



Virginia
Retirement
System

**VIRGINIA RETIREMENT SYSTEM
TEACHER HEALTH INSURANCE CREDIT PLAN**

GASB No. 75 Schedules

With Independent Auditor's Report Thereon

For the Plan Year Ended June 30, 2019

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Martha S. Mavredes, CPA
Auditor of Public Accounts

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P.O. Box 1295
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July 28, 2020

Board of Trustees
Virginia Retirement System
1200 E. Main Street
Richmond, VA 23219

INDEPENDENT AUDITOR'S REPORT

Report on the Schedules

We have audited the accompanying schedule of employer allocations of the Virginia Retirement System Teacher Health Insurance Credit (HIC) Plan, as of and for the year ended June 30, 2019, and the related notes. We have also audited the total for all teacher employers of the columns titled net HIC OPEB liability, total HIC OPEB expense, total deferred outflows of resources, and total deferred inflows of resources (specified column totals) included in the accompanying schedule of net HIC OPEB liability and total HIC OPEB expense and schedule of deferred outflows and deferred inflows of resources by employer of the Virginia Retirement System Teacher Health Insurance Credit Plan, as of and for the year ended June 30, 2019, and the related notes.

Management's Responsibility for the Schedule

The Virginia Retirement System's management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB

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expense and the schedule of deferred outflows and deferred inflows of resources by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Virginia Retirement System management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer.

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

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net HIC OPEB liability, total HIC OPEB expense, total deferred outflows of resources, and total deferred inflows of resources for the total of all participating teacher employers for the Virginia Retirement System Teacher Health Insurance Credit Plan as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

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, 2019, and our report thereon, dated December 13, 2019, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Virginia Retirement System management, the Virginia Retirement System Board of Trustees, the Commonwealth Joint Legislative Audit and Review Commission, and the Virginia Retirement System Teacher Health Insurance Credit Plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

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Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2019

| Employer Code | Employer | Employer Contributions | Employer Allocation Percentage |
|----------------------|----------------------------------|-------------------------------|---------------------------------------|
| 40100 | Accomack County School Board | \$ 338,793 | 0.33660 % |
| 40101 | Albemarle County Schools | 1,166,705 | 1.15914 % |
| 40102 | Alleghany County School Board | 136,875 | 0.13599 % |
| 40103 | Amelia County School Board | 98,265 | 0.09763 % |
| 40104 | Amherst County School Board | 282,685 | 0.28085 % |
| 40105 | Appomattox County School Board | 136,627 | 0.13574 % |
| 40106 | Arlington Public Schools | 3,734,369 | 3.71017 % |
| 40107 | Augusta County School Board | 710,876 | 0.70627 % |
| 40108 | Bath County School Board | 54,764 | 0.05441 % |
| 40109 | Bedford County School Board | 623,541 | 0.61950 % |
| 40110 | Bland County School Board | 42,298 | 0.04202 % |
| 40111 | Botetourt County Schools | 331,493 | 0.32934 % |
| 40112 | Brunswick County Public Schools | 107,997 | 0.10730 % |
| 40113 | Buchanan County School Board | 163,139 | 0.16208 % |
| 40114 | Buckingham County School Board | 128,927 | 0.12809 % |
| 40115 | Campbell County School Board | 477,591 | 0.47450 % |
| 40116 | Caroline County School Board | 257,761 | 0.25609 % |
| 40117 | Carroll County School Board | 253,144 | 0.25150 % |
| 40118 | Charles City County School Board | 50,958 | 0.05063 % |
| 40119 | Charlotte County School Board | 132,973 | 0.13211 % |
| 40120 | Chesterfield County School Board | 3,753,555 | 3.72923 % |
| 40121 | Clarke County School Board | 150,987 | 0.15001 % |
| 40122 | Craig County School Board | 42,991 | 0.04271 % |
| 40123 | Culpeper County School Board | 550,712 | 0.54714 % |
| 40124 | Cumberland County School Board | 96,011 | 0.09539 % |
| 40125 | Dickenson County School Board | 114,044 | 0.11331 % |
| 40126 | Dinwiddie County School Board | 283,782 | 0.28194 % |
| 40128 | Essex County Public Schools | 94,393 | 0.09378 % |
| 40129 | Fairfax County School Board | 18,590,218 | 18.46972 % |
| 40130 | Fauquier County School Board | 906,889 | 0.90101 % |
| 40131 | Floyd County School Board | 133,754 | 0.13289 % |
| 40132 | Fluvanna County Public Schools | 294,941 | 0.29303 % |
| 40133 | Franklin County Public Schools | 521,035 | 0.51766 % |
| 40134 | Frederick County School Board | 1,113,235 | 1.10602 % |

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2019

| Employer Code | Employer | Employer Contributions | Employer Allocation Percentage |
|----------------------|------------------------------------|-------------------------------|---------------------------------------|
| 40135 | Giles County Schools | 151,657 | 0.15067 % |
| 40136 | Gloucester County School Board | 375,569 | 0.37314 % |
| 40137 | Goochland County School Board | 189,045 | 0.18782 % |
| 40138 | Grayson County School Board | 104,425 | 0.10375 % |
| 40139 | Greene County Public Schools | 212,679 | 0.21130 % |
| 40140 | Greensville County School Board | 161,626 | 0.16058 % |
| 40141 | Halifax County School Board | 329,265 | 0.32713 % |
| 40142 | Hanover County School Board | 1,239,468 | 1.23144 % |
| 40143 | Henrico County School Board | 3,333,265 | 3.31167 % |
| 40144 | Henry County Public Schools | 449,035 | 0.44613 % |
| 40145 | Highland County Public Schools | 22,838 | 0.02269 % |
| 40146 | Isle of Wight County Schools | 372,275 | 0.36986 % |
| 40148 | King George County School Board | 286,090 | 0.28424 % |
| 40149 | King & Queen County School Board | 55,758 | 0.05540 % |
| 40150 | King William County School Board | 146,604 | 0.14565 % |
| 40151 | Lancaster County Public Schools | 93,089 | 0.09249 % |
| 40152 | Lee County School Board | 222,645 | 0.22120 % |
| 40153 | Loudoun County School Board | 7,518,031 | 7.46932 % |
| 40154 | Louisa County Public Schools | 351,183 | 0.34891 % |
| 40155 | Lunenburg County School Board | 97,821 | 0.09719 % |
| 40156 | Madison County School Board | 122,122 | 0.12133 % |
| 40157 | Mathews County School Board | 78,978 | 0.07847 % |
| 40158 | Mecklenburg County School Board | 276,549 | 0.27476 % |
| 40159 | Middlesex County School Board | 107,651 | 0.10695 % |
| 40160 | Montgomery County School Board | 637,766 | 0.63363 % |
| 40162 | Nelson County Public Schools | 142,260 | 0.14134 % |
| 40163 | New Kent County School Board | 204,142 | 0.20282 % |
| 40165 | Northampton County Schools | 115,259 | 0.11451 % |
| 40166 | Northumberland County School Board | 99,384 | 0.09874 % |
| 40167 | Nottoway County School Board | 132,471 | 0.13161 % |
| 40168 | Orange County Public Schools | 324,250 | 0.32215 % |
| 40169 | Page County Public Schools | 223,375 | 0.22193 % |
| 40170 | Patrick County School Board | 152,497 | 0.15151 % |
| 40171 | Pittsylvania County School Board | 534,622 | 0.53116 % |
| 40172 | Powhatan County School Board | 293,757 | 0.29185 % |

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2019

| Employer Code | Employer | Employer Contributions | Employer Allocation Percentage |
|----------------------|------------------------------------|-------------------------------|---------------------------------------|
| 40173 | Prince Edward County School Board | 140,781 | 0.13987 % |
| 40174 | Prince George County School Board | 392,593 | 0.39005 % |
| 40176 | Prince William County School Board | 6,680,391 | 6.63710 % |
| 40177 | Pulaski County School Board | 259,913 | 0.25823 % |
| 40178 | Rappahannock County School Board | 69,612 | 0.06916 % |
| 40179 | Richmond County School Board | 83,888 | 0.08334 % |
| 40180 | Roanoke County School Board | 931,426 | 0.92539 % |
| 40181 | Rockbridge County School Board | 208,029 | 0.20668 % |
| 40182 | Rockingham County School Board | 812,949 | 0.80768 % |
| 40183 | Russell County School Board | 222,228 | 0.22079 % |
| 40184 | Scott County School Board | 244,162 | 0.24258 % |
| 40185 | Shenandoah County School Board | 450,303 | 0.44739 % |
| 40186 | Smyth County School Board | 269,389 | 0.26764 % |
| 40187 | Southampton County School Board | 163,127 | 0.16207 % |
| 40188 | Spotsylvania County School Board | 1,588,130 | 1.57784 % |
| 40189 | Stafford County School Board | 1,932,439 | 1.91992 % |
| 40190 | Surry County Schools | 93,551 | 0.09294 % |
| 40191 | Sussex County School Board | 95,434 | 0.09482 % |
| 40192 | Tazewell County Schools | 297,475 | 0.29555 % |
| 40193 | Warren County School Board | 363,956 | 0.36160 % |
| 40195 | Washington County School Board | 427,002 | 0.42424 % |
| 40196 | Westmoreland County School Board | 114,699 | 0.11396 % |
| 40197 | Wise County School Board | 333,453 | 0.33129 % |
| 40198 | Wythe County School Board | 251,877 | 0.25024 % |
| 40199 | York County School Board | 852,109 | 0.84659 % |
| 40200 | Alexandria City School Board | 1,889,030 | 1.87679 % |
| 40201 | Bristol City School Board | 148,136 | 0.14718 % |
| 40202 | Buena Vista City Schools | 63,576 | 0.06316 % |
| 40203 | Charlottesville Public Schools | 486,028 | 0.48288 % |
| 40205 | Danville City Schools | 429,835 | 0.42705 % |
| 40206 | Fredericksburg City Schools | 284,013 | 0.28217 % |
| 40207 | Hampton City Schools | 1,305,003 | 1.29655 % |
| 40208 | Harrisonburg City School Board | 498,390 | 0.49516 % |
| 40209 | Hopewell City School Board | 314,433 | 0.31240 % |
| 40210 | Lynchburg Public Schools | 659,131 | 0.65486 % |

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2019

| Employer Code | Employer | Employer Contributions | Employer Allocation Percentage |
|----------------------|---|-------------------------------|---------------------------------------|
| 40211 | Newport News Public Schools | 1,977,510 | 1.96470 % |
| 40212 | Norfolk Public Schools | 2,556,432 | 2.53987 % |
| 40213 | Petersburg City Schools | 287,179 | 0.28532 % |
| 40214 | Portsmouth School Board | 994,856 | 0.98841 % |
| 40215 | Radford City School Board | 107,884 | 0.10718 % |
| 40216 | Richmond Public Schools | 2,062,647 | 2.04928 % |
| 40217 | Roanoke City School Board | 993,298 | 0.98686 % |
| 40219 | Staunton City Schools | 208,798 | 0.20745 % |
| 40220 | Suffolk City School Board | 981,928 | 0.97557 % |
| 40222 | Winchester Public Schools | 356,681 | 0.35437 % |
| 40223 | Martinsville City Schools | 144,134 | 0.14320 % |
| 40224 | Falls Church Public Schools | 333,740 | 0.33158 % |
| 40225 | Colonial Heights City Schools | 233,562 | 0.23205 % |
| 40230 | Covington City School Board | 65,638 | 0.06521 % |
| 40231 | Fairfax City School Board | 1,142 | 0.00113 % |
| 40232 | Franklin City Public Schools | 80,962 | 0.08044 % |
| 40233 | Chesapeake Public Schools | 2,867,808 | 2.84923 % |
| 40234 | Virginia Beach City School Board | 5,000,014 | 4.96761 % |
| 40236 | Manassas Park City Schools | 270,352 | 0.26860 % |
| 40306 | Town of West Point School Board | 67,639 | 0.06720 % |
| 40307 | Lexington City School Board | 36,695 | 0.03646 % |
| 40308 | Waynesboro Public Schools | 218,095 | 0.21668 % |
| 40309 | Town of Colonial Beach Schools | 43,369 | 0.04309 % |
| 40313 | Galax City Schools | 88,494 | 0.08792 % |
| 40314 | Norton City Schools | 42,061 | 0.04179 % |
| 40332 | Manassas City Schools | 684,190 | 0.67976 % |
| 40335 | City of Salem Schools | 275,589 | 0.27380 % |
| 40402 | Williamsburg-James City County School Board | 868,602 | 0.86297 % |
| 40403 | Poquoson City Public Schools | 141,665 | 0.14075 % |
| 40410 | Valley Vocational Technical Center | 24,373 | 0.02422 % |
| 40412 | Charlottesville/Albemarle Vo-Tech Center | 14,507 | 0.01441 % |
| 40413 | The Pruden Center for Industry and Technology | — | — % |
| 40414 | Jackson River Technical Center | 7,264 | 0.00722 % |
| 40415 | New Horizons Technical Center | 107,109 | 0.10641 % |
| 40416 | Northern Neck Regional Vocational Center | 14,192 | 0.01410 % |

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2019

| Employer Code | Employer | Employer Contributions | Employer Allocation Percentage |
|---------------------------------|---|-----------------------------------|---|
| 40417 | Rowanty Vocational Technical Center | 9,353 | 0.00929 % |
| 40418 | Amelia-Nottoway Vocational Center | 3,238 | 0.00322 % |
| 40421 | Northern Neck Regional Special Education Program | 10,078 | 0.01001 % |
| 40423 | Maggie Walker Governor's School for Govt & Intl Studies | 52,293 | 0.05195 % |
| 40424 | Appomattox Region Governor's School | 22,572 | 0.02243 % |
| 40425 | Bridging Communities Regional Career and Tech Center | 5,994 | 0.00596 % |
| Total for all Teacher Employers | | <u>\$ 100,652,207</u> | <u>100.00000 %</u> |

The accompanying notes are an integral part of the Schedule of Employer Allocations.

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Net HIC OPEB Liability June 30, 2019 | Total HIC OPEB Expense 2019 |
|----------------------|----------------------------------|---|--|
| 40100 | Accomack County School Board | \$ 4,407 | \$ 355 |
| 40101 | Albemarle County Schools | 15,175 | 1,308 |
| 40102 | Alleghany County School Board | 1,781 | 114 |
| 40103 | Amelia County School Board | 1,278 | 87 |
| 40104 | Amherst County School Board | 3,677 | 255 |
| 40105 | Appomattox County School Board | 1,777 | 148 |
| 40106 | Arlington Public Schools | 48,569 | 4,270 |
| 40107 | Augusta County School Board | 9,246 | 728 |
| 40108 | Bath County School Board | 712 | 50 |
| 40109 | Bedford County School Board | 8,110 | 650 |
| 40110 | Bland County School Board | 550 | 34 |
| 40111 | Botetourt County Schools | 4,311 | 329 |
| 40112 | Brunswick County Public Schools | 1,405 | 87 |
| 40113 | Buchanan County School Board | 2,122 | 124 |
| 40114 | Buckingham County School Board | 1,677 | 117 |
| 40115 | Campbell County School Board | 6,212 | 483 |
| 40116 | Caroline County School Board | 3,353 | 273 |
| 40117 | Carroll County School Board | 3,293 | 246 |
| 40118 | Charles City County School Board | 663 | 40 |
| 40119 | Charlotte County School Board | 1,730 | 120 |
| 40120 | Chesterfield County School Board | 48,820 | 4,159 |
| 40121 | Clarke County School Board | 1,963 | 157 |
| 40122 | Craig County School Board | 559 | 40 |
| 40123 | Culpeper County School Board | 7,162 | 580 |
| 40124 | Cumberland County School Board | 1,249 | 91 |
| 40125 | Dickenson County School Board | 1,484 | 78 |
| 40126 | Dinwiddie County School Board | 3,691 | 289 |
| 40128 | Essex County Public Schools | 1,228 | 78 |
| 40129 | Fairfax County School Board | 241,777 | 20,769 |
| 40130 | Fauquier County School Board | 11,796 | 900 |
| 40131 | Floyd County School Board | 1,740 | 143 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2019

(Dollars in Thousands)

| Employer | | Net HIC OPEB Liability June 30, 2019 | Total HIC OPEB Expense 2019 |
|-----------------|------------------------------------|---|--|
| Code | Employer | | |
| 40132 | Fluvanna County Public Schools | 3,836 | 294 |
| 40133 | Franklin County Public Schools | 6,777 | 566 |
| 40134 | Frederick County School Board | 14,479 | 1,198 |
| 40135 | Giles County Schools | 1,973 | 153 |
| 40136 | Gloucester County School Board | 4,885 | 406 |
| 40137 | Goochland County School Board | 2,459 | 202 |
| 40138 | Grayson County School Board | 1,358 | 102 |
| 40139 | Greene County Public Schools | 2,766 | 216 |
| 40140 | Greensville County School Board | 2,102 | 174 |
| 40141 | Halifax County School Board | 4,283 | 280 |
| 40142 | Hanover County School Board | 16,121 | 1,268 |
| 40143 | Henrico County School Board | 43,353 | 3,581 |
| 40144 | Henry County Public Schools | 5,840 | 456 |
| 40145 | Highland County Public Schools | 297 | 23 |
| 40146 | Isle of Wight County Schools | 4,842 | 396 |
| 40148 | King George County School Board | 3,721 | 336 |
| 40149 | King & Queen County School Board | 726 | 59 |
| 40150 | King William County School Board | 1,907 | 145 |
| 40151 | Lancaster County Public Schools | 1,211 | 92 |
| 40152 | Lee County School Board | 2,896 | 219 |
| 40153 | Loudoun County School Board | 97,780 | 9,491 |
| 40154 | Louisa County Public Schools | 4,568 | 381 |
| 40155 | Lunenburg County School Board | 1,273 | 87 |
| 40156 | Madison County School Board | 1,588 | 125 |
| 40157 | Mathews County School Board | 1,027 | 76 |
| 40158 | Mecklenburg County School Board | 3,597 | 269 |
| 40159 | Middlesex County School Board | 1,400 | 137 |
| 40160 | Montgomery County School Board | 8,295 | 704 |
| 40162 | Nelson County Public Schools | 1,851 | 141 |
| 40163 | New Kent County School Board | 2,655 | 232 |
| 40165 | Northampton County Schools | 1,499 | 114 |
| 40166 | Northumberland County School Board | 1,293 | 107 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2019

(Dollars in Thousands)

| Employer | | Net HIC OPEB Liability June 30, 2019 | Total HIC OPEB Expense 2019 |
|-----------------|------------------------------------|---|--|
| Code | Employer | | |
| 40167 | Nottoway County School Board | 1,723 | 121 |
| 40168 | Orange County Public Schools | 4,217 | 314 |
| 40169 | Page County Public Schools | 2,906 | 209 |
| 40170 | Patrick County School Board | 1,984 | 132 |
| 40171 | Pittsylvania County School Board | 6,954 | 579 |
| 40172 | Powhatan County School Board | 3,820 | 295 |
| 40173 | Prince Edward County School Board | 1,831 | 125 |
| 40174 | Prince George County School Board | 5,106 | 366 |
| 40176 | Prince William County School Board | 86,886 | 7,367 |
| 40177 | Pulaski County School Board | 3,381 | 240 |
| 40178 | Rappahannock County School Board | 906 | 66 |
| 40179 | Richmond County School Board | 1,091 | 91 |
| 40180 | Roanoke County School Board | 12,114 | 958 |
| 40181 | Rockbridge County School Board | 2,705 | 225 |
| 40182 | Rockingham County School Board | 10,573 | 839 |
| 40183 | Russell County School Board | 2,890 | 214 |
| 40184 | Scott County School Board | 3,176 | 248 |
| 40185 | Shenandoah County School Board | 5,857 | 490 |
| 40186 | Smyth County School Board | 3,504 | 239 |
| 40187 | Southampton County School Board | 2,122 | 171 |
| 40188 | Spotsylvania County School Board | 20,655 | 1,619 |
| 40189 | Stafford County School Board | 25,134 | 2,127 |
| 40190 | Surry County Schools | 1,217 | 87 |
| 40191 | Sussex County School Board | 1,242 | 91 |
| 40192 | Tazewell County Schools | 3,869 | 231 |
| 40193 | Warren County School Board | 4,733 | 379 |
| 40195 | Washington County School Board | 5,554 | 405 |
| 40196 | Westmoreland County School Board | 1,492 | 122 |
| 40197 | Wise County School Board | 4,337 | 295 |
| 40198 | Wythe County School Board | 3,276 | 240 |
| 40199 | York County School Board | 11,083 | 873 |
| 40200 | Alexandria City School Board | 24,569 | 2,062 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2019

(Dollars in Thousands)

| Employer | | Net HIC OPEB Liability June 30, 2019 | Total HIC OPEB Expense 2019 |
|-----------------|----------------------------------|---|--|
| Code | Employer | | |
| 40201 | Bristol City School Board | 1,927 | 136 |
| 40202 | Buena Vista City Schools | 827 | 58 |
| 40203 | Charlottesville Public Schools | 6,321 | 521 |
| 40205 | Danville City Schools | 5,590 | 483 |
| 40206 | Fredericksburg City Schools | 3,694 | 292 |
| 40207 | Hampton City Schools | 16,973 | 1,232 |
| 40208 | Harrisonburg City School Board | 6,482 | 597 |
| 40209 | Hopewell City School Board | 4,090 | 352 |
| 40210 | Lynchburg Public Schools | 8,573 | 580 |
| 40211 | Newport News Public Schools | 25,720 | 1,985 |
| 40212 | Norfolk Public Schools | 33,249 | 2,277 |
| 40213 | Petersburg City Schools | 3,735 | 267 |
| 40214 | Portsmouth School Board | 12,939 | 972 |
| 40215 | Radford City School Board | 1,403 | 114 |
| 40216 | Richmond Public Schools | 26,827 | 2,200 |
| 40217 | Roanoke City School Board | 12,919 | 1,026 |
| 40219 | Staunton City Schools | 2,715 | 201 |
| 40220 | Suffolk City School Board | 12,771 | 1,102 |
| 40222 | Winchester Public Schools | 4,639 | 341 |
| 40223 | Martinsville City Schools | 1,874 | 139 |
| 40224 | Falls Church Public Schools | 4,340 | 369 |
| 40225 | Colonial Heights City Schools | 3,038 | 236 |
| 40230 | Covington City School Board | 854 | 64 |
| 40231 | Fairfax City School Board | 15 | — |
| 40232 | Franklin City Public Schools | 1,053 | 53 |
| 40233 | Chesapeake Public Schools | 37,299 | 3,049 |
| 40234 | Virginia Beach City School Board | 65,031 | 5,089 |
| 40236 | Manassas Park City Schools | 3,516 | 272 |
| 40306 | Town of West Point School Board | 879 | 78 |
| 40307 | Lexington City School Board | 477 | 42 |
| 40308 | Waynesboro Public Schools | 2,836 | 213 |
| 40309 | Town of Colonial Beach Schools | 564 | 43 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2019

(Dollars in Thousands)

| Employer | | Net HIC OPEB Liability June 30, 2019 | Total HIC OPEB Expense 2019 |
|---------------------------------|---|---|--|
| Code | Employer | | |
| 40313 | Galax City Schools | 1,151 | 86 |
| 40314 | Norton City Schools | 547 | 31 |
| 40332 | Manassas City Schools | 8,899 | 665 |
| 40335 | City of Salem Schools | 3,585 | 284 |
| 40402 | Williamsburg-James City County School Board | 11,297 | 916 |
| 40403 | Poquoson City Public Schools | 1,842 | 144 |
| 40410 | Valley Vocational Technical Center | 317 | 26 |
| 40412 | Charlottesville/Albemarle Vo-Tech Center | 188 | 16 |
| 40413 | The Pruden Center for Industry and Technology | — | (33) |
| 40414 | Jackson River Technical Center | 95 | 2 |
| 40415 | New Horizons Technical Center | 1,393 | 121 |
| 40416 | Northern Neck Regional Vocational Center | 185 | 16 |
| 40417 | Rowanty Vocational Technical Center | 122 | 9 |
| 40418 | Amelia-Nottoway Vocational Center | 42 | 4 |
| 40421 | Northern Neck Regional Special Education Program | 131 | 12 |
| 40423 | Maggie Walker Governor's School for Govt & Intl Studies | 680 | 51 |
| 40424 | Appomattox Region Governor's School | 294 | 23 |
| 40425 | Bridging Communities Regional Career and Tech Center | 78 | 6 |
| Total for all Teacher Employers | | <u>\$ 1,309,098</u> | <u>\$ 107,714</u> |

The accompanying notes are an integral part of the Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense.

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|---------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40100 | Accomack County School Board | \$ — | \$ — | \$ 103 | \$ 42 | \$ 145 | \$ 24 | \$ — | \$ 31 | \$ 106 | \$ 161 |
| 40101 | Albemarle County Schools | — | 1 | 353 | 370 | 724 | 87 | — | 105 | — | 192 |
| 40102 | Alleghany County School Board | — | — | 41 | — | 41 | 10 | — | 12 | 175 | 197 |
| 40103 | Amelia County School Board | — | — | 30 | 7 | 37 | 7 | — | 9 | 119 | 135 |
| 40104 | Amherst County School Board | — | — | 86 | — | 86 | 21 | — | 26 | 246 | 293 |
| 40105 | Appomattox County School Board | — | — | 41 | 38 | 79 | 10 | — | 12 | 49 | 71 |
| 40106 | Arlington Public Schools | — | 3 | 1,130 | 1,521 | 2,654 | 275 | — | 337 | 166 | 778 |
| 40107 | Augusta County School Board | — | 1 | 215 | 60 | 276 | 53 | — | 64 | 268 | 385 |
| 40108 | Bath County School Board | — | — | 17 | — | 17 | 5 | — | 5 | 54 | 64 |
| 40109 | Bedford County School Board | — | 1 | 189 | 90 | 280 | 47 | — | 56 | 152 | 255 |
| 40110 | Bland County School Board | — | — | 13 | 4 | 17 | 3 | — | 4 | 73 | 80 |
| 40111 | Botetourt County Schools | — | — | 100 | — | 100 | 24 | — | 30 | 137 | 191 |
| 40112 | Brunswick County Public Schools | — | — | 33 | — | 33 | 8 | — | 10 | 172 | 190 |
| 40113 | Buchanan County School Board | — | — | 49 | — | 49 | 12 | — | 15 | 270 | 297 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|----------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40114 | Buckingham County School Board | — | — | 39 | — | 39 | 9 | — | 12 | 112 | 133 |
| 40115 | Campbell County School Board | — | — | 145 | 3 | 148 | 36 | — | 43 | 134 | 213 |
| 40116 | Caroline County School Board | — | — | 78 | 35 | 113 | 19 | — | 23 | 61 | 103 |
| 40117 | Carroll County School Board | — | — | 77 | 46 | 123 | 18 | — | 23 | 217 | 258 |
| 40118 | Charles City County School Board | — | — | 15 | — | 15 | 3 | — | 5 | 87 | 95 |
| 40119 | Charlotte County School Board | — | — | 40 | — | 40 | 9 | — | 12 | 128 | 149 |
| 40120 | Chesterfield County School Board | — | 3 | 1,136 | 924 | 2,063 | 276 | — | 339 | 225 | 840 |
| 40121 | Clarke County School Board | — | — | 46 | 8 | 54 | 10 | — | 14 | 39 | 63 |
| 40122 | Craig County School Board | — | — | 13 | — | 13 | 3 | — | 4 | 28 | 35 |
| 40123 | Culpeper County School Board | — | — | 167 | — | 167 | 41 | — | 50 | 51 | 142 |
| 40124 | Cumberland County School Board | — | — | 29 | — | 29 | 7 | — | 9 | 62 | 78 |
| 40125 | Dickenson County School Board | — | — | 35 | — | 35 | 9 | — | 10 | 223 | 242 |
| 40126 | Dinwiddie County School Board | — | — | 86 | 39 | 125 | 21 | — | 26 | 135 | 182 |
| 40128 | Essex County Public Schools | — | — | 29 | — | 29 | 7 | — | 9 | 121 | 137 |
| 40129 | Fairfax County School Board | — | 30 | 5,624 | 5,033 | 10,687 | 1,382 | — | 1,677 | — | 3,059 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|---------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40130 | Fauquier County School Board | — | 1 | 275 | — | 276 | 67 | — | 82 | 362 | 511 |
| 40131 | Floyd County School Board | — | — | 40 | 38 | 78 | 9 | — | 12 | 35 | 56 |
| 40132 | Fluvanna County Public Schools | — | — | 89 | 6 | 95 | 21 | — | 27 | 132 | 180 |
| 40133 | Franklin County Public Schools | — | — | 158 | 160 | 318 | 38 | — | 47 | 158 | 243 |
| 40134 | Frederick County School Board | — | 1 | 337 | 238 | 576 | 81 | — | 101 | 150 | 332 |
| 40135 | Giles County Schools | — | — | 46 | 13 | 59 | 11 | — | 14 | 71 | 96 |
| 40136 | Gloucester County School Board | — | — | 114 | 109 | 223 | 28 | — | 34 | 95 | 157 |
| 40137 | Goochland County School Board | — | — | 57 | 21 | 78 | 13 | — | 17 | 26 | 56 |
| 40138 | Grayson County School Board | — | — | 32 | 20 | 52 | 8 | — | 9 | 98 | 115 |
| 40139 | Greene County Public Schools | — | — | 64 | — | 64 | 15 | — | 19 | 71 | 105 |
| 40140 | Greensville County School Board | — | — | 49 | 42 | 91 | 11 | — | 15 | 33 | 59 |
| 40141 | Halifax County School Board | — | — | 100 | — | 100 | 24 | — | 30 | 391 | 445 |
| 40142 | Hanover County School Board | — | 1 | 375 | — | 376 | 91 | — | 112 | 360 | 563 |
| 40143 | Henrico County School Board | — | 3 | 1,009 | 295 | 1,307 | 246 | — | 301 | 159 | 706 |
| 40144 | Henry County Public Schools | — | — | 136 | — | 136 | 33 | — | 41 | 148 | 222 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|----------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40145 | Highland County Public Schools | — | — | 7 | 7 | 14 | 2 | — | 2 | 16 | 20 |
| 40146 | Isle of Wight County Schools | — | — | 113 | 42 | 155 | 27 | — | 34 | 37 | 98 |
| 40148 | King George County School Board | — | — | 87 | 194 | 281 | 21 | — | 26 | 54 | 101 |
| 40149 | King & Queen County School Board | — | — | 17 | 5 | 22 | 4 | — | 5 | 15 | 24 |
| 40150 | King William County School Board | — | — | 44 | — | 44 | 11 | — | 13 | 66 | 90 |
| 40151 | Lancaster County Public Schools | — | — | 28 | 3 | 31 | 7 | — | 8 | 56 | 71 |
| 40152 | Lee County School Board | — | — | 67 | 4 | 71 | 16 | — | 20 | 129 | 165 |
| 40153 | Loudoun County School Board | — | 6 | 2,276 | 8,100 | 10,382 | 554 | — | 679 | — | 1,233 |
| 40154 | Louisa County Public Schools | — | — | 106 | 103 | 209 | 25 | — | 32 | 80 | 137 |
| 40155 | Lunenburg County School Board | — | — | 30 | 8 | 38 | 7 | — | 9 | 86 | 102 |
| 40156 | Madison County School Board | — | — | 37 | 17 | 54 | 9 | — | 11 | 65 | 85 |
| 40157 | Mathews County School Board | — | — | 24 | — | 24 | 6 | — | 7 | 53 | 66 |
| 40158 | Mecklenburg County School Board | — | — | 84 | 29 | 113 | 21 | — | 25 | 179 | 225 |
| 40159 | Middlesex County School Board | — | — | 33 | 147 | 180 | 8 | — | 10 | 7 | 25 |
| 40160 | Montgomery County School Board | — | 1 | 193 | 138 | 332 | 47 | — | 58 | 41 | 146 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|------------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40162 | Nelson County Public Schools | — | — | 43 | 6 | 49 | 10 | — | 13 | 67 | 90 |
| 40163 | New Kent County School Board | — | — | 62 | 53 | 115 | 16 | — | 18 | — | 34 |
| 40165 | Northampton County Schools | — | — | 35 | — | 35 | 9 | — | 10 | 31 | 50 |
| 40166 | Northumberland County School Board | — | — | 30 | 37 | 67 | 7 | — | 9 | 44 | 60 |
| 40167 | Nottoway County School Board | — | — | 40 | — | 40 | 9 | — | 12 | 131 | 152 |
| 40168 | Orange County Public Schools | — | — | 98 | — | 98 | 24 | — | 29 | 183 | 236 |
| 40169 | Page County Public Schools | — | — | 68 | — | 68 | 17 | — | 20 | 163 | 200 |
| 40170 | Patrick County School Board | — | — | 46 | — | 46 | 11 | — | 14 | 195 | 220 |
| 40171 | Pittsylvania County School Board | — | — | 162 | 202 | 364 | 40 | — | 48 | 174 | 262 |
| 40172 | Powhatan County School Board | — | — | 89 | 7 | 96 | 21 | — | 27 | 108 | 156 |
| 40173 | Prince Edward County School Board | — | — | 43 | 13 | 56 | 11 | — | 13 | 152 | 176 |
| 40174 | Prince George County School Board | — | — | 119 | — | 119 | 29 | — | 35 | 296 | 360 |
| 40176 | Prince William County School Board | — | 6 | 2,022 | 1,715 | 3,743 | 492 | — | 604 | 754 | 1,850 |
| 40177 | Pulaski County School Board | — | — | 79 | — | 79 | 20 | — | 23 | 225 | 268 |
| 40178 | Rappahannock County School Board | — | — | 21 | — | 21 | 5 | — | 6 | 42 | 53 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|----------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40179 | Richmond County School Board | — | — | 25 | 28 | 53 | 6 | — | 8 | 21 | 35 |
| 40180 | Roanoke County School Board | — | 1 | 282 | 191 | 474 | 69 | — | 84 | 491 | 644 |
| 40181 | Rockbridge County School Board | — | — | 63 | 39 | 102 | 14 | — | 19 | 18 | 51 |
| 40182 | Rockingham County School Board | — | 1 | 246 | 64 | 311 | 61 | — | 73 | 243 | 377 |
| 40183 | Russell County School Board | — | — | 67 | — | 67 | 16 | — | 20 | 131 | 167 |
| 40184 | Scott County School Board | — | — | 74 | 2 | 76 | 18 | — | 22 | 88 | 128 |
| 40185 | Shenandoah County School Board | — | — | 136 | 176 | 312 | 32 | — | 41 | 97 | 170 |
| 40186 | Smyth County School Board | — | — | 82 | — | 82 | 20 | — | 24 | 265 | 309 |
| 40187 | Southampton County School Board | — | — | 49 | — | 49 | 12 | — | 15 | 21 | 48 |
| 40188 | Spotsylvania County School Board | — | 1 | 481 | 170 | 652 | 117 | — | 144 | 547 | 808 |
| 40189 | Stafford County School Board | — | 2 | 585 | 588 | 1,175 | 142 | — | 175 | 280 | 597 |
| 40190 | Surry County Schools | — | — | 28 | — | 28 | 7 | — | 8 | 82 | 97 |
| 40191 | Sussex County School Board | — | — | 29 | 7 | 36 | 7 | — | 9 | 69 | 85 |
| 40192 | Tazewell County Schools | — | — | 90 | — | 90 | 21 | — | 27 | 500 | 548 |
| 40193 | Warren County School Board | — | — | 110 | 20 | 130 | 26 | — | 33 | 78 | 137 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|----------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40195 | Washington County School Board | — | — | 129 | — | 129 | 31 | — | 39 | 303 | 373 |
| 40196 | Westmoreland County School Board | — | — | 35 | 67 | 102 | 9 | — | 10 | 101 | 120 |
| 40197 | Wise County School Board | — | — | 101 | 120 | 221 | 24 | — | 30 | 419 | 473 |
| 40198 | Wythe County School Board | — | — | 76 | — | 76 | 18 | — | 23 | 169 | 210 |
| 40199 | York County School Board | — | 1 | 258 | 108 | 367 | 63 | — | 77 | 276 | 416 |
| 40200 | Alexandria City School Board | — | 2 | 572 | 358 | 932 | 139 | — | 171 | 108 | 418 |
| 40201 | Bristol City School Board | — | — | 45 | — | 45 | 11 | — | 13 | 121 | 145 |
| 40202 | Buena Vista City Schools | — | — | 19 | — | 19 | 4 | — | 6 | 50 | 60 |
| 40203 | Charlottesville Public Schools | — | — | 147 | 15 | 162 | 35 | — | 44 | 5 | 84 |
| 40205 | Danville City Schools | — | — | 130 | 433 | 563 | 31 | — | 39 | 216 | 286 |
| 40206 | Fredericksburg City Schools | — | — | 86 | — | 86 | 21 | — | 26 | 74 | 121 |
| 40207 | Hampton City Schools | — | 1 | 395 | — | 396 | 96 | — | 118 | 1,022 | 1,236 |
| 40208 | Harrisonburg City School Board | — | — | 151 | 335 | 486 | 36 | — | 45 | — | 81 |
| 40209 | Hopewell City School Board | — | — | 95 | 115 | 210 | 23 | — | 28 | 38 | 89 |
| 40210 | Lynchburg Public Schools | — | 1 | 200 | — | 201 | 49 | — | 60 | 735 | 844 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|-------------------------------|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40211 | Newport News Public Schools | — | 2 | 599 | — | 601 | 146 | — | 179 | 738 | 1,063 |
| 40212 | Norfolk Public Schools | — | 2 | 774 | — | 776 | 188 | — | 231 | 2,425 | 2,844 |
| 40213 | Petersburg City Schools | — | — | 87 | 25 | 112 | 21 | — | 26 | 213 | 260 |
| 40214 | Portsmouth School Board | — | 1 | 301 | — | 302 | 73 | — | 90 | 479 | 642 |
| 40215 | Radford City School Board | — | — | 33 | 26 | 59 | 8 | — | 10 | 38 | 56 |
| 40216 | Richmond Public Schools | — | 2 | 624 | 436 | 1,062 | 152 | — | 186 | 407 | 745 |
| 40217 | Roanoke City School Board | — | 1 | 301 | 12 | 314 | 73 | — | 90 | 225 | 388 |
| 40219 | Staunton City Schools | — | — | 63 | — | 63 | 15 | — | 19 | 125 | 159 |
| 40220 | Suffolk City School Board | — | 1 | 297 | 446 | 744 | 72 | — | 89 | 95 | 256 |
| 40222 | Winchester Public Schools | — | — | 108 | — | 108 | 27 | — | 32 | 231 | 290 |
| 40223 | Martinsville City Schools | — | — | 44 | — | 44 | 11 | — | 13 | 78 | 102 |
| 40224 | Falls Church Public Schools | — | — | 101 | 146 | 247 | 25 | — | 30 | 52 | 107 |
| 40225 | Colonial Heights City Schools | — | — | 71 | — | 71 | 17 | — | 21 | 73 | 111 |
| 40230 | Covington City School Board | — | — | 20 | 25 | 45 | 5 | — | 6 | 61 | 72 |
| 40231 | Fairfax City School Board | — | — | — | — | — | — | — | — | — | — |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------|---|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40232 | Franklin City Public Schools | — | — | 25 | — | 25 | 7 | — | 7 | 192 | 206 |
| 40233 | Chesapeake Public Schools | — | 2 | 868 | 89 | 959 | 211 | — | 259 | 218 | 688 |
| 40234 | Virginia Beach City School Board | — | 4 | 1,514 | — | 1,518 | 368 | — | 452 | 1,500 | 2,320 |
| 40236 | Manassas Park City Schools | — | — | 82 | 40 | 122 | 20 | — | 24 | 114 | 158 |
| 40306 | Town of West Point School Board | — | — | 20 | 37 | 57 | 5 | — | 6 | 7 | 18 |
| 40307 | Lexington City School Board | — | — | 11 | 18 | 29 | 2 | — | 3 | — | 5 |
| 40308 | Waynesboro Public Schools | — | — | 66 | — | 66 | 15 | — | 20 | 118 | 153 |
| 40309 | Town of Colonial Beach Schools | — | — | 13 | 9 | 22 | 3 | — | 4 | 30 | 37 |
| 40313 | Galax City Schools | — | — | 27 | — | 27 | 7 | — | 8 | 32 | 47 |
| 40314 | Norton City Schools | — | — | 13 | — | 13 | 3 | — | 4 | 77 | 84 |
| 40332 | Manassas City Schools | — | 1 | 207 | 185 | 393 | 51 | — | 62 | 506 | 619 |
| 40335 | City of Salem Schools | — | — | 83 | 22 | 105 | 19 | — | 25 | 86 | 130 |
| 40402 | Williamsburg-James City County School Board | — | 1 | 263 | 144 | 408 | 64 | — | 78 | 182 | 324 |
| 40403 | Poquoson City Public Schools | — | — | 43 | — | 43 | 10 | — | 13 | 48 | 71 |
| 40410 | Valley Vocational Technical Center | — | — | 7 | — | 7 | 1 | — | 2 | 12 | 15 |

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2019

(Dollars in Thousands)

| Employer Code | Employer | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | |
|---------------------------------|---|--|--|-----------------------|--------------------------------|--------------------------------------|--|--|-----------------------|--------------------------------|-------------------------------------|
| | | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments | Change of Assumptions | Changes in Proportionate Share | Total Deferred Inflows of Resources |
| 40412 | Charlottesville/Albemarle Vo-Tech Center | — | — | 4 | 29 | 33 | 1 | — | 1 | 20 | 22 |
| 40413 | The Pruden Center for Industry and Technology | — | — | — | — | — | — | — | — | 177 | 177 |
| 40414 | Jackson River Technical Center | — | — | 2 | 4 | 6 | — | — | 1 | 33 | 34 |
| 40415 | New Horizons Technical Center | — | — | 32 | 50 | 82 | 7 | — | 10 | 20 | 37 |
| 40416 | Northern Neck Regional Vocational Center | — | — | 4 | — | 4 | 1 | — | 1 | 7 | 9 |
| 40417 | Rowanty Vocational Technical Center | — | — | 3 | 9 | 12 | 1 | — | 1 | 9 | 11 |
| 40418 | Amelia-Nottoway Vocational Center | — | — | 1 | 6 | 7 | 1 | — | — | — | 1 |
| 40421 | Northern Neck Regional Special Education Program | — | — | 3 | 6 | 9 | 1 | — | 1 | 5 | 7 |
| 40423 | Maggie Walker Governor's School for Govt & Intl Studies | — | — | 16 | 2 | 18 | 4 | — | 5 | 41 | 50 |
| 40424 | Appomattox Region Governor's School | — | — | 7 | 16 | 23 | 2 | — | 2 | 20 | 24 |
| 40425 | Bridging Communities Regional Career and Tech Center | — | — | 2 | 8 | 10 | — | — | 1 | 8 | 9 |
| Total for all Teacher Employers | | \$ — | \$ 85 | \$ 30,468 | \$ 24,618 | \$ 55,171 | \$ 7,413 | \$ — | \$ 9,096 | \$ 24,618 | \$ 41,127 |

The accompanying notes are an integral part of the Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer.

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Notes to GASB No. 75 Schedules
For the Plan Year Ended June 30, 2019

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 Teacher Health Insurance Credit Plan is part 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 a *Comprehensive Annual Financial Report* (CAFR) containing the financial statements and required supplementary information for all of the System's pension and other employee benefit trust funds. The CAFR is publicly available through the About VRS link on the VRS website at varetire.org, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, 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 – Health Insurance Credit

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee 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. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC OPEB, and HIC OPEB expense, information about the

fiduciary net position of the Virginia Retirement System (VRS) Teacher Health Insurance Credit Plan and the additions to/deductions from the VRS Teacher Health Insurance Credit Plan’s net fiduciary 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 HIC OPEB Plan

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. 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 for the Teacher Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

Eligible Employees

The Teacher Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts

The Teacher Health Insurance Credit Program provides the following benefits for eligible employees:

- **At Retirement:** For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.
- **Disability Retirement:** For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:
 - \$4.00 per month multiplied by twice the amount of service credit, or
 - \$4.00 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Health Insurance Credit Program Notes:

- The monthly health insurance credit benefit cannot exceed the individual premium amount.
- Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by § 51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2019 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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.

Actuarial Assumptions and Methods

The total Teacher Health Insurance Credit OPEB liability for the VRS Teacher Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

| | |
|--|---|
| Inflation | 2.50% |
| Salary increases, including inflation – Teacher Employees | 3.50% – 5.95% |
| Investment rate of return | 6.75%, net of plan investment expenses, including inflation* |

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

| | |
|---|---|
| Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Update to a more current mortality table – RP-2014 projected to 2020 |
| Retirement Rates | Lowered rates at older ages and changed final retirement from 70 to 75 |
| Withdrawal Rates | Adjusted rates to better fit experience at each year age and service through 9 years of service |
| Disability Rates | Adjusted rates to better match experience |
| Salary Scale | No change |
| Discount Rate | Decrease rate from 7.00% to 6.75% |

Note 3. Net Health Insurance Credit OPEB Liability

The net Health Insurance Credit OPEB liability (NOL) is calculated separately for each plan and represents that particular plan's total Health Insurance Credit OPEB liability determined in accordance with GASB Statement No. 74, less the System's fiduciary net position for the plan. As of June 30, 2019, NOL amounts for the VRS Teacher Health Insurance Credit Program are as follows (amounts expressed in thousands):

| | |
|--|---------------------|
| Total Teacher HIC OPEB Liability | \$ 1,438,114 |
| Plan Fiduciary Net Position | 129,016 |
| Teacher HIC Net OPEB Liability (Asset) | <u>\$ 1,309,098</u> |

| | |
|---|--------|
| Plan Fiduciary Net Position as a Percentage of the Total Teacher HIC OPEB Liability | 8.97 % |
|---|--------|

The total Teacher HIC OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net Teacher HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the total Teacher HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by each school division for the VRS Teacher HIC OPEB Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher HIC OPEB liability.

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) | Target Allocation | Arithmetic | Weighted Average |
|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| | | Long-Term Expected Rate of Return | Long-Term Expected Rate of Return* |
| Public Equity | 34.00 % | 5.61 % | 1.91 % |
| Fixed Income | 15.00 % | 0.88 % | 0.13 % |
| Credit Strategies | 14.00 % | 5.13 % | 0.72 % |
| Real Assets | 14.00 % | 5.27 % | 0.74 % |
| Private Equity | 14.00 % | 8.77 % | 1.23 % |
| MAPS - Multi-Asset Public Strategies | 6.00 % | 3.52 % | 0.21 % |
| PIP- Private Investment Partnership | 3.00 % | 6.29 % | 0.19 % |
| Total | 100.00 % | | 5.13 % |
| | Inflation | | 2.50 % |
| | * Expected arithmetic nominal return | | 7.63 % |

* The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Sensitivity Analysis

The following table presents the collective net Teacher HIC OPEB liability of the participating employers in the VRS Teacher HIC OPEB Plan using the discount rate of 6.75%, as well as what the collective net Teacher HIC OPEB liability of the participating employers would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate (amounts expressed in thousands):

| | |
|--|-------------|
| Net Teacher HIC OPEB Liability – 1.00% Decrease (5.75%) | \$1,465,102 |
| Net Teacher HIC OPEB Liability – Current Discount Rate (6.75%) | \$1,309,098 |
| Net Teacher HIC OPEB Liability – 1.00% Increase (7.75%) | \$1,176,571 |

Note 4. Deferred Outflows / (Inflows) of Resources

The following schedule reflects the amortization of the net balance of remaining deferred outflows/ (inflows) of resources at June 30, 2019. The average remaining service lives of all employees provided with health insurance credit benefits through the VRS Teacher HIC OPEB Plan at June 30, 2019, was 7.51 years. Deferred outflows of resources related to the health insurance credit resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the financial statements for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the health insurance credit will be recognized in the health insurance credit expense as follows (amounts expressed in thousands):

| | |
|---|---------|
| Measurement Period Ending June 30, 2020 | \$1,214 |
| Measurement Period Ending June 30, 2021 | \$1,216 |
| Measurement Period Ending June 30, 2022 | \$1,787 |
| Measurement Period Ending June 30, 2023 | \$1,596 |
| Measurement Period Ending June 30, 2024 | \$2,181 |
| Thereafter | \$6,050 |

Note 5. Employer Contributions

Employers' proportionate shares were calculated on the basis of historical employer contributions. Although GASB Statement No. 75 encourages the use of the employer's projected long-term contribution effort to the Other Post-Employment Benefit plan, allocating on the basis of historical employer contributions is considered acceptable. Employer contributions recognized by the VRS Teacher HIC OPEB Plan that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions for adjustments for prior periods.

The employer contributions used in the determination of employers' proportionate shares of collective Other Post-Employment Benefit amounts reported in the Schedule of Employer Allocations was based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for FY 2019. This total was \$100,652,207. The employer contributions of \$100,643,000 reported in the VRS Teacher HIC OPEB Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount less approximately \$9,207 in other employer contributions and adjustments that were not representative of future contribution efforts.

Note 6. Additional Financial and Actuarial Information

Information contained in the VRS Teacher HIC OPEB Program Notes to the Schedule of Employer Allocations and Schedule of Teacher HIC OPEB Program Amounts by Employer (Schedules) was extracted from the audited financial statements of the Virginia Retirement System for the fiscal year ended June 30, 2019. Additional financial information supporting the preparation of the VRS Teacher HIC OPEB Program Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2019 *Comprehensive Annual Financial Report* (CAFR). A copy of the 2019 VRS CAFR is publicly available through the About VRS link on the VRS website at varetire.org, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500, Richmond, VA 23218-2500.