



Virginia
Retirement
System®

**VIRGINIA RETIREMENT SYSTEM
POLITICAL SUBDIVISION
HEALTH INSURANCE CREDIT PLANS**

GASB No. 75 Schedules

With Independent Auditor's Report Thereon

For the Plan Year Ended June 30, 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 Schedule

We have audited the fiduciary net position as of June 30, 2021, and the changes in fiduciary net position for the year then ended, included in the accompanying Schedule of Changes in Fiduciary Net Position by Employer (Schedule) of the Virginia Retirement System Political Subdivision Health Insurance Credit Plans, and the related notes. We have also audited the fiduciary net position of each individual employer as of June 30, 2021, and the changes in fiduciary net position of each individual employer for the year then ended, included in the accompanying Schedule.

Management's Responsibility for the Schedule

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

Auditor's Responsibility

Our responsibility is to express opinions on the fiduciary net position and the changes in fiduciary net position included in the Schedule, in total and for each individual employer, based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fiduciary net position and changes in fiduciary net position included in the Schedule are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the fiduciary net position and the changes in fiduciary net position included in the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the fiduciary net position and the changes in fiduciary net position included in the Schedule 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 fiduciary net position and the changes in fiduciary net position included in the Schedule.

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

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the total fiduciary net position of the Virginia Retirement System Political Subdivision Health Insurance Credit Plans as of June 30, 2021, and the changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of each individual employer as of June 30, 2021, and the changes in fiduciary net position for each individual employer for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Political Subdivision Health Insurance Credit Plans' employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55100	Accomack County	\$ 29,694	\$ —	\$ 15,377	\$ (24,934)	\$ (197)	\$ —	\$ 19,940	\$ 56,400	\$ 76,340
55103	Amelia County	3,745	—	4,430	(2,664)	(56)	—	5,455	16,293	21,748
55104	Amherst County	11,464	—	31,246	(18,416)	(353)	—	23,941	123,095	147,036
55110	Bland County	5,534	—	2,181	(3,492)	(33)	—	4,190	7,631	11,821
55122	Craig County	1,287	—	7,119	(6,438)	(70)	—	1,898	29,881	31,779
55128	Essex Co	9,070	—	6,612	(4,447)	(93)	—	11,142	23,331	34,473
55132	Fluvanna County	5,442	—	27,439	(8,448)	(318)	—	24,115	105,829	129,944
55136	Gloucester County	12,495	—	74,603	(26,797)	(848)	—	59,453	291,727	351,180
55139	Greene County	2,969	—	22,105	(9,488)	(245)	—	15,341	87,727	103,068
55140	Greensville County	3,869	—	21,024	(8,301)	(238)	—	16,354	82,270	98,624
55141	Halifax County	8,569	—	24,912	(20,570)	(264)	—	12,647	101,657	114,304
55142	Hanover Co	84,385	—	167,713	(84,317)	(1,995)	—	165,786	637,435	803,221
55144	Henry County	3,679	—	78,892	(27,844)	(871)	—	53,856	312,932	366,788
55146	Isle of Wight County	16,699	—	49,207	(21,471)	(572)	—	43,863	189,842	233,705

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55147	James City County	78,543	—	191,205	(97,936)	(2,217)	—	169,595	735,847	905,442
55149	King and Queen County	2,641	—	470	(1,331)	(9)	—	1,771	1,112	2,883
55154	Louisa County	7,686	—	29,376	(11,152)	(340)	—	25,570	113,697	139,267
55156	Madison County	3,082	—	17,982	(5,296)	(208)	—	15,560	69,484	85,044
55157	Mathews County	4,680	—	1,594	(2,800)	(24)	—	3,450	5,059	8,509
55163	New Kent County	13,805	—	13,506	(2,732)	(191)	—	24,388	45,354	69,742
55166	Northumberland County	1,914	—	13,245	(2,562)	(156)	—	12,441	50,599	63,040
55170	Patrick County	4,706	—	—	(3,980)	—	—	726	(1,063)	(337)
55171	Pittsylvania County	33,414	—	113,757	(22,978)	(1,381)	—	122,812	426,563	549,375
55172	Powhatan County	10,715	—	11,442	(2,751)	(158)	—	19,248	39,323	58,571
55176	Prince William County	523,009	—	1,002,696	(591,074)	(11,711)	—	922,920	3,836,368	4,759,288
55177	Pulaski County	11,955	—	45,859	(18,781)	(527)	—	38,506	178,286	216,792
55178	Rappahannock County	1,080	—	6,895	(4,636)	(72)	—	3,267	28,131	31,398
55180	Roanoke County	148,766	—	179,365	(142,933)	(2,151)	—	183,047	679,265	862,312

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55183	Russell County	2,966	—	19,218	(13,469)	(200)	—	8,515	79,118	87,633
55185	Shenandoah County	7,131	—	61,786	(15,188)	(712)	—	53,017	239,189	292,206
55187	Southampton County	2,355	—	35,313	(16,186)	(382)	—	21,100	141,801	162,901
55189	Stafford County	41,645	—	215,857	(60,790)	(2,513)	—	194,199	830,422	1,024,621
55192	Tazewell County	5,682	—	69,876	(28,957)	(766)	—	45,835	278,008	323,843
55195	Washington County	3,477	—	55,207	(18,679)	(614)	—	39,391	217,906	257,297
55196	Westmoreland County	6,407	—	7,470	(6,406)	(89)	—	7,382	28,470	35,852
55197	Wise County	2,712	—	49,108	(20,574)	(535)	—	30,711	196,547	227,258
55198	Wythe County	1,148	—	32,818	(14,121)	(354)	—	19,491	131,792	151,283
55199	York County	74,001	—	257,600	(95,167)	(3,007)	—	233,427	991,491	1,224,918
55215	City of Radford	31,608	—	53,874	(38,116)	(627)	—	46,739	210,329	257,068
55217	City of Roanoke	27,165	—	40,488	(570)	(557)	—	66,526	140,190	206,716
55222	City of Winchester	21,794	—	120,766	(37,660)	(1,391)	—	103,509	467,039	570,548
55228	Town of Middletown	1,430	—	1,905	(738)	(25)	—	2,572	7,016	9,588

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55230	City of Covington	20,084	—	23,900	(24,752)	(273)	—	18,959	94,202	113,161
55300	Town of Abingdon	21,711	—	1,516	(12,526)	(47)	—	10,654	2,512	13,166
55301	Town of Dumfries	2,618	—	6,689	(4,637)	(74)	—	4,596	26,468	31,064
55312	Town of Hamilton	1,983	—	638	(846)	(11)	—	1,764	1,783	3,547
55321	Town of Woodstock	8,726	—	18,605	(11,108)	(214)	—	16,009	71,572	87,581
55326	Town of Pearisburg	5,576	—	10,595	(5,514)	(127)	—	10,530	40,694	51,224
55332	City of Manassas	58,501	—	145,988	(77,576)	(1,682)	—	125,231	564,502	689,733
55342	Town of Lawrenceville	2,983	—	9,873	(2,718)	(118)	—	10,020	37,266	47,286
55344	Town of Stanley	2,385	—	6,146	(2,877)	(72)	—	5,582	23,772	29,354
55357	Town of Strasburg	3,765	—	20,802	(4,413)	(245)	—	19,909	79,346	99,255
55365	City of Poquoson	16,546	—	40,690	(17,950)	(482)	—	38,804	156,382	195,186
55385	Town of Kenbridge	702	—	3,069	(775)	(37)	—	2,959	11,811	14,770
55393	Town of Shenandoah	1,994	—	6,631	(2,717)	(77)	—	5,831	25,611	31,442
55396	Town of Kilmarnock	523	—	8,458	(1,025)	(99)	—	7,857	32,366	40,223

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55411	Hampton Roads Sanitation Dist	113,664	—	238,357	(136,971)	(2,780)	—	212,270	923,384	1,135,654
55425	Colonial Behavioral Health	15,752	—	54,778	(17,450)	(648)	—	52,432	209,718	262,150
55440	Shenandoah Valley Juvenile Center	4,044	—	15,181	(7,981)	(170)	—	11,074	60,088	71,162
55447	Rappahannock Area Comm Svcs	15,680	—	87,062	(20,381)	(1,024)	—	81,337	334,020	415,357
55450	Meherrin Regional Library	1,032	—	4,562	(1,421)	(53)	—	4,120	17,582	21,702
55454	Greensville-Emporia So Svcs	5,587	—	4,486	(7,016)	(50)	—	3,007	18,089	21,096
55455	James City Service Authority	8,417	—	30,356	(8,357)	(361)	—	30,055	115,327	145,382
55456	Accomack/Northampton Plan	7,340	—	274	(3,632)	(11)	—	3,971	(1,171)	2,800
55472	District 19 Community Services Board	13,605	—	78,789	(25,264)	(904)	—	66,226	305,591	371,817
55477	Frederick Co Sanitation Auth	5,925	—	20,342	(5,041)	(244)	—	20,982	76,701	97,683
55478	Western Tidewater Comm Svcs	15,832	—	103,114	(18,910)	(1,218)	—	98,818	393,780	492,598
55487	Capital Region Airport Comm	23,343	—	9,013	(20,793)	(118)	—	11,445	34,549	45,994
55489	Harr/Rockingham Comm Svcs Bd	9,951	—	52,218	(18,958)	(597)	—	42,614	203,962	246,576
55493	Planning Dis One Behavioral Health Svcs	1,115	—	159	(958)	(2)	—	314	591	905

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
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Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55500	Alexandria City School Board	49,108	—	5,606	—	(214)	—	54,500	—	54,500
55501	Albemarle County Schools	42,798	—	4,991	—	(187)	—	47,602	—	47,602
55502	Alleghany County School Board	11,584	—	8,350	(5,616)	(115)	—	14,203	28,278	42,481
55503	Charlottesville Public Schools	15,602	—	2,188	—	(70)	—	17,720	—	17,720
55504	Amherst County School Board	19,670	—	2,428	—	(86)	—	22,012	—	22,012
55505	Appomattox County School Board	4,257	—	10,325	(6,011)	(118)	—	8,453	40,242	48,695
55506	Arlington County Schools	58,222	—	7,245	—	(256)	—	65,211	—	65,211
55507	Augusta County School Board	15,542	—	2,260	—	(70)	—	17,732	—	17,732
55508	Bath County School Board	7,779	—	1,992	(7,951)	(24)	—	1,796	8,021	9,817
55509	Bedford County School Board	46,958	—	6,416	—	(209)	—	53,165	—	53,165
55510	Bland County School Board	2,480	—	293	—	(11)	—	2,762	—	2,762
55511	Botetourt County School Board	20,944	—	19,856	(21,483)	(236)	—	19,081	76,363	95,444
55512	Norfolk Public Schools	147,042	—	18,451	(38)	(647)	—	164,808	—	164,808
55513	Petersburg Public Schools	26,550	—	3,651	—	(118)	—	30,083	—	30,083

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55514	Buckingham County School Board	10,055	—	1,478	—	(45)	—	11,488	—	11,488
55515	Radford City School Board	3,572	—	527	—	(16)	—	4,083	—	4,083
55516	Caroline County School Board	12,034	—	1,442	—	(53)	—	13,423	—	13,423
55517	Carroll County School Board	49,602	—	62	(25,838)	(8)	—	23,818	(21,858)	1,960
55518	Charles City County School Bd	2,525	—	305	—	(11)	—	2,819	—	2,819
55519	Charlotte County School Board	6,356	—	823	—	(28)	—	7,151	—	7,151
55520	Chesterfield County School Bd	162,004	—	21,521	—	(718)	—	182,807	—	182,807
55521	Clarke County School Board	4,487	—	567	—	(20)	—	5,034	—	5,034
55522	Winchester Public Schools	7,621	—	23,063	(7,738)	(275)	—	22,671	88,020	110,691
55523	Culpeper County School Board	8,712	—	67,491	(15,772)	(783)	—	59,648	260,296	319,944
55524	Cumberland County School Board	7,520	—	1,074	—	(34)	—	8,560	—	8,560
55525	Dickenson County School Board	23,056	—	2,982	—	(102)	—	25,936	—	25,936
55526	Dinwiddie County Public Schools	12,269	—	1,644	—	(54)	—	13,859	—	13,859
55528	Essex County School Board	9,938	—	1,113	—	(43)	—	11,008	—	11,008

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55530	Covington City School Board	5,418	—	2,895	(4,673)	(37)	—	3,603	10,623	14,226
55531	Floyd County School Board	14,602	—	2,004	—	(65)	—	16,541	—	16,541
55532	Fluvanna County Public Schools	11,159	—	1,532	—	(50)	—	12,641	—	12,641
55533	Chesapeake Public Schools	197,418	—	24,349	—	(867)	—	220,900	—	220,900
55534	Va Beach City School Board	400,904	—	47,594	—	(1,754)	—	446,744	—	446,744
55535	Giles County Schools	10,744	—	1,363	—	(47)	—	12,060	—	12,060
55536	Gloucester Co School Board	30,016	—	37,010	(33,349)	(434)	—	33,243	144,104	177,347
55537	Goochland County School Board	4,993	—	714	—	(22)	—	5,685	—	5,685
55538	Grayson County School Board	13,097	—	1,735	—	(58)	—	14,774	—	14,774
55539	Greene County Schools	15,014	—	1,836	—	(66)	—	16,784	—	16,784
55540	Greensville County School Bd	11,843	—	1,599	—	(53)	—	13,389	—	13,389
55541	Halifax/South Boston Sch Bd	15,592	—	16,689	(37,575)	(141)	—	(5,435)	76,859	71,424
55542	Hanover County School Board	36,882	—	4,936	—	(164)	—	41,654	—	41,654
55543	Henrico County Schools	5,628	—	602	—	(24)	—	6,206	—	6,206

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
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Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55544	Henry County Public Schools	38,081	—	5,050	(120)	(168)	—	42,843	—	42,843
55545	Highland County Public Schools	2,120	—	289	—	(9)	—	2,400	—	2,400
55546	Isle of Wight County Schools	7,259	—	934	—	(32)	—	8,161	—	8,161
55548	King George County School Board	17,308	—	2,210	—	(76)	—	19,442	—	19,442
55549	King and Queen County School Board	6,132	—	825	—	(27)	—	6,930	—	6,930
55550	King William County Schools	8,982	—	1,068	—	(39)	—	10,011	—	10,011
55551	Lancaster County School Board	8,861	—	1,225	—	(39)	—	10,047	—	10,047
55552	Lee County School Board	20,311	—	1	(82,321)	—	—	(62,009)	74	(61,935)
55553	Loudoun County School Board	129,986	—	482,701	(134,969)	(5,743)	—	471,975	1,845,010	2,316,985
55554	Louisa County Public Schools	15,899	—	68,120	(17,917)	(807)	—	65,295	261,313	326,608
55555	Lunenburg County School Board	6,299	—	866	—	(28)	—	7,137	—	7,137
55556	Madison County School Board	8,009	—	1,176	—	(36)	—	9,149	—	9,149
55557	Mathews County School Board	9,244	—	1,178	—	(41)	—	10,381	—	10,381
55558	Mecklenburg County Schools	12,370	—	1,732	—	(55)	—	14,047	—	14,047

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55559	Middlesex County School Board	9,534	—	1,215	—	(42)	—	10,707	—	10,707
55560	Montgomery County School Board	32,564	—	4,694	—	(146)	—	37,112	—	37,112
55562	Nelson County Public Schools	15,070	—	2,109	—	(67)	—	17,112	—	17,112
55563	New Kent County Schools	9,880	—	1,221	—	(43)	—	11,058	—	11,058
55565	Northampton County Schools	4,467	—	567	—	(20)	—	5,014	—	5,014
55566	Northumberland Co School Bd	5,078	—	645	—	(22)	—	5,701	—	5,701
55567	Nottoway County School Board	7,576	—	943	—	(33)	—	8,486	—	8,486
55568	Orange County Public Schools	23,349	—	3,177	—	(104)	—	26,422	—	26,422
55569	Page County Public Schools	19,532	—	2,522	—	(86)	—	21,968	—	21,968
55570	Patrick County Public Schools	15,910	—	2,215	—	(71)	—	18,054	—	18,054
55571	Pittsylvania County School Bd	29,124	—	467	(28,461)	(9)	—	1,121	2,263	3,384
55572	Powhatan County School Board	19,099	—	2,728	—	(85)	—	21,742	—	21,742
55573	Prince Edward County Schools	7,206	—	954	—	(32)	—	8,128	—	8,128
55574	Prince George County School Bd	29,269	—	6,692	(15,722)	(122)	—	20,117	20,371	40,488

Virginia Retirement System
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For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55576	Prince William County Schools	131,353	—	453,780	(135,434)	(5,407)	—	444,292	1,737,458	2,181,750
55577	Pulaski County School Board	18,840	—	2,439	—	(83)	—	21,196	—	21,196
55578	Rappahannock County Schools	2,106	—	12,641	(3,715)	(146)	—	10,886	49,116	60,002
55579	Richmond County Public Schools	521	—	76	—	(2)	—	595	—	595
55580	Roanoke County School Board	42,267	—	5,547	—	(187)	—	47,627	—	47,627
55581	Rockbridge County Schools	13,743	—	1,647	—	(60)	—	15,330	—	15,330
55582	Rockingham County School Board	57,893	—	114,158	(74,952)	(1,314)	—	95,785	444,985	540,770
55583	Russell County School Board	88,957	—	213	(33,506)	(49)	—	55,615	(43,057)	12,558
55584	Scott County Schools	19,247	—	2,408	—	(85)	—	21,570	—	21,570
55585	Shenandoah County School Board	26,557	—	3,892	—	(119)	—	30,330	—	30,330
55586	Smyth County School Board	25,130	—	3,375	—	(111)	—	28,394	—	28,394
55587	Southampton County School Bd	7,018	—	904	—	(31)	—	7,891	—	7,891
55588	Spotsylvania County School Bd	47,200	—	6,883	(27)	(211)	—	53,845	—	53,845
55589	Stafford County Schools	23,815	—	71,910	(31,603)	(833)	—	63,289	277,196	340,485

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55590	Surry County Public Schools	11,694	—	1,377	—	(51)	—	13,020	—	13,020
55591	Sussex County School Board	6,020	—	825	—	(27)	—	6,818	—	6,818
55592	Tazewell County Schools	56,225	—	7,462	—	(249)	—	63,438	—	63,438
55593	Warren County School Board	12,297	—	1,701	—	(55)	—	13,943	—	13,943
55595	Washington County School Board	29,875	—	8	(26,708)	(1)	—	3,174	(2,933)	241
55596	Westmoreland County School Bd	9,541	—	1,392	—	(43)	—	10,890	—	10,890
55597	Wise Co Schools	8,611	—	40,009	(29,225)	(420)	—	18,975	163,841	182,816
55598	Wythe County School Board	11,951	—	2,904	(21,068)	(12)	—	(6,225)	17,054	10,829
55599	York County School Board	41,300	—	10,673	(23,179)	(185)	—	28,609	34,635	63,244
55600	Accomack County School Board	22,203	—	3,018	—	(99)	—	25,122	—	25,122
55601	Bristol Virginia School System	6,554	—	781	—	(29)	—	7,306	—	7,306
55602	Buena Vista City Public Schools	3,058	—	417	—	(14)	—	3,461	—	3,461
55603	Amelia County Public Schools	5,440	—	821	—	(24)	—	6,237	—	6,237
55605	Danville School Board	13,018	—	1,656	—	(57)	—	14,617	—	14,617

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55606	Franklin City Public Schools	860	—	8,189	(2,766)	(92)	—	6,191	32,194	38,385
55608	Harrisonburg City School Bd	17,137	—	2,337	—	(76)	—	19,398	—	19,398
55609	Hopewell Public Schools	16,698	—	2,367	—	(75)	—	18,990	—	18,990
55610	Lynchburg School Board	26,119	—	3,593	—	(116)	—	29,596	—	29,596
55611	Fauquier County School Board	39,076	—	5,263	—	(173)	—	44,166	—	44,166
55612	Brunswick County Public Schools	6,173	—	13,661	(7,552)	(158)	—	12,124	52,507	64,631
55613	The Pruden Center For Industry and Technology	—	—	—	—	—	—	—	—	—
55614	Portsmouth School Board	63,628	—	8,483	—	(282)	—	71,829	—	71,829
55615	Campbell County School Board	24,120	—	43,414	(36,168)	(484)	—	30,882	172,269	203,151
55616	Richmond City Schools	97,026	—	11,518	—	(424)	—	108,120	—	108,120
55617	Roanoke City Schools	3,573	—	18,713	(141)	(232)	—	21,913	69,072	90,985
55619	Staunton City School Board	8,162	—	4,614	(11,889)	(46)	—	841	20,289	21,130
55620	Suffolk City School Board	52,520	—	6,756	(35)	(232)	—	59,009	—	59,009
55622	Craig County School Board	3,116	—	454	—	(14)	—	3,556	—	3,556

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55623	Martinsville City School Board	6,132	—	892	—	(27)	—	6,997	—	6,997
55624	Appomattox Regional Governor's School	590	—	86	—	(3)	—	673	—	673
55625	Colonial Heights City Schools	8,656	—	1,229	—	(39)	—	9,846	—	9,846
55632	City of Manassas School Board	9,376	—	47,602	(20,378)	(535)	—	36,065	186,797	222,862
55633	Franklin County Schools	25,686	—	89,986	(35,926)	(1,042)	—	78,704	347,579	426,283
55634	Frederick Co School Board	45,964	—	6,115	(30)	(204)	—	51,845	—	51,845
55635	City of Salem Schools	8,589	—	15,149	(15,100)	(164)	—	8,474	61,885	70,359
55636	Manassas Park City Schools	1,705	—	13,935	(2,220)	(165)	—	13,255	53,352	66,607
55637	Newport News Public Schools	18,416	—	26,142	(123)	(362)	—	44,073	89,661	133,734
55638	Town of West Point Public Schools	835	—	657	—	(20)	—	1,472	2,570	4,042
55708	Waynesboro City School	5,767	—	821	—	(26)	—	6,562	—	6,562
55710	Valley Vo-Tech Center	235	—	34	—	(1)	—	268	—	268
55711	New Horizons Technical Center	2,005	—	278	—	(9)	—	2,274	—	2,274
55713	Galax City Schools	4,717	—	636	—	(21)	—	5,332	—	5,332

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
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Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55714	Norton City Schools	2,900	—	401	—	(13)	—	3,288	—	3,288
55802	Williamsburg-James City Schools	9,444	—	88,482	(25,544)	(1,007)	—	71,375	344,863	416,238
55803	Poquoson City School Board	5,422	—	1,943	(6,604)	(21)	—	740	8,390	9,130
55806	Fredericksburg City Public Schools	7,101	—	1,039	—	(32)	—	8,108	—	8,108
55807	Hampton City Schools	38,393	—	4,486	—	(168)	—	42,711	—	42,711
55813	Buchanan County School Board	36,298	—	4,274	—	(159)	—	40,413	—	40,413
55814	Jackson River Technical Ctr	1,865	—	185	(249)	(6)	—	1,795	(175)	1,620
55815	Northern Neck Regional Vocational Center	268	—	39	—	(1)	—	306	—	306
55859	Williamsburg Area Transit Authority	3,082	—	4,067	—	(57)	—	7,092	13,862	20,954
55860	Middle Peninsula Juvenile Detention Commission	3,915	—	4,851	—	(69)	—	8,697	16,408	25,105
55866	Hampton Roads Transportation Accountability Comm	732	—	802	—	(12)	—	1,522	2,691	4,213
55867	Pamunkey Regional Library	4,308	—	2,922	(2,365)	(40)	—	4,825	10,149	14,974
55868	Northern Virginia Transportation Authority	2,192	—	2,090	(35)	(31)	—	4,216	6,812	11,028
55874	Meherrin River Regional Jail Authority	6,928	—	24,906	(927)	(313)	—	30,594	91,525	122,119

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55883	Western Virginia Regional Jail Authority	7,654	—	42,211	(2,014)	(515)	—	47,336	156,243	203,579
55886	Russell County PSA	1,315	—	3,994	(226)	(51)	—	5,032	14,632	19,664
55897	Prince William County Service Authority	35,981	—	109,011	(14,534)	(1,354)	—	129,104	401,891	530,995
55904	Appalachian Juvenile Commission	7,973	—	8,136	(6,884)	(100)	—	9,125	30,315	39,440
55909	Henry County Public Service Authority	8,951	—	12,398	(9,868)	(146)	—	11,335	48,044	59,379
55914	Rappahannock Juvenile Center	8,713	—	12,691	(10,974)	(145)	—	10,285	49,757	60,042
55918	Amherst County Service Auth	2,791	—	10,347	(3,880)	(120)	—	9,138	39,964	49,102
55919	Pepper's Ferry Reg Wastewater	3,954	—	9,418	(3,650)	(113)	—	9,609	35,881	45,490
55926	Scott County Soil & Water Conservation District	216	—	178	—	(3)	—	391	551	942
55927	New River Resource Authority	605	—	6,860	—	(83)	—	7,382	25,676	33,058
55929	Greensville County Water and Sewer Authority	2,159	—	12,938	(2,234)	(153)	—	12,710	49,143	61,853
55930	Petersburg Redevelopment and Housing Authority	3,619	—	6,678	(4,950)	(76)	—	5,271	26,242	31,513
55932	Va Coalfield Economic Dev Auth	779	—	1,253	(389)	(16)	—	1,627	4,594	6,221
55940	Monacan Soil and Water Conservation District	439	—	2,449	(270)	(29)	—	2,589	9,107	11,696

Virginia Retirement System
VRS Political Subdivision Health Insurance Credit Plans
Schedule of Changes in Fiduciary Net Position by Employer
For the Plan Year Ended June 30, 2021

Employer Code	Entity	Employer Contributions	Employee Contributions	Net Investment Income	Benefit Payments	Administrative Expenses	Other Changes	Net Change of Fiduciary Net Position	Fiduciary Net Position Beginning of Year	Fiduciary Net Position End of Year
55944	Central Virginia Waste Management Authority	872	—	2,923	(609)	(35)	—	3,151	10,943	14,094
55947	Tidewater Youth Services Commission	7,116	—	10,677	(9,310)	(120)	—	8,363	41,489	49,852
55957	Wise County Redevelopment and Housing Authority	3,345	—	4,229	(4,050)	(48)	—	3,476	16,420	19,896
55961	Pamunkey Regional Jail	13,169	—	5,217	(450)	(97)	—	17,839	12,882	30,721
55964	Virginia Biotechnology Research Park Authority	1,085	—	537	(719)	(7)	—	896	1,803	2,699
55977	Southside Regional Jail	7,364	—	13,423	(5,229)	(165)	—	15,393	49,759	65,152
55978	Evergreen Soil and Water Conservation District	168	—	118	—	(2)	—	284	358	642
55979	Roanoke Higher Education Authority	2,875	—	6,680	(2,374)	(81)	—	7,100	25,087	32,187
55982	Daniel Boone Soil and Water Conservation District	370	—	270	—	(4)	—	636	820	1,456
55983	Southside Behavioral Health	11,435	—	57,853	(14,981)	(677)	—	53,630	221,433	275,063
55995	Holston River Soil and Water Conservation District	456	—	217	—	(4)	—	669	565	1,234
		\$ 5,239,485	\$ —	\$ 6,711,389	\$ (3,098,375)	\$ (86,122)	\$ —	\$ 8,766,377	\$ 24,468,464	\$ 33,234,841

The accompanying notes are an integral part of the Schedule of Changes in Fiduciary Net Position by Employer.

Virginia Retirement System
Political Subdivision Health Insurance Credit Plans
Notes to GASB No. 75 Schedules
For the Plan Year Ended June 30, 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. The VRS Political Subdivision Health Insurance Credit Plans are part of the agent, multi-employer component of the Retiree Health Insurance Credit Program.

Administration and Management

The Board of Trustees (the Board) is responsible for the general administration and operation of the pension plans and the other employee benefit plans. The Board has full power to invest and reinvest the trust funds of the System through the adoption of investment policies and guidelines that fulfill the Board's investment objective to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists of nine members. Five members are appointed by the Governor and four members are appointed by the Joint Rules Committee of the General Assembly subject to confirmation by the General Assembly. The Board appoints a Director to serve as the Chief Administrative Officer of the System and a Chief Investment Officer to direct, manage, and administer the investment of the System's funds.

The System issues an *Annual Comprehensive Financial Report* (Annual Report) containing the financial statements and required supplementary information for all of the System's pension and other employee benefit trust funds. A copy of the 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 VRS are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

Other Post-Employment Benefits (OPEB) – Health Insurance Credit (HIC)

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision HIC OPEB liability; deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC OPEB; Political Subdivision HIC OPEB expense; information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision's Health Insurance Credit Plan; and the additions to/ deductions from the VRS Political Subdivision's Health Insurance Credit Plan fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. General Information About the Political Subdivision HIC OPEB Plan

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

Eligible Employees

The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.

Eligible employees of participating employers are enrolled automatically upon employment. They include

- Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.

Benefit Amounts

The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- **At Retirement:** For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.
- **Disability Retirement:** For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

Health Insurance Credit Program Notes:

- The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.
- No health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for premiums paid for other qualified health plans.
- Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by § 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2021, the employer contribution rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

Note 3. Long-Term Expected Rate of Return

The long-term expected rate of return on System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnerships	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Note 4. Additional Financial and Actuarial Information

Additional financial information supporting the preparation of the VRS Political Subdivision Plan Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2021 Annual Report. 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.