



Virginia  
Retirement  
System<sup>®</sup>

**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, 2023**

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Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

July 24, 2024

The Honorable Glenn Youngkin  
Governor of Virginia

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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 is 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, 2023, and our report thereon, dated December 14, 2023, expressed an unmodified opinion on those financial statements.

*Restriction on Use*

Our report is intended solely for the information and use of the Governor, 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, 2023**

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	\$ 35,031	\$ —	\$ 5,871	\$ (16,591)	\$ (132)	\$ 960	\$ 25,139	\$ 101,352	\$ 126,491
55103	Amelia County	4,240	—	1,463	(2,812)	(34)	109	2,966	24,873	27,839
55104	Amherst County	9,002	—	8,412	(14,269)	(189)	514	3,470	150,745	154,215
55110	Bland County	5,781	—	1,005	(2,266)	(26)	81	4,575	15,829	20,404
55122	Craig County	1,372	—	1,537	(4,470)	(28)	260	(1,329)	32,180	30,851
55128	Essex Co	9,270	—	2,784	(1,913)	(63)	363	10,441	46,833	57,274
55132	Fluvanna County	3,394	—	7,729	(5,755)	(180)	315	5,503	133,088	138,591
55136	Gloucester County	10,214	—	20,227	(22,326)	(463)	918	8,570	354,047	362,617
55139	Greene County	2,809	—	5,723	(7,577)	(131)	226	1,050	100,834	101,884
55140	Greensville County	2,099	—	5,532	(8,014)	(126)	248	(261)	98,693	98,432
55141	Halifax County	10,755	—	6,198	(14,190)	(124)	896	3,535	120,629	124,164
55142	Hanover Co	96,580	—	49,494	(83,705)	(1,168)	2,498	63,699	845,364	909,063
55144	Henry County	—	—	20,093	(21,721)	(445)	1,244	(829)	365,342	364,513
55146	Isle of Wight County	16,329	—	13,915	(19,172)	(329)	518	11,261	238,673	249,934

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55147	James City County	89,781	—	54,172	(96,651)	(1,288)	1,208	47,222	907,121	954,343
55149	King and Queen County	4,071	—	428	(540)	(9)	126	4,076	6,967	11,043
55154	Louisa County	7,604	—	8,432	(7,144)	(191)	602	9,303	148,078	157,381
55156	Madison County	2,805	—	4,965	(4,887)	(114)	256	3,025	87,139	90,164
55157	Mathews County	5,064	—	727	(1,980)	(13)	249	4,047	14,336	18,383
55163	New Kent County	16,897	—	5,553	(2,384)	(139)	340	20,267	86,614	106,881
55166	Northumberland County	1,076	—	3,760	(2,746)	(90)	83	2,083	63,781	65,864
55170	Patrick County	5,762	—	259	(540)	4	476	5,961	9,687	15,648
55171	Pittsylvania County	29,198	—	35,009	(46,640)	(848)	(78,596)	(61,877)	575,299	513,422
55172	Powhatan County	14,111	—	4,732	(2,112)	(123)	113	16,721	70,170	86,891
55176	Prince William County	584,062	—	286,535	(616,469)	(6,949)	4,066	251,245	4,753,803	5,005,048
55177	Pulaski County	9,587	—	12,799	(14,836)	(290)	735	7,995	225,435	233,430
55178	Rappahannock County	1,609	—	1,617	(3,912)	(34)	137	(583)	30,506	29,923
55180	Roanoke County	177,118	—	56,115	(130,618)	(1,328)	3,170	104,457	934,036	1,038,493

**Virginia Retirement System**  
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55183	Russell County	3,610	—	4,375	(11,848)	(89)	447	(3,505)	85,813	82,308
55185	Shenandoah County	6,508	—	17,245	(13,135)	(410)	369	10,577	291,349	301,926
55187	Southampton County	3,316	—	8,743	(13,013)	(194)	524	(624)	159,141	158,517
55189	Stafford County	41,348	—	60,605	(67,010)	(1,462)	721	34,202	1,016,162	1,050,364
55192	Tazewell County	3,939	—	17,393	(25,314)	(383)	806	(3,559)	318,847	315,288
55195	Washington County	—	—	14,185	(15,446)	(326)	494	(1,093)	250,844	249,751
55196	Westmoreland County	8,604	—	2,502	(3,974)	(55)	338	7,415	43,668	51,083
55197	Wise County	—	—	12,331	(13,416)	(262)	1,130	(217)	231,156	230,939
55198	Wythe County	14	—	8,056	(10,385)	(169)	767	(1,717)	152,600	150,883
55199	York County	63,753	—	72,849	(94,569)	(1,744)	964	41,253	1,222,365	1,263,618
55215	City of Radford	36,074	—	15,477	(35,761)	(366)	496	15,920	261,133	277,053
55217	City of Roanoke	27,695	—	15,574	(29,700)	(402)	(89,096)	(75,929)	232,573	156,644
55222	City of Winchester	18,602	—	33,231	(35,145)	(793)	708	16,603	566,935	583,538
55228	Town of Middletown	1,118	—	640	(747)	(16)	—	995	10,188	11,183



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55230	City of Covington	19,531	—	6,477	(22,037)	(155)	193	4,009	112,388	116,397
55300	Town of Abingdon	20,432	—	1,555	(10,599)	(31)	436	11,793	27,528	39,321
55301	Town of Dumfries	3,586	—	1,753	(4,308)	(39)	124	1,116	30,835	31,951
55312	Town of Hamilton	1,946	—	327	(846)	(9)	—	1,418	4,517	5,935
55321	Town of Woodstock	9,164	—	5,282	(10,610)	(121)	219	3,934	89,616	93,550
55326	Town of Pearisburg	6,315	—	3,205	(5,319)	(77)	86	4,210	53,221	57,431
55332	City of Manassas	65,294	—	41,005	(77,749)	(979)	477	28,048	679,585	707,633
55342	Town of Lawrenceville	2,019	—	2,857	(3,258)	(70)	8	1,556	47,571	49,127
55344	Town of Stanley	2,507	—	1,823	(2,337)	(45)	—	1,948	29,621	31,569
55357	Town of Strasburg	3,130	—	5,888	(5,648)	(143)	19	3,246	97,856	101,102
55365	City of Poquoson	19,045	—	11,782	(20,242)	(289)	28	10,324	193,902	204,226
55385	Town of Kenbridge	493	—	933	(327)	(23)	(1)	1,075	15,028	16,103
55393	Town of Shenandoah	1,482	—	1,876	(2,207)	(46)	9	1,114	31,244	32,358
55396	Town of Kilmarnock	—	—	2,398	(1,177)	(58)	26	1,189	40,245	41,434

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55411	Hampton Roads Sanitation Dist	123,860	—	64,959	(161,417)	(1,592)	485	26,295	1,108,307	1,134,602
55425	Colonial Behavioral Health	11,568	—	15,540	(19,474)	(364)	465	7,735	266,815	274,550
55440	Shenandoah Valley Juvenile Center	4,006	—	3,982	(6,744)	(93)	129	1,280	69,547	70,827
55447	Rappahannock Area Comm Svcs	9,757	—	24,781	(19,208)	(583)	794	15,541	424,411	439,952
55450	Meherrin Regional Library	1,281	—	1,250	(1,834)	(30)	22	689	21,119	21,808
55454	Greensville-Emporia So Svcs	5,579	—	1,234	(5,964)	(28)	95	916	22,218	23,134
55455	James City Service Authority	5,883	—	8,761	(9,405)	(210)	152	5,181	147,951	153,132
55456	Accomack/Northampton Plan	8,355	—	676	(2,160)	(15)	233	7,089	11,061	18,150
55472	District 19 Community Services Board	11,287	—	21,522	(22,254)	(502)	750	10,803	372,202	383,005
55477	Frederick Co Sanitation Auth	4,664	—	6,102	(4,862)	(149)	50	5,805	100,100	105,905
55478	Western Tidewater Comm Svcs	10,583	—	29,952	(17,067)	(720)	578	23,326	501,561	524,887
55487	Capital Region Airport Comm	36,778	—	3,641	(17,355)	(82)	638	23,620	59,244	82,864
55489	Harr/Rockingham Comm Svcs Bd	12,661	—	14,447	(16,626)	(339)	529	10,672	247,602	258,274
55493	Planning Dis One Behavioral Health Svcs	1,316	—	133	(236)	(2)	63	1,274	2,547	3,821

**Virginia Retirement System**  
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55500	Alexandria City School Board	57,421	—	6,190	(27,831)	(162)	2	35,620	81,578	117,198
55501	Albemarle County Schools	55,623	—	7,029	(11,868)	(194)	87	50,677	86,402	137,079
55502	Alleghany County School Board	21,659	—	5,484	(11,861)	(183)	20,101	35,200	54,005	89,205
55503	Charlottesville Public Schools	21,375	—	2,362	(6,233)	(65)	—	17,439	27,215	44,654
55504	Amherst County School Board	24,952	—	3,076	(5,208)	(85)	2	22,737	36,762	59,499
55505	Appomattox County School Board	4,890	—	2,935	(4,259)	(70)	116	3,612	49,403	53,015
55506	Arlington County Schools	84,631	—	8,599	(25,821)	(248)	10	67,171	100,707	167,878
55507	Augusta County School Board	21,757	—	2,420	(6,539)	(70)	20	17,588	28,667	46,255
55508	Bath County School Board	9,339	—	654	(7,770)	(16)	(1)	2,206	9,559	11,765
55509	Bedford County School Board	70,019	—	7,868	(17,192)	(224)	1	60,472	87,723	148,195
55510	Bland County School Board	11,736	—	501	(3,258)	(18)	(1)	8,960	2,809	11,769
55511	Botetourt County School Board	27,656	—	6,235	(17,850)	(142)	559	16,458	104,614	121,072
55512	Norfolk Public Schools	186,523	—	19,743	(67,783)	(548)	50	137,985	245,395	383,380
55513	Petersburg Public Schools	36,339	—	4,651	(6,380)	(134)	21	34,497	55,104	89,601

**Virginia Retirement System**  
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55514	Buckingham County School Board	12,845	—	1,646	(3,074)	(47)	1	11,371	19,273	30,644
55515	Radford City School Board	4,081	—	400	(2,630)	(11)	4	1,844	5,533	7,377
55516	Caroline County School Board	17,822	—	1,850	(5,155)	(52)	(1)	14,464	20,893	35,357
55517	Carroll County School Board	52,928	—	2,867	(26,842)	(65)	320	29,208	30,901	60,109
55518	Charles City County School Bd	3,176	—	369	(1,122)	(10)	—	2,413	4,288	6,701
55519	Charlotte County School Board	7,002	—	898	(2,952)	(23)	(1)	4,924	10,988	15,912
55520	Chesterfield County School Bd	267,206	—	18,159	(147,774)	(498)	161	137,254	223,972	361,226
55521	Clarke County School Board	5,364	—	514	(2,295)	(14)	—	3,569	6,455	10,024
55522	Winchester Public Schools	8,553	—	6,998	(6,618)	(167)	184	8,950	115,116	124,066
55523	Culpeper County School Board	6,012	—	18,744	(15,686)	(443)	433	9,060	319,262	328,322
55524	Cumberland County School Board	10,201	—	1,096	(3,905)	(29)	7	7,370	12,940	20,310
55525	Dickenson County School Board	32,601	—	2,323	(21,096)	(62)	5	13,771	30,250	44,021
55526	Dinwiddie County Public Schools	16,703	—	1,755	(7,184)	(46)	1	11,229	21,095	32,324
55528	Essex County School Board	15,766	—	1,466	(4,187)	(44)	—	13,001	16,826	29,827

**Virginia Retirement System**  
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55530	Covington City School Board	—	—	5	(9)	26	(16,425)	(16,403)	16,403	—
55531	Floyd County School Board	19,176	—	2,202	(5,896)	(62)	(1)	15,419	26,026	41,445
55532	Fluvanna County Public Schools	21,671	—	2,618	(4,346)	(71)	3	19,875	28,523	48,398
55533	Chesapeake Public Schools	267,078	—	31,851	(62,733)	(886)	105	235,415	360,666	596,081
55534	Va Beach City School Board	585,631	—	62,476	(175,968)	(1,676)	235	470,698	705,580	1,176,278
55535	Giles County Schools	12,858	—	1,754	(2,490)	(47)	5	12,080	20,608	32,688
55536	Gloucester Co School Board	35,158	—	10,675	(32,474)	(229)	956	14,086	190,244	204,330
55537	Goochland County School Board	7,844	—	1,072	(752)	(31)	9	8,142	12,284	20,426
55538	Grayson County School Board	28,950	—	1,900	(16,087)	(52)	9	14,720	21,565	36,285
55539	Greene County Schools	23,213	—	2,375	(7,041)	(67)	17	18,497	26,737	45,234
55540	Greensville County School Bd	13,769	—	1,535	(5,424)	(41)	16	9,855	18,908	28,763
55541	Halifax/South Boston Sch Bd	29,615	—	2,985	(31,446)	(36)	1,260	2,378	74,924	77,302
55542	Hanover County School Board	53,847	—	5,688	(15,357)	(167)	37	44,048	67,367	111,415
55543	Henrico County Schools	15,364	—	771	(5,467)	(22)	2	10,648	6,255	16,903

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55544	Henry County Public Schools	48,753	—	4,350	(22,431)	(112)	16	30,576	52,462	83,038
55545	Highland County Public Schools	2,988	—	188	(1,958)	(5)	9	1,222	2,473	3,695
55546	Isle of Wight County Schools	14,857	—	1,431	(3,082)	(40)	16	13,182	14,621	27,803
55548	King George County School Board	22,113	—	3,048	(2,850)	(87)	2	22,226	34,407	56,633
55549	King and Queen County School Board	7,201	—	1,036	(2,034)	(29)	1	6,175	12,977	19,152
55550	King William County Schools	10,721	—	1,533	(1,908)	(44)	—	10,302	18,239	28,541
55551	Lancaster County School Board	12,396	—	1,367	(3,186)	(39)	—	10,538	15,407	25,945
55552	Lee County School Board	29,907	—	—	(44,552)	—	—	(14,645)	(17,244)	(31,889)
55553	Loudoun County School Board	127,292	—	142,392	(133,466)	(3,456)	1,924	134,686	2,353,930	2,488,616
55554	Louisa County Public Schools	14,044	—	19,496	(20,245)	(473)	114	12,936	324,028	336,964
55555	Lunenburg County School Board	8,428	—	982	(2,736)	(28)	—	6,646	11,957	18,603
55556	Madison County School Board	12,656	—	1,216	(4,620)	(35)	1	9,218	13,617	22,835
55557	Mathews County School Board	10,969	—	1,446	(2,965)	(38)	21	9,433	18,020	27,453
55558	Mecklenburg County Schools	20,723	—	2,086	(6,296)	(61)	1	16,453	23,144	39,597

**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, 2023**

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
55559	Middlesex County School Board	16,520	—	1,720	(2,592)	(49)	5	15,604	17,953	33,557
55560	Montgomery County School Board	33,757	—	4,257	(14,116)	(118)	18	23,798	54,457	78,255
55562	Nelson County Public Schools	32,369	—	2,563	(14,560)	(71)	1	20,302	28,730	49,032
55563	New Kent County Schools	15,552	—	1,573	(4,232)	(44)	4	12,853	18,111	30,964
55565	Northampton County Schools	4,939	—	503	(3,312)	(12)	—	2,118	6,781	8,899
55566	Northumberland Co School Bd	14,065	—	950	(2,322)	(35)	—	12,658	9,020	21,678
55567	Nottoway County School Board	11,827	—	1,330	(1,674)	(39)	2	11,446	14,678	26,124
55568	Orange County Public Schools	36,133	—	3,992	(9,598)	(111)	20	30,436	44,957	75,393
55569	Page County Public Schools	29,781	—	2,796	(11,036)	(81)	1	21,461	32,601	54,062
55570	Patrick County Public Schools	27,923	—	2,545	(8,879)	(70)	1	21,520	26,451	47,971
55571	Pittsylvania County School Bd	43,612	—	1,170	(25,200)	(6)	1,103	20,679	26,399	47,078
55572	Powhatan County School Board	23,364	—	3,253	(5,928)	(91)	20	20,618	39,963	60,581
55573	Prince Edward County Schools	9,874	—	1,136	(2,036)	(32)	15	8,957	13,175	22,132
55574	Prince George County School Bd	33,262	—	4,087	(16,938)	(94)	234	20,551	57,172	77,723

**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, 2023**

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
55576	Prince William County Schools	108,852	—	131,918	(133,296)	(3,139)	3,125	107,460	2,224,069	2,331,529
55577	Pulaski County School Board	28,315	—	2,765	(8,677)	(84)	—	22,319	32,700	55,019
55578	Rappahannock County Schools	296	—	3,562	(2,444)	(86)	35	1,363	60,098	61,461
55579	Richmond County Public Schools	818	—	73	(540)	(2)	—	349	1,004	1,353
55580	Roanoke County School Board	79,696	—	5,134	(41,906)	(135)	24	42,813	51,821	94,634
55581	Rockbridge County Schools	15,639	—	1,910	(4,893)	(51)	31	12,636	24,212	36,848
55582	Rockingham County School Board	77,658	—	31,782	(84,649)	(762)	403	24,432	529,897	554,329
55583	Russell County School Board	90,930	—	5,951	(37,459)	(168)	81	59,335	63,798	123,133
55584	Scott County Schools	22,517	—	2,925	(5,460)	(82)	—	19,900	36,452	56,352
55585	Shenandoah County School Board	41,420	—	3,651	(21,282)	(90)	36	23,735	42,328	66,063
55586	Smyth County School Board	36,372	—	3,764	(13,586)	(97)	8	26,461	42,616	69,077
55587	Southampton County School Bd	10,600	—	1,305	(1,507)	(36)	1	10,363	14,147	24,510
55588	Spotsylvania County School Bd	71,069	—	7,608	(20,909)	(217)	39	57,590	84,391	141,981
55589	Stafford County Schools	68,643	—	22,043	(45,342)	(550)	520	45,314	355,602	400,916



**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, 2023**

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
55590	Surry County Public Schools	15,483	—	1,543	(6,214)	(42)	25	10,795	19,526	30,321
55591	Sussex County School Board	13,338	—	1,170	(2,198)	(35)	(1)	12,274	10,824	23,098
55592	Tazewell County Schools	79,448	—	6,882	(42,650)	(186)	2	43,496	84,711	128,207
55593	Warren County School Board	16,620	—	1,471	(8,133)	(39)	50	9,969	18,537	28,506
55595	Washington County School Board	35,507	—	265	(27,460)	(5)	262	8,569	5,955	14,524
55596	Westmoreland County School Bd	14,521	—	1,676	(6,291)	(46)	7	9,867	20,589	30,456
55597	Wise Co Schools	20,143	—	9,896	(28,227)	(213)	837	2,436	183,124	185,560
55598	Wythe County School Board	15,868	—	—	(17,676)	—	689	(1,119)	15,429	14,310
55599	York County School Board	48,761	—	5,874	(25,804)	(133)	557	29,255	89,278	118,533
55600	Accomack County School Board	34,364	—	3,769	(9,058)	(106)	33	29,002	42,797	71,799
55601	Bristol Virginia School System	7,744	—	846	(3,498)	(22)	14	5,084	10,780	15,864
55602	Buena Vista City Public Schools	4,941	—	466	(1,628)	(13)	1	3,767	5,029	8,796
55603	Amelia County Public Schools	8,239	—	745	(3,727)	(21)	—	5,236	8,643	13,879
55605	Danville School Board	31,899	—	2,659	(3,755)	(81)	1	30,723	23,974	54,697

**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, 2023**

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
55606	Franklin City Public Schools	—	—	2,095	(3,033)	(48)	48	(938)	37,194	36,256
55608	Harrisonburg City School Bd	25,841	—	2,893	(5,336)	(84)	—	23,314	31,791	55,105
55609	Hopewell Public Schools	19,824	—	2,029	(10,943)	(54)	1	10,857	26,236	37,093
55610	Lynchburg School Board	32,633	—	4,047	(10,398)	(109)	19	26,192	48,595	74,787
55611	Fauquier County School Board	87,728	—	8,897	(21,322)	(254)	17	75,066	95,200	170,266
55612	Brunswick County Public Schools	6,276	—	3,801	(7,850)	(93)	1	2,135	62,968	65,103
55614	Portsmouth School Board	86,026	—	9,277	(27,225)	(262)	12	67,828	108,400	176,228
55615	Campbell County School Board	28,407	—	11,222	(38,256)	(258)	356	1,471	196,772	198,243
55616	Richmond City Schools	128,051	—	14,434	(34,296)	(392)	61	107,858	175,138	282,996
55617	Roanoke City Schools	10,017	—	6,357	(650)	(165)	(30)	15,529	95,667	111,196
55619	Staunton City School Board	11,042	—	1,139	(10,335)	(20)	254	2,080	23,261	25,341
55620	Suffolk City School Board	79,857	—	9,017	(19,129)	(254)	2	69,493	105,291	174,784
55622	Craig County School Board	4,143	—	399	(1,606)	(12)	—	2,924	4,901	7,825
55623	Martinsville City School Board	12,257	—	1,121	(2,880)	(34)	(1)	10,463	11,329	21,792

**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, 2023**

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
55624	Appomattox Regional Governor's School	706	—	111	—	(3)	—	814	1,280	2,094
55625	Colonial Heights City Schools	10,056	—	1,406	(1,604)	(41)	1	9,818	16,776	26,594
55632	City of Manassas School Board	21,014	—	12,869	(26,274)	(295)	637	7,951	224,945	232,896
55633	Franklin County Schools	28,177	—	25,161	(35,831)	(604)	348	17,251	422,238	439,489
55634	Frederick Co School Board	57,912	—	7,604	(12,633)	(217)	38	52,704	90,395	143,099
55635	City of Salem Schools	18,538	—	4,445	(15,475)	(89)	550	7,969	79,253	87,222
55636	Manassas Park City Schools	902	—	4,025	(1,784)	(97)	60	3,106	67,110	70,216
55637	Newport News Public Schools	42,626	—	12,358	(99)	(320)	10	54,575	166,125	220,700
55638	Town of West Point Public Schools	988	—	361	—	(10)	1	1,340	5,148	6,488
55708	Waynesboro City School	8,962	—	926	(3,302)	(27)	1	6,560	10,820	17,380
55710	Valley Vo-Tech Center	1,078	—	51	(270)	(2)	—	857	250	1,107
55711	New Horizons Technical Center	1,930	—	295	(540)	(8)	—	1,677	3,814	5,491
55713	Galax City Schools	6,691	—	894	(1,278)	(25)	—	6,282	10,473	16,755
55714	Norton City Schools	4,223	—	441	(1,674)	(12)	—	2,978	5,303	8,281

**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, 2023**

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
55802	Williamsburg-James City Schools	28,361	—	24,130	(33,759)	(574)	511	18,669	407,127	425,796
55803	Poquoson City School Board	7,326	—	512	(5,947)	(9)	132	2,014	9,775	11,789
55806	Fredericksburg City Public Schools	10,013	—	1,305	(1,830)	(38)	—	9,450	14,712	24,162
55807	Hampton City Schools	64,990	—	6,040	(16,357)	(171)	26	54,528	67,362	121,890
55813	Buchanan County School Board	58,571	—	4,196	(30,672)	(110)	28	32,013	49,778	81,791
55814	Jackson River Technical Ctr	—	—	1	(3)	5	(3,226)	(3,223)	3,223	—
55815	Northern Neck Regional Vocational Center	331	—	51	—	(2)	—	380	580	960
55859	Williamsburg Area Transit Authority	4,644	—	1,658	(85)	(44)	—	6,173	23,758	29,931
55860	Middle Peninsula Juvenile Detention Commission	4,378	—	1,936	(659)	(54)	1	5,602	28,879	34,481
55866	Hampton Roads Transportation Accountability Comm	707	—	340	—	(9)	—	1,038	5,033	6,071
55867	Pamunkey Regional Library	5,136	—	1,097	(3,422)	(31)	(71)	2,709	15,582	18,291
55868	Northern Virginia Transportation Authority	773	—	856	(35)	(22)	—	1,572	13,331	14,903
55874	Meherrin River Regional Jail Authority	3,213	—	7,948	(1,164)	(198)	14	9,813	127,770	137,583
55883	Western Virginia Regional Jail Authority	5,269	—	13,012	(2,282)	(322)	64	15,741	209,366	225,107

**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, 2023**

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
55886	Russell County PSA	960	—	1,283	(479)	(32)	—	1,732	20,489	22,221
55897	Prince William County Service Authority	33,376	—	34,657	(17,522)	(870)	65	49,706	553,244	602,950
55904	Appalachian Juvenile Commission	9,773	—	2,693	(5,884)	(67)	87	6,602	42,641	49,243
55909	Henry County Public Service Authority	10,398	—	3,664	(9,543)	(87)	106	4,538	61,018	65,556
55914	Rappahannock Juvenile Center	10,241	—	3,632	(9,814)	(89)	61	4,031	60,099	64,130
55918	Amherst County Service Auth	3,455	—	3,015	(2,941)	(72)	78	3,535	50,064	53,599
55919	Pepper's Ferry Reg Wastewater	4,225	—	2,846	(3,506)	(68)	79	3,576	47,087	50,663
55926	Scott County Soil & Water Conservation District	310	—	89	—	(2)	(1)	396	1,215	1,611
55927	New River Resource Authority	—	—	2,045	(279)	(50)	—	1,716	33,375	35,091
55929	Greensville County Water and Sewer Authority	851	—	3,816	(1,486)	(94)	18	3,105	62,672	65,777
55930	Petersburg Redevelopment and Housing Authority	4,229	—	1,891	(4,007)	(45)	78	2,146	32,062	34,208
55932	Va Coalfield Economic Dev Auth	836	—	426	(378)	(11)	3	876	6,647	7,523
55940	Monacan Soil and Water Conservation District	592	—	717	(540)	(18)	1	752	11,634	12,386
55944	Central Virginia Waste Management Authority	739	—	884	(651)	(22)	1	951	14,293	15,244

**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, 2023**

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
55947	Tidewater Youth Services Commission	6,963	—	2,758	(8,728)	(64)	98	1,027	48,193	49,220
55954	Potomac and Rappahannock Transportation Commission	36,215	—	1,279	(1,425)	(50)	—	36,019	—	36,019
55957	Wise County Redevelopment and Housing Authority	3,407	—	1,129	(4,377)	(28)	1	132	19,308	19,440
55961	Pamunkey Regional Jail	15,975	—	3,197	(2,089)	(93)	(77)	16,913	41,068	57,981
55964	Virginia Biotechnology Research Park Authority	1,041	—	160	(1,349)	(4)	—	(152)	2,792	2,640
55977	Southside Regional Jail	8,742	—	4,173	(5,872)	(102)	105	7,046	67,652	74,698
55978	Evergreen Soil and Water Conservation District	268	—	61	—	(2)	—	327	800	1,127
55979	Roanoke Higher Education Authority	2,485	—	2,121	(841)	(46)	243	3,962	37,723	41,685
55982	Daniel Boone Soil and Water Conservation District	514	—	141	—	(4)	(1)	650	1,915	2,565
55983	Southside Behavioral Health	9,511	—	16,496	(14,918)	(402)	76	10,763	273,204	283,967
55995	Holston River Soil and Water Conservation District	476	—	124	—	(3)	(1)	596	1,654	2,250
		<u>\$ 6,752,004</u>	<u>\$ —</u>	<u>\$ 2,235,325</u>	<u>\$ (4,302,724)</u>	<u>\$ (54,780)</u>	<u>\$ (113,107)</u>	<u>\$ 4,516,718</u>	<u>\$ 35,540,510</u>	<u>\$ 40,057,228</u>

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, 2023**

**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 Comprehensive 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 2023 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2023-annual-report.pdf](http://varetire.org/pdf/publications/2023-annual-report.pdf), 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:



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## POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

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### 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.

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### 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.

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### 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.

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### 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, 2023, the employer contribution rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP- Private Investment Partnerships	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
<b>Total</b>	<b>100.00%</b>		<b>5.75%</b>
			Inflation
			2.50%
			* Expected arithmetic nominal return
			8.25%

*\* The above allocation provides a one-year return of 8.25%. 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 7.14%, 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 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2023-annual-report.pdf](http://varetire.org/pdf/publications/2023-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.