VIRGINIA RETIREMENT SYSTEM
TEACHER RETIREMENT PLAN

GASB No. 68 Schedules

With Independent Auditor's Report Thereon

For the Plan Year Ended June 30, 2025

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Commonwealth of Virginia

Auditor of Public Accounts

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Auditor of Public Accounts

P.O. Box 1295
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June 30, 2026

Joint Legislative Audit
and Review Commission

Board of Trustees
Virginia Retirement System

Patricia S. Bishop
Director, Virginia Retirement System

INDEPENDENT AUDITOR'S REPORT

Report on the Schedules

Opinions

We have audited the accompanying Schedule of Employer Allocations of the Virginia Retirement System Teacher Retirement Plan as of and for the year ended June 30, 2025, and the related notes. We have also audited the total for teacher employers of the columns titled Net Pension Liability, Total Pension Expense (Revenue), Total Deferred Outflows of Resources, and Total Deferred Inflows of Resources (specified column totals) included in the accompanying Schedule of Net Pension Liability and Total Pension Expense and the Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer of the Virginia Retirement System Teacher Retirement Plan (schedules of pension amounts) as of and for the year ended June 30, 2025, and the related notes.

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations; and the net pension liability, total pension 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 Retirement Plan as of and for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

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 Teacher Retirement Plan, 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 pension 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 pension 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 pension 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 pension 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 pension 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, 2025, and our report thereon, dated December 15, 2025, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Joint Legislative Audit and Review Commission, Virginia Retirement System management, the Virginia Retirement System Board of Trustees, and Virginia Retirement System Teacher Retirement Plan 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 Teacher Retirement Plan
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40100	Accomack County School Board	$ 4,804,063	0.29633%
40101	Albemarle County Schools	20,023,005	1.23509%
40102	Alleghany Highlands Public Schools	2,910,157	0.17951%
40103	Amelia County School Board	1,635,701	0.10090%
40104	Amherst County School Board	4,500,420	0.27760%
40105	Appomattox County School Board	2,328,051	0.14360%
40106	Arlington Public Schools	58,081,860	3.58270%
40107	Augusta County School Board	11,400,633	0.70323%
40108	Bath County School Board	747,668	0.04612%
40109	Bedford County School Board	8,952,096	0.55220%
40110	Bland County School Board	633,989	0.03911%
40111	Botetourt County Schools	4,964,841	0.30625%
40112	Brunswick County Public Schools	1,286,023	0.07933%
40113	Buchanan County School Board	2,239,380	0.13813%
40114	Buckingham County School Board	2,036,196	0.12560%
40115	Campbell County School Board	7,764,941	0.47897%
40116	Caroline County School Board	4,071,633	0.25115%
40117	Carroll County School Board	3,747,787	0.23118%
40118	Charles City County School Board	696,451	0.04296%
40119	Charlotte County School Board	2,400,030	0.14804%
40120	Chesterfield County School Board	67,503,702	4.16387%
40121	Clarke County School Board	2,287,139	0.14108%
40122	Craig County School Board	649,246	0.04005%
40123	Culpeper County School Board	8,979,063	0.55386%
40124	Cumberland County School Board	1,551,139	0.09568%
40125	Dickenson County School Board	1,760,358	0.10859%
40126	Dinwiddie County School Board	4,441,987	0.27400%
40128	Essex County Public Schools	1,135,966	0.07007%
40129	Fairfax County Public Schools	283,206,730	17.46923%
40130	Fauquier County School Board	12,707,060	0.78382%
40131	Floyd County School Board	1,758,515	0.10847%
40132	Fluvanna County Public Schools	4,336,282	0.26748%
40133	Franklin County Public Schools	6,902,634	0.42578%
40134	Frederick County School Board	17,803,119	1.09816%
40135	Giles County Schools	2,553,697	0.15752%
40136	Gloucester County School Board	5,630,316	0.34730%
40137	Goochland County School Board	3,131,981	0.19319%
40138	Grayson County School Board	1,922,022	0.11856%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40139	Greene County Public Schools	3,040,921	0.18757%
40140	Greensville County Public Schools	2,369,572	0.14616%
40141	Halifax County School Board	5,115,722	0.31556%
40142	Hanover County Public Schools	19,421,253	1.19797%
40143	Henrico County School Board	57,320,513	3.53573%
40144	Henry County Public Schools	7,127,379	0.43964%
40145	Highland County School Board	326,543	0.02014%
40146	Isle of Wight County Schools	5,962,322	0.36778%
40148	King George County School Board	4,675,899	0.28843%
40149	King & Queen County School Board	857,080	0.05287%
40150	King William County School Board	1,928,391	0.11895%
40151	Lancaster County Public Schools	1,212,430	0.07479%
40152	Lee County School Board	3,200,587	0.19742%
40153	Loudoun County School Board	136,303,124	8.40766%
40154	Louisa County Public Schools	6,018,780	0.37126%
40155	Lunenburg County School Board	1,664,141	0.10265%
40156	Madison County School Board	1,743,969	0.10757%
40157	Mathews County School Board	1,107,012	0.06828%
40158	Mecklenburg County School Board	4,166,971	0.25703%
40159	Middlesex County School Board	1,622,311	0.10007%
40160	Montgomery County School Board	10,576,755	0.65241%
40162	Nelson County Public Schools	1,934,343	0.11932%
40163	New Kent County School Board	3,738,932	0.23063%
40165	Northampton County Schools	1,764,837	0.10886%
40166	Northumberland County School Board	1,546,418	0.09539%
40167	Nottoway County School Board	1,839,217	0.11345%
40168	Orange County Public Schools	5,205,815	0.32111%
40169	Page County Public Schools	3,435,166	0.21189%
40170	Patrick County School Board	2,251,992	0.13891%
40171	Pittsylvania County School Board	7,865,216	0.48515%
40172	Powhatan County School Board	4,463,652	0.27533%
40173	Prince Edward County School Board	1,596,218	0.09846%
40174	Prince George County School Board	5,807,262	0.35821%
40176	Prince William County School Board	122,170,616	7.53592%
40177	Pulaski County School Board	4,188,863	0.25838%
40178	Rappahannock County School Board	1,008,644	0.06222%
40179	Richmond County School Board	1,310,838	0.08086%
40180	Roanoke County School Board	15,025,729	0.92684%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40181	Rockbridge County School Board	3,021,900	0.18640%
40182	Rockingham County School Board	13,251,031	0.81737%
40183	Russell County School Board	3,318,240	0.20468%
40184	Scott County School Board	4,120,658	0.25418%
40185	Shenandoah County School Board	6,163,173	0.38017%
40186	Smyth County School Board	4,336,438	0.26749%
40187	Southampton County School Board	2,034,433	0.12549%
40188	Spotsylvania County School Board	24,987,248	1.54130%
40189	Stafford County School Board	37,576,757	2.31787%
40190	Surry County Schools	1,162,187	0.07169%
40191	Sussex County School Board	1,385,520	0.08546%
40192	Tazewell County Schools	4,587,231	0.28296%
40193	Warren County School Board	5,964,676	0.36792%
40195	Washington County School Board	6,570,290	0.40528%
40196	Westmoreland County School Board	1,943,983	0.11991%
40197	Wise County School Board	5,672,099	0.34988%
40198	Wythe County School Board	4,024,067	0.24822%
40199	York County School Board	13,771,682	0.84949%
40200	Alexandria City School Board	29,261,513	1.80495%
40201	Bristol City School Board	2,383,973	0.14705%
40202	Buena Vista City Schools	881,973	0.05440%
40203	Charlottesville Public Schools	7,337,009	0.45257%
40205	Danville City Schools	7,305,880	0.45065%
40206	Fredericksburg City Schools	4,274,672	0.26368%
40207	Hampton City Schools	21,615,590	1.33333%
40208	Harrisonburg City School Board	8,984,415	0.55419%
40209	Hopewell City School Board	4,568,659	0.28181%
40210	Lynchburg Public Schools	9,742,236	0.60094%
40211	Newport News Public Schools	30,083,662	1.85567%
40212	Norfolk Public Schools	37,561,685	2.31694%
40213	Petersburg City Schools	4,619,727	0.28496%
40214	Portsmouth School Board	14,523,621	0.89587%
40215	Radford City School Board	1,789,419	0.11038%
40216	Richmond Public Schools	34,444,814	2.12468%
40217	Roanoke City School Board	17,378,153	1.07195%
40219	Staunton City Schools	3,375,791	0.20823%
40220	Suffolk City School Board	14,895,121	0.91878%
40222	Winchester Public Schools	5,643,459	0.34811%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2025

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40223	Martinsville City Schools	2,056,093	0.12683%
40224	Falls Church Public Schools	5,051,181	0.31157%
40225	Colonial Heights City Schools	3,783,056	0.23335%
40231	Fairfax City School Board	13,012	0.00080%
40232	Franklin City Public Schools	1,468,932	0.09061%
40233	Chesapeake Public Schools	48,006,380	2.96120%
40234	Virginia Beach City School Board	73,657,988	4.54349%
40236	Manassas Park City Schools	4,664,522	0.28772%
40306	Town of West Point School Board	969,954	0.05983%
40307	Lexington City School Board	570,747	0.03521%
40308	Waynesboro Public Schools	3,812,908	0.23519%
40309	Town of Colonial Beach Schools	784,197	0.04837%
40313	Galax City Schools	1,479,311	0.09125%
40314	Norton City Schools	766,324	0.04727%
40332	Manassas City Schools	11,272,560	0.69533%
40335	City of Salem Schools	4,419,652	0.27262%
40402	Williamsburg-James City County School Board	13,646,329	0.84175%
40403	Poquoson City Public Schools	1,987,885	0.12262%
40410	Valley Vocational Technical Center	376,907	0.02325%
40415	New Horizons Technical Center	1,567,107	0.09666%
40416	Northern Neck Regional Vocational Center	154,179	0.00951%
40417	Rowanty Vocational Technical Center	143,777	0.00887%
40418	Amelia-Nottoway Technical Center	69,838	0.00431%
40421	Northern Neck Regional Special Education Program	123,499	0.00762%
40423	Maggie Walker Governor's School for Govt & Intl Studies	862,827	0.05322%
40424	Appomattox Region Governor's School	404,084	0.02493%
40425	Bridging Communities Regional Career and Tech Center	99,618	0.00614%
	Total for Teacher Employers[1]	**$ 1,621,177,166**	**100.00000%**

[1] *Employer-level results may not add to Teacher system-wide results due to rounding.*

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

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2025

Employer Code	Employer	Net Pension Liability	Total Pension Expense (Revenue)
40100	Accomack County School Board	$ 25,976,124	$ 807,496
40101	Albemarle County Schools	108,267,306	8,383,369
40102	Alleghany Highlands Public Schools	15,735,747	353,729
40103	Amelia County School Board	8,844,838	624,173
40104	Amherst County School Board	24,334,262	1,301,189
40105	Appomattox County School Board	12,587,897	1,008,802
40106	Arlington Public Schools	314,057,501	17,039,712
40107	Augusta County School Board	61,644,753	3,795,245
40108	Bath County School Board	4,042,854	86,187
40109	Bedford County School Board	48,405,547	1,609,821
40110	Bland County School Board	3,428,361	172,142
40111	Botetourt County Schools	26,845,706	1,079,413
40112	Brunswick County Public Schools	6,954,024	(221,132)
40113	Buchanan County School Board	12,108,399	246,769
40114	Buckingham County School Board	11,010,027	602,692
40115	Campbell County School Board	41,986,245	2,596,105
40116	Caroline County School Board	22,015,670	1,487,779
40117	Carroll County School Board	20,265,111	771,266
40118	Charles City County School Board	3,765,850	99,859
40119	Charlotte County School Board	12,977,105	1,724,866
40120	Chesterfield County School Board	365,002,541	33,418,222
40121	Clarke County School Board	12,366,995	573,943
40122	Craig County School Board	3,510,761	148,204
40123	Culpeper County School Board	48,551,061	3,282,171
40124	Cumberland County School Board	8,387,256	497,952
40125	Dickenson County School Board	9,518,939	397,874
40126	Dinwiddie County School Board	24,018,688	1,298,062
40128	Essex County Public Schools	6,142,297	(30,950)
40129	Fairfax County Public Schools	1,531,343,040	70,499,280
40130	Fauquier County School Board	68,709,228	1,642,913
40131	Floyd County School Board	9,508,420	155,577
40132	Fluvanna County Public Schools	23,447,149	890,612
40133	Franklin County Public Schools	37,323,639	702,020
40134	Frederick County School Board	96,264,098	5,886,636
40135	Giles County Schools	13,808,116	955,169
40136	Gloucester County School Board	30,444,126	1,296,992
40137	Goochland County School Board	16,934,929	1,191,720
40138	Grayson County School Board	10,392,904	895,763
40139	Greene County Public Schools	16,442,282	661,230

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2025

Employer Code	Employer	Net Pension Liability	Total Pension Expense (Revenue)
40140	Greensville County Public Schools	12,812,305	548,075
40141	Halifax County School Board	27,661,815	1,590,741
40142	Hanover County Public Schools	105,013,388	5,844,564
40143	Henrico County School Board	309,940,136	23,454,189
40144	Henry County Public Schools	38,538,599	2,215,005
40145	Highland County School Board	1,765,461	74,780
40146	Isle of Wight County Schools	32,239,391	1,882,342
40148	King George County School Board	25,283,614	1,691,892
40149	King & Queen County School Board	4,634,555	261,516
40150	King William County School Board	10,427,091	90,123
40151	Lancaster County Public Schools	6,556,050	140,710
40152	Lee County School Board	17,305,728	389,515
40153	Loudoun County School Board	737,010,826	59,570,835
40154	Louisa County Public Schools	32,544,446	2,569,908
40155	Lunenburg County School Board	8,998,242	565,777
40156	Madison County School Board	9,429,527	384,293
40157	Mathews County School Board	5,985,387	(19,208)
40158	Mecklenburg County School Board	22,531,108	773,667
40159	Middlesex County School Board	8,772,081	435,491
40160	Montgomery County School Board	57,189,900	3,629,404
40162	Nelson County Public Schools	10,459,525	261,354
40163	New Kent County School Board	20,216,898	1,797,787
40165	Northampton County Schools	9,542,607	520,636
40166	Northumberland County School Board	8,361,835	498,331
40167	Nottoway County School Board	9,944,964	208,761
40168	Orange County Public Schools	28,148,325	1,789,755
40169	Page County Public Schools	18,574,160	1,101,062
40170	Patrick County School Board	12,176,774	537,893
40171	Pittsylvania County School Board	42,527,981	1,627,359
40172	Powhatan County School Board	24,135,276	1,145,275
40173	Prince Edward County School Board	8,630,949	(276,880)
40174	Prince George County School Board	31,400,490	1,109,969
40176	Prince William County School Board	660,594,579	58,667,407
40177	Pulaski County School Board	22,649,448	1,584,405
40178	Rappahannock County School Board	5,454,171	214,046
40179	Richmond County School Board	7,088,143	395,750
40180	Roanoke County School Board	81,246,282	5,117,850
40181	Rockbridge County School Board	16,339,721	558,396
40182	Rockingham County School Board	71,650,202	4,894,962

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2025

Employer Code	Employer	Net Pension Liability	Total Pension Expense (Revenue)
40183	Russell County School Board	17,942,136	608,469
40184	Scott County School Board	22,281,278	1,533,467
40185	Shenandoah County School Board	33,325,492	727,792
40186	Smyth County School Board	23,448,025	1,444,853
40187	Southampton County School Board	11,000,384	(90,491)
40188	Spotsylvania County School Board	135,109,506	7,523,682
40189	Stafford County School Board	203,183,202	21,159,495
40190	Surry County Schools	6,284,306	49,347
40191	Sussex County School Board	7,491,376	232,969
40192	Tazewell County Schools	24,804,117	1,334,929
40193	Warren County School Board	32,251,664	2,248,191
40195	Washington County School Board	35,526,621	1,817,311
40196	Westmoreland County School Board	10,511,244	724,804
40197	Wise County School Board	30,670,287	2,377,840
40198	Wythe County School Board	21,758,828	1,324,907
40199	York County School Board	74,465,824	4,324,441
40200	Alexandria City School Board	158,220,919	8,644,138
40201	Bristol City School Board	12,890,322	733,181
40202	Buena Vista City Schools	4,768,674	114,705
40203	Charlottesville Public Schools	39,672,036	1,757,742
40205	Danville City Schools	39,503,730	3,034,497
40206	Fredericksburg City Schools	23,114,043	1,113,571
40207	Hampton City Schools	116,878,970	8,185,903
40208	Harrisonburg City School Board	48,579,989	4,288,085
40209	Hopewell City School Board	24,703,309	956,217
40210	Lynchburg Public Schools	52,678,068	2,341,266
40211	Newport News Public Schools	162,667,006	8,578,133
40212	Norfolk Public Schools	203,101,679	8,656,954
40213	Petersburg City Schools	24,979,436	1,554,650
40214	Portsmouth School Board	78,531,469	2,690,948
40215	Radford City School Board	9,675,850	692,720
40216	Richmond Public Schools	186,248,274	17,463,280
40217	Roanoke City School Board	93,966,544	8,084,378
40219	Staunton City Schools	18,253,327	1,207,667
40220	Suffolk City School Board	80,539,747	4,144,129
40222	Winchester Public Schools	30,515,130	1,789,973
40223	Martinsville City Schools	11,117,848	487,100
40224	Falls Church Public Schools	27,312,054	1,308,681
40225	Colonial Heights City Schools	20,455,332	1,319,542

Virginia Retirement System

VRS Teacher Retirement Plan

Schedule of Net Pension Liability and Total Pension Expense

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

Employer Code	Employer	Net Pension Liability	Total Pension Expense (Revenue)
40231	Fairfax City School Board	70,128	(3,477)
40232	Franklin City Public Schools	7,942,822	858,623
40233	Chesapeake Public Schools	259,577,154	17,478,165
40234	Virginia Beach City School Board	398,279,821	15,977,905
40236	Manassas Park City Schools	25,221,376	2,096,889
40306	Town of West Point School Board	5,244,665	153,414
40307	Lexington City School Board	3,086,489	150,923
40308	Waynesboro Public Schools	20,616,625	1,841,804
40309	Town of Colonial Beach Schools	4,240,087	380,781
40313	Galax City Schools	7,998,925	614,622
40314	Norton City Schools	4,143,662	388,757
40332	Manassas City Schools	60,952,243	4,651,162
40335	City of Salem Schools	23,897,718	1,486,517
40402	Williamsburg-James City County School Board	73,787,339	4,157,172
40403	Poquoson City Public Schools	10,748,801	255,275
40410	Valley Vocational Technical Center	2,038,082	109,414
40412	Charlottesville/Albemarle Vo-Tech Center	—	(280,927)
40415	New Horizons Technical Center	8,473,162	374,318
40416	Northern Neck Regional Vocational Center	833,641	(55,734)
40417	Rowanty Vocational Technical Center	777,539	32,757
40418	Amelia-Nottoway Technical Center	377,812	54,126
40421	Northern Neck Regional Special Education Program	667,965	(22,821)
40423	Maggie Walker Governor's School for Govt & Intl Studies	4,665,236	331,709
40424	Appomattox Region Governor's School	2,185,350	174,149
40425	Bridging Communities Regional Career and Tech Center	538,229	42,212
	Total for Teacher Employers[1]	**$ 8,765,944,693**	**$ 543,517,810**

[1] Employer-level results may not add to Teacher system-wide results due to rounding.

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

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2025

		Deferred Outflows of Resources					Deferred Inflows of Resources				
Employer Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40100	Accomack County School Board	$ 6,646,399	$ —	$ 917,966	$ 490,996	$ 8,055,361	$ 197,934	$ 5,114,995	$ —	$ 1,414,118	$ 6,727,047
40101	Albemarle County Schools	27,701,892	—	3,826,042	4,696,907	36,224,841	824,981	21,319,067	—	2,307,407	24,451,455
40102	Alleghany Highlands Public Schools	4,026,238	—	556,083	1,437,818	6,020,139	119,904	3,098,548	—	2,096,541	5,314,993
40103	Amelia County School Board	2,263,091	—	312,566	23,377	2,599,034	67,396	1,741,649	—	75,169	1,884,214
40104	Amherst County School Board	6,226,303	—	859,945	25,165	7,111,413	185,424	4,791,694	—	668,613	5,645,731
40105	Appomattox County School Board	3,220,811	—	444,842	400,693	4,066,346	95,918	2,478,700	—	55,037	2,629,655
40106	Arlington Public Schools	80,356,547	—	11,098,432	6,395,036	97,850,015	2,393,072	61,841,502	—	6,913,604	71,148,178
40107	Augusta County School Board	15,772,779	—	2,178,455	1,204,823	19,156,057	469,724	12,138,554	—	529,112	13,137,390
40108	Bath County School Board	1,034,428	—	142,870	3,684	1,180,982	30,806	796,084	—	239,817	1,066,707
40109	Bedford County School Board	12,385,320	—	1,710,597	44,256	14,140,173	368,843	9,531,604	—	3,203,503	13,103,950
40110	Bland County School Board	877,200	—	121,154	49,474	1,047,828	26,124	675,083	—	292,992	994,199
40111	Botetourt County Schools	6,868,896	—	948,696	24,490	7,842,082	204,560	5,286,225	—	803,416	6,294,201
40112	Brunswick County Public Schools	1,779,296	—	245,747	6,333	2,031,376	52,989	1,369,327	—	874,574	2,296,890
40113	Buchanan County School Board	3,098,124	—	427,897	11,087	3,537,108	92,264	2,384,282	—	643,492	3,120,038
40114	Buckingham County School Board	2,817,088	—	389,082	101,316	3,307,486	83,895	2,168,000	—	642,704	2,894,599
40115	Campbell County School Board	10,742,841	—	1,483,746	240,377	12,466,964	319,929	8,267,570	—	492,600	9,080,099
40116	Caroline County School Board	5,633,055	—	778,009	260,552	6,671,616	167,756	4,335,136	—	583,231	5,086,123
40117	Carroll County School Board	5,185,147	—	716,146	49,219	5,950,512	154,417	3,990,431	—	1,008,838	5,153,686
40118	Charles City County School Board	963,552	—	133,081	304,586	1,401,219	28,695	741,539	—	435,962	1,206,196
40119	Charlotte County School Board	3,320,396	—	458,596	4,391,162	8,170,154	98,884	2,555,340	—	8,717,004	11,371,228
40120	Chesterfield County School Board	93,391,636	—	12,898,771	14,498,862	120,789,269	2,781,266	71,873,161	—	1,534,963	76,189,390
40121	Clarke County School Board	3,164,290	—	437,035	146,811	3,748,136	94,235	2,435,202	—	177,620	2,707,057
40122	Craig County School Board	898,283	—	124,066	145,006	1,167,355	26,751	691,309	—	159,697	877,757
40123	Culpeper County School Board	12,422,552	—	1,715,739	1,742,114	15,880,405	369,952	9,560,257	—	52,241	9,982,450
40124	Cumberland County School Board	2,146,011	—	296,396	46,621	2,489,028	63,910	1,651,546	—	148,366	1,863,822
40125	Dickenson County School Board	2,435,570	—	336,388	107,233	2,879,191	72,533	1,874,388	—	525,955	2,472,876
40126	Dinwiddie County School Board	6,145,559	—	848,793	308,060	7,302,412	183,019	4,729,554	—	980,624	5,893,197
40128	Essex County Public Schools	1,571,603	—	217,062	6,185	1,794,850	46,803	1,209,488	—	1,186,475	2,442,766
40129	Fairfax County Public Schools	391,818,181	—	54,115,907	1,392,989	447,327,077	11,668,610	301,538,899	—	29,471,286	342,678,795
40130	Fauquier County School Board	17,580,336	—	2,428,105	1,013,793	21,022,234	523,554	13,529,630	—	6,274,072	20,327,256
40131	Floyd County School Board	2,432,879	—	336,017	8,747	2,777,643	72,453	1,872,316	—	1,009,076	2,953,845

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2025

		Deferred Outflows of Resources					Deferred Inflows of Resources				
Employer Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40132	Fluvanna County Public Schools	5,999,321	—	828,595	583,031	7,410,947	178,664	4,617,011	—	1,322,265	6,117,940
40133	Franklin County Public Schools	9,549,840	—	1,318,975	34,160	10,902,975	284,401	7,349,450	—	2,798,967	10,432,818
40134	Frederick County School Board	24,630,682	—	3,401,863	2,037,166	30,069,711	733,518	18,955,498	—	1,029,077	20,718,093
40135	Giles County Schools	3,533,023	—	487,963	560,896	4,581,882	105,216	2,718,975	—	58,362	2,882,553
40136	Gloucester County School Board	7,789,608	—	1,075,860	503,928	9,369,396	231,980	5,994,795	—	1,974,660	8,201,435
40137	Goochland County School Board	4,333,068	—	598,461	754,836	5,686,365	129,042	3,334,680	—	219,638	3,683,360
40138	Grayson County School Board	2,659,188	—	367,273	450,926	3,477,387	79,192	2,046,481	—	10,481	2,136,154
40139	Greene County Public Schools	4,207,016	—	581,051	265,455	5,053,522	125,288	3,237,673	—	1,191,619	4,554,580
40140	Greensville County Public Schools	3,278,230	—	452,772	148,948	3,879,950	97,628	2,522,889	—	448,975	3,069,492
40141	Halifax County School Board	7,077,710	—	977,537	362,304	8,417,551	210,779	5,446,927	—	1,100,118	6,757,824
40142	Hanover County Public Schools	26,869,325	—	3,711,053	644,475	31,224,853	800,187	20,678,333	—	1,557,733	23,036,253
40143	Henrico County School Board	79,303,054	—	10,952,929	15,953,770	106,209,753	2,361,699	61,030,746	—	2,396,288	65,788,733
40144	Henry County Public Schools	9,860,706	—	1,361,910	465,777	11,688,393	293,659	7,588,689	—	849,351	8,731,699
40145	Highland County School Board	451,721	—	62,389	8,779	522,889	13,453	347,639	—	55,400	416,492
40146	Isle of Wight County Schools	8,248,955	—	1,139,303	453,437	9,841,695	245,659	6,348,304	—	783,156	7,377,119
40148	King George County School Board	6,469,210	—	893,494	998,815	8,361,519	192,657	4,978,632	—	643,369	5,814,658
40149	King & Queen County School Board	1,185,824	—	163,780	79,568	1,429,172	35,315	912,597	—	356,053	1,303,965
40150	King William County School Board	2,667,935	—	368,481	20,547	3,056,963	79,453	2,053,213	—	969,104	3,101,770
40151	Lancaster County Public Schools	1,677,468	—	231,683	423,512	2,332,663	49,956	1,290,961	—	336,239	1,677,156
40152	Lee County School Board	4,427,942	—	611,565	29,020	5,068,527	131,867	3,407,695	—	976,920	4,516,482
40153	Loudoun County School Board	188,575,801	—	26,045,117	19,485,237	234,106,155	5,615,915	145,125,832	—	10,784,000	161,525,747
40154	Louisa County Public Schools	8,327,008	—	1,150,083	510,454	9,987,545	247,984	6,408,372	—	922,411	7,578,767
40155	Lunenburg County School Board	2,302,342	—	317,988	222,166	2,842,496	68,565	1,771,856	—	281,376	2,121,797
40156	Madison County School Board	2,412,693	—	333,229	135,150	2,881,072	71,852	1,856,781	—	618,078	2,546,711
40157	Mathews County School Board	1,531,455	—	211,517	5,556	1,748,528	45,608	1,178,591	—	1,029,933	2,254,132
40158	Mecklenburg County School Board	5,764,938	—	796,224	79,749	6,640,911	171,684	4,436,632	—	1,213,058	5,821,374
40159	Middlesex County School Board	2,244,475	—	309,995	124,265	2,678,735	66,842	1,727,323	—	332,317	2,126,482
40160	Montgomery County School Board	14,632,935	—	2,021,025	893,084	17,547,044	435,779	11,261,343	—	2,531,858	14,228,980
40162	Nelson County Public Schools	2,676,234	—	369,628	9,563	3,055,425	79,700	2,059,600	—	661,788	2,801,088
40163	New Kent County School Board	5,172,811	—	714,442	1,275,793	7,163,046	154,050	3,980,938	—	20,403	4,155,391
40165	Northampton County Schools	2,441,626	—	337,225	674,394	3,453,245	72,713	1,879,048	—	216,234	2,167,995

Virginia Retirement System
VRS Teacher Retirement Plan
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As of the Measurement Date of June 30, 2025

		Deferred Outflows of Resources					Deferred Inflows of Resources				
Employer Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40166	Northumberland County School Board	2,139,507	—	295,498	173,598	2,608,603	63,716	1,646,541	—	523,333	2,233,590
40167	Nottoway County School Board	2,544,575	—	351,444	9,090	2,905,109	75,779	1,958,277	—	566,274	2,600,330
40168	Orange County Public Schools	7,202,191	—	994,730	626,593	8,823,514	214,486	5,542,726	—	92,126	5,849,338
40169	Page County Public Schools	4,752,491	—	656,390	295,861	5,704,742	141,532	3,657,464	—	467,340	4,266,336
40170	Patrick County School Board	3,115,619	—	430,313	154,275	3,700,207	92,785	2,397,746	—	661,175	3,151,706
40171	Pittsylvania County School Board	10,881,452	—	1,502,890	381,619	12,765,961	324,057	8,374,244	—	2,418,673	11,116,974
40172	Powhatan County School Board	6,175,390	—	852,913	158,308	7,186,611	183,907	4,752,511	—	776,601	5,713,019
40173	Prince Edward County School Board	2,208,364	—	305,008	7,954	2,521,326	65,767	1,699,532	—	1,504,409	3,269,708
40174	Prince George County School Board	8,034,309	—	1,109,657	174,791	9,318,757	239,267	6,183,114	—	1,502,875	7,925,256
40176	Prince William County School Board	169,023,504	—	23,344,655	37,659,035	230,027,194	5,033,634	130,078,602	—	1,018,925	136,131,161
40177	Pulaski County School Board	5,795,217	—	800,406	982,749	7,578,372	172,585	4,459,934	—	694,625	5,327,144
40178	Rappahannock County School Board	1,395,535	—	192,744	51,155	1,639,434	41,560	1,073,988	—	546,663	1,662,211
40179	Richmond County School Board	1,813,613	—	250,487	73,485	2,137,585	54,011	1,395,736	—	369,267	1,819,014
40180	Roanoke County School Board	20,788,138	—	2,871,150	407,756	24,067,044	619,085	15,998,319	—	1,319,733	17,937,137
40181	Rockbridge County School Board	4,180,774	—	577,427	14,910	4,773,111	124,506	3,217,477	—	596,238	3,938,221
40182	Rockingham County School Board	18,332,830	—	2,532,036	820,092	21,684,958	545,964	14,108,741	—	1,301,914	15,956,619
40183	Russell County School Board	4,590,777	—	634,054	483,755	5,708,586	136,716	3,533,011	—	905,058	4,574,785
40184	Scott County School Board	5,701,015	—	787,395	574,422	7,062,832	169,780	4,387,438	—	132,067	4,689,285
40185	Shenandoah County School Board	8,526,851	—	1,177,685	30,542	9,735,078	253,935	6,562,169	—	3,009,249	9,825,353
40186	Smyth County School Board	5,999,546	—	828,626	717,160	7,545,332	178,671	4,617,183	—	603,840	5,399,694
40187	Southampton County School Board	2,814,621	—	388,741	65,594	3,268,956	83,821	2,166,101	—	1,535,583	3,785,505
40188	Spotsylvania County School Board	34,569,890	—	4,774,615	1,232,363	40,576,868	1,029,515	26,604,602	—	1,568,480	29,202,597
40189	Stafford County School Board	51,987,615	—	7,180,261	18,912,456	78,080,332	1,548,226	40,009,088	—	192,876	41,750,190
40190	Surry County Schools	1,607,938	—	222,080	5,747	1,835,765	47,885	1,237,451	—	633,953	1,919,289
40191	Sussex County School Board	1,916,786	—	264,737	6,896	2,188,419	57,083	1,475,137	—	321,332	1,853,552
40192	Tazewell County Schools	6,346,523	—	876,549	319,185	7,542,257	189,004	4,884,213	—	832,439	5,905,656
40193	Warren County School Board	8,252,095	—	1,139,737	409,261	9,801,093	245,753	6,350,720	—	513,778	7,110,251
40195	Washington County School Board	9,090,044	—	1,255,470	153,646	10,499,160	270,708	6,995,597	—	690,703	7,957,008
40196	Westmoreland County School Board	2,689,467	—	371,455	607,030	3,667,952	80,094	2,069,784	—	114,049	2,263,927
40197	Wise County School Board	7,847,475	—	1,083,853	250,844	9,182,172	233,703	6,039,329	—	658,101	6,931,133
40198	Wythe County School Board	5,567,338	—	768,932	475,736	6,812,006	165,799	4,284,561	—	596,833	5,047,193

Virginia Retirement System
VRS Teacher Retirement Plan
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As of the Measurement Date of June 30, 2025

		Deferred Outflows of Resources					Deferred Inflows of Resources				
Employer Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40199	York County School Board	19,053,251	—	2,631,537	1,784,098	23,468,886	567,419	14,663,169	—	549,642	15,780,230
40200	Alexandria City School Board	40,483,308	—	5,591,346	4,102,817	50,177,471	1,205,620	31,155,502	—	2,735,750	35,096,872
40201	Bristol City School Board	3,298,191	—	455,529	110,952	3,864,672	98,222	2,538,251	—	510,094	3,146,567
40202	Buena Vista City Schools	1,220,140	—	168,519	61,666	1,450,325	36,337	939,006	—	132,831	1,108,174
40203	Charlottesville Public Schools	10,150,714	—	1,401,964	745,745	12,298,423	302,295	7,811,876	—	873,350	8,987,521
40205	Danville City Schools	10,107,650	—	1,396,017	1,796,628	13,300,295	301,013	7,778,735	—	42,529	8,122,277
40206	Fredericksburg City Schools	5,914,091	—	816,824	586,783	7,317,698	176,126	4,551,419	—	1,929,668	6,657,213
40207	Hampton City Schools	29,905,321	—	4,130,369	2,147,008	36,182,698	890,601	23,014,801	—	1,056,029	24,961,431
40208	Harrisonburg City School Board	12,429,954	—	1,716,761	2,352,594	16,499,309	370,172	9,565,954	—	48,047	9,984,173
40209	Hopewell City School Board	6,320,730	—	872,987	676,661	7,870,378	188,236	4,864,363	—	2,348,168	7,400,767
40210	Lynchburg Public Schools	13,478,511	—	1,861,583	1,315,155	16,655,249	401,399	10,372,912	—	2,805,939	13,580,250
40211	Newport News Public Schools	41,620,910	—	5,748,465	1,670,284	49,039,659	1,239,499	32,030,988	—	4,311,612	37,582,099
40212	Norfolk Public Schools	51,966,756	—	7,177,380	6,543,347	65,687,483	1,547,605	39,993,036	—	7,305,302	48,845,943
40213	Petersburg City Schools	6,391,381	—	882,745	295,841	7,569,967	190,340	4,918,736	—	792,954	5,902,030
40214	Portsmouth School Board	20,093,510	—	2,775,212	5,062,913	27,931,635	598,398	15,463,741	—	6,244,253	22,306,392
40215	Radford City School Board	2,475,718	—	341,933	490,460	3,308,111	73,729	1,905,285	—	119,080	2,098,094
40216	Richmond Public Schools	47,654,548	—	6,581,800	3,285,736	57,522,084	1,419,185	36,674,408	—	3,745,504	41,839,097
40217	Roanoke City School Board	24,042,817	—	3,320,670	5,397,666	32,761,153	716,011	18,503,084	—	2,991,958	22,211,053
40219	Staunton City Schools	4,670,400	—	645,052	429,833	5,745,285	139,088	3,594,288	—	559,095	4,292,471
40220	Suffolk City School Board	20,607,360	—	2,846,182	1,325,875	24,779,417	613,701	15,859,194	—	2,479,023	18,951,918
40222	Winchester Public Schools	7,807,776	—	1,078,370	640,351	9,526,497	232,521	6,008,777	—	1,291,553	7,532,851
40223	Martinsville City Schools	2,844,676	—	392,892	216,616	3,454,184	84,716	2,189,231	—	409,714	2,683,661
40224	Falls Church Public Schools	6,988,218	—	965,177	485,812	8,439,207	208,114	5,378,055	—	655,722	6,241,891
40225	Colonial Heights City Schools	5,233,818	—	722,868	508,922	6,465,608	155,867	4,027,888	—	91,203	4,274,958
40231	Fairfax City School Board	17,943	—	2,478	4,354	24,775	534	13,809	—	20,038	34,381
40232	Franklin City Public Schools	2,032,296	—	280,690	919,149	3,232,135	60,523	1,564,032	—	70,566	1,695,121
40233	Chesapeake Public Schools	66,416,894	—	9,173,159	4,884,410	80,474,463	1,977,940	51,113,700	—	5,378,687	58,470,327
40234	Virginia Beach City School Board	101,906,151	—	14,074,752	6,175,042	122,155,945	3,034,834	78,425,836	—	21,591,389	103,052,059
40236	Manassas Park City Schools	6,453,285	—	891,295	1,865,599	9,210,179	192,183	4,966,376	—	194,426	5,352,985
40306	Town of West Point School Board	1,341,930	—	185,340	123,028	1,650,298	39,964	1,032,734	—	323,778	1,396,476
40307	Lexington City School Board	789,727	—	109,073	17,017	915,817	23,519	607,765	—	219,201	850,485

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2025

		Deferred Outflows of Resources					Deferred Inflows of Resources				
Employer Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40308	Waynesboro Public Schools	5,275,088	—	728,568	1,189,157	7,192,813	157,096	4,059,649	—	329,673	4,546,418
40309	Town of Colonial Beach Schools	1,084,893	—	149,840	289,029	1,523,762	32,309	834,922	—	48,226	915,457
40313	Galax City Schools	2,046,651	—	282,673	193,684	2,523,008	60,951	1,575,079	—	55,032	1,691,062
40314	Norton City Schools	1,060,221	—	146,432	125,246	1,331,899	31,574	815,934	—	147,919	995,427
40332	Manassas City Schools	15,595,589	—	2,153,982	832,170	18,581,741	464,447	12,002,191	—	431,077	12,897,715
40335	City of Salem Schools	6,114,607	—	844,518	293,453	7,252,578	182,097	4,705,733	—	684,415	5,572,245
40402	Williamsburg-James City County School Board	18,879,650	—	2,607,560	580,858	22,068,068	562,249	14,529,568	—	912,415	16,004,232
40403	Poquoson City Public Schools	2,750,250	—	379,850	9,803	3,139,903	81,904	2,116,562	—	685,715	2,884,181
40410	Valley Vocational Technical Center	521,475	—	72,023	100,364	693,862	15,530	401,322	—	75,636	492,488
40412	Charlottesville/Albemarle Vo-Tech Center	—	—	—	87,039	87,039	—	—	—	1,124,995	1,124,995
40415	New Horizons Technical Center	2,167,992	—	299,432	8,103	2,475,527	64,564	1,668,462	—	453,767	2,186,793
40416	Northern Neck Regional Vocational Center	213,300	—	29,460	755	243,515	6,352	164,153	—	180,453	350,958
40417	Rowanty Vocational Technical Center	198,946	—	27,477	33,847	260,270	5,925	153,106	—	121,461	280,492
40418	Amelia-Nottoway Technical Center	96,669	—	13,351	85,441	195,461	2,879	74,396	—	26,100	103,375
40421	Northern Neck Regional Special Education Program	170,909	—	23,605	59,559	254,073	5,090	131,530	—	28,138	164,758
40423	Maggie Walker Governor's School for Govt & Intl Studies	1,193,674	—	164,864	148,057	1,506,595	35,548	918,638	—	79,239	1,033,425
40424	Appomattox Region Governor's School	559,156	—	77,228	81,865	718,249	16,652	430,320	—	55,677	502,649
40425	Bridging Communities Regional Career and Tech Center	137,714	—	19,020	35,951	192,685	4,101	105,983	—	31,114	141,198
	Total for Teacher Employers	**$2,242,904,696**	**$ —**	**$ 309,778,431**	**$ 214,185,184**	**$ 2,766,868,311**	**$ 66,795,219**	**$ 1,726,114,419**	**$ —**	**$ 215,174,009**	**$ 2,008,083,647**

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 Retirement Plan
Notes to GASB No. 68 Schedules
For the Plan Year Ended Date of June 30, 2025

Note 1. Summary of Significant Accounting Policies

Description of the Entity

The Virginia Retirement System (the System) is an independent agency of the Commonwealth of Virginia. The System administers four separate pension trust funds – the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS). The VRS Teacher Retirement Plan is part of the VRS Trust Fund.

Administration and Management

The Board of Trustees (the Board) is responsible for the general administration and operation of the defined benefit 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 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500. The pension and other employee benefit trust funds administered by the VRS are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Retirement Plan and the additions to/deductions from the VRS Teacher Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. General Information about the Pension Plan

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. The VRS Teacher Retirement Plan is a multiple-employer cost-sharing plan. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan, and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Eligible Members Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. **Hybrid Opt-In Election** VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.	**Eligible Members** Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013. **Hybrid Opt-In Election** Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	**Eligible Members** Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • School division employees. • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.
Retirement Contributions Members contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

<table>
<tr><th>PLAN 1</th><th>PLAN 2</th><th>HYBRID RETIREMENT PLAN</th></tr>
<tr><td>Service Credit
Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</td><td>Service Credit
Same as Plan 1.</td><td>Service Credit
Defined Benefit Component:
Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contribution Component:
Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</td></tr>
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component:* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contribution Component:* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component:* See definition under Plan 1. *Defined Contribution Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.	**Service Retirement Multiplier** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	**Service Retirement Multiplier** *Defined Benefit Component:* The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. *Defined Contribution Component:* Not applicable.
Normal Retirement Age Age 65.	**Normal Retirement Age** Normal Social Security retirement age.	**Normal Retirement Age** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	**Earliest Unreduced Retirement Eligibility** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	**Earliest Reduced Retirement Eligibility** Age 60 with at least five years (60 months) of service credit.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component:* Age 60 with at least five years (60 months) of service credit. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Not applicable.
Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	*Eligibility:* Same as Plan 1.	*Eligibility:* Same as Plan 1.
Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.	*Exceptions to COLA Effective Dates:* Same as Plan 1.	*Exceptions to COLA Effective Dates:* Same as Plan 1.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members. Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component:* Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component:* Not applicable.

Contributions

The contribution requirement for active employees is governed by § 51.1-145 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. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on the actuarial valuation as of June 30, 2023 which set a rate of 14.21%. The actuarially determined rate, when combined with employee contributions, 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 pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2024, 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, 2025.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-retirement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males

Post-retirement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males set forward 1 year, 105% of rates for females

Post-disablement:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:
Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally

Mortality Improvement:
Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. 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)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change

Note 3. Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2025, NPL amounts for the VRS Teacher Retirement Plan are as follows (amounts expressed in thousands):

Total Pension Liability	$	64,331,467
Plan Fiduciary Net Position		55,565,522
Employers' Net Pension Liability (Asset)	$	8,765,945
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		86.37%

The total pension 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 pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumes that member contributions are made per the VRS Statutes and the employer contributions are made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2025, the rate contributed by the school divisions for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that were funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2025, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension 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 pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension 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 pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers in the VRS Teacher Retirement Plan using the discount rate of 6.75%, as well as what collective net pension liability of the participating employers in the VRS Teacher Retirement Plan net pension liability 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 Pension Liability - 1.00% Decrease (5.75%)	$	17,588,774
Net Pension Liability - Current Discount Rate (6.75%)	$	8,765,945
Net Pension Liability - 1.00% Increase (7.75%)	$	1,536,838

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, 2025. The average remaining service lives of all employees provided with pensions through the VRS Teacher Retirement Plan at June 30, 2025, was 4.58 years. Deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the financial statements for the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ending June 30, 2026	$	819,131,077
Measurement Period Ending June 30, 2027	$	199,354,213
Measurement Period Ending June 30, 2028	$	(103,494,075)
Measurement Period Ending June 30, 2029	$	(156,206,552)

Note 5. Employer Contributions

Employers' proportionate shares were calculated on the basis of historical employer contributions. Although GASB Statement No. 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. Employer contributions recognized by the VRS Teacher Retirement 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 toward the purchase of employee service, contributions for adjustments for prior periods and supplemental employer contributions from certain employers.

The employer contributions used in the determination of employers' proportionate shares of collective pension 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 payroll for FY 2025. This total was $1,621,177,168. The employer contributions of $1,611,790,936 reported in the VRS Teacher Employee's Retirement Plan's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects this net amount less approximately $9,386,232 in other employer contribution adjustments that were not representative of future contribution efforts.

Note 6. Additional Financial and Actuarial Information

Information contained in the VRS Teacher Retirement Plan Notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (Schedules) was extracted from the audited financial statements of the Virginia Retirement System for the fiscal year ended June 30, 2025. Additional financial information supporting the preparation of the VRS Teacher Retirement Plan Schedules (including the Financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2025 Annual Report. A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.