



Virginia
Retirement
System[®]

**VIRGINIA RETIREMENT SYSTEM
LINE OF DUTY ACT PROGRAM**

GASB No. 75 Schedules

With Independent Auditor's Report Thereon

For the Plan Year Ended June 30, 2024

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P.O. Box 1295
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August 28, 2025

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 Schedules

Opinions

We have audited the accompanying Schedule of Employer Allocations of the Virginia Retirement System Line of Duty Act (LODA) Program, as of and for the year ended June 30, 2024, and the related notes. We have also audited the total for all employers of the columns titled Net LODA OPEB Liability, Total LODA OPEB Expense (Revenue), Total Deferred Outflows of Resources, and Total Deferred Inflows of Resources (specified column totals) included in the accompanying Schedule of Net LODA OPEB Liability and Total LODA OPEB Expense and the Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer of the Virginia Retirement System LODA Program (schedules of OPEB amounts), as of and for the year ended June 30, 2024, and the related notes.

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net LODA OPEB liability, total LODA OPEB expense, total deferred outflows of resources, and total deferred inflows of resources for the total of all participating employers for the Virginia Retirement System LODA Program as of and for the year ended June 30, 2024, 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 Schedules section of our report. We are required to be independent of the Virginia Retirement System LODA Program, 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 Schedules

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 and for 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 Responsibilities for the Audit of the Schedules

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

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 Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts, 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 of Employer Allocations and the specified column totals included in the schedules of OPEB amounts.
- 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 Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts.

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, 2024, and our report thereon, dated December 11, 2024, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Joint Legislative Audit and Review Commission, Virginia Retirement System management, the Virginia Retirement System Board of Trustees, and Virginia Retirement System LODA Program 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

EMS/clj

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
State:			
2XXXX	State Police Officers' Retirement System Employees	\$ 1,557,080	10.32967%
3XXXX	All Other State Employees	1,890,159	12.53929%
7XXXX	Virginia Law Officers' Retirement System Employees	5,396,860	35.80278%
	Sub-total State	\$ 8,844,099	58.67174%
Political Subdivisions:			
50001	Arlington County	711,517	4.72020%
50005	Appalachia, Town	—	—%
50025	Boones Mill, Town	1,035	0.00688%
50026	Pocahontas, Town	1,661	0.01101%
55113	Buchanan County	76,360	0.50657%
55136	Gloucester County	120,144	0.79702%
55139	Greene County	73,664	0.48868%
55152	Lee County	63,495	0.42123%
55167	Nottoway County	25,106	0.16656%
55183	Russell County	78,435	0.52034%
55197	Wise County	97,524	0.64698%
55201	Bristol, City	120,144	0.79702%
55213	Petersburg, City	133,627	0.88650%
55214	Portsmouth, City	428,281	2.84121%
55215	Radford, City	83,001	0.55062%
55220	Suffolk, City	448,823	2.97749%
55221	Williamsburg, City	66,401	0.44050%
55222	Winchester, City	152,099	1.00901%
55224	Falls Church, City	44,613	0.29596%
55226	Front Royal, Town	29,879	0.19822%
55232	Franklin, City	97,317	0.64561%
55233	Chesapeake, City	995,792	6.60608%
55234	Virginia Beach, City	1,538,613	10.20718%
55235	Norton, City	33,616	0.22300%
55236	Manassas Park, City	51,461	0.34138%
55238	Pound, Town	1,661	0.01101%

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
55245	Scottsville, Town	3,528	0.02340%
55249	LaCrosse, Town	829	0.00550%
55255	Brodnax, Town	828	0.00550%
55259	Richlands, Town	38,181	0.25328%
55300	Abingdon, Town	19,920	0.13215%
55301	Dumfries, Town	12,449	0.08259%
55304	South Boston, Town	29,050	0.19272%
55306	Remington, Town	2,905	0.01927%
55310	Smithfield, Town	14,939	0.09911%
55314	Jonesville, Town	1,661	0.01101%
55315	Wytheville, Town	53,950	0.35790%
55317	Vienna, Town	33,201	0.22025%
55321	Woodstock, Town	15,769	0.10462%
55327	Christiansburg, Town	107,485	0.71305%
55330	Chatham, Town	2,492	0.01652%
55332	Manassas, City	128,235	0.85071%
55334	Boydton, Town	829	0.00550%
55338	Quantico, Town	1,036	0.00688%
55354	Big Stone Gap, Town	9,960	0.06608%
55355	Luray, Town	21,581	0.14316%
55369	Tazewell, Town	34,237	0.22713%
55372	Weber City, Town	2,490	0.01652%
55374	Hurt, Town	1,661	0.01101%
55375	Waverly, Town	—	—%
55378	Courtland, Town	1,661	0.01101%
55380	Independence, Town	4,980	0.03304%
55382	Grundy, Town	3,320	0.02202%
55389	Pembroke, Town	4,148	0.02753%
55397	Orange, Town	12,449	0.08259%
55417	Norfolk Airport Authority	46,479	0.30835%
55487	Capital Region Airport Commission	29,050	0.19272%
55858	Peumansend Creek Regional Jail Authority	46,478	0.30835%
55861	Breaks Interstate Park	1,661	0.01101%

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
55869	Rsw Regional Jail Authority	—	—%
55899	Shenandoah Valley Regional Airport	9,960	0.06608%
55922	Piedmont Regional Jail	58,100	0.38544%
	Sub-total Political Subdivisions	<u>\$ 6,229,771</u>	<u>41.32826%</u>
Grand Total ⁽¹⁾		<u><u>\$ 15,073,870</u></u>	<u><u>100.00000%</u></u>

⁽¹⁾ Employer-level results may not add to Line of Duty Act system-wide results due to rounding.

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

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Net LODA OPEB Liability and Total LODA OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2024

Employer Code	Employer	Net LODA OPEB Liability 6/30/2024	Total LODA OPEB Expense (Revenue) 2024
State:			
2XXXX	State Police Officers' Retirement System Employees	\$ 40,652,908	\$ 5,097,413
3XXXX	All Other State Employees	49,348,973	7,310,183
7XXXX	Virginia Law Officers' Retirement System Employees	140,903,540	15,904,238
	Sub-total State	<u>\$ 230,905,421</u>	<u>\$ 28,311,834</u>
Political Subdivision:			
50001	Arlington County	\$ 18,576,572	\$ 2,479,700
50005	Appalachia, Town	—	(9,360)
50025	Boones Mill, Town	27,077	5,091
50026	Pocahontas, Town	43,330	9,219
55113	Buchanan County	1,993,630	274,385
55136	Gloucester County	3,136,710	393,278
55139	Greene County	1,923,223	303,772
55152	Lee County	1,657,771	193,802
55167	Nottoway County	655,505	80,724
55183	Russell County	2,047,823	271,554
55197	Wise County	2,546,221	395,796
55201	Bristol, City	3,136,710	348,129
55213	Petersburg, City	3,488,863	261,447
55214	Portsmouth, City	11,181,717	1,142,678
55215	Radford, City	2,166,991	360,268
55220	Suffolk, City	11,718,054	1,566,776
55221	Williamsburg, City	1,733,609	230,447
55222	Winchester, City	3,971,007	532,042
55224	Falls Church, City	1,164,765	152,959
55226	Front Royal, Town	780,104	96,172
55232	Franklin, City	2,540,829	431,289
55233	Chesapeake, City	25,998,543	3,451,337
55234	Virginia Beach, City	40,170,843	5,187,240
55235	Norton, City	877,627	135,242
55236	Manassas Park, City	1,343,517	183,594

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Net LODA OPEB Liability and Total LODA OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2024

Employer		Net	Total
Code	Employer	LODA OPEB	LODA OPEB
		Liability	Expense
		6/30/2024	(Revenue)
			2024
55238	Pound, Town	43,330	1,270
55245	Scottsville, Town	92,092	14,241
55249	LaCrosse, Town	21,646	(2,646)
55255	Brodnax, Town	21,646	757
55259	Richlands, Town	996,796	115,197
55300	Abingdon, Town	520,083	63,744
55301	Dumfries, Town	325,037	56,686
55304	South Boston, Town	758,459	94,354
55306	Remington, Town	75,838	12,849
55310	Smithfield, Town	390,052	43,936
55314	Jonesville, Town	43,330	3,426
55315	Wytheville, Town	1,408,533	231,634
55317	Vienna, Town	866,804	111,881
55321	Woodstock, Town	411,737	59,349
55327	Christiansburg, Town	2,806,242	437,586
55330	Chatham, Town	65,015	8,578
55332	Manassas, City	3,348,010	408,212
55334	Boydton, Town	21,646	4,851
55338	Quantico, Town	27,077	(1,253)
55354	Big Stone Gap, Town	260,061	28,949
55355	Luray, Town	563,413	86,961
55369	Tazewell, Town	893,881	161,344
55372	Weber City, Town	65,015	3,628
55374	Hurt, Town	43,330	3,896
55375	Waverly, Town	—	(13,877)
55378	Courtland, Town	43,330	5,114
55380	Independence, Town	130,030	17,965
55382	Grundy, Town	86,661	2,836
55389	Pembroke, Town	108,346	16,324
55397	Orange, Town	325,037	41,836
55417	Norfolk Airport Authority	1,213,526	148,799
55487	Capital Region Airport Commission	758,459	77,874

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Net LODA OPEB Liability and Total LODA OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2024

Employer Code	Employer	Net LODA OPEB Liability 6/30/2024	Total LODA OPEB Expense (Revenue) 2024
55858	Peumansend Creek Regional Jail Authority	1,213,526	251,524
55861	Breaks Interstate Park	43,330	9,354
55869	Rsw Regional Jail Authority	—	(185,493)
55899	Shenandoah Valley Regional Airport	260,061	25,661
55922	Piedmont Regional Jail	1,516,917	149,424
	Sub-total Political Subdivisions	<u>\$ 162,649,337</u>	<u>\$ 20,974,352</u>
Grand Total ⁽¹⁾		<u>\$ 393,554,758</u>	<u>\$ 49,286,186</u>

⁽¹⁾ Employer-level results may not add to Line of Duty Act system-wide results due to rounding.

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

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2024

Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Inflows of Resources
State:											
2XXXX	State Police Officers' Retirement System Employees	\$ 1,414,469	\$ —	\$ 7,493,976	\$ 3,155,785	\$ 12,064,230	\$ 9,930,278	\$ 134,387	\$ 8,187,690	\$ 1,533,914	\$ 19,786,269
3XXXX	All Other State Employees	1,717,038	—	9,097,012	14,472,967	25,287,017	12,054,465	163,134	9,939,119	5,154,370	27,311,088
7XXXX	Virginia Law Officers' Retirement System Employees	4,902,570	—	25,974,225	38,944,286	69,821,081	34,418,478	465,789	28,378,646	55,935,469	119,198,382
	Sub-total State	<u>\$ 8,034,077</u>	<u>\$ —</u>	<u>\$ 42,565,213</u>	<u>\$ 56,573,038</u>	<u>\$ 107,172,328</u>	<u>\$ 56,403,221</u>	<u>\$ 763,310</u>	<u>\$ 46,505,455</u>	<u>\$ 62,623,753</u>	<u>\$ 166,295,739</u>
Political Subdivision:											
50001	Arlington County	\$ 646,349	\$ —	\$ 3,424,414	\$ 1,223,257	\$ 5,294,020	\$ 4,537,695	\$ 61,409	\$ 3,741,411	\$ 478,723	\$ 8,819,238
50005	Appalachia, Town	—	—	—	7,188	7,188	—	—	—	67,406	67,406
50025	Boones Mill, Town	942	—	4,991	18,447	24,380	6,614	90	5,453	37,046	49,203
50026	Pocahontas, Town	1,508	—	7,988	13,211	22,707	10,584	143	8,727	772	20,226
55113	Buchanan County	69,366	—	367,507	264,815	701,688	486,984	6,590	401,527	51,151	946,252
55136	Gloucester County	109,138	—	578,223	472,639	1,160,000	766,204	10,369	631,748	359,085	1,767,406
55139	Greene County	66,916	—	354,528	697,466	1,118,910	469,785	6,358	387,346	155,078	1,018,567
55152	Lee County	57,680	—	305,594	116,444	479,718	404,943	5,480	333,883	170,013	914,319
55167	Nottoway County	22,808	—	120,836	397,272	540,916	160,120	2,167	132,022	529,784	824,093
55183	Russell County	71,252	—	377,497	291,452	740,201	500,221	6,770	412,441	160,197	1,079,629
55197	Wise County	88,593	—	469,371	580,276	1,138,240	621,965	8,417	512,821	82,857	1,226,060

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2024

Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Inflows of Resources
55201	Bristol, City	109,138	—	578,223	503,080	1,190,441	766,204	10,369	631,748	773,461	2,181,782
55213	Petersburg, City	121,391	—	643,139	137,081	901,611	852,224	11,533	702,674	1,329,031	2,895,462
55214	Portsmouth, City	389,054	—	2,061,243	590,167	3,040,464	2,731,356	36,963	2,252,051	1,766,437	6,786,807
55215	Radford, City	75,398	—	399,464	521,307	996,169	529,331	7,163	436,442	37,958	1,010,894
55220	Suffolk, City	407,716	—	2,160,111	1,710,527	4,278,354	2,862,367	38,736	2,360,072	648,497	5,909,672
55221	Williamsburg, City	60,319	—	319,574	159,939	539,832	423,468	5,731	349,157	99,228	877,584
55222	Winchester, City	138,166	—	732,017	637,647	1,507,830	969,997	13,127	799,780	271,847	2,054,751
55224	Falls Church, City	40,527	—	214,713	98,676	353,916	284,517	3,850	234,589	62,518	585,474
55226	Front Royal, Town	27,143	—	143,805	65,692	236,640	190,556	2,579	157,117	59,631	409,883
55232	Franklin, City	88,405	—	468,378	1,015,710	1,572,493	620,648	8,399	511,735	65,095	1,205,877
55233	Chesapeake, City	904,588	—	4,792,583	3,216,356	8,913,527	6,350,659	85,944	5,236,231	2,187,661	13,860,495
55234	Virginia Beach, City	1,397,696	—	7,405,112	3,905,530	12,708,338	9,812,524	132,793	8,090,600	2,525,211	20,561,128
55235	Norton, City	30,536	—	161,782	207,265	399,583	214,378	2,901	176,758	43,309	437,346
55236	Manassas Park, City	46,746	—	247,665	324,382	618,793	328,181	4,441	270,591	141,261	744,474
55238	Pound, Town	1,508	—	7,988	44,259	53,755	10,584	143	8,727	93,808	113,262
55245	Scottsville, Town	3,204	—	16,976	26,146	46,326	22,495	304	18,548	10,027	51,374
55249	LaCrosse, Town	753	—	3,990	13,767	18,510	5,287	72	4,360	26,537	36,256
55255	Brodnax, Town	753	—	3,990	13,140	17,883	5,287	72	4,360	19,425	29,144
55259	Richlands, Town	34,682	—	183,750	108,186	326,618	243,487	3,295	200,759	164,436	611,977
55300	Abingdon, Town	18,096	—	95,872	48,499	162,467	127,040	1,719	104,747	60,975	294,481
55301	Dumfries, Town	11,309	—	59,917	149,763	220,989	79,397	1,074	65,464	57,940	203,875

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2024

Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Inflows of Resources
55304	South Boston, Town	26,390	—	139,815	45,931	212,136	185,269	2,507	152,757	59,596	400,129
55306	Remington, Town	2,639	—	13,980	26,192	42,811	18,525	251	15,274	4,391	38,441
55310	Smithfield, Town	13,571	—	71,902	41,060	126,533	95,278	1,289	78,558	44,708	219,833
55314	Jonesville, Town	1,508	—	7,988	17,445	26,941	10,584	143	8,727	35,791	55,245
55315	Wytheville, Town	49,008	—	259,650	485,033	793,691	344,062	4,656	283,685	50,688	683,091
55317	Vienna, Town	30,159	—	159,787	107,277	297,223	211,734	2,865	174,579	52,326	441,504
55321	Woodstock, Town	14,326	—	75,900	74,436	164,662	100,575	1,361	82,926	14,063	198,925
55327	Christiansburg, Town	97,640	—	517,304	801,891	1,416,835	685,480	9,277	565,191	63,206	1,323,154
55330	Chatham, Town	2,262	—	11,985	20,747	34,994	15,881	215	13,094	13,857	43,047
55332	Manassas, City	116,490	—	617,174	413,316	1,146,980	817,818	11,068	674,305	289,992	1,793,183
55334	Boydton, Town	753	—	3,990	24,916	29,659	5,287	72	4,360	13,719	23,438
55338	Quantico, Town	942	—	4,991	17,229	23,162	6,614	90	5,453	39,800	51,957
55354	Big Stone Gap, Town	9,049	—	47,940	116,464	173,453	63,525	860	52,378	100,701	217,464
55355	Luray, Town	19,603	—	103,860	140,818	264,281	137,625	1,862	113,474	33,730	286,691
55369	Tazewell, Town	31,102	—	164,778	267,177	463,057	218,348	2,955	180,032	124,579	525,914
55372	Weber City, Town	2,262	—	11,985	25,709	39,956	15,881	215	13,094	58,272	87,462
55374	Hurt, Town	1,508	—	7,988	19,521	29,017	10,584	143	8,727	21,489	40,943
55375	Waverly, Town	—	—	—	218	218	—	—	—	85,696	85,696
55378	Courtland, Town	1,508	—	7,988	14,768	24,264	10,584	143	8,727	18,225	37,679
55380	Independence, Town	4,524	—	23,970	18,913	47,407	31,763	430	26,189	18,314	76,696
55382	Grundy, Town	3,015	—	15,975	15,098	34,088	21,169	286	17,454	87,588	126,497

Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2024

Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total of Deferred Inflows of Resources
55389	Pembroke, Town	3,770	—	19,972	28,896	52,638	26,466	358	21,821	2,104	50,749
55397	Orange, Town	11,309	—	59,917	37,728	108,954	79,397	1,074	65,464	32,829	178,764
55417	Norfolk Airport Authority	42,223	—	223,702	24,033	289,958	296,428	4,012	244,410	41,276	586,126
55487	Capital Region Airport Commission	26,390	—	139,815	66,610	232,815	185,269	2,507	152,757	194,283	534,816
55858	Peumansend Creek Regional Jail Authority	42,223	—	223,702	906,756	1,172,681	296,428	4,012	244,410	645,434	1,190,284
55861	Breaks Interstate Park	1,508	—	7,988	18,333	27,829	10,584	143	8,727	689	20,143
55869	Rsw Regional Jail Authority	—	—	—	—	—	—	—	—	204,042	204,042
55899	Shenandoah Valley Regional Airport	9,049	—	47,940	48,233	105,222	63,525	860	52,378	42,657	159,420
55922	Piedmont Regional Jail	52,779	—	279,629	110,817	443,225	370,537	5,014	305,514	532,730	1,213,795
	Sub-total Political Subdivisions	\$ 5,659,190	\$ —	\$ 29,982,856	\$ 21,515,151	\$ 57,157,197	\$ 39,730,322	\$ 537,669	\$ 32,758,354	\$ 15,463,180	\$ 88,489,525
Grand Total		\$ 13,693,267	\$ —	\$ 72,548,069	\$ 78,088,189	\$ 164,329,525	\$ 96,133,543	\$ 1,300,979	\$ 79,263,809	\$ 78,086,933	\$ 254,785,264

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

**Virginia Retirement System
VRS Line of Duty Act Program (LODA)
Notes to GASB No. 75 Schedules
For the Plan Year Ended June 30, 2024**

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.

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 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-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 System are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

Other Post-Employment Benefits (OPEB) – LODA

The LODA Program is a multiple-employer, cost-sharing plan. The LODA Program was established pursuant to § 9.1-400 et seq. of the *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and

health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. For purposes of measuring the net LODA OPEB liability, deferred outflows of resources and deferred inflows of resources related to the LODA OPEB; LODA Program OPEB expense; information about the fiduciary net position of the LODA Program; and the additions to/ deductions from the LODA Program's fiduciary net position have been determined on the same basis as they were reported by the System. 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 LODA OPEB Plan

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the System is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for the LODA Program OPEB, including eligibility, coverage, and benefits is set out in the following table:

LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS

Eligible Employees

The eligible employees of the LODA Program include paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS, SPORS or VaLORS.

Benefit Amounts

The LODA Program provides death and health insurance benefits for eligible individuals:

- **Death:** The LODA Program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:
 - \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.
 - \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
 - An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.
 - **Health Insurance:** The LODA Program provides health insurance benefits.
 - The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.
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Contributions

The contribution requirements for the LODA Program are governed by § 9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024, was \$830.01 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021, and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year.

Actuarial Assumptions and Methods

The total LODA Program OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation –	
General state employees	N/A
SPORS employees	N/A
VaLORS employees	N/A
Locality employees	N/A
Medical cost trend rates assumption –	
Under age 65	7.25% – 4.25%
Ages 65 and older	6.50% – 4.25%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2034
Ages 65 and older	Fiscal year ended 2034
Investment rate of return	3.97%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return.

Mortality rates – General State Employees

Pre-Retirement:

Pub-2010 Amount Weighted General Employee Rates projected generationally;
females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted General Healthy Retiree Rates projected
generationally; 110% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally;
males and females set forward 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted General Contingent Annuitant Rates projected
generationally; 110% of rates for males and females.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is
75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – SPORS Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – ValORS Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – Largest 10 Locality Employers With Public Safety Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – Non-Largest 10 Locality Employers With Public Safety Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Note 3. Net LODA Program OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the total LODA Program’s OPEB liability determined in accordance with GASB Statement No. 74, less its fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the LODA Program’s OPEB liability are as follows (amounts expressed in thousands):

Total LODA OPEB Liability	\$ 398,395
Plan Fiduciary Net Position	4,841
LODA Net OPEB Liability (Asset)	<u>\$ 393,554</u>

Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.22%
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The total LODA Program 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 LODA Program 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 LODA Program OPEB liability was 3.97%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the Statutes, and that they will be made in accordance with the System’s 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, 2024, the rate contributed by participating

employers to the LODA Program OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA Program OPEB investments was set at 3.97% for this valuation. Since LODA Program is funded on a current-disbursement basis, it is not able to use the System’s Pooled Investments’ 6.75% assumption. Instead, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2024.

Sensitivity Analysis – Investment Rate of Return

The following table presents the collective net LODA Program liability of the participating employers in the LODA Program using the discount rate of 3.97%, as well as what the collective net LODA Program liability of the participating employers would be if it were calculated using a discount rate that is one percentage point lower 2.97% or one percentage point higher 4.97% than the current rate (amounts expressed in thousands):

Net LODA OPEB Liability – 1.00% Decrease 2.97%	\$	436,286
Net LODA OPEB Liability – Current Trend Rate 3.97%	\$	393,554
Net LODA OPEB Liability – 1.00% Increase 4.97%	\$	356,811

Sensitivity Analysis – Health Care Trend Rate

The following table presents the collective net LODA Program liability of the participating employers in the LODA Program using the Healthcare Cost Trend rate of 7.25% decreasing to 4.25%, as well as what the collective net LODA Program liability of the participating employers would be if it were calculated using a Healthcare Cost Trend rate that is one percentage point lower (6.25% decreasing to 3.25%) or one percentage point higher (8.25% decreasing to 5.25%) than the current rate (amounts expressed in thousands):

Net LODA OPEB Liability - 1.00% Decrease (6.25% decreasing to 3.25%)	\$	335,256
Net LODA OPEB Liability - Current Discount Rate (7.25% decreasing to 4.25%)	\$	393,554
Net LODA OPEB Liability - 1.00% Increase (8.25% decreasing to 5.25%)	\$	465,088

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, 2024. The average remaining service lives of all employees provided with benefits through the LODA Program at June 30, 2024 was 10.31 years. Deferred outflows of resources related to the LODA Program resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA Program OPEB Liability in the financial statements for the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA Program will be recognized in the LODA Program expense as follows:

Measurement Period Ending June 30, 2025	\$	(6,944,033)
Measurement Period Ending June 30, 2026	\$	(5,777,173)
Measurement Period Ending June 30, 2027	\$	(7,500,135)
Measurement Period Ending June 30, 2028	\$	(11,183,453)
Measurement Period Ending June 30, 2029	\$	(15,315,452)
Thereafter	\$	(43,735,506)

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 LODA Program 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 OPEB amounts reported in the Schedule of Employer Allocations were based on the total employer contributions using the plan's contribution rates and the employer's covered participants for FY 2024. This total was \$15,073,870. The employer contributions of \$15,073,975 reported in the LODA Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount plus approximately \$105 in adjustments that were not representative of future contribution efforts.

Note 6. Additional Financial and Actuarial Information

Information contained in the LODA Program OPEB Notes to the Schedule of Employer Allocations and Schedule of LODA Program OPEB Amounts by Employer (Schedules) was extracted from the audited financial statements of the System for the fiscal year ended June 30, 2024. Additional financial information supporting the preparation of the LODA Program OPEB Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report is publicly available through the About VRS link on the VRS website at <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, P.O. Box 2500, Richmond, VA 23218-2500.