VIRGINIA RETIREMENT SYSTEM
POLITICAL SUBDIVISION
HEALTH INSURANCE CREDIT PLANS

GASB No. 75 Schedules

With Independent Auditor’s Report Thereon

For the Plan Year Ended June 30, 2025

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Commonwealth of Virginia

Auditor of Public Accounts

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P.O. Box 1295
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June 30, 2026

Joint Legislative Audit
and Review Commission

Board of Trustees
Virginia Retirement System

Patricia S. Bishop
Director, Virginia Retirement System

INDEPENDENT AUDITOR'S REPORT

Report on the Schedule

Opinions

We have audited the fiduciary net position as of June 30, 2025, and the changes in fiduciary net position for the year then ended, included in the accompanying Schedule of Changes in Fiduciary Net Position by Employer (Schedule) of the Virginia Retirement System Political Subdivision Health Insurance Credit (HIC) Plans, and the related notes. We have also audited the fiduciary net position of each individual employer as of June 30, 2025, and the changes in fiduciary net position of each individual employer for the year then ended, included in the accompanying Schedule.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of the Virginia Retirement System Political Subdivision HIC Plans as of June 30, 2025, and the changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of each individual employer as of June 30, 2025, and the changes in fiduciary net position for each individual employer for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Virginia Retirement System HIC Plans, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Schedule

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

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the fiduciary net position and the changes in fiduciary net position included in the Schedule are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the fiduciary net position and changes in fiduciary net position included in the Schedule.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the fiduciary net position and the changes in fiduciary net position included in the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Virginia Retirement System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the fiduciary net position and the changes in fiduciary net position included in the Schedule.

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

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Virginia Retirement System as of and for the year ended June 30, 2025, and our report thereon, dated December 15, 2025, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Joint Legislative Audit and Review Commission, Virginia Retirement System management, the Virginia Retirement System Board of Trustees, and Virginia Retirement System Political Subdivision HIC Plans' employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55100	Accomack County	$ 45,778	$ —	$ 19,047	$ (13,997)	$ (289)	$ —	$ 50,539	$ 162,449	$ 212,988
55103	Amelia County	4,710	—	3,509	(2,730)	(51)	(1)	5,437	32,566	38,003
55104	Amherst County	10,508	—	17,038	(12,693)	(242)	1	14,612	165,400	180,012
55110	Bland County	6,748	—	2,996	(2,460)	(45)	—	7,239	26,376	33,615
55122	Craig County	1,441	—	2,994	(4,199)	(41)	—	195	30,530	30,725
55128	Essex Co	691	—	7,295	(3,277)	(102)	(1)	4,606	71,588	76,194
55132	Fluvanna County	—	—	15,445	(4,823)	(217)	(1)	10,404	151,040	161,444
55133	Franklin County	52,042	—	14,682	(10,407)	(236)	—	56,081	116,803	172,884
55136	Gloucester County	6,115	—	38,672	(25,692)	(540)	1	18,556	383,048	401,604
55139	Greene County	3,099	—	10,992	(7,127)	(154)	1	6,811	108,094	114,905
55140	Greensville County	2,148	—	10,217	(7,837)	(142)	(1)	4,385	101,600	105,985
55141	Halifax County	12,256	—	13,953	(11,465)	(200)	(135)	14,409	134,215	148,624
55142	Hanover Co	116,937	—	107,239	(92,732)	(1,548)	—	129,896	1,012,266	1,142,162
55144	Henry County	3,315	—	37,898	(22,312)	(529)	1	18,373	375,338	393,711
55146	Isle of Wight County	14,405	—	27,754	(21,715)	(391)	(1)	20,052	271,289	291,341
55147	James City County	112,262	—	108,650	(102,949)	(1,553)	(43)	116,367	1,039,594	1,155,961
55149	King and Queen County	4,706	—	1,906	(1,344)	(30)	1	5,239	16,280	21,519
55154	Louisa County	7,945	—	17,884	(9,459)	(254)	—	16,116	172,652	188,768
55156	Madison County	1,007	—	9,829	(4,864)	(138)	(1)	5,833	96,651	102,484
55157	Mathews County	6,181	—	2,819	(2,085)	(43)	—	6,872	24,415	31,287
55163	New Kent County	7,728	—	14,294	(3,723)	(207)	1	18,093	134,246	152,339

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55166	Northumberland County	911	—	7,203	(3,269)	(101)	(1)	4,743	70,451	75,194
55170	Patrick County	7,310	—	2,684	(2,684)	(41)	—	7,269	22,862	30,131
55171	Pittsylvania County	34,084	—	58,674	(11,241)	(844)	—	80,673	541,482	622,155
55172	Powhatan County	3,576	—	11,661	(2,373)	(167)	—	12,697	110,886	123,583
55176	Prince William County	671,117	—	574,471	(659,924)	(8,230)	(25)	577,409	5,502,749	6,080,158
55177	Pulaski County	11,148	—	25,753	(16,316)	(364)	(1)	20,220	250,915	271,135
55178	Rappahannock County	1,967	—	3,145	(2,834)	(44)	—	2,234	30,745	32,979
55180	Roanoke County	214,118	—	131,601	(144,439)	(1,921)	—	199,359	1,212,729	1,412,088
55183	Russell County	6,048	—	8,057	(12,220)	(111)	1	1,775	81,671	83,446
55185	Shenandoah County	7,469	—	33,279	(13,501)	(471)	1	26,777	322,865	349,642
55187	Southampton County	4,443	—	16,389	(12,955)	(228)	—	7,649	162,889	170,538
55189	Stafford County	33,413	—	114,268	(75,224)	(1,601)	—	70,856	1,121,461	1,192,317
55192	Tazewell County	7,448	—	32,516	(25,528)	(453)	—	13,983	323,266	337,249
55195	Washington County	1,275	—	25,656	(16,130)	(357)	—	10,444	255,438	265,882
55196	Westmoreland County	9,697	—	6,721	(4,831)	(99)	—	11,488	61,024	72,512
55197	Wise County	1,432	—	23,645	(14,768)	(329)	1	9,981	235,172	245,153
55198	Wythe County	1,589	—	15,498	(10,170)	(216)	—	6,701	154,093	160,794
55199	York County	56,414	—	137,168	(103,661)	(1,929)	—	87,992	1,345,034	1,433,026
55215	City of Radford	37,795	—	31,595	(37,685)	(449)	(1)	31,255	303,918	335,173
55217	City of Roanoke	35,652	—	20,509	(1,820)	(300)	(1)	54,040	165,582	219,622
55222	City of Winchester	24,637	—	64,135	(35,463)	(908)	—	52,401	621,266	673,667

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55228	Town of Middletown	456	—	1,340	(425)	(19)	—	1,352	12,843	14,195
55230	City of Covington	23,122	—	13,311	(23,907)	(190)	—	12,336	128,257	140,593
55300	Town of Abingdon	26,445	—	6,610	(14,838)	(103)	—	18,114	56,660	74,774
55301	Town of Dumfries	2,555	—	3,617	(3,858)	(51)	—	2,263	35,268	37,531
55312	Town of Hamilton	2,155	—	879	(846)	(13)	—	2,175	7,731	9,906
55321	Town of Woodstock	10,784	—	10,515	(11,456)	(149)	1	9,695	100,727	110,422
55326	Town of Pearisburg	7,466	—	6,896	(5,303)	(100)	(1)	8,958	65,124	74,082
55332	City of Manassas	80,113	—	80,758	(78,800)	(1,150)	(1)	80,920	769,420	850,340
55342	Town of Lawrenceville	1,431	—	5,302	(3,942)	(74)	—	2,717	52,365	55,082
55344	Town of Stanley	2,630	—	3,562	(3,312)	(50)	—	2,830	34,377	37,207
55357	Town of Strasburg	4,319	—	11,070	(6,335)	(157)	1	8,898	107,623	116,521
55360	Town Of Dublin	10,082	—	3,940	(1,835)	(61)	—	12,126	32,890	45,016
55365	City of Poquoson	21,945	—	23,184	(21,448)	(331)	—	23,350	223,244	246,594
55385	Town of Kenbridge	209	—	1,848	(342)	(26)	(1)	1,688	17,783	19,471
55393	Town of Shenandoah	2,010	—	3,404	(3,724)	(47)	—	1,643	33,731	35,374
55396	Town of Kilmarnock	293	—	4,502	(1,826)	(63)	—	2,906	44,096	47,002
55411	Hampton Roads Sanitation Dist	153,701	—	123,910	(171,860)	(1,772)	(1)	103,978	1,209,936	1,313,914
55425	Colonial Behavioral Health	8,159	—	29,525	(20,909)	(414)	1	16,362	291,470	307,832
55440	Shenandoah Valley Juvenile Center	1,473	—	7,466	(6,708)	(103)	—	2,128	75,014	77,142
55447	Rappahannock Area Comm Svcs	16,473	—	48,866	(20,306)	(695)	1	44,339	471,667	516,006
55450	Meherrin Regional Library	1,533	—	2,424	(1,807)	(34)	(1)	2,115	23,409	25,524

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55454	Greensville-Emporia So Svcs	6,213	—	2,632	(5,775)	(38)	1	3,033	24,924	27,957
55455	James City Service Authority	3,483	—	16,468	(11,279)	(230)	—	8,442	163,047	171,489
55456	Accomack/Northampton Plan	9,298	—	3,266	(2,857)	(51)	(1)	9,655	27,264	36,919
55472	District 19 Community Services Board	6,132	—	41,165	(24,076)	(576)	(1)	22,644	406,090	428,734
55477	Frederick Co Sanitation Auth	3,232	—	11,955	(5,536)	(169)	(1)	9,481	115,927	125,408
55478	Western Tidewater Comm Svcs	10,573	—	58,693	(18,300)	(832)	—	50,134	567,529	617,663
55487	Capital Region Airport Comm	48,304	—	13,635	(19,985)	(213)	(1)	41,740	115,850	157,590
55489	Harr/Rockingham Comm Svcs Bd	9,159	—	28,506	(17,565)	(402)	—	19,698	278,524	298,222
55493	Planning Dis One Behavioral Health Svcs	158	—	562	(237)	(8)	1	476	5,430	5,906
55500	Alexandria City School Board	63,919	—	17,380	(39,177)	(263)	—	41,859	157,366	199,225
55501	Albemarle County Schools	69,196	—	24,049	(20,055)	(375)	1	72,816	202,527	275,343
55502	Alleghany County School Board	19,672	—	11,780	(13,071)	(172)	1	18,210	108,860	127,070
55503	Charlottesville Public Schools	24,700	—	8,041	(6,113)	(125)	(1)	26,502	65,602	92,104
55504	Amherst County School Board	29,041	—	10,372	(7,110)	(162)	2	32,143	87,891	120,034
55505	Appomattox County School Board	5,326	—	5,964	(6,095)	(85)	1	5,111	57,758	62,869
55506	Arlington County Schools	109,656	—	31,426	(34,910)	(496)	—	105,676	261,311	366,987
55507	Augusta County School Board	24,915	—	8,317	(8,191)	(129)	—	24,912	68,797	93,709
55508	Bath County School Board	7,653	—	1,228	(8,884)	(16)	—	(19)	12,929	12,910
55509	Bedford County School Board	86,290	—	28,169	(25,688)	(436)	1	88,336	232,608	320,944
55510	Bland County School Board	13,377	—	3,133	(3,609)	(50)	1	12,852	23,986	36,838
55511	Botetourt County School Board	34,365	—	16,352	(17,162)	(243)	(56)	33,256	146,233	179,489

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55512	Norfolk Public Schools	254,462	—	70,746	(70,596)	(1,125)	1	253,488	581,522	835,010
55513	Petersburg Public Schools	42,938	—	15,825	(9,776)	(246)	(1)	48,740	132,001	180,741
55514	Buckingham County School Board	14,782	—	5,702	(3,076)	(88)	1	17,321	46,872	64,193
55515	Radford City School Board	4,877	—	1,156	(2,625)	(18)	—	3,390	9,650	13,040
55516	Caroline County School Board	28,196	—	7,069	(4,371)	(114)	—	30,780	53,482	84,262
55517	Carroll County School Board	61,287	—	11,913	(28,601)	(186)	—	44,413	95,309	139,722
55518	Charles City County School Bd	4,491	—	1,262	(1,164)	(20)	—	4,569	10,001	14,570
55519	Charlotte County School Board	7,405	—	2,486	(4,398)	(37)	(1)	5,455	22,075	27,530
55520	Chesterfield County School Bd	326,286	—	70,099	(162,287)	(1,100)	—	232,998	570,928	803,926
55521	Clarke County School Board	12,199	—	2,750	(2,376)	(45)	1	12,529	20,289	32,818
55522	Winchester Public Schools	4,624	—	14,218	(6,731)	(201)	(1)	11,909	137,631	149,540
55523	Culpeper County School Board	2,729	—	35,499	(15,853)	(498)	(52)	21,825	348,515	370,340
55524	Cumberland County School Board	11,710	—	3,628	(3,682)	(56)	1	11,601	30,098	41,699
55525	Dickenson County School Board	36,023	—	7,121	(22,702)	(108)	(1)	20,333	61,218	81,551
55526	Dinwiddie County Public Schools	18,283	—	5,404	(8,632)	(82)	1	14,974	45,965	60,939
55528	Essex County School Board	15,819	—	5,340	(5,800)	(82)	—	15,277	44,849	60,126
55531	Floyd County School Board	20,307	—	7,016	(9,574)	(106)	—	17,643	60,723	78,366
55532	Fluvanna County Public Schools	27,476	—	9,136	(6,714)	(143)	1	29,756	73,935	103,691
55533	Chesapeake Public Schools	285,001	—	99,518	(88,519)	(1,525)	(1)	294,474	841,001	1,135,475
55534	Va Beach City School Board	674,707	—	214,592	(195,720)	(3,368)	(1)	690,210	1,781,334	2,471,544
55535	Giles County Schools	15,071	—	5,685	(2,649)	(87)	—	18,020	47,179	65,199

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55536	Gloucester Co School Board	40,361	—	24,119	(35,420)	(347)	1	28,714	230,589	259,303
55537	Goochland County School Board	8,866	—	3,567	(2,669)	(55)	—	9,709	30,253	39,962
55538	Grayson County School Board	37,666	—	7,253	(17,276)	(114)	—	27,529	57,418	84,947
55539	Greene County Schools	21,761	—	7,730	(8,926)	(117)	1	20,449	66,913	87,362
55540	Greensville County School Bd	15,871	—	4,980	(7,310)	(76)	(1)	13,464	42,396	55,860
55541	Halifax/South Boston Sch Bd	30,805	—	8,431	(31,355)	(118)	1	7,764	82,049	89,813
55542	Hanover County School Board	103,564	—	24,822	(26,814)	(399)	(1)	101,172	193,131	294,303
55543	Henrico County Schools	19,906	—	3,669	(9,928)	(58)	—	13,589	30,563	44,152
55544	Henry County Public Schools	54,309	—	13,849	(28,505)	(210)	—	39,443	118,997	158,440
55545	Highland County Public Schools	3,277	—	614	(2,129)	(9)	(1)	1,752	5,266	7,018
55546	Isle of Wight County Schools	19,372	—	5,444	(3,845)	(87)	1	20,885	43,672	64,557
55548	King George County School Board	24,455	—	9,973	(5,361)	(153)	(2)	28,912	83,060	111,972
55549	King and Queen County School Board	5,951	—	2,983	(1,890)	(44)	(1)	6,999	26,283	33,282
55550	King William County Schools	11,958	—	4,874	(2,647)	(75)	—	14,110	40,567	54,677
55551	Lancaster County School Board	13,565	—	4,690	(4,677)	(72)	—	13,506	39,394	52,900
55552	Lee County School Board	87,552	—	126	(41,823)	(4)	1	45,852	(43,008)	2,844
55553	Loudoun County School Board	90,526	—	279,749	(145,175)	(3,946)	(363)	220,791	2,725,861	2,946,652
55554	Louisa County Public Schools	10,567	—	36,785	(23,997)	(516)	—	22,839	361,502	384,341
55555	Lunenburg County School Board	10,135	—	3,372	(3,443)	(52)	—	10,012	27,924	37,936
55556	Madison County School Board	13,215	—	3,988	(5,751)	(60)	1	11,393	33,448	44,841
55557	Mathews County School Board	10,574	—	4,203	(4,256)	(63)	—	10,458	36,686	47,144

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55558	Mecklenburg County Schools	22,244	—	7,053	(7,044)	(110)	—	22,143	57,781	79,924
55559	Middlesex County School Board	2,007	—	5,545	(2,697)	(79)	1	4,777	53,603	58,380
55560	Montgomery County School Board	39,478	—	12,721	(19,632)	(195)	—	32,372	109,773	142,145
55562	Nelson County Public Schools	32,681	—	8,224	(20,018)	(122)	(1)	20,764	71,330	92,094
55563	New Kent County Schools	18,704	—	5,584	(6,496)	(88)	—	17,704	47,441	65,145
55565	Northampton County Schools	5,695	—	1,273	(4,006)	(19)	(1)	2,942	11,571	14,513
55566	Northumberland Co School Bd	19,323	—	5,484	(3,618)	(88)	1	21,102	43,641	64,743
55567	Nottoway County School Board	13,233	—	4,746	(3,862)	(74)	1	14,044	39,359	53,403
55568	Orange County Public Schools	43,235	—	14,215	(10,354)	(219)	—	46,877	116,197	163,074
55569	Page County Public Schools	31,587	—	9,587	(14,945)	(145)	1	26,085	83,506	109,591
55570	Patrick County Public Schools	30,534	—	9,223	(9,318)	(142)	—	30,297	75,287	105,584
55571	Pittsylvania County School Bd	47,611	—	8,723	(29,354)	(135)	1	26,846	72,558	99,404
55572	Powhatan County School Board	27,532	—	10,244	(7,581)	(158)	—	30,037	85,381	115,418
55573	Prince Edward County Schools	11,721	—	4,188	(2,124)	(64)	—	13,721	34,136	47,857
55574	Prince George County School Bd	41,266	—	12,212	(17,831)	(187)	1	35,461	104,469	139,930
55576	Prince William County Schools	106,622	—	260,877	(138,725)	(3,705)	—	225,069	2,527,654	2,752,723
55577	Pulaski County School Board	32,030	—	10,099	(9,270)	(159)	—	32,700	83,168	115,868
55578	Rappahannock County Schools	—	—	6,665	(1,996)	(94)	—	4,575	65,130	69,705
55579	Richmond County Public Schools	1,444	—	251	(540)	(4)	—	1,151	1,817	2,968
55580	Roanoke County School Board	109,148	—	20,685	(48,833)	(329)	(1)	80,670	165,026	245,696
55581	Rockbridge County Schools	18,545	—	6,037	(6,832)	(93)	(1)	17,656	52,021	69,677

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55582	Rockingham County School Board	83,385	—	62,192	(87,066)	(882)	1	57,630	602,962	660,592
55583	Russell County School Board	98,775	—	24,428	(37,289)	(380)	—	85,534	197,882	283,416
55584	Scott County Schools	27,228	—	9,443	(9,105)	(145)	1	27,422	80,273	107,695
55585	Shenandoah County School Board	47,401	—	11,448	(25,572)	(175)	1	33,103	95,637	128,740
55586	Smyth County School Board	42,824	—	12,283	(15,806)	(191)	—	39,110	101,482	140,592
55587	Southampton County School Bd	7,164	—	4,203	(3,376)	(62)	1	7,930	37,809	45,739
55588	Spotsylvania County School Bd	70,987	—	24,514	(32,628)	(369)	(1)	62,503	210,178	272,681
55589	Stafford County Schools	77,514	—	49,863	(49,384)	(725)	—	77,268	459,080	536,348
55590	Surry County Public Schools	17,288	—	5,093	(7,737)	(78)	1	14,567	43,669	58,236
55591	Sussex County School Board	14,108	—	4,742	(2,660)	(75)	—	16,115	38,877	54,992
55592	Tazewell County Schools	88,856	—	22,301	(40,504)	(346)	1	70,308	186,115	256,423
55593	Warren County School Board	18,443	—	4,661	(10,113)	(71)	1	12,921	39,820	52,741
55595	Washington County School Board	44,726	—	3,989	(28,510)	(69)	—	20,136	29,343	49,479
55596	Westmoreland County School Bd	15,017	—	4,833	(7,553)	(72)	—	12,225	41,469	53,694
55597	Wise Co Schools	23,108	—	19,896	(28,563)	(279)	—	14,162	194,980	209,142
55598	Wythe County School Board	19,191	—	1,305	(18,341)	(19)	—	2,136	13,598	15,734
55599	York County School Board	56,294	—	17,779	(28,435)	(270)	1	45,369	156,619	201,988
55600	Accomack County School Board	40,235	—	12,292	(14,551)	(192)	—	37,784	104,720	142,504
55601	Bristol Virginia School System	8,345	—	2,379	(4,556)	(36)	—	6,132	20,887	27,019
55602	Buena Vista City Public Schools	5,706	—	1,675	(1,999)	(26)	—	5,356	13,759	19,115
55603	Amelia County Public Schools	8,038	—	2,229	(5,673)	(33)	—	4,561	19,859	24,420

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55605	Danville School Board	27,255	—	9,908	(5,362)	(156)	—	31,645	81,546	113,191
55606	Franklin City Public Schools	746	—	3,542	(3,843)	(49)	—	396	35,986	36,382
55608	Harrisonburg City School Bd	30,434	—	10,126	(7,630)	(158)	(1)	32,771	83,118	115,889
55609	Hopewell Public Schools	26,047	—	6,300	(12,173)	(101)	—	20,073	52,728	72,801
55610	Lynchburg School Board	35,533	—	11,893	(15,277)	(182)	—	31,967	103,470	135,437
55611	Fauquier County School Board	93,125	—	31,080	(29,691)	(481)	—	94,033	261,116	355,149
55612	Brunswick County Public Schools	4,457	—	6,766	(6,684)	(90)	(7,984)	(3,535)	70,807	67,272
55614	Portsmouth School Board	106,462	—	32,238	(30,847)	(505)	(1)	107,347	264,195	371,542
55615	Campbell County School Board	33,618	—	21,291	(38,426)	(300)	(1)	16,182	208,606	224,788
55616	Richmond City Schools	160,243	—	49,172	(43,326)	(778)	1	165,312	412,945	578,257
55617	Roanoke City Schools	4,862	—	14,181	(397)	(205)	—	18,441	132,949	151,390
55619	Staunton City School Board	12,816	—	3,044	(10,326)	(45)	—	5,489	28,507	33,996
55620	Suffolk City School Board	89,337	—	31,821	(21,411)	(494)	—	99,253	262,206	361,459
55622	Craig County School Board	5,057	—	1,416	(2,092)	(22)	—	4,359	11,832	16,191
55623	Martinsville City Sb	14,437	—	4,430	(4,206)	(70)	—	14,591	35,816	50,407
55624	Appomattox Regional Governor'S School	105	—	312	—	(5)	1	413	2,920	3,333
55625	Colonial Heights City Schools	17,279	—	5,124	(2,349)	(81)	—	19,973	39,680	59,653
55632	City of Manassas School Board	35,775	—	26,792	(29,260)	(384)	—	32,923	254,391	287,314
55633	Franklin County Schools	30,538	—	48,717	(38,611)	(689)	1	39,956	474,112	514,068
55634	Frederick Co School Board	70,505	—	24,440	(24,043)	(374)	—	70,528	207,929	278,457
55635	City of Salem Schools	18,723	—	10,828	(13,370)	(157)	—	16,024	101,131	117,155

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55636	Manassas Park City Schools	1,286	—	7,879	(1,833)	(112)	—	7,220	75,945	83,165
55637	Newport News Public Schools	19,727	—	31,506	(129)	(462)	1	50,643	289,800	340,443
55638	Town of West Point Public Schools	759	—	935	(450)	(14)	—	1,230	8,773	10,003
55708	Waynesboro City School	11,540	—	3,098	(5,137)	(48)	—	9,453	25,495	34,948
55710	Valley Vo-Tech Center	1,123	—	272	(293)	(4)	—	1,098	2,096	3,194
55711	New Horizons Technical Center	2,164	—	857	(791)	(13)	—	2,217	7,458	9,675
55713	Galax City Schools	7,594	—	2,941	(1,386)	(45)	(1)	9,103	24,514	33,617
55714	Norton City Schools	5,082	—	1,448	(2,479)	(22)	—	4,029	12,353	16,382
55802	Williamsburg-James City Schools	33,474	—	48,159	(32,937)	(689)	1	48,008	463,646	511,654
55803	Poquoson City School Board	7,148	—	1,681	(5,568)	(25)	—	3,236	15,296	18,532
55806	Fredericksburg City Public Schools	10,998	—	4,110	(3,793)	(63)	—	11,252	34,662	45,914
55807	Hampton City Schools	152,872	—	28,687	(18,073)	(494)	(1)	162,991	199,750	362,741
55813	Buchanan County School Board	65,361	—	14,421	(32,449)	(225)	(1)	47,107	121,956	169,063
55815	Northern Neck Regional Vocational Center	398	—	177	—	(3)	—	572	1,439	2,011
55853	Northern Neck Soil and Water Conservation District	250	—	81	—	(1)	(1)	329	622	951
55859	Williamsburg Area Transit Authority	2,154	—	4,192	(306)	(61)	—	5,979	39,085	45,064
55860	Middle Peninsula Juvenile Detention Commission	1,886	—	4,425	(1,003)	(64)	—	5,244	41,908	47,152
55866	Hampton Roads Transportation Accountability Comm	—	—	796	—	(11)	—	785	7,619	8,404
55867	Pamunkey Regional Library	4,995	—	2,399	(3,326)	(35)	—	4,033	22,001	26,034

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55868	Northern Virginia Transportation Authority	4	—	1,790	(35)	(26)	1	1,734	17,154	18,888
55874	Meherrin River Regional Jail Authority	—	—	15,863	(1,747)	(225)	—	13,891	152,957	166,848
55883	Western Virginia Regional Jail Authority	2,085	—	25,889	(4,527)	(367)	1	23,081	248,822	271,903
55886	Russell County PSA	521	—	2,589	(479)	(37)	—	2,594	24,794	27,388
55897	Prince William County Service Authority	—	—	69,483	(18,784)	(979)	(1)	49,719	677,453	727,172
55904	Appalachian Juvenile Commission	13,353	—	6,770	(5,598)	(102)	—	14,423	60,057	74,480
55909	Henry County Public Service Authority	12,315	—	7,794	(10,372)	(113)	—	9,624	73,533	83,157
55914	Rappahannock Juvenile Center	13,184	—	7,900	(9,089)	(115)	—	11,880	73,124	85,004
55918	Amherst County Service Auth	1,503	—	6,087	(2,677)	(86)	(1)	4,826	59,143	63,969
55919	Pepper's Ferry Reg Wastewater	1,573	—	5,858	(2,764)	(83)	—	4,584	57,003	61,587
55926	Scott County Soil & Water Conservation District	376	—	250	—	(4)	1	623	2,150	2,773
55927	New River Resource Authority	—	—	3,957	(279)	(56)	(1)	3,621	38,055	41,676
55929	Greensville County Water and Sewer Authority	—	—	7,300	(2,072)	(103)	—	5,125	71,206	76,331
55930	Petersburg Redevelopment and Housing Authority	4,601	—	3,955	(4,167)	(57)	1	4,333	37,717	42,050
55932	Va Coalfield Economic Dev Auth	710	—	932	(378)	(14)	1	1,251	8,757	10,008

Virginia Retirement System

VRS Political Subdivision Health Insurance Credit Plans

Schedule of Changes in Fiduciary Net Position by Employer

For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55940	Monacan Soil and Water Conservation District	189		1,346	(858)	(19)	1	659	13,337	13,996
55944	Central Virginia Waste Management Authority	358	—	1,747	(651)	(25)	—	1,429	16,918	18,347
55947	Tidewater Youth Services Commission	9,823	—	5,863	(7,989)	(85)	1	7,613	54,987	62,600
55954	Potomac and Rappahannock Trans	14,136	—	6,626	(2,639)	(102)	—	18,021	56,778	74,799
55957	Wise County Redevelopment and Housing Authority	3,444	—	2,135	(3,902)	(30)	—	1,647	20,871	22,518
55961	Pamunkey Regional Jail	18,476	—	9,236	(4,295)	(141)	(1)	23,275	79,424	102,699
55964	Virginia Biotechnology Research Park Authority	1,412	—	306	(1,079)	(5)	1	635	2,847	3,482
55977	Southside Regional Jail	11,105	—	9,361	(5,918)	(137)	—	14,411	86,244	100,655
55978	Evergreen Soil and Water Conservation District	380	—	182	—	(3)	1	560	1,496	2,056
55979	Roanoke Higher Education Authority	—	—	4,907	(849)	(69)	—	3,989	47,524	51,513
55982	Daniel Boone Soil and Water Conservation District	573	—	395	—	(6)	—	962	3,408	4,370
55983	Southside Behavioral Health	3,993	—	30,821	(17,627)	(431)	—	16,756	304,048	320,804
55995	Holston River Soil and Water Conservation District	488	—	336	(234)	(5)	—	585	3,017	3,602
		$ 7,786,550	$ —	$ 5,093,496	$ (4,726,214)	$ (74,444)	$ (8,644)	$ 8,070,744	$ 47,097,666	$ 55,168,410

The accompanying notes are an integral part of the Schedule of Changes in Fiduciary Net Position by Employer.

Virginia Retirement System
Political Subdivision Health Insurance Credit Plans
Notes to GASB No. 75 Schedules
For the Plan Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies

Description of the Entity

The Virginia Retirement System (the System) is an independent agency of the Commonwealth of Virginia. The System administers four separate pension trust funds – the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS), and the Judicial Retirement System (JRS) as well as several Other Post-Employment Benefit trust funds – the Group Life Insurance Program, the Retiree Health Insurance Credit Program, the Disability Insurance Program for state employees, the Line of Duty Act Program and the Virginia Local Disability Program for participating schools systems and local governments. The VRS Political Subdivision Health Insurance Credit Plans are part of the agent, multi-employer component of the Retiree Health Insurance Credit Program.

Administration and Management

The Board of Trustees (the Board) is responsible for the general administration and operation of the pension plans and the other employee benefit plans. The Board has full power to invest and reinvest the trust funds of the System through the adoption of investment policies and guidelines that fulfill the Board's investment objective to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists of nine members. Five members are appointed by the Governor and four members are appointed by the Joint Rules Committee of the General Assembly subject to confirmation by the General Assembly. The Board appoints a Director to serve as the Chief Administrative Officer of the System and a Chief Investment Officer to direct, manage, and administer the investment of the System's funds.

The System issues an *Annual* C*omprehensive Financial Report* (Annual Report) containing the financial statements and required supplementary information for all of the System's pension and other employee benefit trust funds. A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500. The pension and other employee benefit trust funds administered by the VRS are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

Other Post-Employment Benefits (OPEB) – Health Insurance Credit (HIC)

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision HIC OPEB liability; deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC OPEB; Political Subdivision HIC OPEB expense; information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision's Health Insurance Credit Plan; and the additions to/ deductions from the VRS Political Subdivision's Health Insurance Credit Plan fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. General Information About the Political Subdivision HIC OPEB Plan

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

Eligible Employees
The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.

Eligible employees of participating employers are enrolled automatically upon employment. They include
- Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.

Benefit Amounts
The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:
- *At Retirement:* For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month.
- *Disability Retirement:* For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.

Health Insurance Credit Program Notes:
- The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.
- No health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for premiums paid for other qualified health plans.
- Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by § 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2025, the employer contribution rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Note 3. Long-Term Expected Rate of Return

The long-term expected rate of return on System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	**Long-Term Target Asset Allocation**	**Arithmetic Long-Term Expected Rate of Return**	**Weighted Average Long-Term Expected Rate of Return***
Public Equity	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP – Private Investment Partnerships	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	(3.00%)	4.57%	(0.14%)
Total	**100.00%**		**7.02%**
		* Expected arithmetic nominal return	**7.02%**

** The above allocation provides a one-year expected return of 7.02% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%.*

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 4. Additional Financial and Actuarial Information

Additional financial information supporting the preparation of the VRS Political Subdivision Plan Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2025 Annual Report. A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.