VIRGINIA RETIREMENT SYSTEM
TEACHER RETIREMENT PLAN

GASB No. 68 Schedules

With Independent Auditor's Report Thereon

For the Fiscal Year Ended June 30, 2014

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Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 1, 2015

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

Independent Auditor's Report

Report on the Schedules

We have audited the accompanying schedule of employer allocations of the Virginia Retirement System Teacher Retirement Plan as of and for the year ended June 30, 2014, and the related notes. We have also audited the total for all teacher employers of the columns titled net pension liability, total pension expense, 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 inflows of resources by employer of the Virginia Retirement System Teacher Retirement Plan as of and for the year ended June 30, 2014, and the related notes.

Management's Responsibility 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; 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 pension liability and total pension expense and the schedule of deferred outflows and inflows of resources by employer based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and the specified column totals included in the schedule of net pension liability and total pension expense and the schedule of deferred outflows and 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 pension liability and total pension expense and the schedule of deferred outflows and 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 pension liability and total pension expense and the schedule of deferred outflows and 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 pension liability and total pension expense and the schedule of deferred outflows and 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 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 pension liability and total pension expense and the schedule of deferred outflows and 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 net pension liability, total pension expense, total deferred outflows of resources, and total deferred inflows of resources, for the total of all of the participating teacher employers for the Virginia Retirement System Teacher Retirement Plan as of and for the year ended June 30, 2014, 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, 2014,

and our report thereon, dated December 11, 2014, expressed an unmodified opinion on those financial statements.

Restriction on Use

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

AUDITOR OF PUBLIC ACCOUNTS

ZLB/clj

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations – Page 1 0f 5
For the Fiscal Year Ended June 30, 2014

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40100	ACCOMACK COUNTY SCHOOL BOARD	$ 3,023,764	0.35461%
40101	ALBEMARLE COUNTY SCHOOLS	9,491,479	1.11311%
40102	ALLEGHANY COUNTY SCHOOL BOARD	1,435,188	0.16831%
40103	AMELIA COUNTY SCHOOL BOARD	903,338	0.10594%
40104	AMHERST COUNTY SCHOOL BOARD	2,704,879	0.31721%
40105	APPOMATTOX COUNTY SCHOOL BOARD	1,176,909	0.13802%
40106	ARLINGTON PUBLIC SCHOOLS	29,095,514	3.41217%
40107	AUGUSTA COUNTY SCHOOL BOARD	6,291,642	0.73785%
40108	BATH COUNTY SCHOOL BOARD	498,809	0.05850%
40109	BEDFORD COUNTY SCHOOL BOARD	5,682,514	0.66642%
40110	BLAND COUNTY SCHOOL BOARD	483,108	0.05666%
40111	BOTETOURT COUNTY SCHOOLS	3,106,162	0.36427%
40112	BRUNSWICK COUNTY PUBLIC SCHOOLS	1,137,210	0.13337%
40113	BUCHANAN COUNTY SCHOOL BOARD	1,757,633	0.20613%
40114	BUCKINGHAM COUNTY SCHOOL BOARD	1,213,826	0.14235%
40115	CAMPBELL COUNTY SCHOOL BOARD	4,415,408	0.51782%
40116	CAROLINE COUNTY SCHOOL BOARD	2,156,343	0.25288%
40117	CARROLL COUNTY SCHOOL BOARD	2,341,343	0.27458%
40118	CHARLES CITY CO SCHOOL BD	530,138	0.06217%
40119	CHARLOTTE COUNTY SCHOOL BOARD	1,262,302	0.14804%
40120	CHESTERFIELD CO SCHOOL BD	31,191,014	3.65792%
40121	CLARKE COUNTY SCHOOL BOARD	1,314,464	0.15415%
40122	CRAIG COUNTY SCHOOL BOARD	427,193	0.05010%
40123	CULPEPER COUNTY SCHOOL BOARD	4,650,180	0.54535%
40124	CUMBERLAND COUNTY SCHOOL BOARD	827,054	0.09699%
40125	DICKENSON COUNTY SCHOOL BOARD	1,183,689	0.13882%
40126	DINWIDDIE COUNTY SCHOOL BOARD	2,431,355	0.28514%
40128	ESSEX COUNTY PUBLIC SCHOOLS	928,787	0.10892%
40129	FAIRFAX COUNTY PUBLIC SCHOOLS	154,785,126	18.15234%
40130	FAUQUIER COUNTY SCHOOL BOARD	8,181,163	0.95944%
40131	FLOYD COUNTY SCHOOL BOARD	1,159,427	0.13597%
40132	FLUVANNA COUNTY PUBLIC SCHOOLS	2,590,817	0.30384%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations – Page 2 0f 5
For the Fiscal Year Ended June 30, 2014

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40133	FRANKLIN COUNTY PUBLIC SCHOOLS	4,357,778	0.51106%
40134	FREDERICK COUNTY SCHOOL BOARD	8,866,765	1.03985%
40135	GILES COUNTY SCHOOLS	1,339,685	0.15711%
40136	GLOUCESTER COUNTY SCHOOL BOARD	3,286,207	0.38539%
40137	GOOCHLAND COUNTY SCHOOL BOARD	1,593,375	0.18686%
40138	GRAYSON COUNTY SCHOOL BOARD	1,089,358	0.12775%
40139	GREENE COUNTY PUBLIC SCHOOLS	1,740,222	0.20408%
40140	GREENSVILLE CO SCHOOL BOARD	1,379,385	0.16177%
40141	HALIFAX COUNTY SCHOOL BOARD	3,202,051	0.37552%
40142	HANOVER COUNTY PUBLIC SCHOOLS	10,806,814	1.26737%
40143	HENRICO CO SCHOOL BOARD	28,125,017	3.29835%
40144	HENRY COUNTY PUBLIC SCHOOLS	4,066,899	0.47694%
40145	HIGHLAND COUNTY PUBLIC SCHOOLS	193,451	0.02269%
40146	ISLE OF WIGHT COUNTY SCHOOLS	3,210,607	0.37652%
40148	KING GEORGE CO SCHOOL BOARD	2,198,192	0.25779%
40149	KING AND QUEEN COUNTY SCHOOL BOARD	540,293	0.06336%
40150	KING WILLIAM CO SCHOOL BOARD	1,311,578	0.15381%
40151	LANCASTER COUNTY PUBLIC SCHOOLS	843,960	0.09898%
40152	LEE COUNTY SCHOOL BOARD	1,996,841	0.23418%
40153	LOUDOUN COUNTY SCHOOL BOARD	52,480,267	6.15461%
40154	LOUISA COUNTY PUBLIC SCHOOLS	2,906,335	0.34084%
40155	LUNENBURG COUNTY SCHOOL BOARD	899,503	0.10549%
40156	MADISON COUNTY SCHOOL BOARD	1,120,652	0.13142%
40157	MATHEWS COUNTY SCHOOL BOARD	737,347	0.08647%
40158	MECKLENBURG CO SCHOOL BOARD	2,537,389	0.29757%
40159	MIDDLESEX COUNTY SCHOOL BOARD	817,615	0.09589%
40160	MONTGOMERY COUNTY SCHOOL BOARD	5,347,271	0.62710%
40162	NELSON COUNTY PUBLIC SCHOOLS	1,308,629	0.15347%
40163	NEW KENT COUNTY SCHOOL BOARD	1,691,829	0.19841%
40165	NORTHAMPTON COUNTY SCHOOLS	1,058,915	0.12418%
40166	NORTHUMBERLAND CO SCHOOL BD	863,530	0.10127%
40167	NOTTOWAY COUNTY SCHOOL BOARD	1,257,565	0.14748%
40168	ORANGE COUNTY PUBLIC SCHOOLS	2,849,604	0.33419%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations – Page 3 0f 5
For the Fiscal Year Ended June 30, 2014

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40169	PAGE COUNTY PUBLIC SCHOOLS	2,107,242	0.24713%
40170	PATRICK COUNTY SCHOOL BOARD	1,464,490	0.17175%
40171	PITTSYLVANIA CO SCHOOL BD	4,454,374	0.52239%
40172	POWHATAN COUNTY SCHOOL BOARD	2,617,576	0.30698%
40173	PRINCE EDWARD CO SCHOOL BD	1,479,575	0.17352%
40174	PRINCE GEORGE CO SCHOOL BD	3,642,696	0.42720%
40176	PRINCE WILLIAM CO SCHOOL BD	54,083,109	6.34258%
40177	PULASKI COUNTY SCHOOL BOARD	2,559,730	0.30019%
40178	RAPPAHANNOCK CO SCHOOL BOARD	650,029	0.07623%
40179	RICHMOND COUNTY SCHOOL BOARD	716,553	0.08403%
40180	ROANOKE COUNTY SCHOOL BOARD	8,314,301	0.97506%
40181	ROCKBRIDGE CO SCHOOL BD	1,785,858	0.20944%
40182	ROCKINGHAM CO SCHOOL BD	6,914,654	0.81091%
40183	RUSSELL COUNTY SCHOOL BOARD	1,991,880	0.23360%
40184	SCOTT COUNTY SCHOOL BOARD	2,180,840	0.25576%
40185	SHENANDOAH COUNTY SCHOOL BOARD	3,666,074	0.42994%
40186	SMYTH COUNTY SCHOOL BOARD	2,756,869	0.32331%
40187	SOUTHAMPTON CO SCHOOL BD	1,433,054	0.16806%
40188	SPOTSYLVANIA CO SCHOOL BD	13,818,496	1.62056%
40189	STAFFORD COUNTY SCHOOL BOARD	16,715,309	1.96028%
40190	SURRY COUNTY SCHOOLS	929,262	0.10898%
40191	SUSSEX COUNTY SCHOOL BOARD	892,358	0.10465%
40192	TAZEWELL COUNTY SCHOOLS	3,084,512	0.36174%
40193	WARREN COUNTY SCHOOL BOARD	3,279,178	0.38456%
40195	WASHINGTON COUNTY SCHOOL BOARD	4,130,138	0.48436%
40196	WESTMORELAND CO SCHOOL BD	994,329	0.11661%
40197	WISE COUNTY SCHOOL BOARD	3,441,282	0.40358%
40198	WYTHE COUNTY SCHOOL BOARD	2,394,690	0.28084%
40199	YORK COUNTY SCHOOL BOARD	7,087,445	0.83118%
40200	ALEXANDRIA CITY SCHOOL BOARD	15,098,924	1.77072%
40201	BRISTOL CITY SCHOOL BD	1,459,822	0.17120%
40202	BUENA VISTA CITY SCHOOLS	588,007	0.06896%
40203	CHARLOTTESVILLE PUBLIC SCHOOLS	3,969,047	0.46547%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations – Page 4 0f 5
For the Fiscal Year Ended June 30, 2014

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40205	DANVILLE CITY SCHOOLS	3,826,825	0.44879%
40206	FREDERICKSBURG CITY SCHOOLS	2,328,108	0.27303%
40207	HAMPTON CITY SCHOOLS	12,831,186	1.50477%
40208	HARRISONBURG CITY SCHOOL BD	3,812,575	0.44712%
40209	HOPEWELL CITY SCHOOL BOARD	2,676,054	0.31383%
40210	LYNCHBURG PUBLIC SCHOOLS	5,969,556	0.70008%
40211	NEWPORT NEWS PUBLIC SCHOOLS	17,646,241	2.06946%
40212	NORFOLK PUBLIC SCHOOLS	24,410,928	2.86278%
40213	PETERSBURG CITY SCHOOLS	2,587,206	0.30341%
40214	PORTSMOUTH SCHOOL BOARD	9,198,866	1.07879%
40215	RADFORD CITY SCHOOL BOARD	927,967	0.10883%
40216	RICHMOND PUBLIC SCHOOLS	16,948,526	1.98763%
40217	ROANOKE CITY SCHOOL BOARD	8,374,008	0.98206%
40219	STAUNTON CITY SCHOOLS	1,851,261	0.21711%
40220	SUFFOLK CITY SCHOOL BOARD	7,932,701	0.93031%
40222	WINCHESTER PUBLIC SCHOOLS	3,134,439	0.36759%
40223	MARTINSVILLE CITY SCHOOLS	1,403,886	0.16464%
40224	FALLS CHURCH PUBLIC SCHOOLS	2,477,823	0.29059%
40225	COLONIAL HEIGHTS CITY SCHOOLS	2,175,312	0.25511%
40230	COVINGTON CITY SCHOOL BOARD	597,474	0.07007%
40231	FAIRFAX CITY SCHOOL BOARD	9,925	0.00116%
40232	FRANKLIN CITY PUBLIC SCHOOLS	922,052	0.10813%
40233	CHESAPEAKE PUBLIC SCHOOLS	25,246,663	2.96080%
40234	VA BEACH CITY SCHOOL BOARD	44,025,096	5.16303%
40236	MANASSAS PARK CITY SCHOOLS	2,077,819	0.24368%
40306	TOWN OF WEST POINT SCHOOL BD	537,150	0.06299%
40307	LEXINGTON CITY SCHOOL BOARD	299,871	0.03517%
40308	WAYNESBORO PUBLIC SCHOOLS	2,032,714	0.23839%
40309	TOWN OF COLONIAL BEACH SCHOOLS	378,393	0.04438%
40313	GALAX CITY SCHOOLS	785,784	0.09215%
40314	NORTON CITY SCHOOLS	429,415	0.05036%
40332	MANASSAS CITY SCHOOLS	6,112,487	0.71684%
40335	CITY OF SALEM SCHOOLS	2,487,358	0.29170%

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Employer Allocations – Page 5 0f 5
For the Fiscal Year Ended June 30, 2014

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40402	WILLIAMSBURG-JAMES CITY CO SCH	7,332,082	0.85987%
40403	POQUOSON CITY PUBLIC SCHOOLS	1,258,022	0.14753%
40410	VALLEY VO-TECH CENTER	216,906	0.02544%
40412	CHVILLE/ALBEMARLE VO-TECH CTR	137,737	0.01615%
40413	THE PRUDEN CENTER FOR INDUSTRY AND TECHNOLOGY	155,328	0.01822%
40414	JACKSON RIVER TECHNICAL CTR	97,460	0.01143%
40415	NEW HORIZONS TECHNICAL CTR	875,702	0.10270%
40416	NORTHERN NECK REG VOC CTR	122,850	0.01441%
40417	ROWANTY VO-TECH CENTER	81,687	0.00958%
40418	AMELIA-NOTTOWAY TECHNICAL CENTER	24,012	0.00282%
40421	NORTHERN NECK REGIONAL SPECIAL EDUCATION PROGRAM	113,088	0.01326%
40423	MAGGIE WALKER GOVERNOR'S SCH FOR GOVT/INT'L STUDY	481,309	0.05645%
40424	APPOMATTOX REGION GOVERNOR'S SCHOOL	199,678	0.02342%
40425	BRIDGING COMMUNITIES REGIONAL CAREER AND TECH CNTR	42,758	0.00501%
	Total for all Teacher Employers	$ 852,698,698	100.00000%

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 – Page 1 0f 5
As of and For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Employer Code	Employer	Net Pension Liability June 30, 2014	Total Pension Expense FY 2014
40100	ACCOMACK COUNTY SCHOOL BOARD	42,854	3,499
40101	ALBEMARLE COUNTY SCHOOLS	134,516	11,024
40102	ALLEGHANY COUNTY SCHOOL BOARD	20,340	1,243
40103	AMELIA COUNTY SCHOOL BOARD	12,803	1,006
40104	AMHERST COUNTY SCHOOL BOARD	38,334	3,053
40105	APPOMATTOX COUNTY SCHOOL BOARD	16,680	1,204
40106	ARLINGTON PUBLIC SCHOOLS	412,350	33,037
40107	AUGUSTA COUNTY SCHOOL BOARD	89,167	7,050
40108	BATH COUNTY SCHOOL BOARD	7,069	578
40109	BEDFORD COUNTY SCHOOL BOARD	80,535	7,015
40110	BLAND COUNTY SCHOOL BOARD	6,848	543
40111	BOTETOURT COUNTY SCHOOLS	44,021	3,799
40112	BRUNSWICK COUNTY PUBLIC SCHOOLS	16,117	1,009
40113	BUCHANAN COUNTY SCHOOL BOARD	24,910	1,531
40114	BUCKINGHAM COUNTY SCHOOL BOARD	17,202	1,558
40115	CAMPBELL COUNTY SCHOOL BOARD	62,577	5,193
40116	CAROLINE COUNTY SCHOOL BOARD	30,560	2,238
40117	CARROLL COUNTY SCHOOL BOARD	33,182	2,651
40118	CHARLES CITY CO SCHOOL BD	7,513	598
40119	CHARLOTTE COUNTY SCHOOL BOARD	17,891	1,064
40120	CHESTERFIELD CO SCHOOL BD	442,048	36,101
40121	CLARKE COUNTY SCHOOL BOARD	18,629	1,439
40122	CRAIG COUNTY SCHOOL BOARD	6,054	486
40123	CULPEPER COUNTY SCHOOL BOARD	65,904	5,133
40124	CUMBERLAND COUNTY SCHOOL BOARD	11,721	907
40125	DICKENSON COUNTY SCHOOL BOARD	16,776	1,281
40126	DINWIDDIE COUNTY SCHOOL BOARD	34,458	2,816
40128	ESSEX COUNTY PUBLIC SCHOOLS	13,162	986
40129	FAIRFAX COUNTY PUBLIC SCHOOLS	2,193,660	182,516
40130	FAUQUIER COUNTY SCHOOL BOARD	115,945	8,907
40131	FLOYD COUNTY SCHOOL BOARD	16,432	1,481
40132	FLUVANNA COUNTY PUBLIC SCHOOLS	36,718	2,443

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense – Page 2 0f 5
As of and For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Employer Code	Employer	Net Pension Liability June 30, 2014	Total Pension Expense FY 2014
40133	FRANKLIN COUNTY PUBLIC SCHOOLS	61,760	4,918
40134	FREDERICK COUNTY SCHOOL BOARD	125,663	10,181
40135	GILES COUNTY SCHOOLS	18,986	1,623
40136	GLOUCESTER COUNTY SCHOOL BOARD	46,573	3,513
40137	GOOCHLAND COUNTY SCHOOL BOARD	22,581	2,038
40138	GRAYSON COUNTY SCHOOL BOARD	15,438	1,214
40139	GREENE COUNTY PUBLIC SCHOOLS	24,663	1,810
40140	GREENSVILLE CO SCHOOL BOARD	19,550	1,388
40141	HALIFAX COUNTY SCHOOL BOARD	45,380	3,350
40142	HANOVER COUNTY PUBLIC SCHOOLS	153,157	10,786
40143	HENRICO CO SCHOOL BOARD	398,595	30,218
40144	HENRY COUNTY PUBLIC SCHOOLS	57,636	4,493
40145	HIGHLAND COUNTY PUBLIC SCHOOLS	2,742	179
40146	ISLE OF WIGHT COUNTY SCHOOLS	45,501	2,529
40148	KING GEORGE CO SCHOOL BOARD	31,153	2,484
40149	KING AND QUEEN COUNTY SCHOOL BOARD	7,657	544
40150	KING WILLIAM CO SCHOOL BOARD	18,588	1,697
40151	LANCASTER COUNTY PUBLIC SCHOOLS	11,962	934
40152	LEE COUNTY SCHOOL BOARD	28,300	1,827
40153	LOUDOUN COUNTY SCHOOL BOARD	743,766	63,538
40154	LOUISA COUNTY PUBLIC SCHOOLS	41,190	3,377
40155	LUNENBURG COUNTY SCHOOL BOARD	12,748	916
40156	MADISON COUNTY SCHOOL BOARD	15,882	1,185
40157	MATHEWS COUNTY SCHOOL BOARD	10,449	865
40158	MECKLENBURG CO SCHOOL BOARD	35,960	2,344
40159	MIDDLESEX COUNTY SCHOOL BOARD	11,588	855
40160	MONTGOMERY COUNTY SCHOOL BOARD	75,783	6,351
40162	NELSON COUNTY PUBLIC SCHOOLS	18,547	1,595
40163	NEW KENT COUNTY SCHOOL BOARD	23,977	1,983
40165	NORTHAMPTON COUNTY SCHOOLS	15,007	1,129
40166	NORTHUMBERLAND CO SCHOOL BD	12,238	1,150
40167	NOTTOWAY COUNTY SCHOOL BOARD	17,822	1,312

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense – Page 3 0f 5
As of and For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Employer Code	Employer	Net Pension Liability June 30, 2014	Total Pension Expense FY 2014
40168	ORANGE COUNTY PUBLIC SCHOOLS	40,386	3,092
40169	PAGE COUNTY PUBLIC SCHOOLS	29,865	2,423
40170	PATRICK COUNTY SCHOOL BOARD	20,755	1,627
40171	PITTSYLVANIA CO SCHOOL BD	63,129	5,154
40172	POWHATAN COUNTY SCHOOL BOARD	37,098	2,919
40173	PRINCE EDWARD CO SCHOOL BD	20,970	1,567
40174	PRINCE GEORGE CO SCHOOL BD	51,625	4,371
40176	PRINCE WILLIAM CO SCHOOL BD	766,482	60,838
40177	PULASKI COUNTY SCHOOL BOARD	36,277	2,706
40178	RAPPAHANNOCK CO SCHOOL BOARD	9,212	688
40179	RICHMOND COUNTY SCHOOL BOARD	10,155	769
40180	ROANOKE COUNTY SCHOOL BOARD	117,833	8,545
40181	ROCKBRIDGE CO SCHOOL BD	25,310	1,840
40182	ROCKINGHAM CO SCHOOL BD	97,996	7,682
40183	RUSSELL COUNTY SCHOOL BOARD	28,229	1,986
40184	SCOTT COUNTY SCHOOL BOARD	30,908	2,359
40185	SHENANDOAH COUNTY SCHOOL BOARD	51,957	3,919
40186	SMYTH COUNTY SCHOOL BOARD	39,071	2,921
40187	SOUTHAMPTON CO SCHOOL BD	20,310	1,495
40188	SPOTSYLVANIA CO SCHOOL BD	195,840	14,034
40189	STAFFORD COUNTY SCHOOL BOARD	236,893	19,029
40190	SURRY COUNTY SCHOOLS	13,170	954
40191	SUSSEX COUNTY SCHOOL BOARD	12,646	910
40192	TAZEWELL COUNTY SCHOOLS	43,715	3,195
40193	WARREN COUNTY SCHOOL BOARD	46,473	3,772
40195	WASHINGTON COUNTY SCHOOL BOARD	58,533	4,361
40196	WESTMORELAND CO SCHOOL BD	14,092	1,020
40197	WISE COUNTY SCHOOL BOARD	48,771	4,103
40198	WYTHE COUNTY SCHOOL BOARD	33,939	2,622
40199	YORK COUNTY SCHOOL BOARD	100,445	8,093
40200	ALEXANDRIA CITY SCHOOL BOARD	213,986	15,645
40201	BRISTOL CITY SCHOOL BD	20,689	1,648

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense – Page 4 0f 5
As of and For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Employer Code	Employer	Net Pension Liability June 30, 2014	Total Pension Expense FY 2014
40202	BUENA VISTA CITY SCHOOLS	8,334	675
40203	CHARLOTTESVILLE PUBLIC SCHOOLS	56,251	4,057
40205	DANVILLE CITY SCHOOLS	54,235	3,501
40206	FREDERICKSBURG CITY SCHOOLS	32,995	2,726
40207	HAMPTON CITY SCHOOLS	181,847	14,945
40208	HARRISONBURG CITY SCHOOL BD	54,033	4,294
40209	HOPEWELL CITY SCHOOL BOARD	37,926	2,830
40210	LYNCHBURG PUBLIC SCHOOLS	84,602	7,052
40211	NEWPORT NEWS PUBLIC SCHOOLS	250,088	18,861
40212	NORFOLK PUBLIC SCHOOLS	345,959	26,621
40213	PETERSBURG CITY SCHOOLS	36,667	2,754
40214	PORTSMOUTH SCHOOL BOARD	130,368	9,758
40215	RADFORD CITY SCHOOL BOARD	13,152	924
40216	RICHMOND PUBLIC SCHOOLS	240,200	17,678
40217	ROANOKE CITY SCHOOL BOARD	118,679	9,660
40219	STAUNTON CITY SCHOOLS	26,237	1,845
40220	SUFFOLK CITY SCHOOL BOARD	112,425	7,836
40222	WINCHESTER PUBLIC SCHOOLS	44,422	3,602
40223	MARTINSVILLE CITY SCHOOLS	19,896	1,775
40224	FALLS CHURCH PUBLIC SCHOOLS	35,117	3,232
40225	COLONIAL HEIGHTS CITY SCHOOLS	30,829	2,325
40230	COVINGTON CITY SCHOOL BOARD	8,468	651
40231	FAIRFAX CITY SCHOOL BOARD	140	12
40232	FRANKLIN CITY PUBLIC SCHOOLS	13,067	1,143
40233	CHESAPEAKE PUBLIC SCHOOLS	357,804	28,754
40234	VA BEACH CITY SCHOOL BOARD	623,937	46,338
40236	MANASSAS PARK CITY SCHOOLS	29,448	2,589
40306	TOWN OF WEST POINT SCHOOL BD	7,612	592
40307	LEXINGTON CITY SCHOOL BOARD	4,250	324
40308	WAYNESBORO PUBLIC SCHOOLS	28,809	2,317
40309	TOWN OF COLONIAL BEACH SCHOOLS	5,363	420
40313	GALAX CITY SCHOOLS	11,136	907

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Net Pension Liability and Total Pension Expense – Page 5 0f 5
As of and For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Employer Code	Employer	Net Pension Liability June 30, 2014	Total Pension Expense FY 2014
40314	NORTON CITY SCHOOLS	6,086	470
40332	MANASSAS CITY SCHOOLS	86,628	7,626
40335	CITY OF SALEM SCHOOLS	35,251	2,417
40402	WILLIAMSBURG-JAMES CITY CO SCH	103,913	8,083
40403	POQUOSON CITY PUBLIC SCHOOLS	17,829	1,397
40410	VALLEY VO-TECH CENTER	3,075	244
40412	CHVILLE/ALBEMARLE VO-TECH CTR	1,952	128
40413	THE PRUDEN CENTER FOR INDUSTRY AND TECHNOLOGY	2,202	157
40414	JACKSON RIVER TECHNICAL CTR	1,381	80
40415	NEW HORIZONS TECHNICAL CTR	12,411	942
40416	NORTHERN NECK REG VOC CTR	1,742	180
40417	ROWANTY VO-TECH CENTER	1,157	93
40418	AMELIA-NOTTOWAY TECHNICAL CENTER	341	24
40421	NORTHERN NECK REGIONAL SPECIAL EDUCATION PROGRAM	1,602	117
40423	MAGGIE WALKER GOVERNOR'S SCH FOR GOVT/INT'L STUDY	6,821	567
40424	APPOMATTOX REGION GOVERNOR'S SCHOOL	2,830	269
40425	BRIDGING COMMUNITIES REGIONAL CAREER AND TECH CNTR	605	119
	Total for all Teacher Employers	12,084,700	955,913

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 – Page 1 of 5
As of June 30, 2014

(Dollars in Thousands)

		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 Proportion and Differences Between Employer Contributions and Proportionate Share of 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 Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
40100	ACCOMACK COUNTY SCHOOL BOARD	-	-	-	493	493	-	6,360	-	-	6,360
40101	ALBEMARLE COUNTY SCHOOLS	-	-	-	1,739	1,739	-	19,963	-	-	19,963
40102	ALLEGHANY COUNTY SCHOOL BOARD	-	-	-	-	-	-	3,019	-	1,658	4,677
40103	AMELIA COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,900	-	30	1,930
40104	AMHERST COUNTY SCHOOL BOARD	-	-	-	96	96	-	5,689	-	-	5,689
40105	APPOMATTOX COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,475	-	520	2,995
40106	ARLINGTON PUBLIC SCHOOLS	-	-	-	1,904	1,904	-	61,197	-	-	61,197
40107	AUGUSTA COUNTY SCHOOL BOARD	-	-	-	-	-	-	13,233	-	16	13,249
40108	BATH COUNTY SCHOOL BOARD	-	-	-	87	87	-	1,049	-	-	1,049
40109	BEDFORD COUNTY SCHOOL BOARD	-	-	-	2,923	2,923	-	11,952	-	-	11,952
40110	BLAND COUNTY SCHOOL BOARD	-	-	-	2	2	-	1,016	-	-	1,016
40111	BOTETOURT COUNTY SCHOOLS	-	-	-	1,434	1,434	-	6,533	-	-	6,533
40112	BRUNSWICK COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	2,392	-	1,207	3,599
40113	BUCHANAN COUNTY SCHOOL BOARD	-	-	-	-	-	-	3,697	-	1,987	5,684
40114	BUCKINGHAM COUNTY SCHOOL BOARD	-	-	-	893	893	-	2,553	-	-	2,553
40115	CAMPBELL COUNTY SCHOOL BOARD	-	-	-	1,102	1,102	-	9,287	-	-	9,287
40116	CAROLINE COUNTY SCHOOL BOARD	-	-	-	-	-	-	4,535	-	809	5,344
40117	CARROLL COUNTY SCHOOL BOARD	-	-	-	119	119	-	4,925	-	-	4,925
40118	CHARLES CITY CO SCHOOL BD	-	-	-	17	17	-	1,115	-	-	1,115
40119	CHARLOTTE COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,655	-	1,591	4,246
40120	CHESTERFIELD CO SCHOOL BD	-	-	-	5,137	5,137	-	65,604	-	-	65,604
40121	CLARKE COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,765	-	161	2,926
40122	CRAIG COUNTY SCHOOL BOARD	-	-	-	32	32	-	899	-	-	899
40123	CULPEPER COUNTY SCHOOL BOARD	-	-	-	-	-	-	9,781	-	361	10,142
40124	CUMBERLAND COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,740	-	92	1,832
40125	DICKENSON COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,490	-	209	2,699
40126	DINWIDDIE COUNTY SCHOOL BOARD	-	-	-	407	407	-	5,114	-	-	5,114
40128	ESSEX COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	1,953	-	249	2,202
40129	FAIRFAX COUNTY PUBLIC SCHOOLS	-	-	-	40,774	40,774	-	325,556	-	-	325,556
40130	FAUQUIER COUNTY SCHOOL BOARD	-	-	-	-	-	-	17,207	-	1,195	18,402
40131	FLOYD COUNTY SCHOOL BOARD	-	-	-	822	822	-	2,439	-	-	2,439

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer – Page 2 of 5
As of June 30, 2014

(Dollars in Thousands)

		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 Proportion and Differences Between Employer Contributions and Proportionate Share of 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 Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
40132	FLUVANNA COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	5,449	-	2,089	7,538
40133	FRANKLIN COUNTY PUBLIC SCHOOLS	-	-	-	147	147	-	9,166	-	-	9,166
40134	FREDERICK COUNTY SCHOOL BOARD	-	-	-	1,093	1,093	-	18,650	-	-	18,650
40135	GILES COUNTY SCHOOLS	-	-	-	547	547	-	2,818	-	-	2,818
40136	GLOUCESTER COUNTY SCHOOL BOARD	-	-	-	-	-	-	6,912	-	774	7,686
40137	GOOCHLAND COUNTY SCHOOL BOARD	-	-	-	1,143	1,143	-	3,351	-	-	3,351
40138	GRAYSON COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,291	-	32	2,323
40139	GREENE COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	3,660	-	641	4,301
40140	GREENSVILLE CO SCHOOL BOARD	-	-	-	-	-	-	2,901	-	717	3,618
40141	HALIFAX COUNTY SCHOOL BOARD	-	-	-	-	-	-	6,735	-	1,089	7,824
40142	HANOVER COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	22,730	-	6,019	28,749
40143	HENRICO CO SCHOOL BOARD	-	-	-	-	-	-	59,156	-	5,938	65,094
40144	HENRY COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	8,554	-	298	8,852
40145	HIGHLAND COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	407	-	170	577
40146	ISLE OF WIGHT COUNTY SCHOOLS	-	-	-	-	-	-	6,753	-	4,844	11,597
40148	KING GEORGE CO SCHOOL BOARD	-	-	-	92	92	-	4,623	-	-	4,623
40149	KING AND QUEEN COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,136	-	280	1,416
40150	KING WILLIAM CO SCHOOL BOARD	-	-	-	1,027	1,027	-	2,759	-	-	2,759
40151	LANCASTER COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	1,775	-	53	1,828
40152	LEE COUNTY SCHOOL BOARD	-	-	-	-	-	-	4,200	-	1,867	6,067
40153	LOUDOUN COUNTY SCHOOL BOARD	-	-	-	21,304	21,304	-	110,382	-	-	110,382
40154	LOUISA COUNTY PUBLIC SCHOOLS	-	-	-	539	539	-	6,113	-	-	6,113
40155	LUNENBURG COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,892	-	416	2,308
40156	MADISON COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,357	-	323	2,680
40157	MATHEWS COUNTY SCHOOL BOARD	-	-	-	170	170	-	1,551	-	-	1,551
40158	MECKLENBURG CO SCHOOL BOARD	-	-	-	-	-	-	5,337	-	2,267	7,604
40159	MIDDLESEX COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,720	-	278	1,998
40160	MONTGOMERY COUNTY SCHOOL BOARD	-	-	-	1,610	1,610	-	11,247	-	-	11,247
40162	NELSON COUNTY PUBLIC SCHOOLS	-	-	-	577	577	-	2,752	-	-	2,752
40163	NEW KENT COUNTY SCHOOL BOARD	-	-	-	387	387	-	3,558	-	-	3,558
40165	NORTHAMPTON COUNTY SCHOOLS	-	-	-	-	-	-	2,227	-	263	2,490

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer – Page 3 of 5
As of June 30, 2014

(Dollars in Thousands)

		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 Proportion and Differences Between Employer Contributions and Proportionate Share of 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 Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
40166	NORTHUMBERLAND CO SCHOOL BD	-	-	-	826	826	-	1,816	-	-	1,816
40167	NOTTOWAY COUNTY SCHOOL BOARD	-	-	-	-	-	-	2,645	-	443	3,088
40168	ORANGE COUNTY PUBLIC SCHOOLS	-	-	-	-	-	-	5,994	-	467	6,461
40169	PAGE COUNTY PUBLIC SCHOOLS	-	-	-	278	278	-	4,432	-	-	4,432
40170	PATRICK COUNTY SCHOOL BOARD	-	-	-	-	-	-	3,080	-	68	3,148
40171	PITTSYLVANIA CO SCHOOL BD	-	-	-	724	724	-	9,369	-	-	9,369
40172	POWHATAN COUNTY SCHOOL BOARD	-	-	-	-	-	-	5,506	-	70	5,576
40173	PRINCE EDWARD CO SCHOOL BD	-	-	-	-	-	-	3,112	-	414	3,526
40174	PRINCE GEORGE CO SCHOOL BD	-	-	-	1,297	1,297	-	7,662	-	-	7,662
40176	PRINCE WILLIAM CO SCHOOL BD	-	-	-	940	940	-	113,753	-	-	113,753
40177	PULASKI COUNTY SCHOOL BOARD	-	-	-	-	-	-	5,384	-	740	6,124
40178	RAPPAHANNOCK CO SCHOOL BOARD	-	-	-	-	-	-	1,367	-	188	1,555
40179	RICHMOND COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,507	-	155	1,662
40180	ROANOKE COUNTY SCHOOL BOARD	-	-	-	-	-	-	17,488	-	3,515	21,003
40181	ROCKBRIDGE CO SCHOOL BD	-	-	-	-	-	-	3,756	-	732	4,488
40182	ROCKINGHAM CO SCHOOL BD	-	-	-	-	-	-	14,544	-	317	14,861
40183	RUSSELL COUNTY SCHOOL BOARD	-	-	-	-	-	-	4,190	-	1,117	5,307
40184	SCOTT COUNTY SCHOOL BOARD	-	-	-	-	-	-	4,587	-	391	4,978
40185	SHENANDOAH COUNTY SCHOOL BOARD	-	-	-	-	-	-	7,711	-	864	8,575
40186	SMYTH COUNTY SCHOOL BOARD	-	-	-	-	-	-	5,799	-	768	6,567
40187	SOUTHAMPTON CO SCHOOL BD	-	-	-	-	-	-	3,014	-	505	3,519
40188	SPOTSYLVANIA CO SCHOOL BD	-	-	-	-	-	-	29,065	-	6,596	35,661
40189	STAFFORD COUNTY SCHOOL BOARD	-	-	-	1,312	1,312	-	35,157	-	-	35,157
40190	SURRY COUNTY SCHOOLS	-	-	-	-	-	-	1,955	-	396	2,351
40191	SUSSEX COUNTY SCHOOL BOARD	-	-	-	-	-	-	1,877	-	409	2,286
40192	TAZEWELL COUNTY SCHOOLS	-	-	-	-	-	-	6,488	-	1,192	7,680
40193	WARREN COUNTY SCHOOL BOARD	-	-	-	434	434	-	6,897	-	-	6,897
40195	WASHINGTON COUNTY SCHOOL BOARD	-	-	-	-	-	-	8,687	-	1,216	9,903
40196	WESTMORELAND CO SCHOOL BD	-	-	-	-	-	-	2,091	-	430	2,521
40197	WISE COUNTY SCHOOL BOARD	-	-	-	1,109	1,109	-	7,238	-	-	7,238
40198	WYTHE COUNTY SCHOOL BOARD	-	-	-	-	-	-	5,037	-	284	5,321

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer – Page 4 of 5
As of June 30, 2014

(Dollars in Thousands)

		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 Proportion and Differences Between Employer Contributions and Proportionate Share of 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 Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
40199	YORK COUNTY SCHOOL BOARD	-	-	-	670	670	-	14,907	-	-	14,907
40200	ALEXANDRIA CITY SCHOOL BOARD	-	-	-	-	-	-	31,758	-	5,808	37,566
40201	BRISTOL CITY SCHOOL BD	-	-	-	48	48	-	3,070	-	-	3,070
40202	BUENA VISTA CITY SCHOOLS	-	-	-	74	74	-	1,237	-	-	1,237
40203	CHARLOTTESVILLE PUBLIC SCHOOLS	-	-	-	-	-	-	8,348	-	1,776	10,124
40205	DANVILLE CITY SCHOOLS	-	-	-	-	-	-	8,049	-	3,575	11,624
40206	FREDERICKSBURG CITY SCHOOLS	-	-	-	523	523	-	4,897	-	-	4,897
40207	HAMPTON CITY SCHOOLS	-	-	-	2,540	2,540	-	26,988	-	-	26,988
40208	HARRISONBURG CITY SCHOOL BD	-	-	-	92	92	-	8,019	-	-	8,019
40209	HOPEWELL CITY SCHOOL BOARD	-	-	-	-	-	-	5,629	-	770	6,399
40210	LYNCHBURG PUBLIC SCHOOLS	-	-	-	1,632	1,632	-	12,556	-	-	12,556
40211	NEWPORT NEWS PUBLIC SCHOOLS	-	-	-	-	-	-	37,116	-	4,171	41,287
40212	NORFOLK PUBLIC SCHOOLS	-	-	-	-	-	-	51,344	-	3,374	54,718
40213	PETERSBURG CITY SCHOOLS	-	-	-	-	-	-	5,442	-	663	6,105
40214	PORTSMOUTH SCHOOL BOARD	-	-	-	-	-	-	19,348	-	2,506	21,854
40215	RADFORD CITY SCHOOL BOARD	-	-	-	-	-	-	1,952	-	527	2,479
40216	RICHMOND PUBLIC SCHOOLS	-	-	-	-	-	-	35,648	-	5,989	41,637
40217	ROANOKE CITY SCHOOL BOARD	-	-	-	1,231	1,231	-	17,613	-	-	17,613
40219	STAUNTON CITY SCHOOLS	-	-	-	-	-	-	3,894	-	1,042	4,936
40220	SUFFOLK CITY SCHOOL BOARD	-	-	-	-	-	-	16,685	-	4,787	21,472
40222	WINCHESTER PUBLIC SCHOOLS	-	-	-	398	398	-	6,593	-	-	6,593
40223	MARTINSVILLE CITY SCHOOLS	-	-	-	912	912	-	2,953	-	-	2,953
40224	FALLS CHURCH PUBLIC SCHOOLS	-	-	-	2,057	2,057	-	5,212	-	-	5,212
40225	COLONIAL HEIGHTS CITY SCHOOLS	-	-	-	-	-	-	4,575	-	514	5,089
40230	COVINGTON CITY SCHOOL BOARD	-	-	-	-	-	-	1,257	-	88	1,345
40231	FAIRFAX CITY SCHOOL BOARD	-	-	-	-	-	-	21	-	-	21
40232	FRANKLIN CITY PUBLIC SCHOOLS	-	-	-	492	492	-	1,939	-	-	1,939
40233	CHESAPEAKE PUBLIC SCHOOLS	-	-	-	2,045	2,045	-	53,102	-	-	53,102
40234	VA BEACH CITY SCHOOL BOARD	-	-	-	-	-	-	92,598	-	13,660	106,258
40236	MANASSAS PARK CITY SCHOOLS	-	-	-	1,180	1,180	-	4,370	-	-	4,370
40306	TOWN OF WEST POINT SCHOOL BD	-	-	-	-	-	-	1,130	-	44	1,174

Virginia Retirement System
VRS Teacher Retirement Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer – Page 5 of 5
As of June 30, 2014

(Dollars in Thousands)

		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 Proportion and Differences Between Employer Contributions and Proportionate Share of 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 Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
40307	LEXINGTON CITY SCHOOL BOARD	-	-	-	-	-	-	631	-	56	687
40308	WAYNESBORO PUBLIC SCHOOLS	-	-	-	171	171	-	4,275	-	-	4,275
40309	TOWN OF COLONIAL BEACH SCHOOLS	-	-	-	-	-	-	796	-	18	814
40313	GALAX CITY SCHOOLS	-	-	-	119	119	-	1,653	-	-	1,653
40314	NORTON CITY SCHOOLS	-	-	-	-	-	-	903	-	51	954
40332	MANASSAS CITY SCHOOLS	-	-	-	3,506	3,506	-	12,856	-	-	12,856
40335	CITY OF SALEM SCHOOLS	-	-	-	-	-	-	5,232	-	1,682	6,914
40402	WILLIAMSBURG-JAMES CITY CO SCH	-	-	-	-	-	-	15,422	-	621	16,043
40403	POQUOSON CITY PUBLIC SCHOOLS	-	-	-	-	-	-	2,646	-	61	2,707
40410	VALLEY VO-TECH CENTER	-	-	-	-	-	-	456	-	-	456
40412	CHVILLE/ALBEMARLE VO-TECH CTR	-	-	-	-	-	-	290	-	116	406
40413	THE PRUDEN CENTER FOR INDUSTRY AND TECHNOLOGY	-	-	-	-	-	-	327	-	77	404
40414	JACKSON RIVER TECHNICAL CTR	-	-	-	-	-	-	205	-	132	337
40415	NEW HORIZONS TECHNICAL CTR	-	-	-	-	-	-	1,842	-	183	2,025
40416	NORTHERN NECK REG VOC CTR	-	-	-	188	188	-	258	-	-	258
40417	ROWANTY VO-TECH CENTER	-	-	-	6	6	-	172	-	-	172
40418	AMELIA-NOTTOWAY TECHNICAL CENTER	-	-	-	-	-	-	51	-	14	65
40421	NORTHERN NECK REGIONAL SPECIAL EDUCATION PROGRAM	-	-	-	-	-	-	238	-	44	282
40423	MAGGIE WALKER GOVERNOR'S SCH FOR GOVT/INT'L STUDY	-	-	-	122	122	-	1,012	-	-	1,012
40424	APPOMATTOX REGION GOVERNOR'S SCHOOL	-	-	-	204	204	-	420	-	-	420
40425	BRIDGING COMMUNITIES REGIONAL CAREER AND TECH CNTR	-	-	-	322	322	-	90	-	-	90
	Total for all Teacher Employers	-	-	-	112,069	112,069	-	1,793,488	-	112,069	1,905,557

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 Fiscal Year Ended June 30, 2014

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 fulfil the Board's investment objective to maximize long-term investment returns while targeting and acceptable level of risk.

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

The System issues a Comprehensive Annual Financial Report (CAFR) containing the financial statements and required supplementary information for all of the System's pension and other employee benefit trust funds. The CAFR is publically available through the About VRS link on the VRS website at www.varetire.org, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500, Richmond, VA 23218-2500. 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 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 are pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a 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 a 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, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members") • The defined benefit is based on a member's age, creditable service 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.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013. **Hybrid Opt-In Election** VRS 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	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of 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** Employees 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

Hybrid Retirement Plan.		
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. 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 payment.	**Retirement Contributions** Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.	**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.
Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service 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	**Creditable Service** Same as Plan 1.	**Creditable Service** **<u>Defined Benefit Component:</u>** Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count

health insurance credit.		toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **<u>Defined Contributions Component:</u>** Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the 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 creditable service. 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** **<u>Defined Benefit Component:</u>** 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 creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **<u>Defined Contributions Component:</u>** 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. Distribution is not required by law until age 70½.
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **<u>Defined Benefit Component:</u>** See definition under Plan 1 **<u>Defined Contribution Component:</u>** 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	**Average Final Compensation** A member's average final	**Average Final Compensation** Same as Plan 2. It is used in the

compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	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 creditable service 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.
Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.	**Earliest Unreduced Retirement Eligibility** Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

		<u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility **VRS:** Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.	**Earliest Reduced Retirement Eligibility** **VRS:** Age 60 with at least five years (60 months) of creditable service.	**Earliest Unreduced Retirement Eligibility** **<u>Defined Benefit Component:</u>** **VRS:** Age Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service. **<u>Defined Contribution Component:</u>** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
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%. **<u>Eligibility:</u>** For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, 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 creditable	**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%. **<u>Eligibility:</u>** Same as Plan 1	**Cost-of-Living Adjustment (COLA) in Retirement** **<u>Defined Benefit Component:</u>** Same as Plan 2. **<u>Defined Contribution Component:</u>** Not applicable. **<u>Eligibility:</u>** Same as Plan 1 and Plan 2.

service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. **<u>Exceptions to COLA Effective Dates:</u>** The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on 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. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1 and Plan 2.
Disability Coverage N/A	**Disability Coverage** N/A	**Disability Coverage** Employees of political subdivisions and school divisions (including Plan 1 and

		Plan2 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 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 creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. 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 exceptions: • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that on-year period, the rate for most categories of service will change to actuarial cost. **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. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. Each school division's contractually required contribution rate for the year ended June 30, 2015 was 14.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013. The actuarial rate for the Teacher Retirement Plan was 18.20%. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the *Code of Virginia*, as amended, the employer contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2015.

Actuarial Assumptions and Methods

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2013, 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, 2014.

Inflation	2.5 percent
Salary increases, including Inflation	3.5 percent – 5.95 percent
Investment rate of return	7.0 Percent, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females were set back 5 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females were set back 3 years.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

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, 2014, NPL amounts for the VRS Teacher Retirement Plan are as follows (amounts expressed in thousands):

Total Pension Liability	$ 41,495,883
Plan Fiduciary Net Position	29,411,183
Employers' Net Pension Liability (Asset)	$ 12,084,700
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%

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 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be 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, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, school divisions are assumed 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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
	Inflation		2.50%
	* Expected arithmetic nominal return		8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, 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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate (amounts expressed in thousands):

Net Pension Liability - 1.00% Decrease (6.00%)	$ 17,745,186
Net Pension Liability - Current Discount Rate (7.00%)	$ 12,084,700
Net Pension Liability - 1.00% Increase (8.00%)	$ 7,424,273

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, 2014. The average remaining service lives of all employees provided with pensions through the VRS Teacher Retirement Plan at June 30, 2014 was 5.53 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 year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts expressed in thousands):

Measurement Period Ending June 30, 2015	($ 448,372)
Measurement Period Ending June 30, 2016	($ 448,372)
Measurement Period Ending June 30, 2017	($ 448,372)
Measurement Period Ending June 30, 2018	($ 448,372)

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 following table provides a reconciliation of the employer contributions in the VRS Teacher Retirement Plan's Statement of Changes in Fiduciary Net Position (per the System's separately issued financial statements) to the employer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedule of Employer Allocations.

Employer Contributions Reported in the VRS Teacher Retirement Plan's Statement of Changes In Net Position for the fiscal year ended June 30, 2014	$ 853,634,000
Deduct: Employer Contributions Not Representative Of Future Contribution Effort	(935,302)
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts – June 30, 2014	$ 852,698,698

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 statement of the Virginia Retirement System for the fiscal year ended June 30, 2014. Additional financial information supporting the preparation of the VRS Teacher Retirement Plan Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is presented in the separately issued VRS 2014 Comprehensive Annual Financial Report (CAFR). A copy of the 2014 VRS CAFR is publicly available through the About VRS link on the VRS website at www.varetire.org, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500, Richmond, VA 23218-2500.