



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, 2021

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June 29, 2022

Board of Trustees
Virginia Retirement System
1200 E. Main Street
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INDEPENDENT AUDITOR'S REPORT

Report on the Schedules

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, 2021, 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 LODA Program, as of and for the year ended June 30, 2021, and the related notes.

Management's Responsibility for the Schedule

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

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of net LODA OPEB liability and total LODA OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and

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perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of net LODA OPEB liability and total LODA OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer are free from material misstatement.

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

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

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net 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 Line of Duty Act Program as of and for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Virginia Retirement System as of and for the year ended June 30, 2021, and our report thereon, dated December 10, 2021, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of Virginia Retirement System management, the Virginia Retirement System Board of Trustees, the Commonwealth Joint Legislative Audit and Review Commission, and Virginia Retirement System Line of Duty Act 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

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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, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
State:			
2XXXX	State Police Officers' Retirement System Employees	\$ 1,355,716	9.84714%
3XXXX	All Other State Employees	1,351,190	9.81425%
7XXXX	Virginia Law Officers' Retirement System Employees	5,477,562	39.78567%
	Sub-total State	<u>\$ 8,184,468</u>	<u>59.44706%</u>
Political Subdivisions:			
50001	Arlington County	628,364	4.56406%
50005	Town of Appalachia	2,869	0.02084%
50025	Town of Boones Mill	2,511	0.01824%
50026	Town of Pocahontas	1,435	0.01042%
55113	Buchanan County	66,710	0.48454%
55136	Gloucester County	99,169	0.72030%
55139	Greene County	38,376	0.27874%
55152	Lee County	58,820	0.42723%
55167	Nottoway County	32,996	0.23966%
55183	Russell County	64,020	0.46500%
55197	Wise County	74,063	0.53795%
55201	City of Bristol	120,508	0.87530%
55213	City of Petersburg	162,292	1.17879%
55214	City of Portsmouth	403,487	2.93069%
55215	City of Radford	62,585	0.45458%
55220	City of Suffolk	383,044	2.78220%
55221	City of Williamsburg	61,509	0.44677%
55222	City of Winchester	120,149	0.87270%
55224	City of Falls Church	37,838	0.27484%
55226	Town of Front Royal	26,540	0.19277%
55232	City of Franklin	64,020	0.46500%
55233	City of Chesapeake	931,427	6.76533%
55234	City of Virginia Beach	1,374,547	9.98391%
55235	City of Norton	24,927	0.18105%
55236	City of Manassas Park	43,039	0.31261%

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, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
55238	Town of Pound	3,587	0.02605%
55245	Town of Scottsville	3,228	0.02344%
55249	Town of La Crosse	717	0.00521%
55255	Town of Brodnax	1,435	0.01042%
55259	Town of Richlands	38,017	0.27614%
55300	Town of Abingdon	18,650	0.13546%
55301	Town of Dumfries	5,738	0.04168%
55304	Town of South Boston	27,258	0.19798%
55306	Town of Remington	2,152	0.01563%
55310	Town of Smithfield	15,064	0.10941%
55314	Town of Jonesville	2,869	0.02084%
55315	Town of Wytheville	39,452	0.28656%
55317	Town of Vienna	28,692	0.20841%
55321	Town of Woodstock	12,912	0.09378%
55327	Town of Christiansburg	74,063	0.53795%
55330	Town of Chatham	2,152	0.01563%
55332	City of Manassas	112,438	0.81668%
55334	Town of Boydton	717	0.00521%
55338	Town of Quantico	2,331	0.01693%
55354	Town of Big Stone Gap	9,325	0.06773%
55355	Town of Luray	15,064	0.10941%
55369	Town of Tazewell	25,465	0.18496%
55372	Town of Weber City	3,587	0.02605%
55374	Town of Hurt	1,435	0.01042%
55375	Town of Waverly	4,304	0.03126%
55378	Town of Courtland	2,152	0.01563%
55380	Town of Independence	4,304	0.03126%
55382	Town of Grundy	5,021	0.03647%
55389	Town of Pembroke	2,869	0.02084%
55397	Town of Orange	11,118	0.08076%
55417	Norfolk Airport Authority	41,604	0.30219%
55487	Capital Region Airport Comm	33,714	0.24487%
55858	Peumansend Creek Regional Jail Authority	73,166	0.53143%

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, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
55861	Breaks Interstate Park Commission	1,435	0.01042%
55869	RSW Regional Jail Authority	—	—%
55899	Shenandoah Valley Regional Airport Commission	7,352	0.05340%
55922	Piedmont Regional Jail Authority	64,558	0.46891%
	Sub-total Political Subdivisions	\$ 5,583,190	40.55294%
Grand Total		\$ 13,767,658	100.00000%

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, 2021

Employer		Net	Total
Code	Employer	LODA OPEB	LODA OPEB
		Liability	Expense
		6/30/2021	(Revenue)
			2021
State:			
2XXXX	State Police Officers' Retirement System Employees	\$ 43,425,060	\$ 3,752,169
3XXXX	All Other State Employees	43,280,020	3,959,478
7XXXX	Virginia Law Officers' Retirement System Employees	175,451,466	15,979,789
	Sub-total State	<u>\$ 262,156,546</u>	<u>\$ 23,691,436</u>
Political Subdivision:			
50001	Arlington County	\$ 20,127,121	\$ 1,935,351
50005	Town of Appalachia	91,903	6,856
50025	Town of Boones Mill	80,436	13,582
50026	Town of Pocahontas	45,951	7,724
55113	Buchanan County	2,136,781	209,860
55136	Gloucester County	3,176,463	258,401
55139	Greene County	1,229,220	91,011
55152	Lee County	1,884,049	159,395
55167	Nottoway County	1,056,880	126,584
55183	Russell County	2,050,611	177,969
55197	Wise County	2,372,314	247,966
55201	City of Bristol	3,859,999	338,260
55213	City of Petersburg	5,198,365	420,435
55214	City of Portsmouth	12,924,097	958,087
55215	City of Radford	2,004,660	232,094
55220	City of Suffolk	12,269,269	1,123,907
55221	City of Williamsburg	1,970,218	195,390
55222	City of Winchester	3,848,534	327,157
55224	City of Falls Church	1,212,021	109,114
55226	Town of Front Royal	850,100	73,267
55232	City of Franklin	2,050,611	224,764
55233	City of Chesapeake	29,834,537	2,965,865
55234	City of Virginia Beach	44,028,199	4,050,588
55235	City of Norton	798,415	80,314
55236	City of Manassas Park	1,378,584	126,588

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, 2021

		Net	Total
		LODA OPEB	LODA OPEB
		Liability	Expense
Employer		6/30/2021	(Revenue)
Code	Employer		2021
55238	Town of Pound	114,879	11,592
55245	Town of Scottsville	103,369	12,069
55249	Town of La Crosse	22,976	(3,076)
55255	Town of Brodnax	45,951	4,240
55259	Town of Richlands	1,217,754	109,680
55300	Town of Abingdon	597,367	54,959
55301	Town of Dumfries	183,805	16,422
55304	Town of South Boston	873,075	81,523
55306	Town of Remington	68,927	7,969
55310	Town of Smithfield	482,489	42,932
55314	Town of Jonesville	91,903	10,039
55315	Town of Wytheville	1,263,706	140,254
55317	Town of Vienna	919,070	81,305
55321	Town of Woodstock	413,562	40,863
55327	Town of Christiansburg	2,372,314	226,550
55330	Town of Chatham	68,927	6,159
55332	City of Manassas	3,601,491	299,957
55334	Town of Boynton	22,976	3,794
55338	Town of Quantico	74,660	6,232
55354	Town of Big Stone Gap	298,684	23,273
55355	Town of Luray	482,489	46,908
55369	Town of Tazewell	815,659	109,197
55372	Town of Weber City	114,879	10,143
55374	Town of Hurt	45,951	2,229
55375	Town of Waverly	137,854	10,445
55378	Town of Courtland	68,927	7,845
55380	Town of Independence	137,854	13,610
55382	Town of Grundy	160,830	12,946
55389	Town of Pembroke	91,903	8,215
55397	Town of Orange	356,144	32,651
55417	Norfolk Airport Authority	1,332,633	116,053
55487	Capital Region Airport Comm	1,079,856	101,214

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, 2021

		Net	Total
		LODA OPEB	LODA OPEB
		Liability	Expense
Employer			(Revenue)
Code	Employer	6/30/2021	2021
55858	Peumansend Creek Regional Jail Authority	2,343,562	397,408
55861	Breaks Interstate Park Commission	45,951	7,859
55869	RSW Regional Jail Authority	—	(185,493)
55899	Shenandoah Valley Regional Airport Commission	235,490	9,339
55922	Piedmont Regional Jail Authority	2,067,854	179,907
	Sub-total Political Subdivisions	<u>\$ 178,835,059</u>	<u>\$ 16,517,741</u>
Grand Total		<u><u>\$ 440,991,605</u></u>	<u><u>\$ 40,209,177</u></u>

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, 2021

		Deferred Outflows of Resources					Deferred Inflows of Resources				
Employer Code	Employer	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Change of Proportionate Share	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	Change of Proportionate Share	Total of Deferred Inflows of Resources
State:											
2XXXX	State Police Officers' Retirement System Employees	\$ 3,620,483	\$ —	\$ 12,017,156	\$ 739,743	\$ 16,377,382	\$ 6,574,933	\$ 251,461	\$ 2,077,222	\$ 1,798,013	\$ 10,701,629
3XXXX	All Other State Employees	3,608,391	—	11,977,017	3,078,432	18,663,840	6,552,973	250,621	2,070,282	3,114,849	11,988,725
7XXXX	Virginia Law Officers' Retirement System Employees	14,627,941	—	48,553,244	15,812,116	78,993,301	26,564,882	1,015,984	8,392,656	16,701,362	52,674,884
	Sub-total State	<u>\$ 21,856,815</u>	<u>\$ —</u>	<u>\$ 72,547,417</u>	<u>\$ 19,630,291</u>	<u>\$ 114,034,523</u>	<u>\$ 39,692,788</u>	<u>\$ 1,518,066</u>	<u>\$ 12,540,160</u>	<u>\$ 21,614,224</u>	<u>\$ 75,365,238</u>
Political Subdivision:											
50001	Arlington County	\$ 1,678,061	\$ —	\$ 5,569,842	\$ 1,008,457	\$ 8,256,360	\$ 3,047,422	\$ 116,550	\$ 962,773	\$ 237,339	\$ 4,364,084
50005	Town of Appalachia	7,662	—	25,433	12,408	45,503	13,915	532	4,396	23,055	41,898
50025	Town of Boones Mill	6,706	—	22,260	35,323	64,289	12,179	466	3,848	—	16,493
50026	Town of Pocahontas	3,831	—	12,716	20,745	37,292	6,957	266	2,198	164	9,585
55113	Buchanan County	178,150	—	591,318	224,207	993,675	323,527	12,373	102,212	57,908	496,020
55136	Gloucester County	264,832	—	879,033	63,870	1,207,735	480,944	18,394	151,945	317,870	969,153
55139	Greene County	102,484	—	340,166	72,627	515,277	186,115	7,118	58,799	256,724	508,756
55152	Lee County	157,079	—	521,379	26,561	705,019	285,261	10,910	90,123	124,599	510,893
55167	Nottoway County	88,115	—	292,474	265,549	646,138	160,021	6,120	50,555	35,716	252,412
55183	Russell County	170,966	—	567,472	84,973	823,411	310,480	11,874	98,090	205,450	625,894
55197	Wise County	197,787	—	656,498	205,606	1,059,891	359,189	13,737	113,479	2,987	489,392

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, 2021

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	Change of Proportionate Share	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	Change of Proportionate Share	Total of Deferred Inflows of Resources
55201	City of Bristol	321,820	—	1,068,190	—	1,390,010	584,438	22,352	184,642	95,196	886,628
55213	City of Petersburg	433,404	—	1,438,560	274,591	2,146,555	787,078	30,102	248,662	590,525	1,656,367
55214	City of Portsmouth	1,077,522	—	3,576,527	373,121	5,027,170	1,956,821	74,839	618,219	1,912,220	4,562,099
55215	City of Radford	167,135	—	554,756	296,246	1,018,137	303,523	11,608	95,892	—	411,023
55220	City of Suffolk	1,022,927	—	3,395,314	554,209	4,972,450	1,857,674	71,048	586,896	482,731	2,998,349
55221	City of Williamsburg	164,263	—	545,225	138,750	848,238	298,308	11,409	94,245	16,476	420,438
55222	City of Winchester	320,864	—	1,065,017	146,884	1,532,765	582,702	22,286	184,093	383,529	1,172,610
55224	City of Falls Church	101,050	—	335,407	71,192	507,649	183,511	7,018	57,977	107,490	355,996
55226	Town of Front Royal	70,875	—	235,251	36,436	342,562	128,712	4,923	40,664	74,009	248,308
55232	City of Franklin	170,966	—	567,472	542,022	1,280,460	310,480	11,874	98,090	126,562	547,006
55233	City of Chesapeake	2,487,399	—	8,256,207	2,596,578	13,340,184	4,517,209	172,763	1,427,124	706,018	6,823,114
55234	City of Virginia Beach	3,670,770	—	12,184,062	1,483,966	17,338,798	6,666,258	254,960	2,106,076	1,505,861	10,533,155
55235	City of Norton	66,566	—	220,948	108,156	395,670	120,887	4,623	38,192	79,291	242,993
55236	City of Manassas Park	114,937	—	381,500	72,105	568,542	208,730	7,983	65,944	51,116	333,773
55238	Town of Pound	9,578	—	31,791	27,299	68,668	17,394	665	5,495	42,475	66,029
55245	Town of Scottsville	8,618	—	28,605	33,316	70,539	15,651	599	4,945	11,132	32,327
55249	Town of La Crosse	1,916	—	6,358	64	8,338	3,479	133	1,099	21,964	26,675
55255	Town of Brodnax	3,831	—	12,716	16,446	32,993	6,957	266	2,198	6,692	16,113
55259	Town of Richlands	101,528	—	336,993	46,161	484,682	184,379	7,052	58,251	58,236	307,918
55300	Town of Abingdon	49,804	—	165,311	39,220	254,335	90,447	3,459	28,575	25,988	148,469
55301	Town of Dumfries	15,324	—	50,865	52,823	119,012	27,830	1,064	8,792	90,001	127,687

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, 2021

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	Change of Proportionate Share	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	Change of Proportionate Share	Total of Deferred Inflows of Resources
55304	Town of South Boston	72,791	—	241,609	38,918	353,318	132,191	5,056	41,763	18,621	197,631
55306	Town of Remington	5,747	—	19,074	10,578	35,399	10,436	399	3,297	502	14,634
55310	Town of Smithfield	40,227	—	133,521	50,093	223,841	73,053	2,794	23,080	30,945	129,872
55314	Town of Jonesville	7,662	—	25,433	25,501	58,596	13,915	532	4,396	14,258	33,101
55315	Town of Wytheville	105,359	—	349,709	333,205	788,273	191,336	7,318	60,449	86,639	345,742
55317	Town of Vienna	76,626	—	254,337	12,430	343,393	139,155	5,322	43,963	29,535	217,975
55321	Town of Woodstock	34,480	—	114,446	36,294	185,220	62,617	2,395	19,783	6,569	91,364
55327	Town of Christiansburg	197,787	—	656,498	153,610	1,007,895	359,189	13,737	113,479	84,186	570,591
55330	Town of Chatham	5,747	—	19,074	157	24,978	10,436	399	3,297	930	15,062
55332	City of Manassas	300,268	—	996,652	11,865	1,308,785	545,297	20,855	172,276	178,157	916,585
55334	Town of Boydton	1,916	—	6,358	7,829	16,103	3,479	133	1,099	339	5,050
55338	Town of Quantico	6,225	—	20,661	24,653	51,539	11,304	432	3,571	15,826	31,133
55354	Town of Big Stone Gap	24,902	—	82,656	26,568	134,126	45,223	1,730	14,287	43,671	104,911
55355	Town of Luray	40,227	—	133,521	51,356	225,104	73,053	2,794	23,080	42,899	141,826
55369	Town of Tazewell	68,004	—	225,720	229,600	523,324	123,498	4,723	39,017	62,154	229,392
55372	Town of Weber City	9,578	—	31,791	16,603	57,972	17,394	665	5,495	12,069	35,623
55374	Town of Hurt	3,831	—	12,716	95	16,642	6,957	266	2,198	13,966	23,387
55375	Town of Waverly	11,493	—	38,149	314	49,956	20,872	798	6,594	10,946	39,210
55378	Town of Courtland	5,747	—	19,074	16,478	41,299	10,436	399	3,297	609	14,741
55380	Town of Independence	11,493	—	38,149	13,017	62,659	20,872	798	6,594	12,682	40,946
55382	Town of Grundy	13,409	—	44,507	24,940	82,856	24,351	931	7,693	44,116	77,091

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, 2021

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	Change of Proportionate Share	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	Change of Proportionate Share	Total of Deferred Inflows of Resources
55389	Town of Pembroke	7,662	—	25,433	220	33,315	13,915	532	4,396	1,223	20,066
55397	Town of Orange	29,693	—	98,557	10,043	138,293	53,923	2,062	17,036	16,569	89,590
55417	Norfolk Airport Authority	111,106	—	368,784	14,337	494,227	201,772	7,717	63,746	63,203	336,438
55487	Capital Region Airport Comm	90,031	—	298,832	100,294	489,157	163,500	6,253	51,655	77,267	298,675
55858	Peumansend Creek Regional Jail Authority	195,390	—	648,541	1,395,005	2,238,936	354,836	13,571	112,103	—	480,510
55861	Breaks Interstate Park Commission	3,831	—	12,716	26,191	42,738	6,957	266	2,198	—	9,421
55869	RSW Regional Jail Authority	—	—	—	—	—	—	—	—	760,521	760,521
55899	Shenandoah Valley Regional Airport Commission	19,633	—	65,168	—	84,801	35,655	1,364	11,265	75,057	123,341
55922	Piedmont Regional Jail Authority	172,403	—	572,244	165,427	910,074	313,091	11,974	98,915	388,816	812,796
	Sub-total Political Subdivisions	\$ 14,910,038	\$ —	\$ 49,489,596	\$ 11,725,532	\$ 76,125,166	\$ 27,077,191	\$ 1,035,581	\$ 8,554,511	\$ 9,741,599	\$ 46,408,882
Grand Total		\$ 36,766,853	\$ —	\$ 122,037,013	\$ 31,355,823	\$ 190,159,689	\$ 66,769,979	\$ 2,553,647	\$ 21,094,671	\$ 31,355,823	\$ 121,774,120

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, 2021

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 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-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, 2021, was \$717.31 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019, 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, 2020, 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, 2021.

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	7.00% – 4.75%
Ages 65 and older	5.375% – 4.75%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return	2.16%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% 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, 2020, 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, 2020, 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, 2020, 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, 2020, 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, 2020, 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, 2021, NOL amounts for the LODA Program's OPEB liability are as follows (amounts expressed in thousands):

Total LODA OPEB Liability	\$ 448,542
Plan Fiduciary Net Position	7,553
LODA Net OPEB Liability (Asset)	<u><u>\$ 440,989</u></u>

Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.68%
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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 2.16%. 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, 2021, 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 2.16% 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 2.16% 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 Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2021.

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 2.16%, 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 (1.16%) or one percentage point higher (3.16%) than the current rate (amounts expressed in thousands):

Net LODA OPEB Liability – 1.00% Decrease (1.16%)	\$	507,302
Net LODA OPEB Liability – Current Trend Rate (2.16%)	\$	440,989
Net LODA OPEB Liability – 1.00% Increase (3.16%)	\$	388,302

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 7.00% decreasing to 4.75%, 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 (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate (amounts expressed in thousands):

Net LODA OPEB Liability - 1.00% Decrease (6.00% decreasing to 3.75%)	\$	361,845
Net LODA OPEB Liability - Current Discount Rate (7.00% decreasing to 4.75%)	\$	440,989
Net LODA OPEB Liability - 1.00% Increase (8.00% decreasing to 5.75%)	\$	542,474

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, 2021. The average remaining service lives of all employees provided with benefits through the LODA Program at June 30, 2021 was 10.96 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, 2023. 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, 2022	\$	9,731,278
Measurement Period Ending June 30, 2023	\$	9,848,612
Measurement Period Ending June 30, 2024	\$	9,883,182
Measurement Period Ending June 30, 2025	\$	9,919,953
Measurement Period Ending June 30, 2026	\$	11,086,809
Thereafter	\$	17,915,735

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 2021. This total was \$13,767,652. The employer contributions of \$13,632,927 reported in the LODA Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount less approximately \$134,725 in other employer contributions and adjustments that were not representative of future contribution efforts.

Note 6. Additional Financial and Actuarial Information

Information contained in the 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, 2021. 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 2021 Annual Report. A copy of the 2021 VRS Annual Report is publicly available through the About VRS link on the VRS website at varetire.org, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, P.O. Box 2500, Richmond, VA 23218-2500.