change in cash are grouped into four categories: (1) operating activities; (2) non-capital financing activities (debt related activities and non-operating income); (3) investing activities; and (4) capital related financing activities (purchase and financing of capital assets).

Vermont Economic Development Authority
Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 Dollar Amounts in Thousands, Years are Fiscal

Net Position

Table 1 below compares the Net Position of VEDA for years ending 2019-2021.

Table 1: Net Position				2019 to 2020		2020 to 2021	
Fiscal Years	2019	2020	2021	Chg \$	Chg %	Chg \$	Chg %
Cash and investments	\$ 35,582	\$ 38,000	\$ 44,778	\$ 2,418	7%	\$ 6,778	18%
Loans receivable	279,140	278,628	287,942	(512)	0%	9,314	3%
Allowance for loan losses	(5,619)	(6,367)	(5,576)	(748)	13%	791	-12%
Capital assets	4,801	4,953	4,756	152	3%	(197)	-4%
Accrued interest receivable	850	818	1,166	(32)	-4%	348	43%
Other assets	861	696	672	(165)	-19%	(24)	-3%
Total Assets	\$ 315,615	\$ 316,728	\$ 333,738	\$ 1,113	0%	\$ 17,010	5%
Commercial paper	\$ 92,300	\$ 91,000	\$ 90,000	\$ (1,300)	-1%	\$ (1,000)	-1%
Notes payable	156,304	157,768	168,480	1,464	1%	10,712	7%
Other liabilities	7,641	7,519	8,216	(122)	-2%	697	9%
Total Liabilities	\$ 256,245	\$ 256,287	\$ 266,696	\$ 42	0%	\$ 10,409	4%
Restricted net position	28,845	28,595	26,125	(250)	-1%	(2,470)	-9%
Net investment in capital assets	3,204	3,618	4,756	414	13%	1,138	31%
Unrestricted net position	27,321	28,228	36,161	907	3%	7,933	28%
Total Net Position	\$ 59,370	\$ 60,441	\$ 67,042	\$ 1,071	2%	\$ 6,601	11%

Total assets increased \$17,010 in 2021, compared to an increase of \$1,113 in 2020. The primary reason for the increase in total assets in 2021 was \$24,787 of growth in SBA Paycheck Protection Program (“PPP”) loans, offsetting core loan program decline of \$15,562, along with \$6,601 of operating income. In 2020, total loans receivable saw a net decrease of \$512, which was comprised of \$11,508 of new PPP loans, offset by a decline in VEDA’s other loan portfolios from scheduled amortization and refinancing activity (Note 4). VEDA’s total debt increased \$10,409 in 2021 to fund SBA PPP growth; funding was provided via the Federal Reserve PPP Liquidity Facility along with other liquidity sources. Total debt remained stable in 2020, increasing just \$42.

Allowance for loan losses is discussed in detail under the heading *Credit Risk Management* and in Note 4 of the financial statements.

Capital assets. In 2021 capital assets decreased by \$197, as depreciation outpaced asset acquisitions. This is compared with an increase of \$152 in 2020 due primarily to improvements to the 56 East State Street property.

Vermont Economic Development Authority

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Dollar Amounts in Thousands, Years are Fiscal

Accrued interest receivable increased \$348 in 2021 due to the high level of COVID-19 related payment deferrals granted during the year. Interest receivable decreased \$32 in 2020, due primarily to lower interest rates on loans receivable in 2020 compared with 2019.

Other assets decreased \$24 in 2021 due primarily to an increase of \$117 in insurance and taxes receivable from borrowers, and a \$45 increase in receivables from VCP, LLC, offset by a \$155 decrease in allowance for bad debt expenses. Other assets decreased \$165 in 2020, primarily the result of a \$129 reduction in insurance and taxes receivable due from borrowers.

Total Liabilities increased \$10,409 in 2021 due to increased borrowings of \$13,971 under the PPP Liquidity Facility to support the PPP lending program, while commercial paper was reduced \$1,000, and other notes payable reduced \$3,259. Total liabilities remained stable in 2020, increasing just \$42 as the \$1,300 reduction in commercial paper was offset by a \$1,464 increase in other notes payable.

Other liabilities increased \$697 in 2021 due primarily to accrued salary and benefit expenses. This follows a decrease of \$122 in 2020 due to a \$689 decrease in payments due on sold loans, partially offset by increases in accrued operating expenses. The variance in sold loans is caused by a timing issue regarding payments received on sold loans during 2019, compared with 2020 and 2021.

Total Net Position increased by \$6,601 in 2021, the result of \$6,628 of operating income and \$27 of non-operating expense. This represents an increase of \$5,530 compared with the 2020 net position change of \$1,071, due primarily to the significant decrease in interest expense, as well as the increase in other revenues, as further discussed below.

Revenues, Expenses and Changes in Net Position

Table 2 below shows the change in net position (results of operations) in each of the past three fiscal years and details the amount and percent of change from 2019 to 2020 and from 2020 to 2021.

Vermont Economic Development Authority

Management's Discussion and Analysis

Required Supplementary Information (Unaudited)

Dollar Amounts in Thousands, Years are Fiscal

Table 2: Revenues, Expenses & Changes in Net Position				2019 to 2020		2020 to 2021	
Fiscal Years	2019	2020	2021	Chg \$	Chg %	Chg \$	Chg %
Operating Revenues:							
Cash and investment income	\$789	\$ 738	\$372	\$ (51)	-6%	\$ (366)	-50%
Net increase in fair value of investments	1,325	1,090	1,032	(235)	-18%	(58)	-5%
Loans receivable interest	14,314	13,452	11,798	(862)	-6%	(1,654)	-12%
Other revenues	913	1,349	3,637	436	48%	2,288	170%
Total Operating Revenues	\$ 17,341	\$ 16,629	\$ 16,839	\$ (712)	-4%	\$ 210	1%
Operating Expenses:							
Commercial paper and notes payable interest	7,510	6,565	3,647	(945)	-13%	(2,918)	-44%
Provision for (recapture of) loan losses	502	1,800	(544)	1,298	259%	(2,344)	-130%
Provision for (recapture of) losses on insured loans	11	0	(3)	(11)	-100%	(3)	100%
Staff salaries and benefits	5,243	5,408	5,723	165	3%	315	6%
Professional fees	336	316	177	(20)	-6%	(139)	-44%
Office and administrative	1,338	1,163	981	(175)	-13%	(182)	-16%
Depreciation	257	245	229	(12)	-5%	(16)	-7%
Total Operating Expenses	15,197	15,497	10,210	300	2%	(5,287)	-34%
Operating Income (Loss)	\$ 2,144	\$ 1,132	\$ 6,629	\$ (1,012)	-47%	\$ 5,497	486%
Non-operating revenue (expense)	166	(61)	(28)	(227)	-137%	33	54%
Change in Net Position	\$ 2,310	\$ 1,071	\$ 6,601	\$ (1,239)	-54%	\$ 5,530	516%

Cash and investment income decreased \$366 and \$51 in 2021 and 2020, respectively, due to lower yields offsetting higher average balances.

Net increase in fair value of investments was \$1,032 in 2021, slightly lower than \$1,090 in 2020, due primarily to gains in the equity portfolio, which was liquidated during the year, realizing accumulated gains of \$2,452. Unrealized and realized gains totaled \$985 and \$105 in 2020, respectively.

Loan receivable interest was lower by \$1,654, or 12%, in 2021 due to lower overall yield on loans coupled with contraction in core portfolios. This continues the decline of \$862 in 2020, also caused by declining rates and loan balances.

Other revenue consists primarily of fees received from borrowers and fees for services to the State of Vermont and others. The Authority earned \$2,296 and \$517 in fees from originating PPP loans in 2021 and 2020, respectively. VEDA also earned \$504 in grant processing fees from the State of Vermont associated with distributing CARES Act funds to Vermont businesses and farms. Other revenues were \$436 higher in 2020 than 2019 due primarily to fees earned for PPP, offset by lower fees earned from other lending programs.

Vermont Economic Development Authority

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Interest expense, which includes debt issuance costs, was \$2,918, or 44%, lower in 2021 due to a lower cost of funds as market rates moved lower during the year, more than offsetting the increase in average debt balances. This follows a decrease of \$945 in 2020, also caused by falling rates on outstanding debt.

Provision for loan losses were recaptured in the total amount of \$544 in 2021. Contributing to this was primarily the reduction in overall portfolio balances causing the general reserves to decline, as adjusting factors remained constant through 2021. In addition, \$66 of prior reserves for the SBA PPP program were reversed following favorable forgiveness experience with the program and strong belief that the fully guaranteed program will see no losses. Provision expense in 2020 was \$1,298 greater than 2019 due to deteriorating economic conditions at June 30, 2020 and the expectation for higher potential credit losses going forward. More detailed information regarding loan loss provisions and the changes in the allowance for loan losses ("reserves") can be found in this section under the heading *Credit Risk Management* and in Note 4 to the basic financial statements.

Losses on insured loans totaled (\$3) in 2021 as provision was recaptured during the year, following losses of \$0 in 2020 and \$11 in 2019. The losses on insured loans are from the Vermont Capital Access Program which is described in Note 1 to the basic financial statements.

Staff salaries and benefits increased \$315 in 2021, or 6%, due to normal salary adjustments and one-time incentive payments for staff to reward extraordinary efforts during the year. Salary expense increased \$165 in 2020, or 3%, due primarily to normal salary adjustments and benefit costs.

Professional fees decreased \$139 in 2021 due to lower consulting, legal, and bad debt expenses. Fees decreased \$20 in 2020, following a \$157 decrease in 2019 when a prior consulting function was brought in house.

Office and administrative expenses decreased \$182 in 2021 as nearly all categories including property management, postage, supplies, and marketing saw lower costs due to the move to offsite work for the year. Expenses also decreased \$175 in 2020 as occupancy, supplies, and other office-based expense categories were largely reduced by the move to remote work resulting from the COVID-19 pandemic during the fourth quarter of the year.

Depreciation expense decreased \$16 and \$12 in 2001 and 2020, respectively. The difference is lower depreciation on new capital asset purchase relative to assets becoming fully depreciated; new capital purchase in 2021 and 2020 were \$32 and \$397, respectively.

Vermont Economic Development Authority

Management's Discussion and Analysis

Required Supplementary Information (Unaudited)

Dollar Amounts in Thousands, Years are Fiscal

Cash Flows

Table 3 is a presentation that provides important information about the sources and uses of the Authority's cash inflows and outflows from its business operations. Cashflows are grouped by four categories: (1) *Operating Activities* include disbursing and collecting on loans receivable and paying for operating expenses; (2) *Non-Capital Financing Activities* include proceeds and payments on notes payable and commercial paper, as well as non-operating revenues or expenses; (3) *Investing Activities* are the result of investment purchases and sales and related income; and (4) *Capital Investment Activities* that includes the purchase and the financing of capital assets and related repayments.

Table 3: Cash Flows				2019 to 2020		2020 to 2021	
Fiscal Years	2019	2020	2021	Chg \$	Chg %	Chg \$	Chg %
Provided by principal payments received	\$ 45,826	\$ 50,107	\$ 61,023	\$ 4,281	9%	\$ 10,916	22%
Provided by interest payments received	14,159	13,483	11,389	(676)	-5%	(2,094)	-16%
Used for principal disbursed on loans	(58,760)	(50,643)	(70,584)	8,117	14%	(19,941)	-39%
Used for all other operating activities	(5,234)	(6,134)	(2,524)	(900)	-17%	3,610	59%
Provided by (Used for) Operating Activities	\$ (4,009)	\$ 6,813	\$ (696)	\$ 10,822	270%	\$ (7,509)	-110%
(Used for) provided by non-capital financing activities	5,229	(5,360)	7,386	(10,589)	-203%	12,746	238%
(Used for) provided by investing activities	(865)	2,353	6,735	3,218	372%	4,382	186%
(Used for) provided by capital investment activities	(401)	(704)	(1,375)	(303)	-76%	(671)	-95%
Net (decrease) increase in cash and cash equivalents	\$ (46)	\$ 3,102	\$ 12,050	\$ 3,148	6843%	\$ 8,948	288%

Table 3 shows that operating (i.e. lending) activities used cash totaling \$696 in 2021 with portfolio growth offsetting cash operating income, compared with cash flows provided by operations totaling \$6,813 in 2020, driven primarily by net interest income as loan balances remained stable overall. In 2021 non-capital financing activities provided \$7,386 due to borrowings supporting loan growth. In 2020, non-capital financing activities used \$5,360 in the servicing and net repayment of debt, compared to cash provided by non-capital financing of \$5,229 in 2019 as new debt was issued. Investing activities provided net cash of \$6,735 in 2021 with the sale of the equity portfolio and related gains. Investing generated cash of \$2,353 in 2020 from the income and sale of investments, whereas 2019 saw a use of \$865 in cash to purchase investments. Capital investing activities used cash totaling \$1,375 in 2021 due to the accelerated repayment of mortgage debt. Capital activities used \$704 in 2020 to fund improvements to real estate and continue scheduled repayment of associated mortgage debt.

Vermont Economic Development Authority

Management's Discussion and Analysis

Required Supplementary Information (Unaudited)

Dollar Amounts in Thousands, Years are Fiscal

Credit Risk Management

Credit risk is the possibility that a borrower will default on the obligation to repay their debt. To provide for this risk the Authority maintains allowances for loan losses ("reserves") on specific loans receivable where a loss is determined to be probable. VEDA also maintains general reserves for future losses not yet identified that are estimated based on historical loss experience, economic conditions, industry concentration and expectation of future events that would adversely affect VEDA borrowers.

Table 4 details the specific and general reserves and the total reserves as a percentage of outstanding loans receivable balances at June 30, 2021, 2020, and 2019.

Total for Years Ending	Total Loans Receivable at June 30	Reserves		Total Reserves at June 30	Reserves as a % of Loans Receivable		
		Specific Reserves at June 30	General Reserves at June 30		Specific	General	Total
2021	\$287,942	\$ 1,301	\$ 4,275	\$ 5,576	0.45%	1.48%	1.93%
2020	\$278,628	\$ 1,724	\$ 4,643	\$ 6,367	0.62%	1.67%	2.29%
2019	\$279,140	\$ 2,093	\$ 3,526	\$ 5,619	0.75%	1.26%	2.01%

The Authority's allowance for loan losses at June 30, 2021 totaled \$5,576, or 1.93% of outstanding loans receivable. This compares to an allowance of \$6,367, or 2.29%, and \$5,619, or 2.01% of outstanding loans receivable at the end of 2020 and 2019, respectively. Changes in the allowance are due to provisions for losses combined with loans that have been charged-off against the reserves (net of any recoveries).

As a result of the unprecedented economic conditions associated with the COVID-19 pandemic, management applied a qualitative factor to the historical calculation for 2020, resulting in a significant increase in the provision for loan losses necessary to reach the level of required reserves. This factor remained in effect at June 30, 2021 as the eventual impact to the portfolio remains uncertain. The net decrease in the provision was the result of lower core loan portfolio balances, and the recapture of provision related to SBA PPP loans based on the favorable experience with loan forgiveness to date.

While payment experience was favorable during 2021, much of this was supported by outside stimulus and payment deferral, and management believes more time is needed to assess the continued performance of the portfolio. More detail on the changes in the reserves can be found in Note 4 of the financial statements.

Vermont Economic Development Authority

Management's Discussion and Analysis

Required Supplementary Information (Unaudited)

Dollar Amounts in Thousands, Years are Fiscal

Table 5 below shows the ratio of loan loss provisions to average outstanding loans for the past three fiscal years plus the three and ten-year average loan loss provisions as of June 30, 2021.

Averages for Fiscal Year(s):	2019	2020	2021	2019 - 2021	2012 - 2021
Loan Loss Provisions as a % of Average Outstanding Loans	0.18%	0.65%	-0.19%	0.21%	0.39%

Asset-Liability Management

Asset-Liability Management is the management of the various risks inherent in financial instruments such as investments, loans and debt. One significant risk is interest rate risk, or the sensitivity of future income to changes in interest rates. Management minimizes interest-rate risk primarily by matching the variable-rate characteristics of its loans as closely as possible with the variable characteristics of its underlying debt. Likewise, fixed-rate loans receivable are matched with fixed-rate liabilities.

Table 6 shows loans receivable and the liabilities that fund loans receivable placed within various time horizons based on the earlier of the next interest rate reset date for variable rate instruments or maturity date for fixed-rate instruments. The difference between the two is labeled the "Loan and Funding Liability Repricing Gap".

Loan and Funding Liability Repricing/ Maturity Analysis at June 30, 2021	Within 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 years to 25 Years	Total
Loans receivable, net of allowance	\$ 124,601	\$ 9,316	\$ 75,746	\$ 72,703	\$ 282,366
Commercial paper	90,000	0	0	0	90,000
Notes payable	60,115	10,755	85,746	11,864	168,480
Other Liability - State of Vermont	0	0	0	5,500	5,500
Total Funding Liabilities	\$ 150,115	\$ 10,755	\$ 85,746	\$ 17,364	\$ 263,980
Loan & Funding Liability Repricing Gap	\$ (25,514)	\$ (1,439)	\$ (10,000)	\$ 55,339	\$ 18,386
Loan and Funding Liability Repricing/ Maturity Analysis at June 30, 2020	Within 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 years to 25 Years	Total
Loans receivable	\$ 151,753	\$ 10,974	\$ 38,110	\$ 71,424	\$ 272,261
Funding Liabilities	\$ 159,512	\$ 11,492	\$ 60,743	\$ 22,521	\$ 254,268
Loan & Funding Liability Repricing Gap	\$ (7,759)	\$ (518)	\$ (22,633)	\$ 48,903	\$ 17,993

At June 30, 2021, the Authority's repricing gap over the twenty-five-year time horizon is a positive \$18,386, compared to a positive repricing gap at June 30, 2020 of \$17,993. The loans receivable maturing or repricing within three-months totaled \$124,601 and \$151,753 at June 30, 2021 and 2020, respectively. The difference is due to borrowers' continued desire for fixed rate loans, which caused the amount maturing or repricing between 1 to 5 years to increase from \$38,110 in 2020 to \$75,746 in 2021.

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During 2021 VEDA reduced outstanding balances on the CoBank line of credit by \$747 and commercial paper by \$1,000; these changes account for the majority of the change in liabilities repricing in the first three-months from \$150,115 at June 30, 2021 to \$159,512 at June 30, 2020. Notes payable repricing or maturing with 3 months to 1 year decreased from \$11,492 in 2020 to \$10,755 in 2021 due primarily to the payoff of the \$1,335 NSB mortgage.

Liquidity Risk

Liquidity risk is the risk that a company or bank may be unable to meet short term financial demands. The Authority maintains adequate availability on its line of credit with Cobank, ACB (Note 6) to provide liquidity for funding its day-to-day lending operations. VEDA also maintains a back-up line of credit with Northfield Savings Bank, FSB (Note 6); this back-up facility was not used in 2021 or 2020.

Another form of liquidity risk is "refunding risk." Refunding Risk is the risk that when debt reaches maturity, it cannot be refunded with the issuance of new debt under reasonable rates and terms. The credit support provided by letters of credit for VEDA's commercial paper (Note 5) and the credit support of the State through its moral obligation pledge ("MO") provide the Authority with access to capital rates and terms it could not otherwise obtain. At June 30, 2021 and 2020, the Authority had \$181,000 of State MO pledged for credit support VEDA debt (Note 12).

Capital Adequacy

Table 7 below details the Authority's net position as a percentage of total assets at June 30, 2021, 2020, and 2019. The Authority must maintain strong net position levels relative to total assets to enable it to borrow at favorable terms in the capital markets. VEDA's capital continues to be strong, allowing for continued future growth and support of the Vermont economy.

<i>As of June 30:</i>	VJF	VACC	VSBCD	VT504	VEDA
2021	28%	13%	18%	10%	20%
2020	24%	12%	17%	13%	18%
2019	22%	13%	18%	26%	19%

If there are questions regarding the information contained in this report, please contact the Authority's Chief Financial Officer, Thad Richardson. Also, visit the VEDA website at www.veda.org

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statement of Net Position as of June 30, 2021

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Small Business Develop. Corp.	Vermont 504 Corporation	VEDA Combined Total
Current Assets:					
Cash and cash equivalents:					
Unrestricted	\$ 1,653	\$ 321	\$ 2,726	\$ 5,658	\$ 10,358
Restricted	<u>9,887</u>	<u>250</u>	<u>0</u>	<u>29</u>	<u>10,166</u>
Total cash and cash equivalents	11,540	571	2,726	5,687	20,524
Loans receivable	11,079	5,911	2,378	2,138	21,506
Accrued interest receivable	583	241	176	166	1,166
Other assets	<u>648</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>672</u>
Total current assets	23,850	6,747	5,280	7,991	43,868
Investments					
Unrestricted	5,955	0	0	0	5,955
Restricted	<u>17,403</u>	<u>896</u>	<u>0</u>	<u>0</u>	<u>18,299</u>
Total investments	23,358	896	0	0	24,254
Loans receivable, less current portion	117,725	81,136	24,929	42,646	266,436
Less allowance for loan losses	<u>(2,472)</u>	<u>(1,988)</u>	<u>(929)</u>	<u>(187)</u>	<u>(5,576)</u>
Loans receivable, less current portion, net of allowance	115,253	79,148	24,000	42,459	260,860
Capital assets, net of accumulated depreciation	<u>4,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,756</u>
Total assets	\$ 167,217	\$ 86,791	\$ 29,280	\$ 50,450	\$ 333,738
Current Liabilities:					
Commercial paper	\$ 90,000	\$ 0	\$ 0	\$ 0	\$ 90,000
Notes payable	21,000	7,600	305	1,964	30,869
Escrow and reserve accounts	685	250	0	0	935
Accounts payable and accrued expenses	1,576	97	(1)	0	1,672
Interfund accounts (receivable) payable	(4,602)	3,238	73	1,291	0
Accrued interest payable	<u>20</u>	<u>17</u>	<u>30</u>	<u>42</u>	<u>109</u>
Total current liabilities	108,679	11,202	407	3,297	123,585
Notes payable, less current portion	107,000	0	6,093	24,518	137,611
Interfund notes (receivable) payable	(100,146)	64,737	17,615	17,794	0
Other liability - State of Vermont	<u>5,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,500</u>
Total liabilities	\$ 121,033	\$ 75,939	\$ 24,115	\$ 45,609	\$ 266,696
Restricted net position	25,200	896	0	29	26,125
Net investment in capital assets	4,756	0	0	0	4,756
Unrestricted net position	<u>16,228</u>	<u>9,956</u>	<u>5,165</u>	<u>4,812</u>	<u>36,161</u>
Total net position	\$ 46,184	\$ 10,852	\$ 5,165	\$ 4,841	\$ 67,042

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statement of Net Position as of June 30, 2020

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Small Business Develop. Corp.	Vermont 504 Corporation	VEDA Combined Total
Current Assets:					
Cash and cash equivalents:					
Unrestricted	\$ 1,843	\$ 244	\$ 1,845	\$ 1,822	\$ 5,754
Restricted	<u>2,445</u>	<u>250</u>	<u>0</u>	<u>25</u>	<u>2,720</u>
Total cash and cash equivalents	4,288	494	1,845	1,847	8,474
Loans receivable	15,908	10,226	2,741	5,481	34,356
Accrued interest receivable	423	322	45	28	818
Other assets	<u>610</u>	<u>86</u>	<u>0</u>	<u>0</u>	<u>696</u>
Total current assets	21,229	11,128	4,631	7,356	44,344
Investments					
Unrestricted	1,559	0	0	0	1,559
Restricted	<u>27,094</u>	<u>873</u>	<u>0</u>	<u>0</u>	<u>27,967</u>
Total investments	28,653	873	0	0	29,526
Loans receivable, less current portion	125,237	80,005	25,041	13,989	244,272
Less allowance for loan losses	<u>(2,767)</u>	<u>(2,282)</u>	<u>(1,064)</u>	<u>(254)</u>	<u>(6,367)</u>
Loans receivable, less current portion, net of allowance	122,470	77,723	23,977	13,735	237,905
Capital assets, net of accumulated depreciation	<u>4,953</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,953</u>
Total assets	\$ 177,305	\$ 89,724	\$ 28,608	\$ 21,091	\$ 316,728
Current Liabilities:					
Commercial paper	\$ 91,000	\$ 0	\$ 0	\$ 0	\$ 91,000
Notes payable	61,271	8,347	268	118	70,004
Escrow and reserve accounts	643	250	0	0	893
Accounts payable and accrued expenses	932	51	9	7	999
Interfund accounts (receivable) payable	(1,820)	842	583	395	0
Accrued interest payable	<u>52</u>	<u>33</u>	<u>22</u>	<u>20</u>	<u>127</u>
Total current liabilities	152,078	9,523	882	540	163,023
Notes payable, less current portion	69,064	0	6,314	12,386	87,764
Interfund notes (receivable) payable	(91,115)	69,105	16,665	5,345	0
Other liability - State of Vermont	5,500	0	0	0	5,500
Total liabilities	\$ 135,527	\$ 78,628	\$ 23,861	\$ 18,271	\$ 256,287
Restricted net position	27,697	873	0	25	28,595
Net investment in capital assets	3,618	0	0	0	3,618
Unrestricted net position	<u>10,463</u>	<u>10,223</u>	<u>4,747</u>	<u>2,795</u>	<u>28,228</u>
Total net position	\$ 41,778	\$ 11,096	\$ 4,747	\$ 2,820	\$ 60,441

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Small Business Develop. Corp.	Vermont 504 Corporation	VEDA Combined Total
Operating Revenues:					
Cash and investment revenue	\$ 363	\$ 2	\$ 3	\$ 4	\$ 372
Net increase in fair value of investments	1,032	0	0	0	1,032
Loans receivable interest	5,526	4,239	1,446	587	11,798
Other revenues	<u>1,075</u>	<u>150</u>	<u>18</u>	<u>2,394</u>	<u>3,637</u>
Total operating revenues	<u>7,996</u>	<u>4,391</u>	<u>1,467</u>	<u>2,985</u>	<u>16,839</u>
Operating Expenses:					
Commercial paper and notes payable interest	3,371	132	64	80	3,647
Interfund interest (revenue) expense	(2,471)	1,907	494	70	0
Provision for (recapture of) loan losses	(250)	(169)	(53)	(72)	(544)
Provision for (recapture of) losses on insured loans	(3)	0	0	0	(3)
Staff salaries, expenses, and benefits	4,485	1,238	0	0	5,723
Professional fees	170	8	0	(1)	177
Office and administrative expenses	981	0	0	0	981
Interfund (revenue) expense allocation	(3,021)	1,590	473	958	0
Depreciation on capital assets	<u>229</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>229</u>
Total operating expenses	<u>3,491</u>	<u>4,706</u>	<u>978</u>	<u>1,035</u>	<u>10,210</u>
Operating income (loss)	4,505	(315)	489	1,950	6,629
Non-operating (expense) revenue:					
Non-operating revenue - seed capital fund	0	0	0	0	0
Capital access program rebate expense	(7)	0	0	0	(7)
Net increase (decrease) in fair value of non-operating investments	(21)	0	0	0	(21)
Interfund non-operating (expense) revenue	<u>(71)</u>	<u>71</u>	<u>(71)</u>	<u>71</u>	<u>0</u>
Total non-operating (expense) revenue	<u>(99)</u>	<u>71</u>	<u>(71)</u>	<u>71</u>	<u>(28)</u>
Net increase (decrease) in net position	4,406	(244)	418	2,021	6,601
Net position at beginning of year	<u>41,778</u>	<u>11,096</u>	<u>4,747</u>	<u>2,820</u>	<u>60,441</u>
Net position at end of year	\$ <u>46,184</u>	\$ <u>10,852</u>	\$ <u>5,165</u>	\$ <u>4,841</u>	\$ <u>67,042</u>

See accompanying notes to the basic financial statements

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Small Business Develop. Corp.	Vermont 504 Corporation	VEDA Combined Total
Operating Revenues:					
Cash and investment revenue	\$ 684	\$ 11	\$ 26	\$ 17	\$ 738
Net increase in fair value of investments	1,090	0	0	0	1,090
Loans receivable interest	6,734	5,106	1,254	358	13,452
Other revenues	<u>571</u>	<u>81</u>	<u>57</u>	<u>640</u>	<u>1,349</u>
Total operating revenues	<u>9,079</u>	<u>5,198</u>	<u>1,337</u>	<u>1,015</u>	<u>16,629</u>
Operating Expenses:					
Commercial paper and notes payable interest	5,894	563	66	42	6,565
Interfund interest (revenue) expense	(3,010)	2,376	567	67	0
Provision for loan losses	312	1,471	(49)	66	1,800
Provision for losses on insured loans	0	0	0	0	0
Staff salaries, expenses, and benefits	4,119	1,289	0	0	5,408
Professional fees	215	85	14	2	316
Office and administrative expenses	1,163	0	0	0	1,163
Interfund (revenue) expense allocation	(2,714)	1,778	546	390	0
Depreciation on capital assets	<u>245</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>245</u>
Total operating expenses	<u>6,224</u>	<u>7,562</u>	<u>1,144</u>	<u>567</u>	<u>15,497</u>
Operating income (loss)	2,855	(2,364)	193	448	1,132
Non-operating (expense) revenue:					
Non-operating revenue - seed capital fund	10	0	0	0	10
Capital access program rebate expense	(8)	0	0	0	(8)
Net decrease in fair value of non-operating investments	(63)	0	0	0	(63)
Interfund non-operating (expense) revenue	<u>(379)</u>	<u>129</u>	<u>(69)</u>	<u>319</u>	<u>0</u>
Total non-operating (expense) revenue	<u>(440)</u>	<u>129</u>	<u>(69)</u>	<u>319</u>	<u>(61)</u>
Net increase (decrease) in net position	2,415	(2,235)	124	767	1,071
Net position at beginning of year	<u>39,363</u>	<u>13,331</u>	<u>4,623</u>	<u>2,053</u>	<u>59,370</u>
Net position at end of year	\$ 41,778	\$ 11,096	\$ 4,747	\$ 2,820	\$ 60,441

See accompanying notes to the basic financial statements

Vermont Economic Development Authority

(A Component Unit of the State of Vermont)

Statement of Cash Flows

For the Year Ended June 30, 2021

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Sm. Business Dev. Corp.	Vermont 504 Corporation	VEDA Combined Total
Cash flows from operating activities:					
Interest received on loans receivable	\$ 5,309	\$ 4,316	\$ 1,315	\$ 449	\$ 11,389
Other revenues received	\$ 1,075	150	18	2,394	3,637
Operating expenses paid other than interest	\$ (4,791)	(351)	(993)	(68)	(6,203)
Receipts from VCAP participating banks	\$ 42	0	0	0	42
Principal received on loans receivable	\$ 26,897	18,607	3,691	11,828	61,023
Principal disbursed on loans receivable	\$ (14,601)	(15,548)	(3,298)	(37,137)	(70,584)
Net cash provided by (used for) operating activities	\$ 13,931	7,174	733	(22,534)	(696)
Cash flows from non-capital financing activities:					
Commercial paper and notes payable interest paid	\$ (3,395)	(148)	(56)	(58)	(3,657)
Interfund notes payable interest received (paid)	\$ 2,471	(1,907)	(494)	(70)	0
Interfund non-operating (expense) revenue	\$ (71)	71	(71)	71	0
Interfund transfer of loans receivable for cash (out)	\$ 0	0	0	0	0
Non-operating revenue - seed capital fund	\$ 0	0	0	0	0
Proceeds to establish restricted loan reserves	\$ 0	0	0	0	0
Proceeds from issuance of commercial paper	\$ 452,500	0	0	0	452,500
Payments on maturing commercial paper	\$ (453,500)	0	0	0	(453,500)
Proceeds (disbursed) received on interfund notes payable	\$ (57,328)	24,532	950	31,846	0
Payments received (paid) on interfund notes payable	\$ 48,297	(28,900)	0	(19,397)	0
Proceeds from notes payable	\$ 0	31,493	84	20,493	52,070
Payments on notes payable	\$ (1,000)	(32,240)	(268)	(6,515)	(40,023)
Capital access program rebates paid	\$ (7)	0	0	0	(7)
Payments to banks for losses on insured loans, net	\$ 3	0	0	0	3
Net cash (used for) provided by non-capital financing activities	\$ (12,030)	(7,099)	145	26,370	7,386
Cash flows from investing activities:					
Redemption or sale of investments	\$ 3,853	0	0	0	3,853
Purchase of investments	\$ 0	0	0	0	0
Revenue received on cash and investments	\$ 2,873	2	3	4	2,882
Net cash provided by investing activities	\$ 6,726	2	3	4	6,735
Cash flows from capital and related financing activities:					
Purchase of capital assets	\$ (32)	0	0	0	(32)
Payments on mortgage note payable	\$ (1,335)	0	0	0	(1,335)
Interest paid on mortgage note payable	\$ (8)	0	0	0	(8)
Net cash used for capital and related financing activities	\$ (1,375)	0	0	0	(1,375)
Net increase in cash and cash equivalents	\$ 7,252	77	881	3,840	12,050
Cash and cash equivalents at beginning of year	\$ 4,288	494	1,845	1,847	8,474
Cash and cash equivalents at end of year	\$ 11,540	\$ 571	\$ 2,726	\$ 5,687	\$ 20,524

See accompanying notes to the basic financial statements

(Continued)

Vermont Economic Development Authority

(A Component Unit of the State of Vermont)

Statement of Cash Flows

For the Year Ended June 30, 2021

Dollar Amounts in Thousands

Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Sm. Business Dev. Corp.	Vermont 504 Corporation	VEDA Combined Total
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Reconciliation of Operating income (loss) to

net cash provided by (used for) operating activities:

Operating income (loss)	\$ 4,505	\$ (315)	\$ 489	\$ 1,950	\$ 6,629
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Adjustments to reconcile operating income (loss) to

net cash provided by (used for) operating activities:

Interest revenue on investment activities	(363)	(2)	(3)	(4)	(372)
Net decrease (increase) in fair value of investments	(1,032)	0	0	0	(1,032)
Interest expense	3,371	132	64	80	3,647
Interest (revenue) expense for interfund activities	(2,471)	1,907	494	70	0
Provision for (recapture of) loan losses	(250)	(169)	(53)	(72)	(544)
Provision for (recapture of) losses on insured loans	(3)	0	0	0	(3)
Depreciation expense	229	0	0	0	229
Changes in assets and liabilities:					
Loans receivable	12,341	3,184	475	(25,314)	(9,314)
Allowance for loan losses	(45)	(125)	(84)	5	(249)
Accrued interest receivable	(217)	77	(129)	(138)	(407)
Other assets	(38)	62	0	0	24
Escrow and reserve accounts	42	0	0	0	42
Accounts payable and accrued expenses	644	27	(10)	(7)	654
Interfund accounts payable (receivable)	<u>(2,782)</u>	<u>2,396</u>	<u>(510)</u>	<u>896</u>	<u>0</u>

Net cash provided by (used for) operating activities	<u>\$ 13,931</u>	<u>\$ 7,174</u>	<u>\$ 733</u>	<u>\$ (22,534)</u>	<u>\$ (696)</u>
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See accompanying notes to the basic financial statements

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statement of Cash Flows
For the Year Ended June 30, 2020

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Sm. Business Dev. Corp.	Vermont 504 Corporation	VEDA Combined Total
Cash flows from operating activities:					
Interest received on loans receivable	\$ 6,757	\$ 5,106	\$ 1,273	\$ 347	\$ 13,483
Other revenues received	571	81	57	640	1,349
Operating expenses paid other than interest	(2,382)	(4,875)	(179)	(34)	(7,470)
Receipts from VCAP participating banks	(13)	0	0	0	(13)
Principal received on loans receivable	25,129	18,659	5,285	1,034	50,107
Principal disbursed on loans receivable	(19,699)	(11,056)	(6,499)	(13,389)	(50,643)
Net cash provided by (used for) operating activities	<u>10,363</u>	<u>7,915</u>	<u>(63)</u>	<u>(11,402)</u>	<u>6,813</u>
Cash flows from non-capital financing activities:					
Commercial paper and notes payable interest paid	(5,981)	(483)	(76)	(38)	(6,578)
Interfund notes payable interest received (paid)	3,010	(2,376)	(567)	(67)	0
Interfund non-operating (expense) revenue	(379)	129	(69)	319	0
Interfund transfer of loans receivable for cash (out)	0	0	0	0	0
Non-operating revenue - seed capital fund	10	0	0	0	10
Proceeds to establish restricted loan reserves	540	250	0	0	790
Proceeds from issuance of commercial paper	456,870	0	0	0	456,870
Payments on maturing commercial paper	(458,170)	0	0	0	(458,170)
Proceeds (disbursed) received on interfund notes payable	(18,345)	13,605	1,275	3,465	0
Payments received (paid) on interfund notes payable	13,000	(13,000)	0	0	0
Proceeds from notes payable	0	16,600	683	8,553	25,836
Payments on notes payable	(1,000)	(22,753)	(272)	(85)	(24,110)
Capital access program rebates paid	(8)	0	0	0	(8)
Payments to banks for losses on insured loans, net	0	0	0	0	0
Net cash (used for) provided by non-capital financing activities	<u>(10,453)</u>	<u>(8,028)</u>	<u>974</u>	<u>12,147</u>	<u>(5,360)</u>
Cash flows from investing activities:					
Redemption or sale of investments	1,729	0	0	0	1,729
Purchase of investments	(221)	0	0	0	(221)
Revenue received on cash and investments	791	11	26	17	845
Net cash provided by investing activities	<u>2,299</u>	<u>11</u>	<u>26</u>	<u>17</u>	<u>2,353</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(397)	0	0	0	(397)
Payments on mortgage note payable	(262)	0	0	0	(262)
Interest paid on mortgage note payable	(45)	0	0	0	(45)
Net cash used for capital and related financing activities	<u>(704)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(704)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,505</u>	<u>(102)</u>	<u>937</u>	<u>762</u>	<u>3,102</u>
Cash and cash equivalents at beginning of year	2,783	596	908	1,085	5,372
Cash and cash equivalents at end of year	<u>\$ 4,288</u>	<u>\$ 494</u>	<u>\$ 1,845</u>	<u>\$ 1,847</u>	<u>\$ 8,474</u>

See accompanying notes to the basic financial statements

(Continued)

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statement of Cash Flows
For the Year Ended June 30, 2020

Dollar Amounts in Thousands

	Vermont Jobs Fund	Vermont Agricultural Credit Corp.	Vermont Sm. Business Dev. Corp.	Vermont 504 Corporation	VEDA Combined Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	2,855	(2,364)	193	448	1,132
Adjustments to reconcile operating income (loss) to net cash (used for) provided by operating activities:					
Interest revenue on investment activities	(684)	(11)	(26)	(17)	(738)
Net increase in fair value of investments	(1,090)	0	0	0	(1,090)
Interest expense	5,894	563	66	42	6,565
Interest (income) expense for interfund financing	(3,010)	2,376	567	67	0
Provision for loan losses	312	1,471	(49)	66	1,800
Provision for losses on insured loans	0	0	0	0	0
Depreciation expense	245	0	0	0	245
Changes in assets and liabilities:					
Loans receivable	6,256	7,736	(1,125)	(12,355)	512
Allowance for loan losses	(829)	(134)	(89)	0	(1,052)
Accrued loan interest receivable	23	0	19	(11)	31
Other assets	49	117	0	0	166
Escrow and reserve accounts	(10)	0	0	0	(10)
Accounts payable and accrued expenses	57	(821)	9	7	(748)
Interfund accounts payable (receivable)	295	(1,018)	372	351	0
Net cash provided by (used for) operating activities	\$ 10,363	\$ 7,915	\$ (63)	\$ (11,402)	\$ 6,813

See accompanying notes to the basic financial statements

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statements of Fiduciary Net Position
as of June 30, 2021 and 2020

<i>Dollar Amounts in Thousands</i>	2021 Custodial Funds	2020 Custodial Funds
<u>Assets</u>		
Current Assets:		
Restricted cash and cash equivalents	\$ 17,130	\$ 8,748
Interest receivable	162	145
Other receivables	46	40
Loans receivable	<u>3,648</u>	<u>4,178</u>
Total current assets	20,986	13,111
Loans receivable, less current portion	<u>27,434</u>	<u>24,901</u>
Total Assets	<u>48,420</u>	<u>38,013</u>
<u>Liabilities</u>		
Due to VEDA for administrative fees	<u>54</u>	<u>53</u>
Total Liabilities	<u>54</u>	<u>53</u>
Total Net Position Restricted for Other Governments	<u>\$ 48,366</u>	<u>\$ 37,960</u>

See accompanying notes to the basic financial statements

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Statements of Changes in Fiduciary Net Position
as of June 30, 2021 and 2020

Dollar Amounts in Thousands

	2021 Custodial Funds	2020 Custodial Funds
Additions:		
Contributions from State of Vermont	\$ 10,438	\$ 11,768
Investment earnings	27	96
Interest income on notes receivable	422	387
Loan fees	2	2
Other additions	11	0
Total additions	10,901	12,253
Deductions:		
Administrative expense	170	175
Grant funds disbursed	68	1,806
Loan loss provision	0	235
Other deductions	0	0
Funds returned to State of Vermont	257	208
Total deductions	495	2,424
Net increase in fiduciary net position	10,406	9,829
Net position - beginning (as restated)	37,960	28,131
Net position - ending	\$ 48,366	\$ 37,960

See accompanying notes to the basic financial statements

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Notes to Financial Statements
June 30, 2021 and 2020
Dollar Amounts are in Thousands

(1) Authorizing Legislation and Programs

(a) Authorizing Legislation

The Vermont Economic Development Authority (the “Authority” or “VEDA”) is a body corporate and politic and a public instrumentality of the State of Vermont (the “State”). It was created by the General Assembly in 1974. VEDA’s mission is to promote prosperity in the State by providing financial assistance to eligible businesses. VEDA funds a wide range of enterprises including: manufacturing; agriculture; travel and tourism; technology; renewable energy generation, efficiency and distribution; and other services including not-for-profits. The primary goal of VEDA programs is to provide eligible borrowers with access to capital at favorable interest rates. The Authority is reported as a component unit in the State’s financial statements and is generally exempt from federal income taxes.

The Authority is governed by a fifteen-member board (the “Board”). The Board is comprised of five State officials: Treasurer of the State; Secretary of the Agency of Commerce and Community Development; Secretary of Agriculture, Food and Markets; Commissioner of Forests, Parks and Recreation; and Commissioner of Public Service. The remaining ten Board members are citizens of the State appointed by the Governor with the advice and consent of the Senate.

In accordance with the enabling legislation which created the Authority, the State of Vermont reserves the right, at its sole discretion, and at any time, to alter or change the structure, organization, programs or activities of the Authority. This enabling legislation includes the power to terminate the Authority, subject to any limitation on the impairment of contracts of the Authority. This enabling legislation is silent as to whether the State has any responsibility to fund deficits which the Authority may incur other than those deficits specifically described in these notes.

(b) Programs of the Authority

The programs of VEDA are operated from four major funds: the Vermont Jobs Fund (“VJF”), the Vermont Agricultural Credit Corporation (“VACC”), the Vermont Small Business Development Corporation (“VSBDC”) and the VT 504 Corporation (“VT504”). The programs operated within each of the funds are described below:

Vermont Jobs Fund (“VJF”)

The VJF derives its operating revenues primarily from interest on loans receivable, interest on investments, and fee income from loans receivable and Industrial Development Bonds. The VJF programs are outlined as follows:

Loans to Development Corporations

This program is established under Subchapter 3 of the VEDA statute. Under this program the Authority provides loans to non-profit local development corporations. Allowable lending purposes include the purchase, construction and renovation of speculative buildings and small business incubator facilities, the purchase of land for industrial parks, and for industrial park planning and development.

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Subchapter 3 also provides the statutory authority for lending by the VJF to the VACC, VSBDC and the VT504 ("Interfund lending"; see Note 6).

Industrial Development Bonds ("IDB")

This program is established under Subchapter 4 of the VEDA statute. This program is designed to aid businesses and not-for-profit enterprises through the Authority's issuance of tax-exempt bonds. Allowable financing purposes include the acquisition of land, buildings, machinery and equipment for use in an industrial facility or for a not-for-profit enterprise. Since 1988, the Authority has issued \$784,622 of these bonds; \$236,177 and \$292,896 remain outstanding at June 30, 2021 and 2020 respectively. The bonds are not general obligations of the State of Vermont or the Authority and do not constitute indebtedness or a charge against the general credit or taxing power of the State of Vermont or the Authority. In 2021 the Authority received \$20 in fees for industrial development bond issuance, compared with fees totaling \$0 in 2020 as no industrial development bonds were issued.

Direct Loans to Businesses

Loans in this group are established primarily under Subchapter 5 of the VEDA statute as well as Subchapter 12. Allowable lending purposes include the purchase of land, the purchase, construction and renovation of buildings, and the purchase and installation of machinery and equipment for use in an eligible facility or project. Included in this group are loans made under the "Vermont Entrepreneurial Loan Program ("ELP"), loans for technology infrastructure and for incubator facilities.

Vermont Sustainable Energy Loan Fund

This program is established under Subchapter 13 of the VEDA statute. This program is designed to make loans and provide other forms of financing for projects that stimulate and encourage development and deployment of sustainable energy projects in the State.

VEDA Capital Access Program ("VCAP")

The VCAP establishes cash reserves at participating financial institutions ("banks") throughout the State. Banks enroll eligible loans and contribute an amount equal to 6% of the enrolled loan amount to a reserve account held at the bank in the Authority's name; enrolled loans cannot exceed \$250. VEDA matches the banks' contribution with an equal contribution to create a pooled cash reserve for loan losses. Banks can claim losses they incur on any enrolled loans in amounts not to exceed the outstanding cash reserve balance. The cash reserve amounts are included under the captions "Restricted cash and cash equivalents," and the banks portion of the reserve is recorded under the caption "Escrow and reserve accounts" and VEDA's portion is recorded as part of "Restricted net position" on the *Statement of Net Position*. VEDA also provides a rebate equal to 3% of the enrolled loan amount to participating banks and this expense is recorded under the caption "Capital Access Program Rebate Expense" on the *Statement of Revenues, Expenses and Changes in Net Position*.

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The Authority recorded provision for loss related to VCAP loans of (\$3) and \$11 in 2021 and 2020, respectively. The losses are recorded under the caption "Provision for losses on insured loans" on the *Statement of Revenues, Expenses and Changes in Net Position*.

Vermont Agricultural Credit Corporation ("VACC")

The Authority operates its agricultural loan programs through the VACC. The VACC derives its revenues primarily from interest on lending operations. The purpose of the VACC is to aid family farmers and agricultural facility operators by making available direct loans at favorable rates and terms.

Vermont Small Business Development Corporation ("VSBDC")

The VSBDC-IRP participates in the United States Department of Agriculture ("USDA") Intermediary Relending Program ("IRP"). Within the VSBDC there are two funds: the VSBDC IRP Fund ("VSBDC-IRP") and the VSBDC Loan Fund ("VSBDC-LF"). The VSBDC-LF was established to make small business loans when IRP funds are not available or when a project is ineligible for IRP funding. Both the VSBDC-IRP and the VSBDC-LF derive their revenues principally from interest and fees on loans.

Vermont 504 Corporation ("VT504")

The VT504 is eligible for participation in certain federal programs because of its status as a Certified Development Corporation, or "CDC". The federal programs are operated under the VT504 CDC Fund ("VT504-CDC"). The VT504 also participates in the USDA IRP program described above. This program is operated under the VT504-IRP Fund ("VT504-IRP").

The VT504-CDC operates two Small Business Administration ("SBA") loan programs: the SBA 504 loan program and the SBA Community Advantage program ("CA"). SBA 504 loans are made for the acquisition of land, buildings, machinery or equipment and are collateralized by property, plant and equipment or other assets (Note 7). The CA program makes loans up to \$250,000 and are guaranteed by the full faith and credit of the federal government. The VT504 CDC Fund derives its revenues primarily from fees for originating and servicing SBA 504 loans and interest and fees on CA loans. In 2020 The VT504-CDC also participated in the SBA Paycheck Protection Program ("PPP") lending program, providing loans to eligible borrowers as part of the CARES Act response to COVID-19.

The VT504-IRP makes small business loans using monies borrowed from the USDA IRP. The VT504-IRP derives its revenues principally from interest and fees earned on loans.

(c) Custodial Funds

The Authority provides underwriting, servicing, fiduciary and accounting services for lending programs operated by VEDA at the direction of various State agencies. The Custodial Funds include cash and loans receivable that are held in the name of the Authority for the benefit of the State (Note 12). While not considered a direct recipient of federal funds under these programs, VEDA manages and holds federal funds for the benefit of the Custodial Fund programs.

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(d) Blended Component Units

Accounting principles generally accepted in the United States of America require that the financial statements present the Authority and its component units. Component Units are entities that, although legally separate are either financially accountable to, or have relationships such that exclusion would cause the Authority's financial statements to be misleading or incomplete. By statute, the management and the boards of directors of the Authority's three corporations (VACC, VSBDC and VT504) also serve as the management and Board of the Authority. As such, the three not-for-profit corporations are included in these financial statements as blended component units. Separate audited financial statements for component units are not available.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Authority follows the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when incurred in accordance with *Government Auditing Standards*.

(b) Cash and Cash Equivalents

The Authority considers all highly liquid investments, both restricted and unrestricted, with original maturities of three months or less to be cash equivalents.

(c) Restricted Cash and Cash Equivalents

Certain cash and cash equivalents in the VJF are restricted under a trust indenture and held by a trustee in the Authority's name. The funds are used to pay interest at maturity on VEDA's outstanding commercial paper (Note 5) and to pay interest monthly on certain notes payable (Note 6). Cash in reserve accounts for the VCAP are restricted (in the VJF).

(d) Investments

The Authority's investments are presented in these financial statements at fair value. Under accounting principles generally accepted in the United States (GAAP), fair value is determined using a hierarchy of three assessment criteria ("Levels") based on the degree of certainty around the asset's underlying value. Assets included in "Level 1" can be valued with certainty because the investments are liquid and have observable market prices. The "Level 2" assessment includes investments whose values are based on their quoted prices in inactive markets and "Level 3" investments are illiquid and to estimate their value requires inputs that are not observable and require assumptions and estimates prepared by management. The specific investments and valuation methods are described in Note 3.

(e) Loans Receivable

Loans receivable are recorded at the uncollected principal balance, net of any loans sold without recourse.

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(f) Allowance for Loan Losses

The allowance for loan losses (“reserves”) are maintained at a level estimated to be adequate to absorb probable losses. Management determines the adequacy of the reserves based upon review of each credit relationship, historic loss experience, current economic conditions, and risk characteristics of the various loan types and other pertinent factors. Future changes in economic and risk conditions could affect the adequacy of the reserves.

(g) Nonaccrual Loans

Loans where the accrual of interest has been discontinued are designated nonaccrual loans (Note 4). Loans are classified as nonaccrual when they become 90-days past due, unless they are adequately collateralized and in the process of collection. All interest accrued but not paid on nonaccrual loans is charged off against current period income. Interest income on nonaccrual loans is recognized only when collected and accrual of interest is resumed when collection of the total amount in arrears is received or the collectability of all future amounts due is determined to be probable.

(h) Capital Assets

VEDA’s capital assets include real estate (“RE”), Leasehold Improvements (“LHI”) and furniture, fixtures & equipment (“FF&E”). RE includes land and two buildings. LHI are capital improvements made to property leased from a third party (Note 8). FF&E includes office furniture and fixtures and office equipment including computer hardware and software where the cost exceeds one thousand dollars. All assets are stated at cost net of accumulated depreciation. The Authority depreciates capital assets (except land and land improvements) using the straight-line method over the estimated useful life of the asset. VEDA uses fifteen to forty years for RE and RE improvements; three to five years for computer related hardware and software; and up to ten years for furniture and fixtures. LHI are depreciated over the life of the lease (Note 8). The charts below show the changes in capital assets and accumulated depreciation for the years ended June 30, 2021 and 2020:

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Capital Assets Schedule For the Year Ending June 30, 2021:	Beginning Capital Assets	Add New Capital Assets	Less Current Year Depreciation	Less Assets Retired	Ending Capital Assets
Real Estate - Montpelier	\$ 6,173	\$ 0	\$ 0	\$ 0	\$ 6,173
Leasehold Improvements - Burlington	201	0	0	0	201
Accumulated Depreciation - RE & LHI	(2,027)	0	(190)	0	(2,217)
Furniture, fixtures and equipment	1,614	32	0	0	1,646
Accumulated Depreciation - FF&E	(1,508)	0	(39)	0	(1,547)
Developed Land - Montpelier	500	0	0	0	500
Total Capital Assets, net	\$ 4,953	\$ 32	\$ (229)	\$ 0	\$ 4,756

Capital Assets Schedule For the Year Ending June 30, 2020:	Beginning Capital Assets	Add New Capital Assets	Less Current Year Depreciation	Less Assets Retired	Ending Capital Assets
Real Estate - Montpelier	\$ 5,822	\$ 351	\$ 0	\$ 0	\$ 6,173
Leasehold Improvements - Burlington	201	0	0	0	201
Accumulated Depreciation - RE & LHI	(1,837)	0	(190)	0	(2,027)
Furniture, fixtures and equipment	1,568	46	0	0	1,614
Accumulated Depreciation - FF&E	(1,453)	0	(55)	0	(1,508)
Developed Land - Montpelier	500	0	0	0	500
Total Capital Assets, net	\$ 4,801	\$ 397	\$ (245)	\$ 0	\$ 4,953

i) Restricted Net Position

Portions of net position are restricted when constraints are placed on them from external sources. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first with unrestricted resources utilized as needed (Note 13).

(j) Operating Revenues and Expenses

All revenues related to the origination and servicing of loans and managing the Authority's remaining assets and liabilities, including all overhead expenses, are considered "operating" revenues or expenses. Inter-governmental transfers such as appropriations and other items of an unusual or non-recurring nature are considered "non-operating" revenues or expenses.

(k) Allocation of Expenses

Overhead and some minor direct expenses are paid by the VJF on behalf of the other programs. Programs pay direct expenses for staff (VACC only) and professional fees, plus an administrative fee to the VJF based on the monthly outstanding loan receivable balance in each program plus additional charges for originating and closing the financing products of each program. Allocated expenses are reflected on the *Statement of Revenues, Expenses and Changes in Net Position* under the caption "Interfund (revenue) expense allocation."

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(l) Interfund Non-Operating Transfers

Inter-fund transfers are permanent asset transfers generally used to increase equity and help defray a portion of the cost of operating activities and are recorded under the caption “Interfund non-operating (expense) revenue” on the *Statement of Revenues, Expenses and Changes in Net Position*.

(m) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(n) Risks and Uncertainties

As a result of the COVID-19 pandemic, beginning in March 2020, the Authority moved to a remote working environment and has continued operating primarily in this capacity through June 30, 2021. The Authority has seen no adverse effects on operations from this transition and plans to continue in a hybrid environment going forward with employees both remote and in-office. To date, the loan portfolios have performed very well with no significant deterioration in credit quality, however much of this is due to federal support, and uncertainty remains surrounding the eventual emergence from the pandemic and long term impact on economic conditions.

(o) Adoption of New Accounting Pronouncements

During the fiscal year ended June 30, 2021, the Authority adopted the following new accounting standards issued by the GASB:

GASB No. 84, *Fiduciary Activities* (GASB 84) updates guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. Fiduciary activities consist of several revolving loan funds the Authority administers on behalf of the State of Vermont and are reported under the Statement of Fiduciary Net Position, Statement of Change in Fiduciary Net Position, and in further detail in Note 12.

Implementation of these new financial reporting standards required that the Authority to restate its beginning net position as of July 1, 2019, for the cumulative effects of applying this statement.

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Adjustment to beginning net position as of July 1, 2019, to reflect the net position within the Custodial Funds is as follows:

	Custodial Funds Net Position
July 1, 2019 beginning custodial net position (as originally stated)	\$ -
Adjustments with GASB 84 implementation	28,131
Adjusted beginning custodial net position (restated)	\$ 28,131

During the fiscal year ended June 30, 2020, the Authority adopted the following new accounting standards issued by the GASB:

GASB No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance (GASB 95)* provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions that became effective or were scheduled to become effective for periods beginning after June 15, 2018 and later.

(3) Cash Equivalents and Investments

Custodial Risk

Custodial risk for deposits is the risk that, in the event of a depository financial institution failure, the Authority will not be able to recover funds deposited in the failed institution. When the Authority's cash balances exceed the federal deposit insurance maximum, VEDA uses collateralized deposits whereby the financial institution pledges debt securities of the federal government that are held in trust for the benefit of the Authority.

Cash Equivalents

The Authority's cash equivalents include collateralized deposits and money market accounts. Deposits are collateralized with securities held in trust in the name of the bank for the benefit of the Authority. The total money market accounts at June 30, 2021 and 2020 were \$7,590 and \$872, respectively. The balances were comprised of direct obligations of the U.S. Government. The money market funds are Level 1 investments. With the exception of \$7,140 of money market funds held with the main investment portfolio, these funds are held by a single financial institution and collateralized with securities eligible under the Authority's Investment Policy and held in trust in the name of the bank for the benefit of VEDA. There were also cash and cash equivalents held in collateralized deposit accounts for the Custodial Funds totaling \$17,130 and \$8,748 at June 30, 2021 and 2020, respectively.

A trust indenture governs how the majority of restricted cash and cash equivalents in the VJF can be invested. The restricted cash is collateral for VEDA commercial paper (Note 5) and certain notes payable (Note 6). Allowable investments under the trust indenture are the same as investments

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allowed under the Authority's investment policy. The bank balance of the collateralized deposit accounts approximates book balance shown in the charts below.

The book balance of cash and cash equivalents for the past two years are presented in the charts below:

Cash and Cash Equivalent Balances at June 30, 2021:	VJF	VACC	VSBD	VT504	VEDA TOTAL	CUSTODIAL FUNDS
Collateralized deposit accounts	\$ 3,950	\$ 571	\$ 2,726	\$ 5,687	\$ 12,934	\$ 17,130
Money market accounts	7,590	0	0	0	7,590	0
Total cash and cash equivalents	\$ 11,540	\$ 571	\$ 2,726	\$ 5,687	\$ 20,524	\$ 17,130

Cash and Cash Equivalent Balances at June 30, 2020:	VJF	VACC	VSBD	VT504	VEDA TOTAL	CUSTODIAL FUNDS
Collateralized deposit accounts	\$ 3,416	\$ 494	\$ 1,845	\$ 1,847	\$ 7,602	\$ 8,748
Money market accounts	872	0	0	0	872	0
Total cash and cash equivalents	\$ 4,288	\$ 494	\$ 1,845	\$ 1,847	\$ 8,474	\$ 8,748

Investments

The Authority's investments are described below:

Bond Mutual Funds

The Authority invests in two bond market indexed mutual funds that are Level 1 investments.

Exchange-Traded Funds ("ETF")

The ETF is indexed to S&P 500 stock market index and is a Level 1 investment.

Cobank, ACB Stock

As part of its borrowing relationship with Cobank, ACB (Note 6), the VACC is required to own Cobank stock in amounts relative to the VACC's outstanding debt with Cobank, adjusted annually. The stock is held by Cobank in the name of the VACC and is considered a Level 3 investment as it is valued using unobservable inputs. At June 30, 2021 and 2020, the VACC owned \$896 and \$873 of CoBank stock, respectively.

Vermont Capital Partners, LP

In 2006, VEDA formed Vermont Capital Partners, LP ("VCP") and VEDA Capital Advisors, LLC, a limited liability company to act as General Partner of VCP. VEDA is the sole member of VEDA Capital Advisors, LLC and, acting as the General Partner, invested \$2,000 in VCP. There are four limited partners of VCP who have invested combined capital of \$2,750. The VCP partnership agreement specified that VCP invest 100% of its capital in Brook Ventures II, LP ("BVII") a Massachusetts based mezzanine debt fund.

Consistent with the authorizing legislation, the primary purpose of VEDA's investment in VCP is "to create job opportunities and support economic development" with profit a secondary consideration. VCP is recorded at net asset value as a practical expedient and is therefore excluded from the fair value hierarchy. Net asset value may not be indicative of net realizable value or reflective of future fair value.

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The net asset value at both June 30, 2021 and 2020 was \$0. There are no unfunded commitments related to VCP.

The Authority, as General Partner pays ongoing expenses as needed and VEDA will be reimbursed by VCP. As of June 30, 2021 and 2020, the Authority had expended \$511 and \$466, respectively, of reimbursable costs and these costs are recorded in the *Statement of Net Position* under the caption "Other assets."

Vermont Seed Capital Fund, LP

VEDA has an investment in the Vermont Seed Capital Fund, LP ("VSCF"). VEDA is one of two limited partners in the VSCF. The VCET Capital Corporation is the General Partner of the VSCF and invested \$1,000. VCET Capital Corporation is an affiliate entity of the Vermont Center for Emerging Technologies, located in Burlington, Vermont.

In 2010 through 2020, the Authority received State funds for investment in VSCF totaling \$4,177. There were no amounts received in 2021. The authorizing legislation for the VSCF stated the primary purpose for the investment is "to increase the amount of investment capital provided to firms within the State of Vermont and to support job creation and preservation in the State of Vermont." The authorizing legislation provides that any proceeds derived from VSCF be used by VEDA solely for reinvestment in the VSCF or another seed capital fund. Consequently, the investment is included under the captions "Restricted investments" and as a portion of "Restricted net position" on the *Statement of Net Position*. VSCF is recorded at net asset value as a practical expedient. Net asset value may not be indicative of net realizable value or reflective of future fair value and is therefore excluded from the fair value hierarchy. The net asset value of the Authority's investment in VSCF at June 30, 2021 and 2020 was \$3,317 and \$3,338, respectively. There are no unfunded commitments related to VSCF.

All investments as of June 30, 2021, and 2020 are shown in the chart below:

Fair Value Hierarchy	Investments By Type or By Issuer	Weighted Average Term (yrs)	At June 30, 2020		At June 30, 2021	
			Cost Basis	Fair Value ("FV")	Cost Basis	Fair Value ("FV")
Level 1:	Total Bond Market Index Fund	8.6	\$ 9,582	\$ 10,326	\$ 9,582	\$ 10,059
Level 1:	Corporate Bond Index Fund	3.1	9,645	9,953	9,645	9,982
Level 1:	Exchange-Traded S&P Index Fund	n/a	3,853	5,036	0	0
Level 3:	CoBank, ACB Stock	n/a	873	873	896	896
Excluded*	Vermont Seed Capital Fund, LP	n/a	4,177	3,338	4,177	3,317
Excluded*	Vermont Capital Partners, LP	n/a	2,000	0	2,000	0
Total Investments			\$ 30,130	\$ 29,526	\$ 26,300	\$ 24,254

*Recorded at net asset value as practical expedient.

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Summary of Investment Policy

The Authority's investment policy allows the following as eligible investments: (a) Direct obligations of the United States of America and unconditionally guaranteed by the United States of America and debt obligations of U.S. Government agencies; (b) Overnight collateralized deposit agreements collateralized by obligations of the U.S. Government and its Agencies; (c) Investment agreements with financial institutions which are rated at least "A" by nationally recognized credit rating agencies; (d) Interest bearing time deposits, certificates of deposit or other depository arrangement insured by the Federal Deposit Insurance Corporation (FDIC); (e) Commercial paper which is rated "A-1" by Standard and Poor's and "P-1" by Moody's Investors Services and matures not more than 270 days after the date of purchase; (f) Domestic money market funds regulated by and in good standing with the Securities and Exchange Commission ("SEC"), such money market funds being composed entirely of investments eligible under VEDA's investment policy; (g) Corporate bonds, debentures, Yankee bonds, mortgage-backed securities and other domestically or foreign issued fixed-income instruments deemed prudent by the Investment Managers; (h) Individual equity securities of domestic or international companies; (i) Equity or bond mutual funds or exchange-traded funds ("ETF") of domestic or international companies. Such funds must be comprised of investments eligible under the policy; and (j) any other investment with prior approval of the Authority's Board. The Authority's investment policy mandates that debt securities carry a minimum rating of investment grade (BBB-).

The investments in Vermont Capital Partners, LP and the Vermont Seed Capital Fund, described above, were authorized by statute and are outside the scope of the Authority's investment policy.

Interest Rate Risk on Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The Authority's Investment Policy seeks to minimize interest rate risk through a combination of diversification and duration. Duration is a measure of an investment's exposure to changes in fair value that could result from changes in interest rates (i.e. interest rate risk). Duration uses the present value of cash flows from an investment, weighted for the cash flows as a percentage of an investment's full price. The Authority's Asset Liability Management Committee has selected a diversification mix for its Level 1 marketable securities of approximately 80% in bond mutual funds with an average duration of less than five years and up to 20% in an ETF indexed to the Standard and Poor's 500 stock index. None of the bond mutual funds have securities with terms considered to make them highly sensitive to interest rate changes.

4) Loans Receivable

The outstanding balance of loans receivable by major program group as of June 30, 2021 and 2020, are detailed in the charts below.

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Loans Receivable By Major Program Group - Balances at June 30, 2021:	VJF	VACC	VSBCD	VT504	VEDA TOTAL	As a % of TOTAL
Loans to development corporations	\$ 20,494	\$ 0	\$ 0	\$ 0	\$ 20,494	7%
Direct loans to businesses	95,664	0	0	0	95,664	33%
Agricultural loans	10,421	87,047	0	0	97,468	34%
Small business loans	2,225	0	27,307	44,784	74,316	26%
Total Loans Receivable	\$ 128,804	\$ 87,047	\$ 27,307	\$ 44,784	\$ 287,942	100%

Loans Receivable By Major Program Group - Balances at June 30, 2020:	VJF	VACC	VSBCD	VT504	VEDA TOTAL	As a % of TOTAL
Loans to development corporations	\$ 20,589	\$ 0	\$ 0	\$ 0	\$ 20,589	7%
Direct loans to businesses	103,968	0	0	0	103,968	38%
Agricultural loans	13,636	90,231	0	0	103,867	37%
Small business loans	2,952	0	27,782	19,470	50,204	18%
Total Loans Receivable	\$ 141,145	\$ 90,231	\$ 27,782	\$ 19,470	\$ 278,628	100%

In addition to loans receivable shown above, there were \$31,082 and \$29,079 of Custodial Fund loans outstanding at June 30, 2021 and 2020, respectively. These loans are represented on the *Statement of Fiduciary Net Position*.

Nonaccrual Loans

The outstanding balance of nonaccrual loans at June 30, 2021 and 2020 was \$16,076 and \$21,120, respectively. The allowance for loan losses specific to nonaccrual loans totaled \$1,301 and \$1,684 at June 30, 2021 and 2020, respectively. Total interest collected on nonaccrual loans in the years ended 2021 and 2020 was \$1,142 and \$947, respectively.

Allowance for Loan Losses

Changes in the allowance for loan losses ("reserves") result from loss provisions charged to or recovered from operations; loans receivable that are "written-off" and charged to the allowance; and recoveries added to the allowance (collection of loans receivable that were previously written-off). The Authority performs a substantive review of the allowances on a quarterly basis.

Management establishes "Specific Reserves" for loans receivable where a loss is probable and establishes non-specific (i.e. "general") allowances for unidentified future losses. General reserves are based on a review of historical loss experience on the various loan portfolios combined with management's judgment of how those historical trends might relate to future loss experience.

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The chart below details the changes in the allowance for loan losses for 2021 and 2020:

Change in Allowance for Loan Losses For Year Ended June 30, 2021:	Beginning 2021 Allowance	Add (deduct) Loan Loss Provisions	Less Loan Write-offs	Add Loan Recoveries	Ending 2021 Allowance
VJF	\$ 2,767	\$ (250)	\$ (75)	\$ 30	\$ 2,472
VACC	2,282	(169)	(130)	5	1,988
VSBD	1,064	(53)	(90)	8	929
VT504	254	(72)	0	5	187
VEDA Total	\$ 6,367	\$ (544)	\$ (295)	\$ 48	\$ 5,576

Change in Allowance for Loan Losses For Year Ended June 30, 2020:	Beginning 2020 Allowance	Add (deduct) Loan Loss Provisions	Less Loan Write-offs	Add Loan Recoveries	Ending 2020 Allowance
VJF	\$ 3,284	\$ 312	\$ (883)	\$ 54	\$ 2,767
VACC	945	1,471	(138)	4	2,282
VSBD	1,202	(49)	(92)	3	1,064
VT504	188	66	0	0	254
VEDA Total	\$ 5,619	\$ 1,800	\$ (1,113)	\$ 61	\$ 6,367

Loans Receivable Guaranteed by Federal Government The Authority has a portion of loans receivable guaranteed the federal government. The chart below details the federally guaranteed balances and the range and average guarantee percentage.

Federally Guaranteed Loan Receivable Balances at June 30, 2020 and 2021	VEDA FUND	At June 30 2020	At June 30 2021	Average Guarantee 2020	Average Guarantee 2021	Guarantee Range
USDA Department of Rural Development	VJF	\$ 923	\$ 800	80%	80%	All at 80%
USDA Department of Rural Development	VACC	8	-	85%	0%	80% - 85%
USDA Farm Service Agency, net of sold	VACC	44,543	38,302	90%	91%	80% - 95%
Small Business Administration	VT504	2,175	2,697	82%	83%	75% - 85%
Small Business Administration PPP	VT504	11,508	36,295	100%	100%	100%
Total Guaranteed Loan Receivable Balances		\$ 59,157	\$ 78,094	92%	94%	75% - 95%

Loans Sold to Third Party

No loans were sold in 2021 or 2020. At June 30, 2021 and 2020, the VACC was servicing \$1,612 and \$2,634, respectively of loans receivable sold.

Interfund Loan Transfers

Loans receivable are periodically transferred from the VACC to the VJF to more effectively use the available collateral for borrowings. In both 2021 and 2020, \$0 in loans were transferred at book value from the VACC to the VJF. The total outstanding loans receivable transferred from the VACC to the VJF was \$10,421 and \$13,636 at June 30, 2021 and 2020, respectively.

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(5) Commercial Paper

Since 1998, the Authority has issued commercial paper to fund a portion of its lending operations. From time to time throughout the year, the Authority issues taxable and tax-exempt commercial paper (“CP”) to fund new loans and to refund outstanding loans. The chart below shows the amounts and terms of commercial paper at June 30, 2021 and 2020:

Commercial Paper Outstanding at June 30, 2021	Issue Date	Maturity Date	Interest Rate	Amount Issued
Taxable commercial paper	06/16/2021	07/16/2021	0.070%	\$ 85,000
Tax-exempt commercial paper	06/16/2021	07/16/2021	0.070%	5,000
Total Commercial Paper Outstanding			0.070%	\$ 90,000

Commercial Paper Outstanding at June 30, 2020	Issue Date	Maturity Date	Interest Rate	Amount Issued
Taxable commercial paper	06/08/2020	09/24/2020	0.250%	\$ 85,000
Tax-exempt commercial paper	06/08/2020	09/24/2020	0.250%	6,000
Total Commercial Paper Outstanding			0.250%	\$ 91,000

Following subsequent monthly renewals on July 16, 2021, August 17, 2021, and September 16, 2021, the Authority issued taxable and non-taxable commercial paper in the amounts of \$85,000 and \$4,500 on October 18, 2021. The stated interest rate for the taxable and non-taxable CP is 0.07% and 0.06%, respectively. Both CP notes will mature on November 18, 2021.

Letter of Credit (“LC”)

The Authority utilizes a letter of credit (“LC”) to enhance the credit rating of the commercial paper it issues. The LC provider’s credit rating elevates VEDA’s CP to “A-1” and “P-1” as rated by Standard and Poor’s and Moody’s Investor Services, respectively.

VEDA has an agreement with J.P. Morgan Chase Bank, National Association (“JPM”) to provide two LCs for the issuance of taxable and tax-exempt commercial paper. The LCs expire February 17, 2023. At June 30, 2021 and 2020, the principal amount of the combined letters of credit was \$95,000. The LCs are collateralized with \$12,500 in restricted investments (Note 3) and a moral obligation pledge of the State for \$82,500 (Note 12). Included under the caption “Interest on commercial paper and notes payable” on the *Statement of Revenues, Expenses and Changes in Net Position* of the VJF are fees related to the LC of and \$735 and \$703 for 2021 and 2020, respectively.

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The changes in commercial paper due to new issued or refunded and matured commercial paper during 2021 and 2020 is shown in the charts below:

Changes in Commercial Paper for the year ending June 30, 2021	2021 Beginning Balance	Total CP Issued	Total CP Matured	2021 Ending Balance
Taxable commercial paper	\$ 85,000	\$ 425,000	\$ (425,000)	\$ 85,000
Tax-exempt commercial paper	6,000	27,500	(28,500)	5,000
Total Commercial Paper	\$ 91,000	\$ 452,500	\$ (453,500)	\$ 90,000

Changes in Commercial Paper for the year ending June 30, 2020	2020 Beginning Balance	Total CP Issued	Total CP Matured	2020 Ending Balance
Taxable commercial paper	\$ 85,000	\$ 425,000	\$ (425,000)	\$ 85,000
Tax-exempt commercial paper	7,300	31,870	(33,170)	6,000
Total Commercial Paper	\$ 92,300	\$ 456,870	\$ (458,170)	\$ 91,000

(6) Notes Payable and Interfund Notes Payable

Notes Payable

The Authority's notes payable are described below:

Northfield Savings Bank, FSB ("NSB")

The Authority retired the mortgage with NSB on its principal headquarters location in Montpelier, Vermont during 2021. VEDA has a back-up liquidity facility of \$2,500 with NSB as of June 30, 2021, reduced from \$5,000 at June 30, 2020 at VEDA's request, that has annual line reviews and calls for monthly payments of interest at a floating rate. There were no amounts drawn or outstanding on the line during 2021 or 2020. Included in VJF interest expense in 2021 and 2020 are fees related to the LOC in the amount of \$5 and \$10, respectively.

TD Bank, NA ("TDB")

VEDA has two variable-rate notes with an aggregate outstanding balance of \$40,000 at June 30, 2021 and 2020, respectively. Both notes have the same maturity date of February 24, 2022. The loans carry the same floating interest rate and call for monthly interest payments and principal at maturity.

The Authority has three fixed-rate notes. The first note has an outstanding balance of \$21,000 and \$22,000 at June 30, 2021 and 2020, respectively. This note has an original maturity of ten years and calls for monthly interest payments and annual principal payments of \$1,000 for each of the first five years and \$4,000 for each of the remaining five years.

The second fixed-rate note with an outstanding balance of \$15,000 at June 30, 2021 and 2020, has an original maturity of five years and calls for monthly interest payments and principal at maturity. The

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third fixed-rate note with an outstanding balance of \$22,000 at June 30, 2021 and 2020, has an original maturity of five years and calls for monthly interest payments and principal at maturity.

The \$98,000 in aggregate TDB notes payable outstanding at June 30, 2021 are collateralized with \$8,700 of restricted investments (Note 4) and a moral obligation pledge of the State totaling \$92,500.

VEDA has a revolving line of credit note (the “line”) with an outstanding balance of \$20,000 for both June 30, 2021 and 2020. The line is secured by various loans receivable. The line calls for monthly interest payments at a floating interest rate and principal at maturity.

State of Vermont

The Authority has a loan from the State in the amount of \$10,000 with an original maturity of ten years. The loan is not collateralized and is fixed for the first five years and then has a one-time interest rate adjustment for the remaining five years. The loan calls for quarterly interest payments and principal at maturity. The loan was granted an initial 12-month rate adjustment to 1.00% effective May 1, 2020, and a subsequent adjustment effective May 1, 2021 to fix the rate at 1.00% through February 28, 2022.

Cobank, ACB (“Cobank”)

The VACC has a revolving line of credit agreement with Cobank in the amount of \$40,000, with \$7,600 and \$8,347 outstanding at June 30, 2021 and 2020, respectively. The line has been in place since 1999 and is the primary source liquidity for the Authority and its programs. The LOC includes annual line reviews and a sixty-day termination notice. The line is set to mature December 1, 2021. The terms of the note call for monthly interest payments at a floating interest rate. Included in VACC interest expense in 2021 and 2020 are fees related to the LOC in the amount of \$74 and \$60, respectively.

United States Department of Agriculture (“USDA”) Intermediary Relending Program (“IRP”)

The VSBDC and the VT504 have notes payable to the USDA Intermediary Relending Program through the USDA Department of Rural Development. All IRP notes are at a fixed rate for a period of thirty years and have annual payments of interest the first three years and twenty-seven years of annual principal and interest payments. The IRP notes are collateralized with the assets of the respective VSBDC and VT504 IRP Funds.

The schedule below details the changes in notes payable in 2021 and 2020:

Changes in Note Payable For Year Ending June 30:	2020 Beginning Balance	Add New Debt	Less Debt Paid	2020 Ending Balance	Add New Debt	Less Debt Paid	2021 Ending Balance
VJF	\$ 131,597	\$ 0	\$ 1,262	\$ 130,335	\$ 0	\$ 2,335	\$ 128,000
VACC	14,500	16,600	22,753	8,347	31,493	32,240	7,600
VSBDC	6,171	683	272	6,582	84	268	6,398
VT504	4,036	8,553	85	12,504	20,493	6,515	26,482
Totals for 2020 & 2021:	\$ 156,304	\$ 25,836	\$ 24,372	\$ 157,768	\$ 52,070	\$ 41,358	\$ 168,480

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Details of notes payable as of June 30, 2020 and 2021 are shown in the chart below:

Notes Payable for Years Ending June 30:	Note Amount	Issue Date	Maturity Date	Current Rate	Balance 2020	Balance 2021
Northfield Savings Bank	\$ 3,400	12/13/07	02/15/25	2.90%	\$ 1,335	\$ 0
TD Bank, N.A. (variable-rate)	30,000	02/24/17	02/24/23	0.77%	30,000	30,000
TD Bank, N.A. (fixed-rate)	25,000	02/24/17	02/24/27	3.06%	22,000	21,000
TD Bank, N.A. (variable-rate)	25,000	03/22/17	02/24/23	0.77%	10,000	10,000
TD Bank, N.A. (fixed-rate)	15,000	06/29/18	02/24/23	3.49%	15,000	15,000
TD Bank, N.A. (fixed-rate)	22,000	01/10/19	01/10/24	3.38%	22,000	22,000
TD Bank, N.A. (line of credit)	20,000	03/10/17	04/30/22	0.87%	20,000	20,000
State of Vermont	10,000	02/01/15	01/31/25	1.00%	10,000	10,000
Total Notes Payable - VJF	\$ 155,400			1.95%	\$ 130,335	\$ 128,000
Total Notes Payable - VACC (Cobank, ACB)	\$ 40,000	12/01/19	12/01/21	2.01%	\$ 8,347	\$ 7,600
USDA Rural Development IRP	\$1,000	09/08/89	09/08/19	1.00%	\$ 4	\$ 0
USDA Rural Development IRP	1,000	10/04/94	10/03/24	1.00%	202	163
USDA Rural Development IRP	1,000	03/16/95	03/15/25	1.00%	190	150
USDA Rural Development IRP	200	03/09/06	03/08/36	1.00%	48	36
USDA Rural Development IRP	750	11/19/10	11/18/40	1.00%	600	574
USDA Rural Development IRP	750	03/09/06	03/09/36	1.00%	469	441
USDA Rural Development IRP	750	06/27/08	06/27/38	1.00%	522	495
USDA Rural Development IRP	750	10/27/09	10/27/39	1.00%	574	548
USDA Rural Development IRP	1,000	01/10/14	01/10/44	1.00%	905	872
USDA Rural Development IRP	1,000	07/13/16	07/13/46	1.00%	1,000	968
USDA Rural Development IRP	1,000	12/19/17	12/18/47	1.00%	1,000	1,000
USDA Rural Development IRP	250	12/11/18	12/10/48	1.00%	63	146
USDA Rural Development IRP	1,000	05/21/19	05/20/49	1.00%	1,000	1,000
USDA Rural Development IRP	250	12/20/19	12/20/49	1.00%	5	5
Total Notes Payable - VSBDC	\$ 10,700			1.00%	\$ 6,582	\$ 6,398
USDA Rural Development IRP	\$ 750	10/27/09	10/27/39	1.00%	\$ 574	\$ 548
USDA Rural Development IRP	750	11/19/10	11/18/40	1.00%	600	574
USDA Rural Development IRP	1,000	02/10/14	02/10/44	1.00%	902	868
USDA Rural Development IRP	1,000	04/21/17	04/21/47	1.00%	1,000	968
USDA Rural Development IRP	1,000	12/11/18	12/10/48	1.00%	875	1,000
USDA Rural Development IRP	1,000	12/02/19	12/02/49	1.00%	250	250
PPP Liquidity Facility	8,303	06/02/20	06/23/25	0.35%	8,303	22,274
Total Notes Payable - VT504	\$ 13,803			0.45%	\$ 12,504	\$ 26,482
Total Notes Payable	\$ 219,903			1.68%	\$ 157,768	\$ 168,480

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The aggregate maturities of notes payable principal and interest for future years are as follows:

Fiscal Year	Notes Payable Principal				Notes Payable Interest			
	VJF	VACC	VSBD	VT504	VJF	VACC	VSBD	VT504
2022	\$ 21,000	\$ 7,600	\$ 305	\$ 1,964	\$ 2,497	\$ 78	\$ 64	\$ 114
2023	59,000	0	308	152	2,131	0	61	112
2024	26,000	0	343	163	1,133	0	58	111
2025	14,000	0	314	164	610	0	54	109
2026	4,000	0	253	20,626	245	0	51	107
2027-2031	4,000	0	1,301	855	82	0	218	154
2032-2036	0	0	1,366	898	0	0	151	110
2037-2041	0	0	1,144	912	0	0	86	64
2042-2046	0	0	761	580	0	0	37	25
2047-2051	0	0	303	168	0	0	6	3
Total	\$ 128,000	\$ 7,600	\$ 6,398	\$ 26,482	\$ 6,698	\$ 78	\$ 786	\$ 909

Interfund Notes Payable

The VACC, VSBD and VT504 have notes payable to the VJF to fund a portion of their lending operations. The interfund borrower-lender relationship allows the Authority to provide liquidity and facilitates cash management for all its programs. In 2019, the interfund notes payable were renewed for three years and call for monthly interest payments at a floating rate of interest. The interfund notes payable outstanding at June 30, 2021 and 2020 are shown in the chart below:

Interfund Notes Payable for Years Ending June 30:	Note Amount	Issue Date	Maturity Date	Current Rate	Balance 2020	Balance 2021
VACC	\$ 80,000	09/30/16	09/30/22	3.15%	\$ 69,105	\$ 64,737
VSBD Loan Fund	25,000	09/30/16	09/30/22	3.15%	16,665	17,615
VT504 CDC Fund	5,000	09/30/16	09/30/22	3.15%	5,345	17,794
Total Interfund Notes Payable	\$ 110,000			3.15%	\$ 91,115	\$ 100,146

Detail of the changes in the interfund notes payable outstanding at June 30, 2020 and 2019 are shown in the chart below:

Fund or Company Note (Receivable) or Payable	2020 Beginning Balance	Add New Payable or (Receivable)	Payments Received or (Paid)	2020 Ending Balance	Add New Payable or (Receivable)	Payments Received or (Paid)	2021 Ending Balance
VJF	\$ (85,770)	\$ (18,345)	\$ 13,000	\$ (91,115)	\$ (57,328)	\$ 48,297	\$ (100,146)
VACC	68,500	13,605	(13,000)	69,105	24,532	(28,900)	64,737
VSBD	15,390	1,275	0	16,665	950	0	17,615
VT504	1,880	3,465	0	5,345	31,846	(19,397)	17,794
VEDA TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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(7) Small Business Administration Debentures

The VT504 approves the issuance of SBA guaranteed debentures and uses the proceeds to make loans to eligible businesses. The debentures and the loans they fund are not included in the *Statement of Net Position* of VT504 and accordingly, are not included in these financial statements. The VT504 acts as an originator and servicing agent for the SBA and has no obligation to repay the debentures. The VT504 was servicing \$12,420 and \$13,533 of loans at June 30, 2021 and 2020, respectively. The VT504 received \$94 and \$107 in fees related to the SBA 504 Loan Program in 2021 and 2020, respectively.

(8) Operating Leases

The Authority has owned the site of its primary headquarters building located in Montpelier, Vermont since 2007. The real property includes land, adequate parking, and two buildings. The “main” building consists of four floors with aggregate office space of approximately 20,000 square feet; the second building has approximately 2,400 square feet of leasable office space. The Authority occupies the third and fourth floors of the main building as its primary offices and leases the remaining space. The projected lease revenue from VEDA tenants are shown in the chart to the right.

Lease Revenue 56-58 East State	
Fiscal Year	VJF
2022	171
2023	171
2024	171
2025	171
2026-2028	248
Total	\$ 932

VEDA has an operating lease to a single not-for-profit tenant for the first two floors in the main building. The lease was originally for fifteen years and was extended for an additional five years in 2019 after ten years. The extended lease calls for fixed monthly payments and requires the lessee to pay a pro-rata share of certain occupancy related expenses including property taxes, maintenance, and utilities.

As of June 30, 2021, the second building has new tenants following foundation remediation in the first half of 2020. Rental income from both buildings totaled \$222 and \$218 in 2021 and 2020, respectively and includes the pro rata share of operating expenses paid by the lessee noted above. The Authority has a lease for 4,175 square feet of office space and common area at 60 Main Street in Burlington, Vermont. Under the lease, the Authority has fixed monthly payments and a share of common area maintenance and other costs. Payments over the remaining term of the lease are shown in the chart to the right. VEDA has annually renewable leases for space at three additional satellite offices located in Middlebury, Brattleboro, and St. Johnsbury. The Authority paid occupancy expenses under all these leases for the years ended June 30, 2021 and 2020, of \$148 and \$159, respectively. VEDA has entered a seven-year renewable lease agreement for newly constructed office space in Middlebury effective September 1, 2020 and has moved operations. Annual base lease expense for the new property has increased from \$24 to \$49.

Lease Expense 60 Main Street	
Fiscal Year	VJF
2022	75
2023	77
2024	78
2025	20
Total	\$ 250

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(9) Retirement Plan

The Authority has a non-contributory defined contribution retirement plan for all employees who have completed one year of service. Contributions are based on ten percent of each participant's compensation. Contributions are made to individual Simplified Employer Plan ("SEP") accounts in the employee's name and held by a financial institution of the employee's choosing. Contributions to the SEP accounts are immediately 100% vested and the Authority does not offer any additional post-employment benefits to its employees. The Authority's retirement plan contributions as a percent of total payroll for employees enrolled in the plan is shown for the last three years in the chart below:

Retirement Plan for Fiscal Years ending June 30:	2019	2020	2021
Contributions to Simplified Employer Plan ("SEP")	\$ 365	\$ 362	\$ 401
SEP Contributions as a % of Covered Payroll	10%	10%	10%

(10) Contingent Liabilities

The Authority receives financial assistance from the Federal government in the form of loan guarantees, grants and interest subsidies. Entitlement to Federal financial assistance is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations. All Federal financial assistance programs are subject to either the Uniform Guidance or to financial and compliance audits by the grantor agencies. Any guarantee amounts paid and received that are disallowed because of these audits would become a liability of the Authority. At June 30, 2021 and 2020, management was not aware of any such disallowance.

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority manages these risks through commercial insurance purchased in the name of the Authority. Insurance settlements have not exceeded insurance coverage for any of the past three years, nor have there been any reductions in insurance coverage.

(11) Loan Commitments Outstanding

At June 30, 2021, the Authority had commitments for new loans and undisbursed amounts on existing loans. The amounts are expected to be disbursed in 2022 and are detailed in the chart below:

Outstanding Commitments Balances at June 30, 2021	VJF	VACC	VSBCDC	VT504	VEDA TOTAL
Loan receivable commitments	\$ 4,186	\$ 295	\$ 2,275	\$ 238	\$ 6,993
Undisbursed loans receivable	8,497	3,818	209	375	12,900
Outstanding Commitments	\$ 12,683	\$ 4,113	\$ 2,484	\$ 613	\$ 19,893

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(12) Relationships with the State of Vermont

Moral Obligation Pledge

State statute provides a moral obligation (“MO”) pledge to support various debt issues of the Authority (Note 5 and 6). An MO pledge is not the same as a *full faith and credit* pledge of the State. Rather, the moral obligation requires VEDA to maintain reserve funds at specified reserve fund requirements and for VEDA to report any deficiencies that arise to the State. The State is then required to request an appropriation from the legislative body to make up any shortfall. Since there is no legal requirement for the State to make the appropriation, timely payment depends on the State’s willingness to support VEDA’s debt. At the end of 2021 and 2020 there was \$181,000 of MO authorized in State statute. Of the amount authorized, \$175,000 was pledged and outstanding at June 30, 2021 and 2020, respectively.

Advances

In 2014, the Authority received an advance of \$5,500 from the State to fund a portion of a project to build a State office building in St. Albans, Vermont. The terms of the agreement with the State stipulates that the borrower’s principal repayments be held by VEDA until the funds are requested by the State. VEDA’s obligation to repay the advanced funds is limited to repayments received from the Authority’s borrower. The aggregate amount of principal payments collected at June 30, 2021 and 2020 was \$1,417 and \$1,198, respectively and is recorded on the *Statement of Net Position* under the caption “Cash and cash equivalents – Restricted.”

Outstanding advance balances are reflected on the *Statement of Net Position* under the caption “Other Liability – State of Vermont.”

Reserves

VEDA has received funds from the State to support loan loss reserves for programs carrying higher than average risk of loss. In 2020 the VJF received \$540 to support the Broadband Lending Program (BBLP), and VACC received \$250 to support the Farm Ownership Loan Program (FOLP). To date, no losses have been incurred under these programs, and no further appropriations received. At the conclusion of the programs, any unused funds will be due to the State; as such, the funds are carried on the VFJ and VACC balance sheets as restricted cash with a corresponding contingent liability.

Custodial Funds

VEDA services loan programs for various Agencies of the State. The Authority provides underwriting, servicing, fiduciary and accounting services for these programs. VEDA holds cash for all programs and loans receivable for the programs in the Authority’s name. These assets are recorded on the *Statement of Fiduciary Net Position* and *Statement of Changes in Fiduciary Net Position*. The Custodial Fund programs are described in more detail below:

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Drinking Water State Revolving Fund (“DWF”)

VEDA assists the Agency of Natural Resources (“ANR”) in the operation of the DWF which makes loans to private entities for drinking water improvement projects. The Authority issues loans receivable and is assisted by the ANR in approving the loans. The VJF earned \$92 and \$102 in fees in 2021 and 2020, respectively.

Clean Energy Development Fund (“CEDF”)

The Authority provides services to CEDF which is operated by the State Department of Public Service (“DPS”). The CEDF makes grants and loans to businesses for developing and marketing renewable and clean sources of energy. The VJF earned \$16 and \$19 in fees for services in 2021 and 2020, respectively.

State Infrastructure Bank (“SIB”)

The SIB makes municipal and private sector loans for transportation infrastructure-related projects at the direction of its Board and in conjunction with the State Agency of Transportation. The VJF earned \$17 and \$19 in fees for services in 2021 and 2020, respectively.

Brownfield Revitalization Fund (“BRF”)

The Authority provides services to the State Agency of Commerce and Community Development (“ACCD”) in the operation of the BRF. The BRF makes loans to businesses or individuals for cleaning up environmentally “dirty” sites (a “Brownfield”). The VJF earned \$19 and \$20 in fees for services in 2021 and 2020, respectively.

Windham County Economic Development Program (“WCEDP”)

The Authority provides services to the State Agency of Commerce and Community Development (“ACCD”) for the WCEDP to help businesses in Windham County that are adversely impacted by the closing of the Vermont Yankee Nuclear Power Plant in Vernon. The VJF earned fees for services of \$26 and \$15 in 2021 and 2020, respectively.

Clean Water State Revolving Loan Fund Program (“CWSLRF”)

The Authority provides services to the State Department of Environmental Conservation (“DEC”) in the operation of the CWSLRF, which makes loans to private entities for water system improvement projects. The VJF earned fees for services of \$71 and \$62 in 2021 and 2020, respectively.

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The chart below shows the cash and loans receivable at June 30, 2021 and 2020 for the respective State agencies:

Custodial Funds at June 30, 2021:	DWF & CWSLRF	CEDF	SIB	BRF	WCEDF	TOTAL
Cash and cash equivalents	\$ 12,461	\$ 711	\$ 2,523	\$ 225	\$ 1,210	\$ 17,130
Loans receivable	24,319	1,287	1,348	1,604	2,524	31,082
Total Cash and Loans at June 30, 2021	\$ 36,780	\$ 1,998	\$ 3,871	\$ 1,829	\$ 3,734	\$ 48,212

Custodial Funds at June 30, 2020:	DWF & CWSLRF	CEDF	SIB	BRF	WCEDF	TOTAL
Cash and cash equivalents	\$ 4,559	\$ 719	\$ 2,376	\$ 223	\$ 871	\$ 8,748
Loans receivable	21,921	1,513	1,474	1,336	2,835	29,079
Total Cash and Loans at June 30, 2020	\$ 26,480	\$ 2,232	\$ 3,850	\$ 1,559	\$ 3,706	\$ 37,827

(13) Restricted Net Position

The changes in restricted net position, exclusive of fiduciary activity, for the past two years are detailed in the chart below:

VEDA had restricted net position of \$26,125 and \$28,598 at June 30, 2021 and 2020, respectively. The purpose of the restricted net position amounts are described below:

Restricted Net Position for Years Ending June 30, 2019, 2020 & 2021:	Balance at 06/30/2019	(Decrease) Increase	Balance at 06/30/2020	(Decrease) Increase	Balance at 06/30/2021
For collateral reserve funds	\$ 24,313	\$ (132)	\$ 24,181	\$ (2,505)	\$ 21,676
For Vermont seed capital fund	3,390	(52)	3,338	(21)	3,317
For federal program	0	0	0	0	0
For VEDA Capital Access Program	142	27	169	26	195
For Escrows, Reserves and Deposits	9	3	12	0	12
VJF Total	27,854	(154)	27,700	(2,500)	25,200
For investment in Cobank	970	(97)	873	23	896
VACC Total	970	(97)	873	23	896
Community Advantage Restricted Cash	21	4	25	4	29
VT504 Total	21	4	25	4	29
Totals at June 30, 2019, 2020 and 2021	\$ 28,845	\$ (247)	\$ 28,598	\$ (2,473)	\$ 26,125

Collateral Reserve Funds

Under the letter of credit agreement with JPM (Note 5) and certain notes payable to TD Bank, the Authority is required to have a minimum of \$21,676 in fair value of marketable securities held with a trustee as collateral; this amount includes the \$12,500 pledged to JPM and described in Note 5. In

Vermont Economic Development Authority
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addition, the Authority must also place with the trustee the amount of interest due to the holders of the VEDA commercial paper at maturity. These amounts are represented as restricted assets on the *Statement of Net Position*.

Vermont Seed Capital Fund

The Authority has restricted net position representing its investment in the Vermont Seed Capital Fund (Note 3). By statute, all revenues derived from the fund must be reinvested in the VSCF or another seed capital fund. Consequently, the amount of the investment is recorded on the *Statement of Net Position* as a restricted investment.

VEDA Capital Access Programs ("VCAP")

Included in Restricted cash and cash equivalents was \$328 and \$273 in the VJF at June 30, 2021 and 2020, respectively. These amounts are reserve funds held at banks participating in VCAP. The Authority's portion of each reserve is recorded as restricted net position and the participating banks portion is recorded under the caption "Escrow and reserve accounts" on the *Statement of Net Position*.

Investment in Cobank

As part of the agreement with Cobank (Note 6) the VACC is required to purchase stock in Cobank which can only be redeemed when the relationship is terminated. The investment is recorded under the caption "Restricted investments" on the *Statement of Net Position*.

Community Advantage

As part of the Small Business Administration, Community Advantage Program, the Authority is required to maintain a specified level of restricted cash. The cash is presented under the caption "Restricted Cash" in the VT504 CDC Fund and totaled \$29 and \$25 at June 30, 2021 and 2020, respectively.

(14) Subsequent Events

The COVID-19 pandemic caused a much higher level of loan payment deferral requests from Borrowers and the Authority continues to monitor credit quality and delinquency rates closely, with the understanding that these payment deferrals have the potential to delay potential credit quality impacts. To date there have been no material increases in delinquency or charge-off activity, and the majority of loans have since resumed normal payment schedules.



VERMONT ECONOMIC DEVELOPMENT AUTHORITY

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SUPPLEMENTARY INFORMATION

Combining Financial Statements – Vermont Small Business Development Corporation

Combining Financial Statements – Vermont 504 Corporation

June 30, 2021 and 2020

Supplementary Schedules

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Vermont Small Business Development Corporation
(A Component Unit of the Vermont Economic Development Authority)
Combining Statements of Net Position
as of June 30, 2021 and 2020

Dollar Amounts in Thousands

	as of June 30, 2021			as of June 30, 2020		
	VSBD IRP	VSBD Loan	VSBD Combined	VSBD IRP	VSBD Loan	VSBD Combined
	Fund	Fund	Total	Fund	Fund	Total
Current Assets:						
Unrestricted cash and cash equivalents	\$ 1,854	\$ 872	\$ 2,726	\$ 1,615	\$ 230	\$ 1,845
Loans receivable	659	1,719	2,378	1,032	1,709	2,741
Accrued interest receivable	57	119	176	15	30	45
Total current assets	<u>2,570</u>	<u>2,710</u>	<u>5,280</u>	<u>2,662</u>	<u>1,969</u>	<u>4,631</u>
Loans receivable, less current portion	8,454	16,475	24,929	8,218	16,823	25,041
Less allowance for loan losses	<u>(318)</u>	<u>(611)</u>	<u>(929)</u>	<u>(322)</u>	<u>(742)</u>	<u>(1,064)</u>
Loans receivable, less current portion, net of allowance	<u>8,136</u>	<u>15,864</u>	<u>24,000</u>	<u>7,896</u>	<u>16,081</u>	<u>23,977</u>
Total assets	\$ 10,706	\$ 18,574	\$ 29,280	\$ 10,558	\$ 18,050	\$ 28,608
Current Liabilities:						
Notes payable	\$ 305	\$ 0	\$ 305	\$ 268	\$ 0	\$ 268
Interfund note payable	0	0	0	0	0	0
Accounts payable and accrued expenses	0	(1)	(1)	11	(2)	9
Interfund accounts payable	5	68	73	8	575	583
Accrued interest payable	<u>30</u>	<u>0</u>	<u>30</u>	<u>22</u>	<u>0</u>	<u>22</u>
Total current liabilities	340	67	407	309	573	882
Notes payable, less current portion	6,093	0	6,093	6,314	0	6,314
Interfund note payable, less current portion	<u>0</u>	<u>17,615</u>	<u>17,615</u>	<u>0</u>	<u>16,665</u>	<u>16,665</u>
Total liabilities	\$ 6,433	\$ 17,682	\$ 24,115	\$ 6,623	17,238	\$ 23,861
Net position	\$ 4,273	\$ 892	\$ 5,165	\$ 3,935	\$ 812	\$ 4,747

Vermont Small Business Development Corporation
(A Component Unit of the Vermont Economic Development Authority)
Combining Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

Dollar Amounts in Thousands

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	VSBDC IRP Fund	VSBDC Loan Fund	VSBDC Combined Total	VSBDC IRP Fund	VSBDC Loan Fund	VSBDC Combined Total
Operating Revenues:						
Cash and investment revenue	\$ 3	\$ 0	\$ 3	\$ 22	\$ 4	\$ 26
Loans receivable interest	462	984	1,446	426	828	1,254
Other revenues	<u>10</u>	<u>8</u>	<u>18</u>	<u>21</u>	<u>36</u>	<u>57</u>
Total operating revenues	<u>475</u>	<u>992</u>	<u>1,467</u>	<u>469</u>	<u>868</u>	<u>1,337</u>
Operating Expenses:						
Notes payable interest	64	0	64	66	0	66
Interfund interest expense	0	494	494	0	567	567
Provision for loan losses	(3)	(50)	(53)	(10)	(39)	(49)
Professional fees	0	0	0	(3)	17	14
Interfund expense allocation	<u>154</u>	<u>319</u>	<u>473</u>	<u>185</u>	<u>361</u>	<u>546</u>
Total operating expenses	<u>215</u>	<u>763</u>	<u>978</u>	<u>238</u>	<u>906</u>	<u>1,144</u>
Operating income (loss)	260	229	489	231	(38)	193
Non-operating revenue:						
Deferred appropriation earned	0	0	0	0	0	0
Interfund non-operating revenue (expense)	<u>78</u>	<u>(149)</u>	<u>(71)</u>	<u>87</u>	<u>(156)</u>	<u>(69)</u>
Total non-operating revenue (expense)	<u>78</u>	<u>(149)</u>	<u>(71)</u>	<u>87</u>	<u>(156)</u>	<u>(69)</u>
Net increase (decrease) in net position	338	80	418	318	(194)	124
Net position at beginning of year	<u>3,935</u>	<u>812</u>	<u>4,747</u>	<u>3,617</u>	<u>1,006</u>	<u>4,623</u>
Net position at end of year	\$ <u>4,273</u>	\$ <u>892</u>	\$ <u>5,165</u>	\$ <u>3,935</u>	\$ <u>812</u>	\$ <u>4,747</u>

Vermont Small Business Development Corporation
(A Component Unit of the Vermont Economic Development Authority)
Combining Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

<i>Dollar Amounts in Thousands</i>	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	VSBDC	VSBDC	VSBDC	VSBDC	VSBDC	VSBDC
	IRP	Loan	Combined	IRP	Loan	Combined
	Fund	Fund	Total	Fund	Fund	Total
Cash flows from operating activities:						
Interest received on loans receivable	\$ 420	\$ 895	\$ 1,315	\$ 433	\$ 840	\$ 1,273
Other revenues received	10	8	18	21	36	57
Operating expenses paid other than interest	(168)	(825)	(993)	(182)	3	(179)
Principal received on loans receivable	1,142	2,549	3,691	1,612	3,673	5,285
Principal disbursed on loans receivable	(1,006)	(2,292)	(3,298)	(1,594)	(4,905)	(6,499)
Net cash provided by (used for) operating activities	398	335	733	290	(353)	(63)
Cash flows from noncapital financing activities:						
Interest paid on notes payable	(56)	0	(56)	(76)	0	(76)
Interest paid on interfund note payable	0	(494)	(494)	0	(567)	(567)
Interfund non-operating revenue (expense)	78	(149)	(71)	87	(156)	(69)
Interfund transfer of loans receivable	0	0	0	0	0	0
Proceeds from interfund note payable	0	950	950	0	1,275	1,275
Payments on interfund note payable	0	0	0	0	0	0
Proceeds from notes payable	84	0	84	683	0	683
Payments on notes payable	(268)	0	(268)	(272)	0	(272)
Net cash (used for) provided by non-capital financing activities	(162)	307	145	422	552	974
Cash flows from investing activities:						
Interest received on cash and investments	3	0	3	22	4	26
Net cash provided by investing activities	3	0	3	22	4	26
Net increase (decrease) in cash and cash equivalents	239	642	881	734	203	937
Cash and cash equivalents at beginning of year	1,615	230	1,845	881	27	908
Cash and cash equivalents at end of year	\$ 1,854	\$ 872	\$ 2,726	\$ 1,615	\$ 230	\$ 1,845
Reconciliation of operating income to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 260	\$ 229	\$ 489	\$ 231	\$ (38)	\$ 193
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Interest income on investment activities	(3)	0	(3)	(22)	(4)	(26)
Interest expense on notes payable	64	0	64	66	0	66
Interest paid on interfund notes payable	0	494	494	0	567	567
Provision for loan losses	(3)	(50)	(53)	(10)	(39)	(49)
Changes in assets and liabilities:						
Loans receivable	137	338	475	18	(1,143)	(1,125)
Allowance for loan losses	(3)	(81)	(84)	0	(89)	(89)
Accrued interest receivable	(40)	(89)	(129)	7	12	19
Accounts payable and accrued expenses	(11)	1	(10)	11	(2)	9
Interfund accounts payable	(3)	(507)	(510)	(11)	383	372
Net cash provided by (used for) operating activities	\$ 398	\$ 335	\$ 733	\$ 290	\$ (353)	\$ (63)

Vermont 504 Corporation
(A Component Unit of the Vermont Economic Development Authority)
Combining Statements of Net Position
as of June 30, 2021 and 2020

Dollar Amounts in Thousands

	as of June 30, 2021			as of June 30, 2020		
	VT504 IRP Fund	VT504 SBA CDC Fund	VT504 Combined Total	VT504 IRP Fund	VT504 SBA CDC Fund	VT504 Combined Total
Current Assets:						
Unrestricted cash and cash equivalents	\$ 1,190	\$ 4,468	\$ 5,658	\$ 974	\$ 848	\$ 1,822
Restricted cash	0	29	29	0	25	25
Loans receivable	633	1,505	2,138	470	5,011	5,481
Accrued interest receivable	<u>46</u>	<u>120</u>	<u>166</u>	<u>8</u>	<u>20</u>	<u>28</u>
Total current assets	<u>1,869</u>	<u>6,122</u>	<u>7,991</u>	<u>1,452</u>	<u>5,904</u>	<u>7,356</u>
Loans receivable, less current portion	4,619	38,027	42,646	4,830	9,159	13,989
Less allowance for loan losses	<u>(154)</u>	<u>(33)</u>	<u>(187)</u>	<u>(155)</u>	<u>(99)</u>	<u>(254)</u>
Loans receivable, less current portion, net of allowance	<u>4,465</u>	<u>37,994</u>	<u>42,459</u>	<u>4,675</u>	<u>9,060</u>	<u>13,735</u>
Total assets	\$ 6,334	\$ 44,116	\$ 50,450	\$ 6,127	\$ 14,964	\$ 21,091
Current Liabilities:						
Notes payable	151	1,813	1,964	118	0	118
Interfund note payable	0	0	0	0	0	0
Accounts payable and accrued expenses	0	0	0	0	7	7
Interfund accounts payable	2	1,289	1,291	10	385	395
Accrued interest payable	<u>20</u>	<u>22</u>	<u>42</u>	<u>19</u>	<u>1</u>	<u>20</u>
Total current liabilities	173	3,124	3,297	147	3,598	3,745
Notes payable, less current portion	4,057	20,461	24,518	4,083	8,303	12,386
Interfund note payable, less current portion	<u>0</u>	<u>17,794</u>	<u>17,794</u>	<u>0</u>	<u>5,345</u>	<u>5,345</u>
Total liabilities	\$ 4,230	\$ 41,379	\$ 45,609	\$ 4,230	\$ 14,041	\$ 18,271
Restricted net position	0	29	29	0	25	25
Unrestricted net position	2,104	2,708	4,812	1,897	898	2,795
Net Position	\$ 2,104	\$ 2,737	\$ 4,841	\$ 1,897	\$ 923	\$ 2,820

Vermont 504 Corporation
(A Component Unit of the Vermont Economic Development Authority)
Combining Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

<i>Dollar Amounts in Thousands</i>	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	VT504	VT504	VT504	VT504	VT504	VT504
	IRP	SBA CDC	Combined	IRP	SBA CDC	Combined
	Fund	Fund	Total	Fund	Fund	Total
Operating Revenues:						
Cash and investment revenue	\$ 1	\$ 3	\$ 4	\$ 16	\$ 1	\$ 17
Loans receivable interest	281	306	587	217	141	358
Other revenues	<u>5</u>	<u>2,389</u>	<u>2,394</u>	<u>10</u>	<u>630</u>	<u>640</u>
Total operating revenues	<u>287</u>	<u>2,698</u>	<u>2,985</u>	<u>243</u>	<u>772</u>	<u>1,015</u>
Operating Expenses:						
Notes payable interest	42	38	80	41	1	42
Interfund interest expense	0	70	70	0	67	67
Provision for loan losses	(6)	(66)	(72)	(18)	84	66
Professional fees	1	(2)	(1)	0	2	2
Interfund expense allocation	<u>94</u>	<u>864</u>	<u>958</u>	<u>103</u>	<u>287</u>	<u>390</u>
Total operating expenses	<u>131</u>	<u>904</u>	<u>1,035</u>	<u>126</u>	<u>441</u>	<u>567</u>
Operating income	156	1,794	1,950	117	331	448
Interfund non-operating revenue (expense)	<u>51</u>	<u>20</u>	<u>71</u>	<u>298</u>	<u>21</u>	<u>319</u>
Net increase in net position	207	1,814	2,021	415	352	767
Net position at beginning of year	<u>1,897</u>	<u>923</u>	<u>2,820</u>	<u>1,482</u>	<u>571</u>	<u>2,053</u>
Net position at end of year	\$ <u>2,104</u>	\$ <u>2,737</u>	\$ <u>4,841</u>	\$ <u>1,897</u>	\$ <u>923</u>	\$ <u>2,820</u>

Vermont 504 Corporation
(A Component Unit of the Vermont Economic Development Authority)
Combining Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

Dollar Amounts in Thousands

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	VT504 IRP Fund	VT504 SBA CDC Fund	VT504 Combined Total	VT504 IRP Fund	VT504 SBA CDC Fund	VT504 Combined Total
Cash flows from operating activities:						
Interest received on loans receivable	\$ 243	\$ 206	\$ 449	\$ 220	\$ 127	\$ 347
Other revenues received	5	2,389	2,394	10	630	640
Operating expenses paid other than interest	(103)	35	(68)	(104)	70	(34)
Principal received on loans receivable	673	11,155	11,828	464	570	1,034
Principal disbursed on loans receivable	(620)	(36,517)	(37,137)	(940)	(12,449)	(13,389)
Net cash provided by (used for) operating activities	198	(22,732)	(22,534)	(350)	(11,052)	(11,402)
Cash flows from noncapital financing activities:						
Interest paid on notes payable	\$ (41)	\$ (17)	\$ (58)	\$ (38)	\$ 0	\$ (38)
Interest paid on interfund note payable	0	(70)	(70)	0	(67)	(67)
Interfund non-operating revenue (expense)	51	20	71	298	21	319
Interfund transfer of loans receivable	0	0	0	0	0	0
Proceeds from interfund note payable	0	31,846	31,846	0	3,465	3465
Payments on interfund note payable	0	(19,397)	(19,397)	0	0	0
Proceeds from notes payable	125	20,368	20,493	250	8,303	8,553
Payments on notes payable	(118)	(6,397)	(6,515)	(85)	0	(85)
Net cash provided by non-capital financing activities	17	26,353	26,370	425	11,722	12,147
Cash flows from investing activities:						
Interest received on cash and investments	1	3	4	16	1	17
Net cash provided by investing activities	1	3	4	16	1	17
Net increase (decrease) in cash and cash equivalents	216	3,624	3,840	91	671	762
Cash and cash equivalents at beginning of year	974	873	1,847	883	202	1,085
Cash and cash equivalents at end of year	\$ 1,190	\$ 4,497	\$ 5,687	\$ 974	\$ 873	\$ 1,847
Reconciliation of operating income to net cash provided by (used for) operating activities:						
Operating Income	\$ 156	\$ 1,794	\$ 1,950	\$ 117	\$ 331	\$ 448
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Interest income on investment activities	(1)	(3)	(4)	(16)	(1)	(17)
Interest expense on notes payable	42	38	80	41	1	42
Interest paid for interfund financing activities	0	70	70	0	67	67
Provision for loan losses	(6)	(66)	(72)	(18)	84	66
Changes in assets and liabilities:						
Loans receivable	48	(25,362)	(25,314)	(476)	(11,879)	(12,355)
Allowance for loan losses	5	0	5	0	0	0
Accrued interest receivable	(38)	(100)	(138)	3	(14)	(11)
Accounts payable and accrued expenses	0	(7)	(7)	0	7	7
Interfund accounts payable	(8)	904	896	(1)	352	351
Net cash provided by (used for) operating activities	\$ 198	\$ (22,732)	\$ (22,534)	\$ (350)	\$ (11,052)	\$ (11,402)