

**Virginia Bankers Association
Board of Directors Meeting
Friday, December 10, 2021 at 10:00 a.m.
VBA Office
Glen Allen, Virginia**

AGENDA

- I. Consent Agenda
 - a. VBA Board Minutes - September 11, 2021
 - b. VBA Executive Committee Minutes – November 30, 2021
 - c. SageView Advisory Q3 VBA investment Reserve Account Overview
Link found [here](#).
- II. VBA 2022-2024 Strategic Plan Presentation
- III. Board & Committee Updates
 - a. VBA Benefits Corporation
 - b. VBA Management Services, Inc.
 - c. VBA Education Foundation
 - d. VBA Government Relations Committee
 - e. Work Group on Minority-Owned Small Businesses and Communities
- IV. 2022 General Assembly Outlook
- V. Federal Issues Status Update
- VI. VACU Appeal
- VII. Financial Report and 2022 VBA Budget
- VIII. Other Business
- IX. Executive Session

Minutes of the
Virginia Bankers Association
Board of Directors Meeting
September 11, 2021 at 4:00 p.m.
Belmond Charleston Place Hotel
Charleston, SC

In attendance: John Asbury, Chris Bergstrom, David Boyle, John Brough, Steven DeLuca, Dexter Gilliam, Leton Harding, Scott Harvard, Brandon Lorey, Dan O'Neill, Brad Schwartz, Rob Shuford, Linda Stanley, Maria Tedesco, Joe Thomas, Janet Tope, Litz Van Dyke

Guest: Nancy Eberhardt, Pathwise Partners

Staff: Matt Bruning, Courtney Fleming, DeMarion Johnston, Monica McDearmon, Chandler Owdom, Stacy Puckett, Bruce Whitehurst

Call to Order and September 11th Reflection

Chairman Leton Harding welcomed everyone and called the meeting to order. He recognized military veterans Dexter Gilliam and Rob Shuford, thanking them for their service. Bruce Whitehurst then offered a September 11th reflection, on this, the 20th anniversary of the 9/11 attacks, followed by a moment of silence for all who were affected by this tragic event.

Consent Agenda

The board approved the consent agenda in whole, which included prior meeting minutes, financial statements and board and committee reports.

IRS Reporting Issue

Bruce updated the board on VBA and industry-wide grassroots efforts to stop the White House proposal that would require reporting to the IRS activity on all deposit accounts above a \$600 threshold. This proposal seeks to raise revenue to help offset the \$3.5 trillion spending bill the Administration is pursuing in Congress.

2022 General Assembly

Matt Bruning reviewed a list of potential legislation for the 2022 General Assembly session, ranging from bills the VBA would actively support to those the VBA would actively oppose if introduced. Matt also commented on redistricting and the upcoming fall elections in Virginia.

Minority Small Businesses and Communities Working Group

Leton and Matt update the board on the working group organized this summer to seek ways the VBA can assist member banks with the goal to increase lending and banking relationships with minority owned small businesses, continue to bring more unbanked and underbanked individuals into the banking system and ensure full utilization of federal and state funds coming soon that are dedicated to these purposes. The working group has met twice, with great conversation and exchange of ideas both times, and continues its work with a third meeting later this month.

Strategic Plan Discussion

Following brief introductory comments from Bruce, Nancy Eberhardt facilitated roundtable discussion and table reports, as the first step in the VBA's 2022-2024 strategic planning process. Board members provided excellent feedback and input for the VBA.

Other Business and Executive Session

Leton presented a VBA gift to Dexter Gilliam, whose term expired in June, and thanked him not only for his service on the board, but also for his attendance and participation at this meeting.

There being no other business, the meeting adjourned to executive session.

Minutes prepared by:

Bruce T. Whitehurst

Minutes of the
Virginia Bankers Association
Executive Committee Meeting
November 30, 2021 at 8:30 a.m.
Via Zoom

In attendance: Chris Bergstrom, Leton Harding, Litz Van Dyke, Bruce Whitehurst

Staff: Matt Bruning, Courtney Fleming, DeMarion Johnston, Laurie Milligan, Chandler Owdom, Stacy Puckett

Call to Order and Approval of Minutes

Chairman Leton Harding called the meeting to order. Minutes of the August 5, 2021 meeting were approved as written.

Investment Reserve Account Review

Ken Barnes of SageView Advisory Group reviewed the third quarter 2021 report for the VBA and subsidiaries' investment reserve account, showing an inception (3-29-21) to date return of 3.91%. Committee members suggested format changes for future reports, to which Ken was very receptive.

VBA Strategic Plan

Bruce Whitehurst and Chandler Owdom presented and reviewed the draft VBA 2022-2024 Strategic Plan, noting that the internal strategy team will begin working on the tactical plan shortly after board approval at the December 10th VBA Board meeting. Committee members provided good feedback and were very complimentary of both the plan and the process.

Virginia Credit Union Appeal Update

DeMarion Johnston updated the Committee on the recent *de novo* hearing at the State Corporation Commission in the VBA's appeal against Virginia Credit Union adding the Medical Society of Virginia's members to its membership base. Both sides will file follow-up briefs by mid-December and a decision in the case isn't expected until 2022.

2022 General Assembly

Matt Bruning commented on the recent elections and their implication for the 2022 General Assembly session. He then reviewed several potential legislative items in which the VBA will be involved. Finally, he updated the Committee on redistricting, which is now in the hands of the Virginia Supreme Court, with final action expected sometime in the spring of 2022. Whether or not there will be a special election in the House of Delegates in 2022 remains an open question.

2023 Annual Convention

Bruce updated the Committee on his recent conversations with his counterpart in Maryland about the possibility of a joint convention as early as 2023. Conversations are underway with several venues to see if a joint convention is feasible for 2023; if not, the VBA will proceed to plan its own convention for that year.

Financial Statements and 2022 Budget

Bruce reviewed VBA and consolidated financial statements as of 10-31-21 as well as the proposed 2022 VBA budget. Following discussion, the budget was approved for presentation to the VBA Board.

There being no other business, the meeting adjourned to executive session.

Minutes prepared by:

Bruce T. Whitehurst

2022- 2024

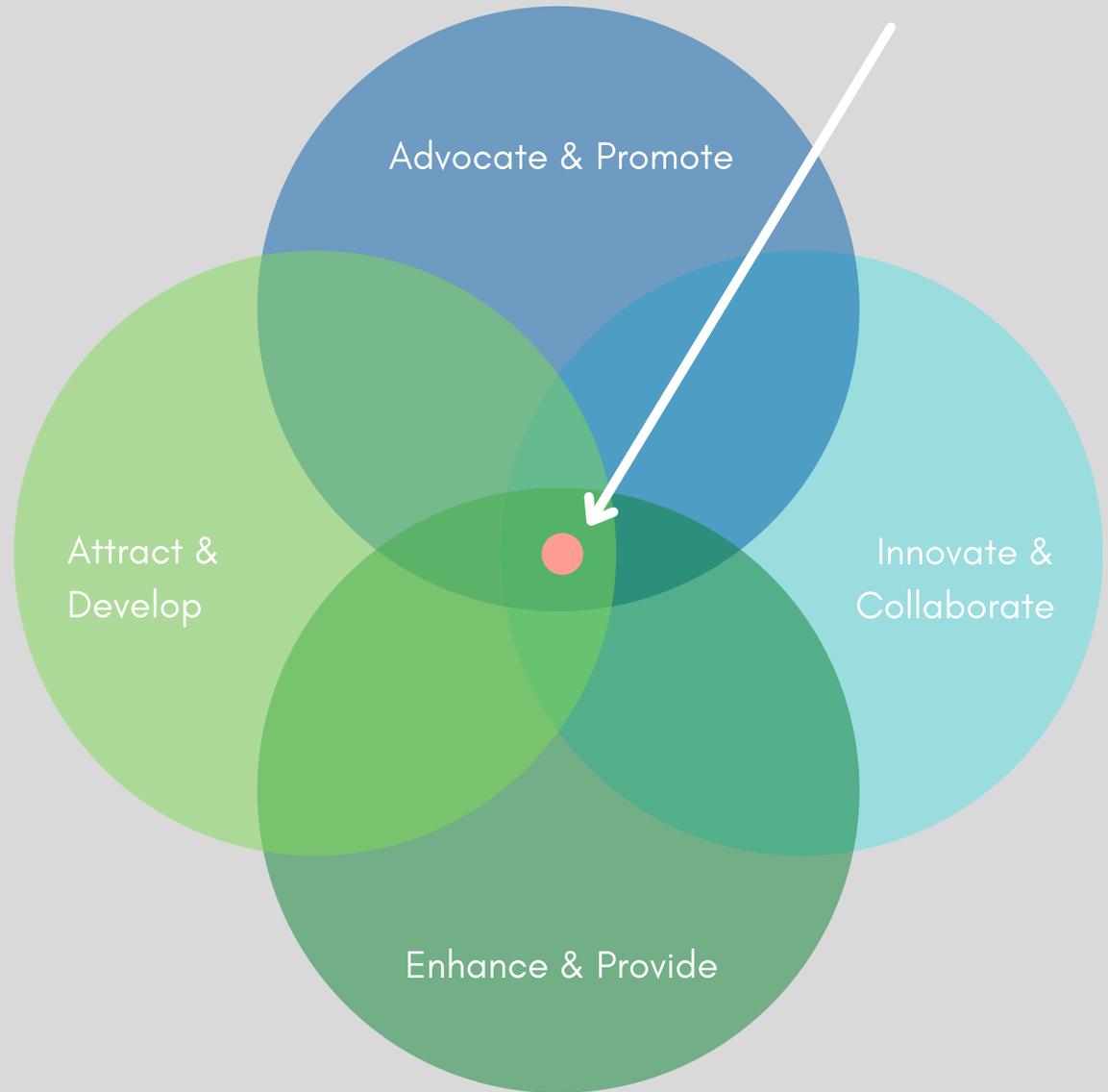
VBA Strategic Plan

VBA's 2022-2024 Strategic Plan builds on the successful implementation of the 2019-2021 plan.

The 2022-2024 Strategic Plan priorities are based on the staff, key banker, and industry partners' input and are new or represent areas where additional focus or resources are needed to drive growth and/or efficacy.

A crucial fourth circle, "Enhance & Provide," was added to our plan diagram to represent the foundational work we will be completing internally as a team.

VBA is the Essential Partner
in the Evolution of Banking



VIRGINIA BANKERS
ASSOCIATION

www.vabankers.org

Strategic Priorities

Attract & Develop

Grow the Potential Banking Workforce by:

Being a facilitator, connector and curator for DEI advances and adaptations to workplace changes for member banks.

Partnering with member banks to attract more candidates to the banking industry and grow awareness on the wide range of career paths within banking.



Advocate & Promote

Facilitate opportunities for member banks to connect with programs in the areas of affordable housing, community development, minority small business and all small business financing.

Maximize policy influence through virtual, digital, in-person and hybrid platforms and technologies.



Innovate & Collaborate

Increase engagement with neighboring state associations and other local, regional and national groups for expanded opportunities.

Elevate peer networking opportunities for bankers.

Provide thought leadership, information and training on key emerging trends.

Explore new revenue generating opportunities to provide value and resources to members.



Enhance & Provide

Examine revenue sources to determine changes for long-term organizational financial stability.

Focus on organizational engagement, succession, DEI and development.

Develop a data utilization strategy to enhance operational efficiencies and drive member outreach.





**REPORT TO
VIRGINIA BANKERS ASSOCIATION BOARD
VBA OFFICE**

December 10, 2021

2021 YTD Operational Initiatives

- Department of Labor (DOL) Audit of VBA Group Medical and Dental Trust
 - DOL conducted interviews with VBA Benefits Corp. staff and Troutman this summer and requested additional data this fall, which has now been provided
 - “Wait and see” mode but most likely, DOL will have more follow up questions; Georgia Bankers are in fourth year of audit and Iowa & Florida Bankers have just completed their audits after three years

- Non-qualified Deferred Compensation Plan Documents
 - Conducted due diligence to determine if Benefits Corp. model plan documents can transition to Voya to be effective for 2023 NQDC plan deferrals
 - Voya’s plan documents and adoption agreements have slightly more flexibility in most plan provisions. They will update the documents automatically to reflect latest legislation and/or emerging trends
 - Advantages to Voya documents are lower legal fees, administrative ease and align with best practices

- Evelyn Traub, longtime ERISA partner at Troutman, will be retiring at the end of 2022; transition process has begun with two attorneys who have been introduced to Benefits Corp. team.

2021 Financials through September 30, 2021

- Medical and dental claims experience in a surplus position compared to expected costs/renewal projections. COVID-19 claims were not a contributing factor YTD in 2021.

- Benefits Corporation is in a stable financial position and forecasted to continue to do so through end of year; travel and meeting expenses lower due to COVID-19 and travel limitations

- The Master Defined Contribution Trust has total assets of \$279,600,000 and 34 plans; one Virginia Bank plan and two Kentucky Bank plans will be added in Q1 2022.

- 19 non-qualified deferred compensation plans have total assets of \$85,000,000 (including bank stock)

- The Master Defined Benefit Trust has total assets of \$122,000,000, including seven traditional pension and six cash balance plans; three plan terminations are in process

VIRGINIA BANKERS ASSOCIATION

VBA MANAGEMENT SERVICES, INC. BOARD

VBA Management Services, Inc. Board Report

VBA Board of Directors

December 10, 2021

- Successful in-person Annual Convention, Women in Banking and Leadership Conferences, and Mid-Atlantic CEO Forum.
- Launched Women’s Mentorship Program with 29 participants and had sold out Virtual Bank Manager School.
- Preparing for 2022 programming, including new I-Change Certification Program and Performance Excellence Podcast. Kicking off year with [Financial Forecast](#) on January 13th featuring Tom Barkin and Joan Woodward.
- Launched endorsement with [KlariVis](#) for customer and financial data analytics and reporting software. Terminated endorsements with Gradifi and Zurich.
- Offering new [Record Retention Guide](#) in a digital format to be fast and easy to use.
- VBA managed bank-owned title agencies have paid out \$2,765,000 in dividends in 2021 through October 31st.
- Held successful VMBA Annual Convention at the Virginia Beach Marriott Oceanfront in September. Planning Mastermind session on cryptocurrency in December, VMBA Day on the Hill in January, and spring Loan Officer Summit.

VIRGINIA BANKERS ASSOCIATION

VBA EDUCATION FOUNDATION

Report to the VBA Board December 10, 2021

- Twenty-nine bank and industry partners and 35 individuals contributed to the 2021 Foundation Annual Fund for a total of \$51,650 as of 12/6/21.
- Plans for VIRTUAL Bank Day 2022 are underway. The event will take place on March 15th and will be hybrid in format with content provided by the VBA through a resource website that will be available to students over a three-week window (March 14-April 1, 2022). Banks will still help with outreach to local schools to get students registered and will also provide supplemental content to the students they are hosting to show how the bank supports the community it serves. Banks will also have the option to invite students into the branches for an in-person experience, but this will not be a requirement of the 2022 program.
- The Virginia Banking Fellows Program was officially announced in September. The Foundation will sponsor six Fellows, one from each of the six VBA regions (\$60,000 total commitment) and six Virginia banks will sponsor a Fellow at a local community college (\$10,000 commitment per bank) for the 2022-2023 program, meaning there will be 12 Virginia Banking Fellows in the 2022-2023 cohort. The application period will open in March 2022 for students interested in applying.
- Virginia Reads One Book will kick off on March 7, 2022 with the Foundation sponsoring up to \$10,000 for the 2022 program. The book is *The Carver Chronicles: Dog Days*.
- The Foundation contributed \$10,000 to create the Virginia Foundation for Independent Colleges (VFIC) VBA Education Foundation Brighter Futures Scholarship Program. Ten students from the VFIC's Enhancing Career Preparations Program were each awarded a \$1,000 scholarship, with at least one student from each of the six VBA regions.

VIRGINIA BANKERS ASSOCIATION

GOVERNMENT RELATIONS

VBA Government Relations Committee Report

VBA Board

December 10, 2021

➤ BankPAC

- 2021 BankPAC campaign raised over \$416,000, exceeding goal of \$385,000 and stretch goal of \$415,000.
- Contributed over \$238,000 to state legislative candidates in advance of the November elections.
- Reviewing material and resources in advance of 2022 BankPAC campaign officially launching in March.

➤ Legislative & Grassroots

- Sent letters to congressional leadership on SAFE Banking Act, IRS reporting and Community Bank Leverage Ratio legislation.
- Created [resources website](#) for banks to advocate in opposition of IRS tax reporting proposal, including grassroots calls-to-action, sample op-eds and social media posts.
- Joined with other Virginia business trade organizations in letter to Governor-Elect Youngkin seeking repeal of the Virginia Department of Labor workplace standards.
- Continued meetings of the VBA Work Group on Supporting Minority Communities and Minority-Owned Small Businesses including conversations with Small Business Development Centers, Virginia Small Business Financing Authority and the Richmond Federal Reserve.
- Sent Special Legislative Bulletin recapping November 2nd state election results.

➤ Advocacy Events

- Seven regional state legislative meetings were held virtually in November with over 260 participants.
- In-person [2022 Banker Day](#) scheduled for January 13, 2022 at the Greater Richmond Convention Center.
- [VBA/ABA Washington Summit](#) scheduled for March 7-9, 2022.

2022 Potential Legislation

December 10, 2021

Potential Supportive Legislation

- Bank Director License Tax – A bank director recently was required by a locality to pay for a local business license due to filing a Schedule C for director fees. Banks are expressly exempt under Virginia law from paying a business license fee or tax. Since that income is already taxed at both the bank and individual level, clarity is needed to prohibit triple taxation. The VBA has draft legislation to extend the existing exemption for banks to include bank directors.
- Health Savings Accounts – Ongoing federal changes to how third party costs are calculated to determine eligibility as a health savings account has impacted Virginia legislation enacted in 2019. While there is some protection under existing Virginia law, it could be strengthened to ensure federal changes do not jeopardize HSA status. The VBA has drafted legislation to better clarify and conform Virginia law with federal regulations.
- Small Businesses Programs – The federal American Plan Rescue Act dedicates \$188 Million from the State Small Business Credit initiative (SSBCI) to Virginia. The VBA is actively working with the Administration on potential opportunities to include bank participation. Additional ongoing funding for the newly created CDFI Fund is likely to be sought, with opportunities for community lender participation, which the VBA will support. Governor-Elect Youngkin has made small business job creation and overall economic development a key goal, so there are additional opportunities for engagement in in this area.
- Business Interest Expense Deduction – Virginia chose to decouple from the federal tax treatment of business interest expense deduction (IRC Section 163j) after federal changes under the Tax Cut and Jobs Act in 2019. Currently, Virginia allows for a 20% deduction on business interest expense against state income tax. With recent expansion of the federal deduction allowable under the federal CARES Act, Virginia could revisit the amount of deduction allowable on state income tax. The VBA is generally supportive of increasing the state deduction to assist businesses with interest expenses and are actively engaged with other stakeholder on pursuing changes.
- Data Privacy Clean Up – The General Assembly enacted the Virginia Consumer Data Protection Act in 2021. A work group of legislators and stakeholders is meeting to identify any necessary changes to facilitate implementation before the bill becomes effective on January 1, 2023. VBA continues to monitor this work to ensure preservation of the treatment of GLBA entities and enforcement provisions.
- Housing Opportunity Tax Credit – The 2021 General Assembly created a new state Housing Opportunity Tax Credit that mirrors the federal LIHTC program to encourage development of new affordable housing. The state credit is capped at \$15 million and is only authorized through 2025. There is a possibility that there will be an effort to increase the cap and extend or remove the sunset date.

- Reparative Homeownership Program – The Virginia Poverty Law Center is proposing a pilot down payment assistance program for those who directly or ancestrally have been subject to discriminatory practices or laws. The pilot program would cover the Richmond MSA, provide 30% down payment assistance in the form of a forgivable second mortgage, apply to those at 80% or less of AMI and provide additional grants for closing costs and home repairs. The VBA has been involved in conversations with stakeholders about the concept and provided input on the need for alignment with GSE guidelines on loans with secondary financing, clarity on eligibility determination and other issues. Assuming alignment with secondary market considerations, we recommend supporting the initiative, subject to additional details.
- Affordable Housing– The VBA has participated in a legislative study, led by Virginia Housing, to examine existing state affordable housing programs, identify gaps and make recommended policy changes. There are a number of draft recommendations on changes to existing programs, the potential use of bond financing and potential new programs. The VBA will continue to actively participate in the study and evaluate the individual recommendations should they become legislative proposals in 2022.

Potential Negative/Other Legislation

- Credit Unions – The Virginia Credit Union League has a new CEO who previously worked for the national association of federal credit unions in Washington. With new leadership, we should anticipate they will be aggressively proactive. Potential legislation allowing for the accepting of public deposits, further loosening of field of membership restrictions and other expansions of power are possible.
- Tax Filing Status – The General Assembly created a work group to study the potential adoption of unitary combined corporate tax reporting. Potentially impacted businesses were required to provide informational reporting on the potential impact to the Tax Department by July 1, 2021. The Work Group heard concerns raised about the proposal in recent meetings and is not recommending enactment in 2022. However, the main proponent – Amazon – could bring forward the policy change proposal in 2022. The VBA already successfully requested changes sought by member banks to the draft from the 2021 session and will continue to engage if a bill is submitted. The Work Group also raised tangential tax policy issues the VBA could support, including reducing the lock-in period of the reporting election from the current twenty years and providing banks a more streamlined process for election of their filing status.
- Racial Inequity – Governor Northam’s Commission to Examine Racial Inequity in Virginia Law adopted recommendations proposed by legal interns at UVA Law School related to addressing racial inequity in access to capital. Some recommendations, including increased funding for financial literacy, the state CDFI Fund and down payment assistance could receive VBA support. Other recommendations, including requiring diversity and bias training for lenders, directing the SCC to require the use of alternative methods of credit scoring and enacting a state-level Truth-in-Lending law for small businesses, could raise concerns depending on the details. The VBA has reached out to the outgoing Administration to discuss the recommendations.

Virginia Bankers Association
Financial Report Summary
October 31, 2021

Balance Sheet:

	<u>2021</u>	<u>2020</u>
<i>Assets</i>		
Current Assets	\$ 716,289	\$ 932,943
Net Property and Equipment	61,718	40,357
Investment in Subsidiaries	10,062,542	9,144,404
Retirement Assets	962,770	791,046
Total Assets	\$ 11,803,319	\$ 10,908,750
 <i>Liabilities</i>		
Payables/Unearned/Other	\$ 323,234	\$ 459,074
Pension/Retirement Liabilities	1,104,911	932,346
Total Liabilities	1,428,145	1,391,420
 Total Owners Equity	10,375,174	9,517,330
Total Liabilities and Equity	\$ 11,803,319	\$ 10,908,750

Income & Expenses:

	YEAR TO DATE OCTOBER, 2021			2020	2021 Annual
	ACTUAL	BUDGET	VARIANCE	ACTUAL YTD	BUDGET
Dues income	\$ 936,890	\$ 925,000	\$ 11,890	\$ 851,964	\$ 1,110,000
Investment return	13,631	11,666	1,965	13,830	14,000
Miscellaneous	22,000	-	22,000	-	-
Total income	972,521	936,666	35,855	865,794	1,124,000
Total expenses	912,284	945,165	32,881	870,305	1,123,000
Income before nonrecurring items	60,237	(8,499)	68,736	(4,511)	1,000
Credit Union Appeal	52,824	-	(52,824)	104,745	-
Net income before subsidiary income	\$ 7,413	\$ (8,499)	\$ 15,912	\$ (109,256)	\$ 1,000
Net Income from subsidiaries	852,273	83,651	768,622	393,219	(6,635)
Excess of revenues over expenses	\$ 859,686	\$ 75,152	\$ 784,534	\$ 283,963	\$ (5,635)

**Virginia Bankers Association
Balance Sheet
October 31, 2021**

	<u>10/31/21</u>	<u>10/31/20</u>
Assets		
Checking & petty cash	\$ 83,155	99,425
Investments	585,945	788,088
Accounts Receivable & Other Assets	37,954	33,181
Accrued Interest Receivable	9,235	12,249
	<hr/>	<hr/>
Current Assets	716,289	932,943
Furniture & Equipment	270,695	268,733
Automobiles	96,948	95,178
Less: Accumulated Depreciation	(305,925)	(323,554)
	<hr/>	<hr/>
Net Value	61,718	40,357
Investment in Subsidiaries	10,062,542	9,144,404
Other assets	962,770	791,046
	<hr/>	<hr/>
Total Assets	<u>\$ 11,803,319</u>	<u>\$ 10,908,750</u>
Liabilities		
Accounts Payable	\$ 134,856	\$ 233,681
Unearned Dues	188,378	225,393
Accrued Pension Liability	107,697	102,551
Accrued post retirement health benefits	164,219	163,058
Retirement liability	832,995	666,737
	<hr/>	<hr/>
Total Liabilities	1,428,145	1,391,420
Owners Equity		
Retained Earnings	9,515,488	9,233,367
Current Year Earnings	859,686	283,963
	<hr/>	<hr/>
Total Owners Equity	10,375,174	9,517,330
	<hr/>	<hr/>
Total Liabilities & Equity	<u>\$ 11,803,319</u>	<u>\$ 10,908,750</u>

Virginia Bankers Association
Income Statement
For the Ten Months Ending October 31, 2021

	Actual	Budget	Variance	Prior	Variance	Annual
	Year to Date	Year to Date	Year to Date	Year to Date	to Prior Year	Budget
Income:						
Dues income - active	767,723	766,667	1,056	703,131	64,592	920,000
Dues income - associate	169,167	158,333	10,834	148,833	20,334	190,000
Investment Return	13,631	11,666	1,965	13,830	(199)	14,000
Gain on Disposal of Assets	22,000	-	22,000	-	22,000	-
Total Income	972,521	936,666	35,855	865,794	106,727	1,124,000
Expenses:						
Salaries and Benefits	757,456	781,842	24,386	712,024	(45,432)	925,000
Audit & tax fees	14,500	14,850	350	14,360	(140)	14,850
Consulting/Technology & Prof Fees	13,393	12,760	(633)	12,145	(1,248)	15,000
Depreciation Expense	23,213	23,020	(193)	29,118	5,905	28,000
Equipment Maintenance & Rental	25,251	27,200	1,949	23,090	(2,161)	28,700
Insurance	11,032	11,464	432	10,575	(457)	11,900
Meeting Expense	2,567	3,034	467	3,327	760	10,400
Memberships/Subscriptions	21,284	21,660	376	21,392	108	24,000
Occupancy Expense	16,883	16,884	1	16,667	(216)	20,260
Office Supplies & Printing	3,656	3,283	(373)	2,148	(1,508)	3,940
Postage	214	667	453	489	275	800
Prop Taxes & Business License	2,588	3,050	462	2,721	133	3,100
Telephone	4,996	6,500	1,504	4,428	(568)	7,800
Travel/Education	11,138	15,212	4,074	14,263	3,125	25,000
Miscellaneous Expenses	4,113	3,739	(374)	3,558	(555)	4,250
Total Expenses	912,284	945,165	32,881	870,305	(41,979)	1,123,000
Income before non - recurring items	60,237	(8,499)	68,736	(4,511)	64,748	1,000
Credit Union Appeal	52,824	-	(52,824)	104,745	51,921	-
Net income before income from subsidiaries	7,413	(8,499)	15,912	(109,256)	116,669	1,000
Net Income from subsidiaries	852,273	83,651	768,622	393,219	459,054	(6,635)
Net income	\$ 859,686	\$ 75,152	\$ 784,534	\$ 283,963	\$ 575,723	\$ (5,635)

Virginia Bankers Association & Subsidiaries
Consolidated Financial Report Summary
October 31, 2021

Balance Sheet:

						<u>Consolidated</u>	
	VBA General Fund	VBA Benefits Corp	VBA Management Services, Inc	VBA Properties, LLC	Eliminations	2021	2020
<i>Assets</i>							
Current Assets	\$ 716,289	\$ 4,857,550	\$ 2,540,982	\$ 318,637	\$ -	\$ 8,433,458	\$ 7,780,104
Net Property and Equipment	61,718	14,529	44,696	2,241,307	(200)	2,362,050	2,418,781
Deferred Tax Assets	-	58,499	-	-	-	58,499	37,374
Investment in Subsidiaries	10,062,542	843,547	843,547	-	(11,749,636)	-	-
Other Investments	-	-	128,384	-	-	128,384	104,109
Retirement Assets	962,770	-	229,650	-	-	1,192,420	985,086
Total Assets	\$ 11,803,319	\$ 5,774,125	\$ 3,787,259	\$ 2,559,944	\$ (11,749,836)	\$ 12,174,811	\$ 11,325,454
<i>Liabilities</i>							
Payables/Unearned/Other	\$ 323,234	\$ 367,271	\$ 310,654	\$ 23,044	\$ -	\$ 1,024,203	\$ 1,137,504
Pension/Retirement Liabilities	1,104,911	78,608	289,010	8,002	-	1,480,531	1,221,957
Total Liabilities	1,428,145	445,879	599,664	31,046	-	2,504,734	2,359,461
Total Owners Equity	10,375,174	5,328,246	3,187,595	2,528,898	(11,749,836)	9,670,077	8,965,993
Total Liabilities and Equity	\$ 11,803,319	\$ 5,774,125	\$ 3,787,259	\$ 2,559,944	\$ (11,749,836)	\$ 12,174,811	\$ 11,325,454

Income & Expenses:

	10/31/21 YTD Actual	10/31/21 YTD Budget	Variance to Budget	10/31/20 YTD Actual	Variance to Prior Year	2021 Annual Budget
Defined Benefit & Contribution fees	\$ 871,194	\$ 742,250	\$ 128,944	\$ 996,870	\$ (125,676)	\$ 893,000
Education/Conference revenues	1,434,753	1,382,420	52,333	860,442	574,311	1,463,590
Health & Welfare Administrative fees	1,674,031	1,709,342	(35,311)	1,677,016	(2,985)	2,046,650
Investment return	186,437	47,409	139,028	69,737	116,700	56,900
Management fees	670,171	546,882	123,289	589,058	81,113	699,360
Membership dues	936,890	925,000	11,890	851,964	84,926	1,110,000
Products & Services income	344,999	331,871	13,128	304,803	40,196	451,290
Rental Income	211,989	211,987	2	187,611	24,378	254,512
Other revenues	25,599	2,250	23,349	2,854	22,745	2,700
Total income	6,356,063	5,899,411	456,652	5,540,355	815,708	6,978,002
Total expenses	5,443,553	5,824,259	380,706	5,151,647	(291,906)	6,983,637
Income before nonrecurring items	\$ 912,510	\$ 75,152	\$ 837,358	\$ 388,708	\$ 523,802	\$ (5,635)
Credit Union Appeal	52,824	-	(52,824)	104,745	51,921	-
Excess of Revenues over expenses	\$ 859,686	\$ 75,152	\$ 784,534	\$ 283,963	\$ 575,723	\$ (5,635)

Summary by Company

Net income before income taxes and subsidiary income

	VBA General Fund	VBA Benefits Corp	VBA Management Services, Inc	VBA Properties, LLC	Consolidated
YTD October 2021 Actual	\$ 7,413	\$ 339,746	\$ 518,326	\$ (5,799)	\$ 859,686
YTD October 2021 Budget	(8,499)	32,147	97,694	(46,190)	75,152
YTD October 2021 Variance	\$ 15,912	\$ 307,599	\$ 420,632	\$ 40,391	\$ 784,534

**Virginia Bankers Association
Income Statement**

	9/30/2021	Projected 2021	2021 Budget	2022 Budget
Income:				
Dues income - active	690,951	921,268	920,000	950,000
Dues income - associate	153,375	204,500	190,000	205,000
Investment Return	11,191	12,500	14,000	18,500
Gain on Sale of Assets	22,000	22,000	-	-
Total Income	877,517	1,160,268	1,124,000	1,173,500
Expenses:				
Salaries and Benefits	689,702	908,136	925,000	955,000
Audit & tax fees	14,500	14,850	14,850	13,475
Consulting/Technology & Prof Fees	12,137	16,388	15,000	15,500
Depreciation Expense	20,526	28,830	28,000	32,300
Equipment Maintenance & Rental	24,907	27,472	28,700	27,650
Insurance	10,815	11,466	11,900	12,525
Meeting Expense	2,567	4,767	10,400	21,500
Memberships/Subscriptions	20,437	24,303	24,000	25,500
Occupancy Expense	15,195	20,260	20,260	21,335
Office Supplies & Printing	2,933	3,693	3,940	4,100
Postage	194	300	800	500
Prop Taxes & Business License	2,588	3,000	3,100	3,185
Telephone	4,677	6,401	7,800	8,930
Travel/Education	9,743	16,030	25,000	26,000
Miscellaneous Expenses	4,059	4,696	4,250	5,000
Total Expenses	834,980	1,090,592	1,123,000	1,172,500
Income before non - recurring items	42,537	69,676	1,000	1,000
Net income before nonrecurring items	42,537	69,676	1,000	1,000
Credit Union Appeal	48,788	200,000		
Net income	(6,251)	(130,324)	1,000	