

VIRGINIA COMMUNITY COLLEGE SYSTEM

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

**Prepared by:
Office of Fiscal Services
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VCCS Financial Report 2024-2025

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VCCS Financial Report 2024-2025

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VIRGINIA COMMUNITY COLLEGE SYSTEM

Management's Discussion and Analysis (Unaudited)

In 1965, the Virginia General Assembly established the Virginia Community College System (VCCS) as an institution of higher education. The System includes the State Board for Community Colleges, a System Office located in Richmond, a Shared Services Center located in Daleville and twenty-three community colleges located on forty campuses throughout the Commonwealth. The VCCS' mission is to provide everyone the opportunity to obtain an education and develop the right skills to enhance lives and strengthen communities.

The following discussion and analysis provide an overview of the financial position and activities of the VCCS for the year ended June 30, 2025. Management has prepared this discussion, which should be read in conjunction with the financial statements and footnotes.

The community college foundations are included in the accompanying financial statements as a discrete component unit in a separate column. The following discussion and analysis do not include the financial condition and activities of the foundations.

Financial Highlights

The significant financial highlights for the VCCS in fiscal year 2025 were:

- Total net position increased by 10.3% as a result of both increases and decreases in several operating and nonoperating revenue and expense categories. The results of operations for fiscal year 2025 reflected an overall increase in net position of \$159.1 million.
- Total operating revenues decreased 2.1%. Student tuition and fees, net of scholarship discounts and allowances, represented 61.4% of total operating revenues which is slightly higher than prior years.
- The State Board for Community Colleges, in May 2024, approved increasing tuition rates by \$4.79 per credit hour (in-state) and \$16.79 per credit hour (out-of-state) effective with the Fall 2024 semester. Two of the eight colleges with tuition differentials had changes to those rates. The capital fee for out-of-state students also rose by \$2.50 per credit hour.
- From fiscal year 2024 to 2025, full-time equivalent student (FTES) enrollment increased 3.9% from 89,338 to 93,408 FTEs. The enrollment and tuition rate increases combined resulted in an overall rise in gross tuition collections of approximately \$24.1 million in fiscal year 2025. (One FTE represents thirty credit hours of classes taken by a student over an academic year and is calculated on an annual basis by taking the total credit hours taught divided by 30.)
- Total state appropriations revenue (non-capital) increased by \$85.1 million to \$783.7 million as a result of an increase in the State Appropriation Act, including additional operating funds and continuing support for salary increases and Affordable Access funds. State capital appropriations revenue decreased by \$10.8 million. This is attributed to decreased construction activity at Northern Virginia Community College and Piedmont Virginia Community College.
- Total operating expenses increased by 3.5% primarily as a result of employee compensation increases. Employee compensation represented 57.4% of the total operating costs, which is slightly higher than prior years.

Financial Statements

The three financial statements presented are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position of the VCCS as of June 30, 2025. Net position is the residual amount equal to assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is presented in three categories; Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities related to those assets. Restricted net position is classified as either nonexpendable or expendable. Nonexpendable balances consist of loan funds and permanent endowments (available for investment purposes only). Expendable balances are available for expenditure by the VCCS but must be used for purposes determined by external entities. Unrestricted net position balances are not subject to externally imposed restrictions and may be internally designated for specific purposes by management of the VCCS.

A summarized Statement of Net Position is as follows:

Summary of the Statement of Net Position, as of June 30:

(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Assets				
Current assets	\$ 652,105	\$ 566,057	\$ 86,047	15.20%
Capital assets, net	1,522,468	1,464,699	57,769	3.94%
Other non-current assets	119,558	127,634	(8,076)	(6.33%)
Total Assets	2,294,131	2,158,390	135,741	6.29%
Deferred Outflows of Resources	137,458	124,451	13,007	10.45%
Total Assets and Deferred Outflows of Resources	2,431,589	2,282,840	148,747	6.52%
Liabilities				
Current liabilities	232,576	225,989	6,587	2.91%
Non-current liabilities	559,627	562,808	(3,181)	(.57%)
Total Liabilities	792,202	788,797	3,406	0.43%
Deferred Inflows of Resources	94,139	93,719	419	0.45%
Total Liabilities and Deferred Inflows of Resources	886,341	882,516	3,825	0.43%
Net Position				
Net investment in capital assets	1,398,014	1,351,882	46,132	3.41%
Restricted-nonexpendable	113	115	(2)	(1.71%)
Restricted-expendable	234,349	191,890	42,460	22.13%
Unrestricted	(87,229)	(143,565)	56,334	(39.24%)
Total Net Position	\$ 1,545,247	\$ 1,400,323	\$ 144,924	10.35%

Current Assets

Current assets consist of \$521.7 million in cash, cash equivalents, and short-term investments, \$28.0 million in accounts, notes, and interest receivable, \$60.8 in state appropriation available, \$10.7 million in amounts due from the commonwealth, \$29.3 million in prepaid expenses, and \$1.5 million in inventories. The \$86.0 million increase in current assets was primarily attributable to an increase of \$52.0 million in cash, cash equivalents, and short-term investments and an increase in appropriation available for capital projects of \$19.0 million.

Current assets cover current liabilities 2.80 times, an indicator of sound liquidity and the ability to weather short-term demands on working capital. Current assets also cover over 4.08 months of total operating expenses, excluding depreciation. Both ratios remained consistent with prior years. For fiscal year 2025, one month of operating expenses (excluding depreciation) equaled \$110.9 million.

Capital Assets, Net of Accumulated Depreciation

The overall increase of \$57.8 million in net capital assets was due to an increase in various capital construction costs still in progress, purchases of equipment, and the continued implementation of Governmental Accounting Standards Board (GASB) Statements 87 and 96, which require governmental agencies to capitalize all leases and subscription-based technology arrangements (SBITA's). There were other small decreases as a result of normal yearly depreciation.

The following tables compares fiscal year 2025 to fiscal year 2024 capital asset balances by category:

Summary of Capital Assets, net

(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Land	\$ 72,633	\$ 72,468	\$ 165	0.23%
Construction in progress	119,351	98,242	21,109	21.49%
Land improvements	33,730	36,439	(2,709)	(7.43%)
Infrastructure	37,471	34,058	3,413	10.02%
Building	1,078,965	1,082,564	(3,599)	(.33%)
Equipment and historical treasures	111,845	91,096	20,749	22.78%
Intangibles	1,469	1,384	85	6.14%
Library books	2,197	2,484	(287)	(11.55%)
TOTAL	\$ 1,457,661	\$ 1,418,735	\$ 38,926	2.74%

Summary of leased assets, net of amortization

(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Land	\$ 43	\$ 43	\$ -	0.00%
Building	50,749	27,198	23,551	86.59%
Equipment and historical treasures	452	437	15	3.43%
TOTAL	\$ 51,244	\$ 27,678	\$ 23,566	85.14%

Summary of Right to Use assets, net of amortization

(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Subscription Asset	\$ 13,563	\$ 18,286	\$ (4,723)	(25.83%)
TOTAL	\$ 13,563	\$ 18,286	\$ (4,723)	(25.83%)

Other Non-Current Assets

The balance in appropriation available consists of General and Central Capital Planning funds for capital projects. The increase in other non-current assets is due to increases in appropriation available and long-term investments.

Deferred Outflows of Resources

Deferred outflows of resources category reports consumption of resources applicable to a future reporting period. The balances reported for fiscal years 2025 and 2024 include amounts for certain pension and OPEB changes and will be recognized as pension and OPEB expenses in future fiscal years. The changes in pension and OPEB from year-to-year are primarily due to actuarial calculations related to the plans, including the impact of investment performance on the plan assets. In addition, the balances for both fiscal years include deferred losses on defeasance of debt related to refinancing of certain pooled bond issuances and will be recognized as expense in future fiscal years.

Current Liabilities

Current liabilities consist of accounts and retainage payable of \$55.6 million, accrued payroll expense of \$64.9 million, unearned revenues of \$53.8 million, long-term obligations (current portion) of \$44.3 million, and deposits totaling \$11.5 million.

Current liabilities slightly increased by \$6.6 million in fiscal year 2025 primarily due to the increase in accounts and retainage payable of \$2.4 million. The current portion for long-term liabilities increased by \$1.7 million, and accrued payroll and unearned revenues increased by \$1.6 million and \$1.0 million respectively.

Non-Current Liabilities

Non-Current liabilities consist of a net pension obligation of \$352.8 million, the OPEB obligation of \$78.3 million, leases of \$53.7 million, pooled bonds of \$50.1 million, accrued leave of \$22.4 million, and federal loan program amounts due of \$855 thousand. The overall net decrease of \$3.2 million in non-current liabilities was primarily due to decreases for pension and OPEB obligations of \$26.9 million and pooled bond decreases of \$8.2 million offset by increases for leases of \$20.8 million and increases to accrued leave of \$10.4 million due to the implementation of Governmental Accounting Standards Board (GASB) Statement 101 for Compensated Absences.

Deferred Inflows of Resources

The financial statement deferred inflows of resources category is used to report acquisition of resources applicable to a future reporting period. The balance reported for fiscal years 2025 and 2024 include amounts related to pension and OPEB that will impact pension and OPEB expenses in future fiscal years and deferred gains on debt refunding related to refinancing of certain pooled bond issuances. The changes in pension and OPEB from year-to-year are primarily due to actuarial calculations related to the plans, including the impact of investment performance on the plan assets.

Net Position

The increase in net investment in capital assets of \$46.1 million is explained by changes in capital assets, net of accumulated depreciation and in capital asset-related debt. The increase of \$56.3 million in the unrestricted net position category is the result of several factors. The fluctuation of the VCCS' proportionate share of the Commonwealth's overall OPEB liability and VCCS' proportionate share of the overall VRS pension liability. Both liabilities (short and long-term portions) had a combined decrease of \$26.5 million. This, along with other increases in other liability categories makes up the total change. The balance in total net position is a residual amount equal to the sum of total assets and deferred outflows of resources less

the sum of total liabilities and deferred inflows of resources and is considered one measure of the current financial condition of an organization.

Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to present operating and non-operating revenues received by the institution, operating and non-operating expenses incurred and any other revenues, expenses, gains, and losses. Changes in net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position.

A summarized statement of revenues, expenses and changes in net position follows:

Summary of the Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30:

(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Operating revenue	\$ 445,613	\$ 455,213	\$ (9,599)	(2.11%)
Operating expenses	1,417,902	1,370,456	47,446	3.46%
Operating loss	(972,289)	(915,243)	(57,044)	6.23%
Non-operating revenues and expenses	1,041,058	963,795	77,263	8.02%
Income (loss) before other revenues, expenses, gains or losses	68,770	48,552	20,219	41.64%
Other revenues	90,334	91,969	(1,636)	(1.78%)
Increase in net position	159,103	140,520	18,583	13.22%
Net position, beginning of year (as restated)	1,386,144	1,259,803	126,341	10.03%
Net position, end of year	\$ 1,545,247	\$ 1,400,323	\$ 144,924	10.35%

The following table is a more detailed representation and comparison of amounts included in operating, non-operating, and other (capital) revenues during the periods ended June 30, 2025, and 2024:

Summary Statement of Revenues

for the year ended June 30:

(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Operating revenues				
Student tuition and fees, net	\$ 273,718	\$ 247,157	\$ 26,561	10.75%
Grants and contracts	128,342	146,299	(17,958)	(12.27%)
Auxiliary enterprises, net	21,434	21,784	(352)	(1.62%)
Other operating revenue*	22,119	39,972	(17,853)	(44.66%)
Total Operating Revenues	445,612	455,212	(9,599)	(2.11%)
Non-operating activity				
State operating appropriations	783,659	698,606	85,053	12.17%
Local operating appropriations	2,739	2,898	(159)	(5.50%)
Grants and gifts	247,648	250,544	(2,896)	(1.16%)
Investment income(loss)	9,468	8,279	1,189	14.36%
Interest expense	(5,005)	(2,926)	(2,078)	(71.02%)
Other	2,549	6,394	(3,845)	(60.13%)
Total net non-operating revenue	1,041,058	963,794	77,264	(8.02%)
Other revenues (capital)				
Capital appropriations-state	67,907	78,708	(10,801)	(13.72%)
Capital appropriations-local	3,137	2,568	568	22.10%
Capital gifts and grants	19,290	10,692	8,598	(80.41%)
Total other revenues (capital)	90,334	91,967	(1,634)	(1.78%)
Total revenues	\$ 1,577,004	\$ 1,510,973	\$ 66,031	4.37%

* Includes sales/services of education department and miscellaneous other revenues

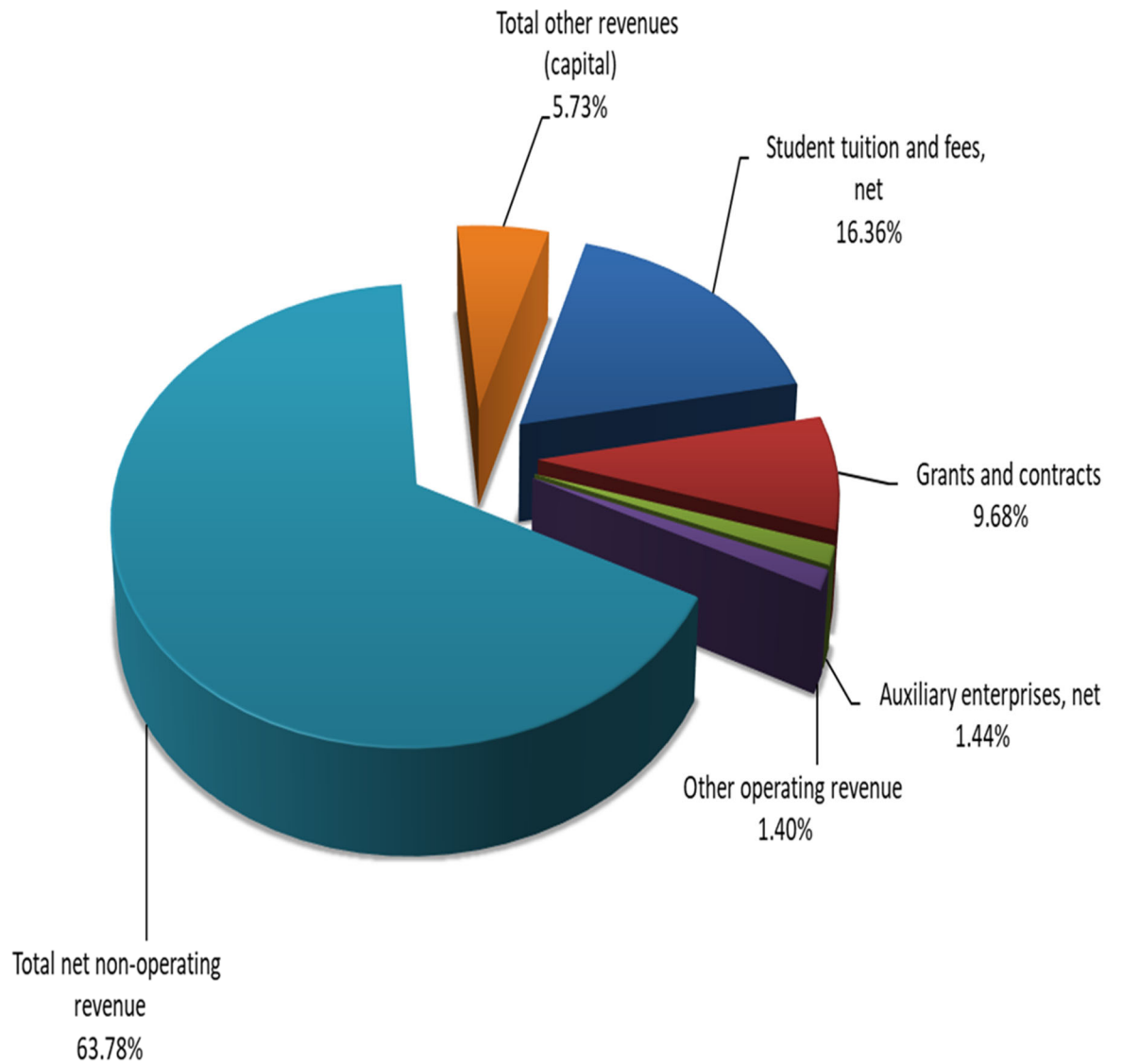
Operating Revenues

Total operating revenues decreased by 2.1% compared to the prior year. Gross student tuition and fee revenues (before scholarship discounts and allowances) increased by \$53.7 million. Net tuition and fees revenue increased by \$26.6 million (10.8%). Tuition and fee rates increased by \$4.79 per credit hour contributing to this net tuition revenue increase. Other operating revenue sources fluctuated up slightly contributing to the overall increase of \$33.4 million in operating revenues.

Non-operating and Other Revenues

Total net non-operating revenue increased by \$75.6 million. State appropriation revenues increased by \$85.1 million, however this was offset by the decrease in grants and other non-operating revenues of \$2.9 million and \$3.8 million respectively. A graphic presentation of fiscal year 2025 revenues by source (per the Statement of Revenues, Expenses and Changes in Net Position) is below.

Total Revenue - By Source



The following table is a detailed breakdown of operating expenses by function and a comparison of changes by category for the periods ended June 30, 2025, and 2024:

Summary Statement of Expenses by Function

for the year ended June 30:

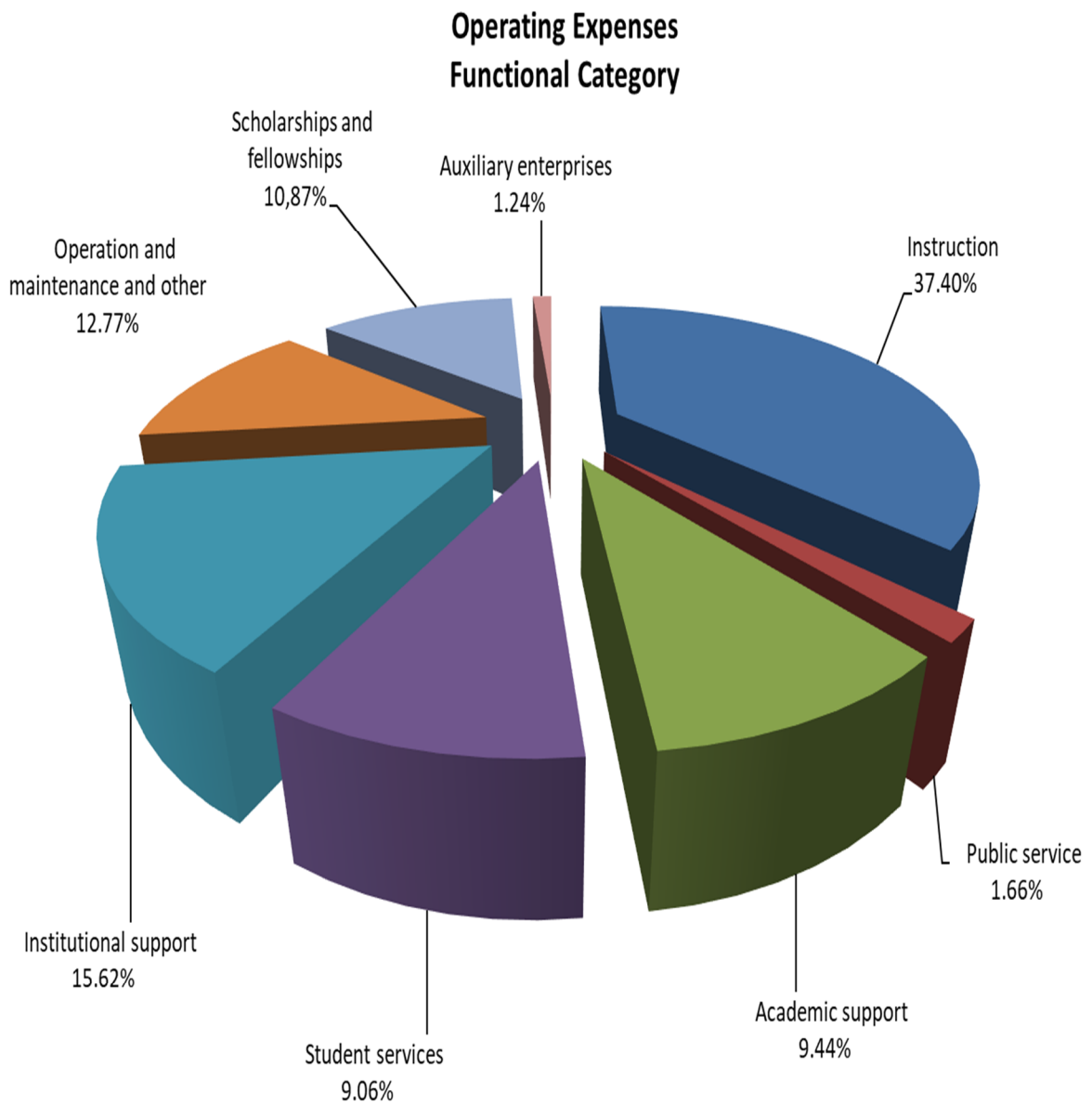
(in thousands)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Operating expenses:				
Instruction	\$ 530,271	\$ 482,744	\$ 47,527	9.85%
Public service	23,571	68,655	(45,084)	(65.67%)
Academic support	133,899	119,420	14,479	12.12%
Student services	128,441	122,062	6,379	5.23%
Institutional support	221,438	237,015	(15,578)	(6.57%)
Operation and maintenance	181,075	177,970	3,105	1.74%
Scholarships and fellowships	181,666	149,264	32,402	21.71%
Auxiliary enterprises	17,528	13,311	4,218	31.69%
Other expenses	15	14	1	4.45%
Total operating expenses	\$ 1,417,902	\$ 1,370,456	\$ 47,446	3.46%

Operating Expenses

Operating expenses totaled approximately \$1.4 billion for fiscal year 2025, an increase of \$47.4 million. The natural expense category, compensation and benefits, comprised \$813.7 million of total VCCS operating expenses representing a 6.9% increase over fiscal year 2024. Scholarship expenses increased \$51.2 million, and supplies, services and other expenses decreased by \$70.0 million, due primarily to the transfer of appropriation and positions for the Workforce Investment and Opportunity Act (WIOA) to the new Department of Workforce Development and Advancement, pursuant to Chapters 624 and 625, 2023 Acts of Assembly.

A graphic presentation of fiscal year 2025 operating expenses by function (per the Statement of Revenues, Expenses and Changes in Net Position) is below.



Statement of Cash Flows

The Statement of Cash Flows provides additional information about the financial results of the VCCS by reporting the major sources and uses of cash.

Summary Statement of Cash Flows for the year ended June 30: (in thousands)

	2025	2024	\$ Change	% Change
Cash received from operations	\$515,429	\$539,163	(23,734)	(4.40%)
Cash used in operations	1,452,437	1,407,579	44,858	3.19%
Net cash used in operations	(\$937,008)	(\$868,416)	(68,592)	7.90%
Net cash provided by non-capital financing activities	\$1,036,165	\$960,551	75,614	7.87%
Net cash used in capital and related financing activities	(58,061)	(48,808)	(9,253)	18.96%
Net cash provided by (used in) investing activities	6,566	5,147	1,419	27.55%
Net increase (decrease) in cash and cash equivalents	\$47,662	\$48,474	(812)	(1.67%)
Cash and cash equivalents, beginning of year	\$447,008	\$398,534		
Cash and cash equivalents, end of year	\$494,670	\$447,008		

The primary sources of cash for the VCCS included tuition and fees of \$274.9 million, operating grants and contracts of \$126.5 million, and auxiliary revenues of \$21.5 million. The primary uses of operating cash included employee salaries, wages, fringe benefits and pension benefits of \$852.2 million, operating expenses (payments to suppliers/others and utilities) of \$333.2 million and scholarships of \$197.0 million. Net cash used in operations is significantly greater than the cash received from operations on this statement due to the required presentation of state appropriation and grants/gifts as cash flows from non-capital financing activities. Net cash provided by non-capital financing activities increased \$75.6 million due to an increase of \$85.0 million in state and local appropriations, a decrease of \$2.90 million in grants and gifts, and a decrease of \$3.8 million in other non-operating revenue. Net cash flows from capital and related financing activities decreased \$9.3 million due to a decrease of \$10.8 million in state and local capital appropriations, an increase of \$8.6 million in capital grants and gifts, and an increase of \$70.6 million for capital asset purchases. Net cash provided by (used in) investing activities increased \$21.09 million as investment purchases were \$7.3 million lower, sale of investments was \$6.9 million lower, and investment income was \$1.0 million higher in fiscal year 2025. The overall increase in cash and cash equivalents was \$47.7 million at the end of fiscal year 2025.

Economic Outlook

The State Board for Community Colleges has noted its intention to keep VCCS tuition and mandatory fees at less than half the rates of public four-year institutions in Virginia. The VCCS' rate in fiscal year 2026 will be 31.8% of the average of the four-year institutions for total tuition and mandatory fees.

Effective with the fall 2025 session, the State Board for Community Colleges elected to increase tuition rates by \$4.90 per credit hour for all students, as well as to increase the capital fee by \$2.50 per credit hour for out-of-state students. Within the VCCS, eight colleges have tuition differential rates ranging from \$1.00 per credit hour to \$29.78 per credit hour. Only one of the eight colleges increased their tuition differential, and that was by \$0.10 per credit hour.

Chapter 725, 2025 Reconvened Session of the Virginia Acts of Assembly, authorized the funding to create a Workforce Trades and Innovation Center at Paul D. Camp Community College. This chapter also authorized funding to create an Aviation Maintenance Technician Facility at Danville Community College. In addition, this chapter approved the equipment funds for the replacement of the French Slaughter Building on the Locust Grove campus of Germanna Community College.

The VCCS capitalized construction expenses totaling \$56.4 million during fiscal year 2025. These costs primarily included projects that were still in the construction phase as of June 30, 2025, but also included a few projects that were complete as of June 30, 2025. Construction costs for projects completed during fiscal year 2025 totaled \$35.4 million.

The VCCS has approved contractual commitments for capital projects totaling \$308 million prior to June 30, 2025. Expenses processed against these commitments as of June 30, 2025, totaled \$144 million, leaving an unpaid commitment balance of \$164 million as of June 30, 2025.

***CONSOLIDATED
FINANCIAL
STATEMENTS***

Virginia Community College System
Consolidated
Statement of Net Position
As of June 30, 2025

	VCCS	Component Units Foundations
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	486,518,894	37,980,809
Appropriation available	60,786,721	-
Short term investments (Note 2)	35,150,976	31,820,060
Accounts receivable, net (Note 3)	27,295,119	3,528,954
Pledges receivable (Note 3)		5,023,295
Due from commonwealth (Note 4)	10,764,757	-
Interest receivable	285,799	119,020
Prepaid expenses	29,371,346	774,819
Inventories	1,475,425	-
Notes receivable, net (Note 3)	455,770	265,694
Total Current Assets	652,104,807	79,512,651
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	8,311,561	-
Prepaid expenses	852,285	-
Endowment cash and cash equivalents (Note 2)	17,606	8,316,304
Appropriation available	32,235,860	-
Endowment investments (Note 2)		281,022,980
Other long-term investments (Note 2)	51,113,508	123,985,340
Accounts receivable, net (Note 3)	346,642	638,408
Investments in real estate (Note 2)		1,051,105
Pledges receivable (Note 3)		4,071,442
Due from commonwealth (Note 4)	2,853,747	-
Notes receivable, net (Note 3)	25,152	-
Post employment benefit assets (Note 18)	23,801,888	-
Non-depreciable capital assets, net (Note 5)	191,975,330	29,819,150
Depreciable capital assets, net (Note 5)	1,330,492,579	66,931,982
Total Noncurrent Assets	1,642,026,158	515,836,711
Total Assets	2,294,130,965	595,349,362
Deferred Outflows of Resources (Note 8)	137,457,795	-
Total Assets and Deferred Outflows of Resources	2,431,588,760	595,349,362
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	55,618,116	5,616,390
Accrued payroll expense	64,885,912	153,523
Unearned revenue	53,847,061	614,554
Long-term liabilities-current portion (Note 9)	44,388,490	1,448,186
Securities lending obligation	178,366	-
Post employment benefit obligations (Note 9)	2,189,593	-
Deposits	11,467,999	211,738
Total Current Liabilities	232,575,537	8,044,391

**Virginia Community College System
Consolidated
Statement of Net Position
As of June 30, 2025**

	VCCS	Component Units Foundations
Noncurrent Liabilities		
Unearned revenue	1,494,955	217,500
Long-term liabilities (Note 9)	126,161,547	43,940,397
Due to federal government (Note 9)	855,387	-
Pension and post employment benefit obligations (Note 9)	431,115,017	-
Total Noncurrent Liabilities	<u>559,626,906</u>	<u>44,157,897</u>
Total Liabilities	<u>792,202,443</u>	<u>52,202,288</u>
Deferred Inflows of Resources (Note 8)	94,139,020	
Total Liabilities and Deferred Inflows of Resources	<u>886,341,463</u>	<u>52,202,288</u>
Net Position		
Net investment in capital assets	1,398,014,452	43,532,896
Restricted for:		
Nonexpendable	113,045	179,662,301
Expendable	234,349,087	179,798,281
Unrestricted	(87,229,287)	140,153,596
Total Net Position	<u>1,545,247,297</u>	<u>543,147,074</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Consolidated
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Units
	VCCS	Foundations
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$234,043,775)	273,718,195	
Federal grants and contracts	67,746,099	4,559,869
State and local grants	47,336,850	4,108,626
Nongovernmental grants	13,259,257	4,155,969
Sales/services of education department	597,445	
Auxiliary enterprises (net of scholarship allowance of \$1,214,284)	21,433,543	
Gifts and contributions		25,188,408
Other operating revenues	21,521,698	22,101,878
Total Operating Revenue	<u>445,613,087</u>	<u>60,114,750</u>
Expenses		
Operating Expenses		
Instruction	530,271,121	1,410,465
Public service	23,572,154	1,624,184
Academic support	133,898,779	22,294,284
Student services	128,441,068	297,401
Institutional support	221,437,602	20,914,172
Operation and maintenance	181,074,673	1,594,723
Scholarships and fellowships	181,665,563	13,807,818
Auxiliary enterprises	17,527,883	495,501
Fundraising		3,035,989
Other expenses	12,849	1,897,099
Total Operating Expenses (Note 12)	<u>1,417,901,692</u>	<u>67,371,636</u>
Operating Income (Loss)	<u>(972,288,605)</u>	<u>(7,256,886)</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	783,658,614	
Local appropriations	2,738,851	
Grants and gifts	247,648,365	
Investment income	9,467,731	45,392,358
Interest on capital asset related debt	(5,004,530)	
Other nonoperating revenue (expense)	2,549,330	
Net Nonoperating Revenue	<u>1,041,058,361</u>	<u>45,392,358</u>
Income before other revenues, expenses gains (losses)	68,769,756	38,135,472
Capital appropriations-state (Note 20)	67,907,092	
Capital appropriations-local	3,136,781	
Capital gifts, grants and contracts	19,289,865	1,067
Additions to permanent and term endowments		13,112,083
Increase (Decrease) in Net Position	<u>159,103,494</u>	<u>51,248,622</u>
Net Position		
Net Position beginning of year (Note 1-V)	1,386,143,803	491,898,452
Net Position end of year	<u>1,545,247,297</u>	<u>543,147,074</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Consolidated
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash flows from operating activities:

Tuition and fees	274,912,941
Grants and contracts	126,503,316
Payments to suppliers and others	(310,076,206)
Payments for employee wages	(635,346,963)
Payments for employee fringes and pension benefits	(216,864,988)
Payment for scholarships	(197,013,174)
Payments for utilities	(23,120,305)
Sales and services of education department	597,445
Auxiliary	21,538,445
Custodial receipts	20,569,185
Custodial disbursements	(19,546,983)
PLUS, Stafford and Direct Lending loan receipts	49,575,152
PLUS, Stafford and Direct Lending loan disbursements	(50,468,318)
Loans issued to students	159,029
Loans collected from students	174,763
Other	21,398,524
Net cash used by operating activities	<u>(937,008,137)</u>

Cash flows from non-capital financing activities:

State appropriations	783,658,614
Local appropriations	2,738,851
Grants and gifts	246,339,760
Other non-operating revenue(expense)	3,427,920
Net cash provided (used) by non-capital financing activities	<u>1,036,165,145</u>

Cash flows from capital and related financing activities:

Capital appropriations-state	26,628,428
Capital appropriations-local	3,136,781
Capital grants and gifts	17,724,715
Purchase capital assets	(70,622,380)
Proceeds from sale of capital assets	456,881
Debt interest payments	(7,424,984)
Debt principal payments	(27,960,254)
Net cash provided (used) by capital financing activities	<u>(58,060,813)</u>

Cash flows from investing activities:

Purchases of investments	(22,398,144)
Sale of investments	21,555,153
Investment income	7,408,515
Net cash provided (used) by investing activities	<u>6,565,524</u>

Net increase (decrease) in net position

Net increase (decrease) in cash and cash equivalents 47,661,719

Cash and cash equivalents, beginning of year 447,007,976

Cash and cash equivalents, End of Year 494,669,695

Virginia Community College System
Consolidated
Statement of Cash Flows
For the Year Ended June 30, 2025

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(973,681,039)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	86,306,450
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and accounts receivable, net	(1,012,669)
Prepaid expenses and other	(11,504,182)
Post employment benefits asset	(1,986,330)
Accrued compensation and leave	2,557,276
Accounts payable and other	38,698
Unearned revenue	1,943,894
Deposits pending distribution	(620,567)
Custodial receipts(disbursements)	1,016,128
Stafford and Direct Loan receipts(disbursements)	(893,166)
Pension liability	(18,321,931)
Post employment benefits liability	(8,231,776)
Deferred inflows of resources related to pensions and post employment benefits	600,766
Deferred outflows of resources related to pensions and post employment benefits	(13,219,689)
Net cash used in operating activities	(937,008,137)

Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	494,848,061
Less: Securities Lending Cash Equivalents	178,366
Cash and cash equivalents end of year	<u>494,669,695</u>

Noncash transactions

Donated capital assets	1,565,150
VRS Special Revenue Allocation	2,631,243
Amortization of bond premium	388,193
Unrealized gain/loss on investments	1,923,092
Amortization of deferral on debt defeasance	(212,500)
Capital assets acquired through the assumption of a liability	39,265,926
Retainage payable	5,037,152

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

VIRGINIA COMMUNITY COLLEGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Virginia Community College System (VCCS) was established as an institution of higher education in 1965. The System includes the State Board for Community Colleges, a System Office located in Richmond, a Shared Service Center and twenty-three community colleges located on forty campuses throughout the Commonwealth.

The Shared Service Center (SSC) was established to process administrative transactions. Located in Daleville, Virginia, the SSC supports the VCCS mission by providing customer service and administrative services to the 23 community colleges and System Office. These services include administrative functions in the areas of human resources, fiscal services, payroll, and procurement. The costs associated with the SSC are allocated to the 23 community colleges and System Office.

The State Board for Community Colleges is the governing body and is charged with the responsibility to establish, control, and administer a statewide system of publicly supported comprehensive community colleges. The System therefore functions as a statewide institution of higher learning.

The accompanying financial statements include all of the individual community colleges and the System Office under the control of the State Board for Community Colleges.

The System is a discrete component unit of the Commonwealth of Virginia and is included in the general-purpose financial statements of the Commonwealth. A separate report is prepared for the Commonwealth of Virginia that includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority.

B. Community College Foundations

The community college foundations are legally separate, tax-exempt organizations formed to promote the achievements and further the aims and purposes of the colleges. The foundations accomplish their purposes through fundraising and funds management efforts that benefit the colleges and their programs. Although the colleges do not control the timing or amount of receipts from the foundations, the majority of resources or income thereon that the foundations hold and invest is restricted to the activities of the colleges by the donors. Because these restricted resources held by the foundations can only be used by, or for the benefit of the colleges, the foundations are considered discrete component units.

During the year ended June 30, 2025, the foundations distributed \$25,321,314 to the colleges for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained by writing the VCCS Office of Fiscal Services, 300 Arboretum Place, Suite 200, Richmond, VA 23236.

C. Financial Statement Descriptions

The three financial statements presented are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the VCCS at the end of the fiscal year and also provides the amount of net position and the availability for expenditure. The Statement of Revenues, Expenses, and Changes in Net Position presents operating and non-operating revenues received by the institution, operating and non-operating expenses incurred and any other revenues, expenses, gains and losses. The Statement of Cash Flows provides additional information about the financial results of the VCCS by reporting the major sources and uses of cash.

D. Basis of Accounting

For financial reporting purposes, the VCCS is considered a special purpose government engaged in only business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. Accordingly, the financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All material internal transactions have been eliminated.

Revenues and expenses of the summer academic term occur within two fiscal years, because the term extends from May through August and the fiscal year ends on June 30. Expenses and an equal amount of revenue have been reported in the current period for the portion of the summer academic term from May 16 through June 30, 2025.

The community college foundations are private, nonprofit organizations that report under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB. Where necessary, reclassifications have been made to convert FASB presentation to GASB presentation requirements.

The financial statements for the community college foundations are for the year ending June 30, 2025 except for Dabney S. Lancaster (Educational Foundation), Eastern Shore, Germanna, Laurel Ridge, Mountain Empire, New River, Piedmont, Tidewater (Educational and Real Estate Foundations), Virginia Western, and Wytheville (Educational, Scholarship and Real Estate Foundations) which are as of December 31, 2024.

E. Lease Receivable

The System determines if an arrangement contains a long-term lease at the inception of a contract and the lease classification is determined at the commencement date. Short-term leases with an initial term of 12 months or less, including all renewal options, are not recorded on the Statement of Net Position and are recognized as inflows of resources in the period to which the payments relate. Long-term leases are recognized and the lease term includes renewal options that are reasonably certain of being exercised. The System's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under some lease agreements, the System may receive variable payments based on future performance by the lessee. These variable payments are not included in the measurement of the lease receivable and are recognized as inflows of resources in the period to which those payments relate. Any component of the variable payments that are fixed in substance is included in the measurement of the lease receivable. The System uses its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the Department of Accounts estimated rate of interest for borrowing over a similar term as the lease term.

A deferred inflow of resources is recorded at the commencement of a lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

F. Installment Payment Receivable

Northern Virginia Community College (Northern Virginia) has a PPP arrangement whereby the Northern Virginia (the transferor), contracted with a vendor (the operator), to provide dining services by conveying control of the right to operate the dining areas on multiple campuses. Initial term of the arrangement was one year with four renewal options, which were exercised, and includes provisions for Northern Virginia to receive monthly variable payments based on gross sales. These variable payments are not included in the measurement of the Installment payment receivable and are recognized as revenue in the period to which those payments relate. Northern Virginia did not receive any variable payments in fiscal year 2025.

G. Prepaid Assets

Prepaid assets for rent, insurance, and similar items are recognized when purchased and expensed when used.

H. Inventories

Inventories are stated at cost (primarily first-in, first-out method) and consist mainly of goods purchased for resale and expendable supplies.

I. Cash Equivalents and Investments

Cash equivalents maintained by the VCCS are investments with original maturities of less than three months. Investments in money market accounts and in Commonwealth sponsored investment pools are reported at amortized cost. All other investments are reported at fair market value, in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement 72, *Fair Value Measurement and Application*. GASB Statement 72 provides guidance for determining fair value measurements using the level of fair value hierarchy and valuation techniques.

J. Capital Assets

Plant assets consisting of land, buildings, infrastructure, equipment, library books, intangible assets, and construction in progress are stated at appraised historical cost or actual cost where determinable. Intangible assets include computer software and right-to-use lease assets. Improvements to buildings, infrastructure and land that significantly increase the usefulness, efficiency or life of the asset are capitalized. Routine maintenance and repairs are charged to operations when incurred. Donated assets are recorded at acquisition value at the date of donation. The capital asset values presented in these financial statements are extracted from the financial data maintained by the System's Administrative Information System (AIS). Expenses for equipment are capitalized when the unit acquisition cost is \$5,000 or greater and the estimated useful life is one year or more. Occupancy permits are used to determine when to reclassify buildings from construction-in-progress.

Right-to-use lease assets represent the System's right to use an underlying asset for a lease term, and are initially measured as the sum of the following:

- Amount of the initial measurement of the related lease liability
- Lease payments made prior to the commencement of the lease term, less any lease incentives
- Initial direct costs that are ancillary charges necessary to place the lease asset into service

“Right-to-use subscription-based information technology arrangement (SBITA) assets represent the System’s right to use an underlying asset for an arranged term, and are initially measured as the sum of the Amount of the initial measurement of the related SBITA liability, SBITA payments made prior to the commencement of the SBITA term, less any SBItA incentives, and Initial direct costs that are ancillary charges necessary to place the SBITA asset into service. Right-to-use SBITA assets are amortized on a straightline basis over the shorter of the SBITA term or the useful life of the underlying asset.”

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 to 25 years for infrastructure and land improvements, 3 to 25 years for equipment, 10 years for library books, 20 years for patents, trademarks, and copyrights, and 5 to 10 years for intangible assets - computer software. Right-to use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset, generally 7 years for buildings, 5 years for equipment, and 2 to 6 years for subscriptions. Amortization is allocated to the functional expense categories. Amortization expense is combined with depreciation expense in the Statement of Revenues, Expenses, and Changes in Net Position.

K. Unearned Revenues

Unearned revenue represents revenues collected but not earned as of June 30. This consists primarily of revenue for student tuition and certain auxiliary activities accrued in advance of the semester, and advance payments on grants and contracts.

L. Accrued Compensated Absences

The amount of leave earned but not taken by all classified employees, administrative/professional faculty, teaching faculty, and presidents is recorded as a liability on the balance sheet. The amount reflects, as of June 30, all unused annual leave, compensatory leave, and the amount payable upon termination under the Commonwealth of Virginia’s sick leave pay out policy. Also included in the liability is the System’s share of the FICA taxes on leave balances for which employees will be compensated.

M. Lease Liability

The System determines if an arrangement contains a long-term lease at the inception of a contract. The lease classification is determined at the commencement date, the date the System has the right to control the property. The lease term includes renewal options that are reasonably certain of being exercised. Short-term leases with an initial term of 12 months or less, including all renewal options, are not recorded on the Statement of Net Position and are recognized as outflows of resources in the period to which the payments relate. Lease liabilities are measured at the present value of payments expected to be made during the lease term. Measurement of the lease liability includes the following if required by a lease:

- Fixed payments
- Variable payments that are fixed in substance
- Amounts that are reasonably certain of being required to be paid under residual value guarantees

- The exercise price of a purchase option if it is reasonably certain that the System will exercise that option
- Payments for penalties for terminating the lease
- Any lease incentives
- Any other payments that are reasonably certain of being required based on an assessment of all relevant factors

Variable payments are not included in the measurement of the lease liability and are recognized as outflows of resources in the period to which those payments relate. Any component of the variable payments that are fixed in substance is included in the measurement of the lease liability.

For real estate leases, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement and if unavailable, the System will obtain the lessor's internal borrowing rate and if unavailable, then the System will use the Department of Accounts incremental rate. For equipment leases, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement and if unavailable, The System will use the Department of Accounts incremental rate at the beginning of the lease term.

N. Deposits

Deposits represent funds held by the VCCS on behalf of others as a result of custodial relationships with various groups and organizations. Custodial funds are expected to be expended within 3 months.

O. Pensions

The Virginia Retirement System (VRS) State Employee Retirement Plan and the Virginia Law Officers' System (VaLORS) Retirement Plan are single employer pension plans that are treated like cost-sharing plans. 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 VRS State Employee Retirement Plan and the VaLORS Retirement Plan; and the additions to/deductions from the VRS State Employee Retirement Plan's and the VaLORS 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 held by VRS are reported at fair value.

P. Post-Employment Benefits

Plans administered by the VRS

State Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) State Employee Health Insurance Credit Program is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The State Employee 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. The State Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired state employees.

Group Life Insurance Program

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers.

Line of Duty Act Program

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) is a multiple-employer, cost-sharing plan. The Line of Duty Act Program was established pursuant to §9.1-400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Line of Duty Act Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members.

Virginia Sickness and Disability Program

The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The Disability Insurance Program was established pursuant to §51.1-1100 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Disability Insurance Program is a managed care program that provides sick, family and personal leave and short-term and long-term disability benefits for State Police Officers, state employees, and VaLORS employees.

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB plans, and OPEB expense, information about the fiduciary net position of the Virginia Retirement System's (VRS) administered OPEB Plans and the additions to/deductions from the OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments held by VRS are reported at fair value.

Plan administered by the Department of Human Resource Management

Pre-Medicare Retiree Healthcare Plan

Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes. This program was established by Title 2.2, Chapter 28 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by the Virginia Department of Human Resource Management. After retirement, VCCS no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit.

Q. Classification of Revenues and Expenses

The VCCS has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues include activities that have the characteristics of exchange transactions, such as tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts, and interest on student loans.

Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations and investment income.

Nonoperating expenses include interest on debt related to the purchase of capital assets and losses on disposal of capital equipment. All other expenses are classified as operating expenses.

R. Public-Private Partnership and Public-Public Partnerships (PPP and APA Agreements)

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The System implemented GASB 94 on July 1, 2022. The colleges regularly enter into agreements with private and public entities to operate bookstore services. The colleges provide space and operational support in return for commissions based on graduated sales level.

S. Scholarship Discounts and Allowances

Student tuition and fees revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the VCCS, and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants and other federal, state or nongovernmental programs are recorded as either operating or nonoperating revenues in the financial statements. To the extent that such revenues are used to satisfy tuition and fees and other student charges, the VCCS has recorded a scholarship discount and allowance.

T. Deferred Inflows and Outflows of Resources

Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. The deferred outflows of resources have a positive effect on net position similar to assets.

Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period. The deferred inflows of resources have a negative effect on net position similar to liabilities.

U. Net Position

Net position balances are classified as follows:

Net investment in capital assets: Consists of capital assets, net of accumulated depreciation reduced by outstanding debt attributable to the acquisition, construction or improvement of those assets.

Restricted-nonexpendable: Restricted nonexpendable balances consist of endowment funds in which donors have stipulated, as a condition of the gifts that the principal is to remain inviolate in perpetuity.

Restricted-expendable: Restricted expendable balances include resources in which the VCCS is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted: Unrestricted balances represent resources that may be used at the discretion of the governing board for any lawful purpose.

When an expense is incurred that can be paid from either restricted or unrestricted resources, it is the policy of the VCCS to first apply the expense towards restricted resources and then towards unrestricted resources.

V. Restatements

Statement of Revenue, Expenses, and Changes in Net Position:

Net Position as of June 30, 2024 – previously reported	\$1,399,566,128
System Office GASB 96 SBITA Addition	(\$1,672,069)
Virginia Western GASB 87Lease Correction	(332,111)
Danville Community College Bulk Purchases	680,685
Change in accounting principle (GASB 101)	(12,098,830)
Net Position as of July 1, 2024 – as restated	<u>\$1,386,143,803</u>

W. New Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash equivalents maintained by the VCCS are investments with original maturities of less than three months.

Pursuant to Section 2.2-1800, et seq., *Code of Virginia*, all state funds of the VCCS are maintained by the Treasurer of Virginia who is responsible for the collection, disbursement, custody, and investment of state funds.

Deposits

Local cash deposits with banks and savings institutions not with the Treasurer of Virginia are covered by federal depository insurance or collateralized in accordance with the Virginia Security of Public Deposits Act, Section 2.2-4400 et seq., *Code of Virginia*. Deposits covered by the Virginia Security of Public Deposits Act totaled \$49,963,143 at June 30, 2025.

Investments

Certain deposits and investments are held by the VCCS. Such investments are reported separately from cash and cash equivalents. Investments represent securities with original maturities of more than three months and for which management intends to hold the securities to maturity.

Investments in money market accounts, non-negotiable certificates of deposit, and the Virginia State Non-Arbitrage Program (SNAP) are reported at amortized cost. SNAP offers a professionally-managed money market mutual fund, which provides a temporary pooled investment vehicle for proceeds pending expenditure, and with record keeping, depository and arbitrage rebate calculations. This program complies with all standards of GASB Statement 79. SNAP investments are reported using the net asset value (NAV) per share, which is calculated on an amortized cost basis that provides an NAV that approximates fair value. VCCS did not have any SNAP investments at fiscal year end 2025. All other investments are reported at fair market value, in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement 72, *Fair Value Measurement and Application*. GASB Statement 72 provides guidance for determining fair value measurements using the level of fair value hierarchy and valuation techniques.

At June 30, 2025, the System had investments of \$88,852,222 in the Local Government Investment Pool (LGIP). The LGIP is an externally managed investment pool that is not registered with the Securities and Exchange Commission. Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP. The LGIP values portfolio securities by the amortized cost method and the maturity is less than one year. The System classified LGIP as cash and cash equivalents.

At June 30, 2025, the System had investments of \$3,998,065 in the Local Government Investment Pool - Extended Maturity (LGIP-EM), which is an externally managed investment pool that is not registered with the Securities and Exchange Commission. Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP-EM. The LGIP-EM portfolio reports its investments at fair value. The System classified LGIP-EM as short-term investments.

Investments of the member colleges of the VCCS are limited to those allowed under Chapter 45, Investments of Public Funds Act, Sections 2.2-4500, 2.2-4501, 2.2-4509 and 2.2-4510 of the *Code of Virginia*. Commonwealth of Virginia law limits investments in stocks, bonds, notes, and other evidences of indebtedness of the Commonwealth and those unconditionally guaranteed as to the payment of principal and interest by the Commonwealth. Investments in United States agencies all carry the explicit guarantee of the United States government. Additionally, Virginia's community colleges may participate in the Local Government Investment Pool as authorized by Chapter 46 of the *Code of Virginia* and managed by the Commonwealth of Virginia Treasury Board. Authorized investments in the Local Government Investment Pool are limited to those set forth for local officials in Chapter 45, Sections 2.2-4500 of the *Code of Virginia*.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. VCCS has no investments or deposits exposed to custodial credit risk for 2025.

Interest Rate Risk

Disclosure of the maturities of investments is required when the fair market value is adversely affected by changes in interest rates. Investments subject to interest rate risk are outlined in the accompanying chart.

Credit Risk

Disclosure of the credit quality rating is required for investments exposed to the risk that an issuer or other counterparty will not fulfill its obligations. Investments subject to credit rate risk are outlined in the accompanying chart.

Concentration of Credit Risk

Disclosure of any one issuer is required when it represents 5 percent or more of total investments. VCCS does not have such concentration of credit risk for 2025.

Foreign Currency Risk

Disclosure is required for investments exposed to changes in exchange rates that will adversely affect the fair value of an investment or a deposit. VCCS has no investments or deposits subject to Foreign Currency Risk for 2025.

Summary of VCCS Cash and Cash Equivalents

Cash and Cash Equivalents:

Local Cash and Cash Equivalents	\$ 153,325,481
Treasurer of Virginia	333,015,047
Treasurer of Virginia (Securities Lending)	178,366
Subtotal	<u>\$ 486,518,894</u>

Restricted Cash and Cash Equivalents:

Local Cash and Cash Equivalents	\$8,668,542
Treasurer of Virginia (Unreimbursed Bond Payments)	(356,981)
Endowment Cash and Cash Equivalents	17,606
Subtotal	<u>\$8,329,167</u>

Total Cash and Cash Equivalents	<u>\$494,848,031</u>
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<u>Cash Equivalents</u>	<u>Value</u>	<u>Credit Rating</u>
Local Government Investment Pool	\$88,852,222	AAA
Repurchase Agreements	2,725,879	Not Rated
Mutual and Money Market Funds	12,825,109	Not Rated
Total	<u>\$104,403,210</u>	

Investment Type	S&P Credit Rating	Less than 1 year	1 - 5 Years	6 -10 Years	6/30/2025
LGIP EM	AAA	\$ 3,998,065	\$ -	\$ -	\$ 3,998,065
Agency Mortgage Backed Securities	AA+	1,975,526	6,233,499	-	8,209,025
Corporate Bonds	AA+	-	1,003,530	-	1,003,530
Corporate Bonds	AA	1,363,348	1,011,072	-	2,374,420
Corporate Bonds	AA-	195,287	3,320,787	-	3,516,074
Corporate Bonds	A+	1,388,592	5,403,051	-	6,791,643
Corporate Bonds	A	2,632,991	2,349,617	-	4,982,608
Corporate Bonds	A-	-	1,479,750	-	1,479,750
Corporate Bonds	BBB+	-	983,319	1,013,818	1,997,137
Negotiable CDs	Not Rated	2,565,333	11,803,070	-	14,368,403
Mutual Funds	Not Rated	1,358,443	-	-	1,358,443
U.S. Treasury and Agency Securities	N/A	16,101,106	16,511,996	-	32,613,102
Non-Negotiable CDs	Not Rated	3,572,284			3,572,284
Total		\$ 35,150,975	\$50,099,691	\$ 1,013,818	\$ 86,264,484

Fair Value Measurement

The following disclosures are made in accordance with GASB Statement 72 Fair Value Measurement and Application. This standard sets forth the framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy under GASB 72 are described as follows:

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

Fair Value Measurement Using:	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Other Unobservable Inputs Level 3
Asset Backed Securities	-	\$ 8,209,025	-
Corporate Bonds	-	22,145,162	-
Negotiable Certificates of Deposit	-	14,368,403	-
Mutual and Money Market Funds	\$12,825,109	1,358,443	-
U.S. Treasury and Agency Securities	32,613,102	-	-
Repurchase Agreements	-	2,725,879	-
Total Investments measured at Fair Value	\$45,438,211	\$48,806,912	-

Investments measured at NAV are as follows:

	<u>Balance at</u> <u>6/30/2025</u>	<u>Unfunded</u> <u>Commitment</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
LGIP-EM	\$3,998,065	N/A	Weekly	5 days

Community College Foundations

The Foundations had the following cash, cash equivalents and investments as of June 30, 2025:

Cash and cash equivalents \$ 46,297,113

Investments:

Stocks	\$ 157,975,203
Mutual & Money Market Funds	131,623,216
Corporate bonds	39,794,936
Mortgage-Backed Securities	26,811,500
Investments in Real Estate	1,222,605
UVA Investment Management Company	18,135,763
US Government Securities	12,760,424
Fixed Income Funds	14,391,993
Asset Backed Securities	7,277,738
Municipal Securities	8,332,554
Investments in Limited Partnerships	3,337,507
Certificates of Deposit	8,616,332
Cash Surrender Value Life Insurance	606,755
Alternative Investments	6,546,697
Other	446,262
Total investments	<u>\$437,879,485</u>

Some VCCS foundations had balances in bank and savings institutions that exceeded federally-insured limits. However, the foundations do not believe this poses any significant credit risk.

3. RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

The following receivables included an allowance for doubtful accounts at June 30, 2025:

Gross accounts receivable:	
Tuition and fees	\$22,568,514
Auxiliary enterprises	626,194
Federal, state, local and nongovernmental grants, gifts, contracts	4,598,015
Lease*	388,523
Other activities	969,253
Total gross accounts receivable	<u>\$29,150,499</u>
Less: Allowance for doubtful accounts	<u>(1,508,738)</u>
Net accounts receivable	<u>\$27,641,761</u>
 Gross Loans and notes receivable	 \$ 498,782
Less: Allowance for doubtful accounts	<u>(17,860)</u>
Net loans and notes receivable	<u>\$ 480,922</u>

*The System leases out cell tower space, Initial terms are typically 5 to 10 years and may contain rent escalation clauses, revenue share, and renewal options ranging from 1 to 10-year intervals. Discount rates on all current leases are 3.25%.

The lease and interest receivable for fiscal years subsequent to June 30, 2025, are as follows:

Year	Lease Receivable	Interest Receivable	Total
2026	\$ 137,750	\$ 10,412	\$ 148,162
2027	136,844	6,899	143,743
2028	96,025	3,170	99,195
2029	17,904	440	18,344
2030			-
2031-2035	-	-	-
Total	\$ 388,523	\$ 20,921	\$ 409,444

Receivables not expected to be collected within one year are \$371,794 in accounts, notes, and loans receivable.

Community College Foundations

The foundations have the following receivables as of June 30, 2025:

Gross accounts receivable	\$4,167,362
Less: Allowance for doubtful accounts	-
Net accounts receivable	<u>\$4,167,362</u>
Pledges receivable:	
Due in one year	\$4,693,864
Due in 1-5 years	3,926,271
Due in more than 5 years	939,046
Less: Allowance for doubtful accounts	(134,471)
Present value discount	(329,973)
Net pledges receivable	<u>\$9,094,737</u>
Gross loans, notes and interest receivable	\$384,714
Less: Allowance for doubtful accounts	-
Net loans and notes receivable	<u>\$384,714</u>

All accounts and notes receivable are expected to be collected within one year.

4. COMMONWEALTH EQUIPMENT AND CAPITAL PROJECT REIMBURSEMENT PROGRAMS

The Commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition and replacement of instructional equipment and facilities. During fiscal year 2025, funding has been provided to the VCCS from three programs: general obligation bonds 9(b), 21st Century, and Equipment Trust Fund managed by the Virginia College Building Authority (VCBA). The VCBA issues bonds and uses the proceeds to

reimburse the VCCS and other institutions of higher education for expenses incurred in the acquisition of equipment and facilities.

The line items, Due from Commonwealth, Current and Noncurrent, on the Statement of Net Position, for the year ended June 30, 2025, represent pending reimbursements from the following programs:

Due from Commonwealth, Current	
VCBA Equipment Trust Fund program	\$7,740,543
VCBA 21 st Century program	2,504,465
General Obligation Bond program	0
Other	519,749
Total Due from Commonwealth, Current	<u>\$10,764,757</u>
Due from Commonwealth, Noncurrent	
VCBA 21 st Century program	<u>\$2,853,747</u>
Total Due from Commonwealth, Noncurrent	<u>\$2,853,747</u>

5. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2025 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land/Land Improvements	\$ 72,468,431	\$ 164,773	\$ -	\$ 72,633,204
Inexhaustible Works of Art	148,174	-	-	148,174
Construction in Progress	98,241,633	58,204,262	(37,095,018)	119,350,877
Total capital assets not being depreciated	\$ 170,858,238	\$ 58,369,035	\$ (37,095,018)	\$ 192,132,255
Depreciable capital assets:				
Buildings	\$ 1,699,649,908	\$ 32,109,685	\$ -	\$ 1,731,759,593
Infrastructure	92,383,793	7,108,171	(155,920)	99,336,044
Equipment	286,891,046	46,428,792	(12,524,244)	320,795,594
Land Improvements	117,892,081	1,835,517	(652,187)	119,075,411
Library Books	37,291,708	676,249	(2,620,653)	35,347,304
Intangible	15,705,659	86,723	-	15,792,382
Right to use intangible assets (GASB 87)				
Land Improvements	73,491	-	-	73,491
Buildings	52,694,788	38,000,208	(9,945,263)	80,749,733
Equipment	1,075,446	445,621	(335,886)	1,185,181
Right to use intangible assets (GASB 96)	28,475,969	1,024,927	(702,646)	28,798,250
Total other capital assets	\$ 2,332,133,889	\$ 127,715,893	\$ (26,936,799)	\$ 2,432,912,983
Less accumulated depreciation for				
Buildings	\$ (617,085,204)	\$ (35,708,543)	-	\$ (652,793,747)
Infrastructure	(58,325,898)	(3,574,764)	35,467	(61,865,195)
Equipment	(195,943,679)	(24,311,022)	11,155,559	(209,099,142)
Land Improvements	(81,453,223)	(3,891,907)	-	(85,345,130)
Library Books	(34,807,293)	(936,483)	2,593,195	(33,150,581)
Intangible	(14,322,076)	(968)	-	(14,323,044)
Right to use intangible assets (GASB 87)	-	-	-	-
Land Improvements	(30,943)	-	-	(30,943)
Buildings	(25,496,462)	(13,145,051)	8,640,341	(30,001,172)
Equipment	(638,431)	(274,729)	180,363	(732,797)
Right to use intangible assets (GASB 96)	(10,190,329)	(5,491,411)	446,162	(15,235,578)
Total accumulated depreciation	\$ (1,038,293,538)	\$ (87,334,878)	\$ 23,051,087	\$ (1,102,577,329)
Other capital assets, net	\$ 1,293,840,351	\$ 40,381,015	\$ (3,885,712)	\$ 1,330,335,654
Total capital assets, net	\$ 1,464,698,589	\$ 98,750,050	\$ (40,980,730)	\$ 1,522,467,909

Community College Foundations

The foundations had the following capital assets as of June 30, 2025:

Non-depreciable capital assets:	
Land	\$14,214,002
Construction in Process	15,524,171
Works of art	80,977
Total nondepreciable capital assets	\$29,819,150

Depreciable capital assets:	
Buildings	\$61,048,341
Equipment	3,475,848
Site improvement/Infrastructure	7,589,254
Intangible assets	<u>8,570,795</u>
Total depreciable capital assets	\$80,684,238
Less: Accumulated depreciation	<u>(13,752,256)</u>
Depreciable capital assets, net	<u>\$66,931,982</u>
Total capital assets, net	<u>\$96,751,132</u>

6. ACCOUNTS AND RETAINAGE PAYABLE

Accounts and retainage payable consisted of the following as of June 30, 2025:

	VCCS	Foundations
Vendors payable	\$48,637,978	\$5,616,390
Students payable	1,926,684	-
Retainage payable	5,037,152	-
Taxes payable	16,302	-
Total	<u>\$55,618,116</u>	<u>\$5,616,390</u>

7. COMMITMENTS

At June 30, 2025, the VCCS was committed to contracts totaling \$308,049,322 of which \$164,017,846 was unexpended. The System held \$5,037,152 as retainage payable on construction and architectural/engineering contracts for work performed. The retainage payable will be remitted to the various contractors upon satisfactory completion of the construction projects.

8. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The composition of deferred outflows of resources on June 30, 2025, is summarized as follows:

Deferred Loss on Debt Defeasance	\$ 907,323
Pension	112,525,964
Post Employment Benefit	<u>24,024,508</u>
Total Deferred Outflows of Resources	<u>\$137,457,795</u>

The composition of deferred inflows of resources on June 30, 2025, is summarized as follows:

Deferred Gain on Debt Refunding	\$ 349,400
Leases	409,384
Pension	61,795,295
Post Employment Benefit	<u>31,584,941</u>
Total Deferred Inflows of Resources	<u>\$94,139,020</u>

9. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Debt:					
Leases (GASB 87)	\$ 28,849,999	\$ 38,645,188	\$ (13,712,226)	\$ 53,782,961	\$ 7,581,203
Leases (GASB 96)	17,808,792	620,739	(5,581,224)	12,848,307	5,388,114
Notes Payable:					
Installment purchases	237,340	-	(108,586)	128,754	112,912
Pooled bonds	66,100,166	-	(8,258,193)	57,841,973	7,740,000
Total bonds, notes and capital leases	\$ 112,996,297	\$ 39,265,927	\$ (27,660,229)	\$ 124,601,995	\$ 20,822,229
Other liabilities:					
Compensated absences	\$ 44,964,609	\$ 983,433	\$ -	\$ 45,948,042	\$ 23,566,263
Pension obligations	371,098,915	-	(18,321,931)	352,776,984	-
Postemployment benefits	88,759,402	141,708	(8,373,484)	80,527,626	2,189,593
Federal loan program contributions	1,069,483	-	(214,096)	855,387	-
Total other liabilities	\$ 505,892,409	\$ 1,125,141	\$ (26,909,511)	\$ 480,108,039	\$ 25,755,856
Total long-term liabilities	\$ 618,888,706	\$ 40,391,068	\$ (54,569,740)	\$ 604,710,034	\$ 46,578,085

In prior fiscal years, a portion of the VCBA Pooled Bonds, of which the VCCS has a share, has been defeased. Details relating to the current and prior years' defeasances are reported in the Commonwealth's Annual Comprehensive Financial Report.

Community College Foundations

The foundations had the following long-term liabilities as of June 30, 2025:

Notes payable	\$35,558,228
Trust & Annuity Obligations	51,406
Lease Obligations	9,778,949
Total long-term liabilities	45,388,583
Less current portion	1,448,188
Total long-term liabilities	<u>\$43,940,395</u>

10. NOTES PAYABLE

Notes payable represent agreements with the Virginia College Building Authority (VCBA) to finance the following projects:

Student Center for Tidewater Community College Norfolk Campus - The remaining balance is to be repaid in annual installments ranging from \$860,000 to \$1,095,000 with coupon rates ranging from 1.33% to 5.00% payable semiannually. The final installment of \$870,000 is due September 1, 2030. The outstanding balance at June 30, 2025, is \$6,117,077.

Workforce Training and Technology Center for J. Sargeant Reynolds Community College - The remaining balance is to be repaid in annual installments ranging from \$60,000 to \$70,000 with coupon rates ranging from 3.00% to 5.00% payable semiannually. The final installment of \$70,000 is

due September 1, 2029. The outstanding balance at June 30, 2025, is \$352,135.

Student Center for Tidewater Community College Virginia Beach Campus – The remaining balance is to be repaid in annual installments ranging from \$490,000 to \$585,000 with coupon rates ranging from 5.00% to 5.50% payable semiannually. The final installment of \$585,000 is due September 1, 2030. The outstanding balance at June 30, 2025, is \$3,808,570.

Student Center for Tidewater Community College Chesapeake Campus – The remaining balance is to be repaid in annual installments ranging from \$345,000 to \$415,000 with coupon rates ranging from 5.00% to 5.50% payable semiannually. The final installment of \$415,000 is due September 1, 2030. The outstanding balance at June 30, 2025, is \$2,693,632.

Student Center for Tidewater Community College Chesapeake Campus (17625); Student center for Virginia Campus (17067) - The remaining balance is to be repaid in annual installments ranging from \$1,455,000 to \$1,715,000 with coupon rates ranging from 1.53% to 5.00% payable semiannually. The final installment for the Virginia Beach Student Center of \$805,000 is due on September 1, 2031. The final installment for the Chesapeake Student Center of \$560,000 is due September 1, 2031, for 17787. The outstanding balance at June 30, 2025, is \$10,479,279.

Student Center for Blue Ridge Community College Weyers Cave Campus - The remaining balance is to be repaid in annual installments ranging from \$550,000 to \$660,000 with coupon rates ranging from 5.00% to 5.50% payable semiannually. The final installment of \$660,000 is due September 1, 2030. The outstanding balance at June 30, 2025, is \$3,730,719.

Student Center for Tidewater Community College Portsmouth Campus - The remaining balance is to be repaid in annual installments ranging from \$890,000 to \$1,065,000 with coupon rates ranging from 5.00% to 5.50% payable semiannually. The final installment of \$ 1,065,000 is due September 1, 2030. The outstanding balance at June 30, 2025, is \$6,035,561.

Student Center for Virginia Western Community College - The remaining balance is to be repaid in annual installments ranging from \$440,000 to \$470,000 with coupon rates ranging from 0.61% to 1.71% payable semiannually. The final installment of \$470,000 is due September 1, 2031. The outstanding balance at June 30, 2025, is \$3,150,000.

Parking garage for Germanna Community College - The remaining balance is to be repaid in annual installments ranging from \$380,000 to \$405,000 with coupon rates ranging from 0.61% to 1.71% payable semiannually. The final installment of \$405,000 is due September 1, 2031. The outstanding balance at June 30, 2025, is \$2,735,000.

Parking garage for Brightpoint Community College (now Brightpoint Community College) Midlothian Campus - The remaining balance is to be repaid in annual installments ranging from \$400,000 to \$440,000 with coupon rates ranging from 0.48% to 1.81% payable semiannually. The final installment of \$440,000 is due September 1, 2032. The outstanding balance at June 30, 2025, is \$3,335,000.

Parking garage for Tidewater Community College Chesapeake Campus - The remaining balance is to be repaid in annual installments ranging from \$1,490,000 to \$1,625,000 with coupon rates ranging from 0.61% to 1.81% payable semiannually. The final installment of \$1,625,000 is due September 1, 2032. The outstanding balance at June 30, 2025, is \$12,370,000.

Parking garage for Blue Ridge Community College Weyers Cave Campus - The remaining balance is to be repaid in annual installments ranging from \$285,000 to \$325,000 with coupon rates ranging from 0.61% to 2.01% payable semiannually. The final installment of \$325,000 is due September 1, 2034. The outstanding balance at June 30, 2025, is \$3,035,000.

The Virginia Community College System's general revenues, not otherwise obligated, secure these notes.

Scheduled maturities of notes payable are as follows:

Year Ending June 30	Principal	Interest	Total Payments
2026	\$ 7,740,000	\$ 1,603,277	\$ 9,343,277
2027	7,935,000	1,365,816	9,300,816
2028	8,130,000	1,103,672	9,233,672
2029	8,395,000	809,577	9,204,577
2030	8,385,000	509,418	8,894,418
2031-2035	15,700,000	391,888	16,091,888
Sub Totals	\$ 56,285,000	\$ 5,783,648	\$ 62,068,648
Plus Bond Premium	1,556,973	-	1,556,973
Totals	\$ 57,841,973	\$ 5,783,648	\$ 63,625,621

11. LEASE COMMITMENTS, SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS, AND INSTALLMENT PURCHASES

The System leases certain office space, academic space, laboratory space, and equipment. Initial terms are typically 3 to 15 years and may contain rent escalation clauses and renewal options ranging from 1 to 10-year intervals. Discount rates ranging from 1.7% to 5.5% were used.

The future minimum lease obligations for fiscal years subsequent to June 30, 2025, are as follows:

GASB 87			
Year	Liability Reduction	Interest	Total
2026	\$ 7,581,203	\$ 2,805,412	\$ 10,386,615
2027	7,045,907	2,511,495	9,557,402
2028	6,474,588	2,214,888	8,689,476
2029	4,918,758	1,954,717	6,873,475
2030	4,818,194	1,731,520	6,549,714
2031+	22,944,311	12,222,676	35,166,987
Total	\$ 53,782,961	\$ 23,440,708	\$ 77,223,669

Future obligations under Subscription-Based Information Technology Agreements for fiscal years subsequent to June 30, 2025, are as follows:

GASB 96				
Year	Liability Reduction	Interest	Total	
2026	\$ 5,388,114	\$ 742,467	\$	6,130,581
2027	3,111,346	422,107		3,533,453
2028	2,177,386	251,349		2,428,735
2029	2,164,427	125,379		2,289,806
2030	7,034	580		7,614
Total	\$ 12,848,307	\$ 1,541,882	\$	14,390,189

A summary of future obligations under lease agreements as of June 30, 2025, follows:

Year Ending June 30	Installment Purchase Obligations	Short Term Lease Obligations(GASB87)	Short Term Lease Obligations(GASB96)
2026	117,768	\$ 469,414	\$ 420,477
2027	8,189	246,787	652
2028	8,189	149,088	311
2029	-	108,519	0
2030+	-	57,309	2,801
Total obligation and gross minimum lease payments	\$ 134,146	\$ 1,031,117	\$ 424,241
Less: Interest	(5,392)	-	-
Present value of minimum lease payments	\$ 128,754	\$ 1,031,117	\$ 424,241

The System is committed under various lease and installment purchase agreements. The cost of assets capitalized under installment purchase agreements totals \$2,487,507. Rent expenses under short-term lease agreements amounted to \$469,414 for the year. Subscription-Based Information Technology Agreement expenses amounted to \$420,477 for the year.

12. OPERATING EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS

VCCS operating expenses for the year ended June 30, 2025 were as follows:

Natural Classification

Functional Classification	Salaries & Benefits	Utilities	Scholarships	Depreciation & Amortization	Supplies Services & Other	Total
Instruction	\$ 387,804,675	\$ 358,009	\$ 15,127,471	\$ 66,992,443	\$ 59,988,523	\$ 530,271,121
Public Service	13,554,822	1,197	279,336	365,539	9,371,260	23,572,154
Academic Support	92,243,432	233,574	555,345	5,562,023	35,304,405	133,898,779
Student Services	110,637,978	407	780,080	2,998,773	14,023,830	128,441,068
Institutional Support	154,932,467	530,335	395,950	737,032	64,841,818	221,437,602
Operation & Maintenance	48,322,122	21,302,298	-	6,198,974	105,251,279	181,074,673
Scholarships and Fellowships	123,174	-	179,555,924	-	1,986,465	181,665,563
Auxiliary Enterprises	6,082,594	684,862	31,040	3,451,666	7,277,721	17,527,883
Other Expenses	-	-	-	-	12,849	12,849
Total Expenses	\$ 813,701,264	\$ 23,110,682	\$ 196,725,146	\$ 86,306,450	\$ 298,058,150	\$ 1,417,901,692

13. STATE APPROPRIATIONS

All Commonwealth unrestricted revenues must be appropriated by the Legislature and are provided on an annual basis. Unspent balances of these appropriations at the close of the fiscal year revert to the Commonwealth's General Fund. These reverted funds are eligible for re-appropriation in fiscal year 2024-25 provided that the VCCS meets financial and administrative standards outlined in the *Code of Virginia*.

During the year ended June 30, 2025, the Virginia Community College System received the following general fund appropriations in accordance with the 2024 – 2025 amended budget Chapter 2, approved May 13, 2024.

Subtractions:	
Net Central Accounts Distributions	12,325,330
Carryover (reappropriate) FY24 year end balances	109,206,967
VMSPD waivers	1,297,900
Transfer from SCHEV - VIVA Open Course Grants	71,160
Transfer from SCHEV - FY24 VIVA ILL Allocation	23,691
Tech Talent Investment Program funding	1,272,643
VMSPD waiver payout from SCHEV	3,163,200
Equipment Trust Fund lease payment (NGF)	(633,657)
Capital Fee transfers	(3,301,665)
Chapter 725 changes in FY2025 operating dollar appropriations	10,003,100
E&G interest earning and credit card rebates	7,025,312
FY2025 employee bonus payment distribution	4,475,654
Transfer of G3 dollars to match a grant from US Dept of Energy - 201 D.8.B	500,000
Reversion	(66,725,417)
Philpott manufacturing	(1,752,812)
Adjusted Unrestricted Appropriations	<u>\$ 660,579,932</u>

Other restricted appropriations were \$123,078,682 for a total of \$783,658,614

14. EQUIPMENT TRUST FUND

The System participates in the Higher Education Equipment Trust Fund (HEETF) of the Virginia College Building Authority (VCBA). The HEETF provides funds to public colleges and universities for equipment acquisitions using proceeds from revenue bonds issued for this purpose.

15. DONOR-RESTRICTED ENDOWMENTS

VCCS has two donor-restricted endowments. The net appreciation on investments of donor-restricted endowments that is available for expenditure by the governing board did not change for the year ended June 30, 2025. These amounts are reported as restricted expendable net position. Total-return policy is followed for authorizing and spending investment income.

16. CONTINGENCIES ON GRANTS

The VCCS receives assistance from non-state grantor agencies in the form of grants. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements. Substantially all grants are subject to financial and compliance audits by the grantors. All disallowances as a result of these audits become a liability of the VCCS. As of June 30, 2025, the VCCS estimates that no material liabilities will result from such audits.

17. RETIREMENT PLANS

Virginia Retirement System – General Information about the Pension Plans

Plan Description

All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Retirement Plan or the VaLORS Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

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

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

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

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund. 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 Hybrid Retirement Plan.	Eligible Members Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013. Hybrid Opt-In Election Same as Plan 1.	Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Full-time permanent, salaried state 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 <i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: Members of the Virginia Law Officers' Retirement System (VaLORS) Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions State employees, excluding state elected officials, and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments. Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Retirement Contributions Same as Plan 1. Service Credit Same as Plan 1.	Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages. Service Credit Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

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

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <i>Defined Benefit Component:</i> See definition under Plan 1 <i>Defined Contribution Component:</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. VaLORS: The retirement multiplier for VaLORS employees is 1.70% or 2.00%.	Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. VaLORS: The retirement multiplier for VaLORS employees is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.	Service Retirement Multiplier <i>Defined Benefit Component:</i> VRS: 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. VaLORS: Not applicable. <i>Defined Contribution Component:</i> Not applicable.

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age VRS: Age 65. VaLORS: Age 60.	Normal Retirement Age VRS: Normal Social Security retirement age. VaLORS: Same as Plan 1.	Normal Retirement Age <i>Defined Benefit Component:</i> VRS: Same as Plan 2. VaLORS: Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. VaLORS: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit. Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. VaLORS: Age 50 with at least five years of service credit.	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. VaLORS: Same as Plan 1. Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit. VaLORS: Same as Plan 1.	Earliest Unreduced Retirement Eligibility <i>Defined Benefit Component:</i> VRS: Same as Plan 2. VaLORS: Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions. Earliest Reduced Retirement Eligibility <i>Defined Benefit Component:</i> VRS: Same as Plan 2. VaLORS: Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

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%.

Eligibility:

For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA Effective Dates:

- The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:
- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
 - The member retires on disability.
 - The member retires directly from short-term or long-term disability.
 - The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
 - The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.

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.

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%.

Eligibility:

Same as Plan 1.

Exceptions to COLA Effective Dates:

Same as Plan 1.

Cost-of-Living Adjustment (COLA) in Retirement

Defined Benefit Component:
Same as Plan 2.

Defined Contribution Component:
Not applicable.

Eligibility:

Same as Plan 1 and Plan 2.

Exceptions to COLA Effective Dates:

Same as Plan 1 and Plan 2.

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	Disability Coverage For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	Disability Coverage State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <i>Defined Benefit Component:</i> Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component:</i> 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 state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution rate for the fiscal year ended June 30, 2025, was 12.52% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rates which were based on actuarially determined rates from an actuarial valuation as of June 30, 2023. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance

any unfunded accrued liability. Contributions from VCCS to the VRS State Employee Retirement Plan were \$50,693,653 and \$51,053,582 for the years ended June 30, 2025, and June 30, 2024, respectively. Contributions from the VCCS to the VaLORS Retirement Plan were \$1,821,481 and \$1,714,724 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$1,831,235 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$2,564,049 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$197,009,245 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the VCCS reported a liability of \$342,633,749 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of \$10,143,235 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The VCCS's proportion of the Net Pension Liability was based on the VCCS's actuarially determined employer contributions to the pension plans for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the VCCS' proportion of the VRS State Employee Retirement Plan was 6.96% as compared to 7.14% at June 30, 2023. At June 30, 2024, the VCCS' proportion of the VaLORS Retirement Plan was 1.52% as compared to 1.52% at June 30, 2023.

For the year ended June 30, 2025, the VCCS recognized pension expense of \$30,497,867 for the VRS State Employee Retirement Plan and \$1,412,326 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2023, and June 30, 2024, a portion of the pension expense was related to deferred amounts from changes in proportion and differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, the VCCS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VRS State Employer Retirement Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,203,013	\$ 1,889,417
Net difference between projected and actual earnings on pension plan investments	-	44,122,993
Change in assumptions	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	3,078,639	13,933,460
Employer contributions subsequent to the measurement date	50,693,653	-
Total	\$ 109,975,305	\$ 59,945,870

VaLORS Retirement Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 588,975	\$ -
Net difference between projected and actual earnings on pension plan investments	-	792,168
Change in assumptions	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	140,204	142,677
Employer contributions subsequent to the measurement date	1,821,481	-
Total	\$ 2,550,660	\$ 934,845

\$52,515,134 reported as deferred outflows of resources related to pensions resulting from the VCCS's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30

	VRS Retirement Plan	VaLORS Retirement Plan
FY 2026	\$ (16,952,035)	\$ (110,950)
FY 2027	29,749,697	230,987
FY 2028	(4,825,853)	(155,184)
FY 2029	(9,550,606)	(170,518)
FY 2030	-	-

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including Inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates – VRS State Employees	
Pre-retirement:	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years
Post-retirement:	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including Inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates – VaLORS Employees
Pre-retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years Post-retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years Post-disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement No. 67, less that plan's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	State Employee Retirement Plan	VaLORS Retirement Plan
Total Pension Liability	\$ 29,769,365	\$ 2,743,541
Plan Fiduciary Net Position	<u>24,843,784</u>	<u>2,076,732</u>
Employers' Net Pension Liability (Asset)	<u>\$ 4,925,581</u>	<u>\$ 666,809</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.45%	75.70%

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.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
Total	<u>100.00%</u>		<u>7.07%</u>
			<u>7.07%</u>

** The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.*

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System 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, 2024, the rate contributed by the VCCS for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 102% of the actuarially determined contribution rate. From July 1, 2024, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the VCCS' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the VCCS' proportionate share of the VRS State Employee Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the VCCS' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	\$ 584,039,427	\$ 342,633,749	\$ 141,314,716

The following presents the VCCS' proportionate share of the VaLORS Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the VCCS' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the VaLORS Retirement Plan Net Pension Liability	\$ 15,595,918	\$ 10,143,235	\$ 5,727,172

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Pension Plan

The VCCS recognized \$65,139,169 as Accrued Payroll Expenses as of June 30, 2025, which represents hours worked before June 30 but paid after July 1. The portion payable to the VRS for pension contributions is estimated at \$2,281,112.

Optional Retirement Plans

All qualified salaried employees of the VCCS are required to participate in a retirement benefit plan administered by the Virginia Retirement System (VRS) or in an Optional Retirement Plan (ORP). Classified employees are eligible to participate in the VRS only, while faculty rank employees are eligible to participate in either the VRS or the ORP.

Faculty rank employees can participate in a defined contribution plan administered by two providers other than the VRS. These optional retirement plans are defined contribution plans offered through TIAA and DCP. This is a defined contribution plan where the retirement benefits received are based on the employer's (10.4%) contributions, plus interest and dividends for those employees who became a member prior to July 1, 2010. For those employees who became a member on or after July 1, 2010, the employer's contributions are 8.5% and the employee's contributions are 5.0%.

Individual contracts issued under the ORP plan provide for full and immediate vesting of the VCCS contributions. Total pension costs under this plan were \$7,322,463 and \$7,123,238 for years ended June 30, 2025, and 2024, respectively. Contributions to the ORP plan were calculated using the base salary amount of \$79,330,138 and \$76,873,303 for fiscal years 2025 and 2024. The VCCS total payroll for fiscal years 2025 and 2024 was \$625,350,747 and \$598,312,420 respectively.

Payables to the Optional Retirement Plan

The VCCS recognized \$65,139,169 as Accrued Payroll Expenses as of June 30, 2025, which represents hours worked before June 30 but paid after July 1 or after. The portion payable for contributions to the optional retirement plans is estimated at \$526,661.

Deferred Compensation Plan

Employees of the VCCS are employees of the Commonwealth of Virginia. State employees may participate in the Commonwealth's Deferred Compensation Plan. Participating employees can contribute to the plan each pay period with the Commonwealth matching up to \$20 per pay period. The dollar amount match can change depending on the funding available in the Commonwealth's budget. The Deferred Compensation Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. Employer contributions under the Deferred Compensation Plan were approximately \$1,465,685 for fiscal year 2025.

18. POST-EMPLOYMENT BENEFITS

Plans administered by VRS

General Information about the State Employee Health Insurance Credit Program

Plan Description

All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Health Insurance Credit Program. 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.

General Information about the Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

General Information about the Line of Duty Act Program

Plan Description

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

General Information about the VRS Disability Insurance Program

Plan Description

All full-time and part-time permanent salaried state employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999, are automatically covered by the Disability Insurance Program (VSDP) upon employment. The Disability Insurance Program also covers state employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

The specific information for the VRS administered OPEB programs, including eligibility, coverage and benefits is set out in the table below:

STATE EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS	GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS	VSDP PLAN PROVISIONS
Eligible Employees The State Employee Retiree Health Insurance Credit Program was established January 1, 1990, for retired state employees covered under VRS, SPORS, VaLORS and JRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.	Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.	Eligible Employees The eligible employees of the LODA Program include paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS, SPORS, or VaLORS.	Eligible Employees The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities. Eligible employees are enrolled automatically upon employment. They include: • Full-time and part-time permanent salaried state employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP). • State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement. Public college and university faculty members who elect the VRS defined benefit plan. They may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, he or she is enrolled in VSDP.

STATE EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS	GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS	VSDP PLAN PROVISIONS
Benefit Amounts The State Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • <i>At Retirement</i> – For State employees, the monthly benefit is \$4.25 per year of service per month with no cap on the benefit amount. • <i>Disability Retirement</i> – For State employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is \$120.00 or \$4.25 per year of service, whichever is higher. For State police officer employees with a non-work-related disability who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP) the monthly benefit is \$120.00 or \$4.25 per year of service, whichever is higher. For State police officers with a work-related disability, there is no benefit provided under the State Employee Retiree Health Insurance Credit Program if the premiums are being paid under the Virginia Line of Duty Act. However, they may receive the credit for premiums paid for other qualified health plans.	Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. • <i>Natural Death Benefit</i> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <i>Accidental Death Benefit</i> – The accidental death benefit is double the natural death benefit. • <i>Other Benefit Provisions</i> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: ○ Accidental dismemberment benefit ○ Seatbelt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option	Benefit Amounts LODA provides death and health insurance benefits for eligible individuals: • <i>Death:</i> The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: ○ \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after. ○ \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date. The benefit will be \$75,000 for approved presumptive deaths occurring on or after January 1, 2025 ○ An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001. • <i>Health Insurance:</i> The LODA program provides health insurance benefits. • The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.	Benefit Amounts The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees: • <i>Leave:</i> Sick, family and personal leave. Eligible leave benefits are paid by the employer. • <i>Short-Term Disability:</i> The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60% based on the period of the disability and the length of service of the employee. Short-term disability benefits are paid by the employer. • <i>Long-Term Disability (LTD):</i> The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid for by the Virginia Disability Insurance Program (VSDP) OPEB Plan. • <i>Income Replacement Adjustment:</i> The program provides for an income replacement adjustment to 80% for catastrophic conditions. • <i>VSDP Long-Term Care Plan:</i> The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.

STATE EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS	GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS	VSDP PLAN PROVISIONS
Plan Notes: • The monthly Health Insurance Credit benefit cannot exceed the individual's premium amount. • Employees who retire after being on long-term disability under VSDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.			Plan Notes: • Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability benefits and certain income-replacement levels. • A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up five years of VSDP benefits. • Employees on work-related short-term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation.
	Reduction in Benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches its original value. Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living		Cost-of-Living Adjustment (COLA) • During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the Board. ○ Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (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%). ○ Plan 1 employee non-vested as of 1/1/2013, Plan 2 and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).

STATE EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS	GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS	VSDP PLAN PROVISIONS
	adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.		- For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement. 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%. - For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement. 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.

Contributions

The contribution requirement for active employees in the VRS State Employee Health Insurance Credit Program is governed by §51.1-1400(D) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each state agency's contractually required employer contribution rate for the year ended June 30, 2025, was 1.12% of covered employee compensation for employees in the VRS State Employee Health Insurance Credit Program. This rate was the approved General Assembly which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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. Contributions from the VCCS to the VRS State Employee Health Insurance Credit Program were \$5,457,032 and \$5,115,661 for the years ended June 30, 2025 and June 30, 2024, respectively.

In June 2024, the Commonwealth made a special contribution of approximately \$52.8 million which was applied to the Health Insurance Credit Plan for state employees. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 1, 2024 Acts of Assembly, Special Session 1, and is classified as a special employer

contribution. Our proportionate share is reflected in “Other nonoperating revenue (expense)” of our financial statements.

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and § 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the VCCS were \$2,253,638 and \$2,410,438 for the years ended June 30, 2025, and June 30, 2024, respectively.

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025, was \$1,015.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2024, and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the VCCS were \$96,394 and \$87,238 for the years ended June 30, 2025 and June 30, 2024, respectively.

The contribution requirements for the Disability Insurance Program (VSDP) are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Disability Insurance Program (VSDP) for the year ended June 30, 2025, was 0.50% of covered employee compensation. This rate was General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the Disability Insurance Program (VSDP) from the VCCS were \$2,020,582 and \$2,297,752 for the years ended June 30, 2025 and June 30, 2024, respectively.

State Employee Health Insurance Credit Program OPEB Liabilities, State Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to State Employee Health Insurance Credit Program OPEB

At June 30, 2025, the VCCS reported a liability of \$35,345,060 for its proportionate share of the VRS State Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS State Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2024 and the total VRS State Employee Health Insurance Credit Program OPEB Liability used to calculate the Net VRS State Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The VCCS' proportion of the Net VRS State Employee Health Insurance Credit Program OPEB Liability was based on the VCCS' actuarially determined employer contributions to the VRS State Employee Health Insurance Credit Program OPEB plan

for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating state employers. At June 30, 2024 the VCCS' proportion of the VRS State Employee Health Insurance Credit Program was 4.98% as compared to 5.14% at June 30, 2023.

For the year ended June 30, 2025, the VCCS recognized VRS State Employee Health Insurance Credit Program OPEB expense of \$1,611,612. Since there was a change in proportionate share between measurement dates, a portion of the VRS State Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2025, the VCCS reported a liability of \$19,701,044 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024, and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The VCCS' proportion of the Net GLI OPEB Liability was based on the VCCS' actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the VCCS proportion was 1.77% as compared to 1.79% at June 30, 2023.

For the year ended June 30, 2025, the VCCS recognized GLI OPEB expense of (\$296,184). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Line of Duty Act Program (LODA) OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LODA OPEB

At June 30, 2025, the VCCS reported a liability of \$2,275,297 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2024, and the total LODA OPEB Liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The VCCS' proportion of the Net LODA OPEB Liability was based on the VCCS' actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2024, the VCCS' proportion was 0.58% as compared 0.50% at June 30, 2023.

For the year ended June 30, 2025, the VCCS recognized LODA OPEB expense of \$315,306. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

Disability Insurance Program (VSDP) OPEB Liabilities (Assets), VSDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VSDP OPEB

At June 30, 2025, the VCCS reported a liability (asset) of (\$23,801,888) for its proportionate share of the Net VSDP OPEB Liability (Asset). The Net VSDP OPEB Liability (Asset) was measured as of June 30, 2024, and the total VSDP OPEB liability used to calculate the Net VSDP OPEB Liability (Asset) was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The VCCS' proportion of the Net VSDP OPEB Liability (Asset) was based on the VCCS' actuarially determined employer contributions to the VSDP OPEB plan for the year ended June 30, 2024, relative to the total of

the actuarially determined employer contributions for all participating employers. At June 30, 2024, the VCCS' proportion was 6.73% as compared to 6.91% at June 30, 2023.

For the year ended June 30, 2025, the VCCS recognized VSDP OPEB expense of \$819,354. Since there was a change in proportionate share between measurement dates, a portion of the VSDP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the VCCS reported deferred outflows of resources and deferred inflows of resources related to the VRS OPEB plans from the following sources:

VRS Health Insurance Credit Program	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,795,387
Net difference between projected and actual earnings on State HIC OPEB program investments	-	119,635
Change in assumptions	569,383	-
Changes in proportionate share and differences between actual and expected contributions	874,186	3,560,004
Employer contributions subsequent to the measurement date	5,457,032	-
Total	\$ 6,900,601	\$ 6,475,026

VRS Group Life Insurance Program	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,050,529	\$ 481,232
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,660,593
Change in assumptions	112,297	976,345
Changes in proportionate share	569,986	1,892,192
Employer contributions subsequent to the measurement date	2,253,638	-
Total	\$ 5,986,450	\$ 5,010,362

VRS Line of Duty Act Program	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,167	\$ 555,785
Net difference between projected and actual earnings on LODA OPEB program investments	-	7,523
Change in assumptions	419,429	458,257
Changes in proportionate share	820,810	626,834
Employer contributions subsequent to the measurement date	96,394	-
Total	\$ 1,415,800	\$ 1,648,399

VRS Virginia Sickness and Disability Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,064,238	\$ 2,618,182
Net difference between projected and actual earnings on VSDP OPEB program investments	-	1,135,007
Change in assumptions	31,239	77,252
Changes in proportionate share	1,669,213	510,549
Employer contributions subsequent to the measurement date	2,020,582	-
Total	\$ 4,785,272	\$ 4,340,990

\$5,457,032 reported as deferred outflows of resources related to the State Employee HIC OPEB resulting from VCCS' contributions subsequent to the measurement date will be recognized as a reduction of the Net State Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2026.

\$2,253,638 reported as deferred outflows of resources related to the GLI OPEB resulting from VCCS' contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2026.

\$96,394 reported as deferred outflows of resources related to the LODA OPEB resulting from VCCS' contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the Fiscal Year ending June 30, 2026.

\$2,020,582 reported as deferred outflows of resources related to the VSDP OPEB resulting from VCCS' contributions subsequent to the measurement date will be recognized as a reduction of the Net VSDP OPEB Liability in the Fiscal Year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources to the VRS administered OPEB programs will be recognized in OPEB expense in future reporting periods as follows:

Year ended June 30

	<u>HIC</u>	<u>GLI</u>	<u>LODA</u>	<u>VSDP</u>
FY 2026	(1,796,329)	(1,388,292)	(11,875)	(1,200,311)
FY 2027	(1,227,170)	3,272	(9,825)	(44,869)
FY 2028	(1,113,126)	(143,948)	(17,299)	(221,159)
FY 2029	(679,786)	48,460	(32,773)	(132,582)
FY 2030	(215,046)	259,737	(83,331)	91,670
Thereafter	-	-	(173,980)	(69,058)

HIC Actuarial Assumptions

The total State Employee HIC OPEB Liability for the VRS State Employee Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation -	
General state employees	3.50% – 5.35%
SPORS employees	3.50% – 4.75%
VaLORS employees	3.50% – 4.75%
JRS employees	4.00%
Investment rate of return	6.75% net of plan investment expenses, including Inflation

Mortality rates – General State Employees

Pre-retirement:

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

Post-retirement:

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

Post-disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

Mortality rates – SPORS Employees
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years. Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Mortality rates – VaLORS Employees	
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.	
Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years	
Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years	
Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years	
Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates	

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – JRS Employees
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years. Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

GLI Actuarial Assumptions

The total GLI OPEB Liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation -	
General state employees	3.50% – 5.35%
Teachers	3.50% – 5.95%
SPORS employees	3.50% – 4.75%
VaLORS employees	3.50% – 4.75%
JRS employees	4.00%
Locality – General employees	3.50% – 5.35%
Locality – Hazardous Duty employees	3.50% – 4.75%
Investment rate of return	6.75% net of investment expenses, including Inflation

Mortality rates – General State Employees	
Pre-Retirement:	
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years	
Post-Retirement:	
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females	
Post-Disablement:	
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years	
Beneficiaries and Survivors:	
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females	
Mortality Improvement Scale:	
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates	

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

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

Mortality rates – Teachers
Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Mortality rates – SPORS Employees
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years. Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality rates – VaLORS Employees
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Mortality rates – JRS Employees	
Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years	
Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years	
Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally	
Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally	
Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates	

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers - General Employees Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years. Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year. Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years. Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally. Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality rates – Non-Largest 10 Locality Employers - General Employees Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years. Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year. Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years. Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally. Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

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

Mortality rates – Largest 10 Locality Employers – Hazardous Duty Employees	
Pre-Retirement:	
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.	
Post-Retirement:	
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.	
Post-Disablement:	
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.	
Beneficiaries and Survivors:	
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.	
Mortality Improvement Scale:	
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.	

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

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

Mortality rates – Non-Largest 10 Locality Employers – Hazardous Duty Employees	
Pre-Retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

LODA Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including Inflation –	
General state employees	N/A
SPORS employees	N/A
VaLORS employees	N/A
Locality employees	N/A

Medical cost trend rates assumption –	
Under age 65	7.25% – 4.25%
Ages 65 and older	6.50% – 4.25%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2034
Ages 65 and older	Fiscal year ended 2034

Investment rate of return 3.97%, including inflation*

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

Mortality rates – General State Employees
Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females. Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

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

Mortality rates – SPORS Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

Mortality rates – VaLORS Employees**Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

Mortality rates – Largest 10 Locality Employers With Public Safety Employees**Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

Mortality rates – Non-Largest 10 Locality Employers With Public Safety Employees**Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

VSDP Actuarial Assumptions

The total VSDP OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including Inflation –	
General state employees	3.50% – 5.35%
SPORS employees	3.50% – 4.75%
VaLORS employees	3.50% – 4.75%
Investment rate of return	6.75% net of investment expenses, including Inflation

Mortality rates – General State Employees
Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Mortality rates – SPORS Employees
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Mortality rates – VaLORS Employees	
Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years	
Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years	
Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years	
Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years	
Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates	

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

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

Net OPEB Liability (Asset)

The net OPEB liability (asset) represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, Net OPEB liability (asset) amounts for VRS administered programs are as follows (amounts expressed in thousands):

	HIC	GLI	LODA	VSDP
Total OPEB Liability	\$ 1,094,073	\$ 4,196,055	\$ 398,395	\$ 339,007
Plan Fiduciary Net Position	384,820	3,080,133	4,841	692,870
Net OPEB Liability (Asset)	<u>\$ 709,253</u>	<u>\$ 1,115,922</u>	<u>\$ 393,554</u>	<u>\$ (353,863)</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.17%	73.41%	1.22%	204.38%
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The total OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return for the HIC, GLI, & VSDP OPEB programs

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
Total	100.00%		7.07%
			7.07%
			7.07%

*Expected arithmetic nominal return

* The above allocation provides a one-year return of 7.07%, includes a 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

Long-Term Expected Rate of Return for the LODA OPEB Program

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

Discount Rate

The discount rate used to measure the total State Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the VCCS for the VRS State Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 108% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the State Employee HIC OPEB 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 State Employee HIC OPEB liability.

The discount rate used to measure the total GLI OPEB Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB Liability.

The discount rate used to measure the total LODA OPEB liability was 3.97%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

The discount rate used to measure the total VSDP OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by participating employers to the VSDP OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 109% of the actuarially determined contribution rate. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VSDP OPEB Program'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 VSDP OPEB liability.

Sensitivity of the VCCS' Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the VCCS' proportionate share of the VRS State Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the VCCS' proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate (amounts expressed in thousands):

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the VRS State Employee HIC OPEB Plan Net OPEB Liability	\$ 40,517,211	\$ 35,345,060	\$ 30,905,563

The following presents the VCCS' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the VCCS' proportionate share of the net GLI OPEB

Liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate (amounts expressed in thousands):

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the Group Life Insurance Plan Net OPEB Liability	\$ 30,637,686	\$ 19,701,044	\$ 10,865,679

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

	1.00% Decrease 2.97%	Current Discount Rate 3.97%	1.00% Increase 4.97%
VCCS' proportionate share of the total LODA Net OPEB Liability	\$ 2,522,346	\$ 2,275,297	\$ 2,062,865

The following presents the VCCS' proportionate share of the net VSDP OPEB liability (asset) using the discount rate of 6.75%, as well as what the VCCS' proportionate share of the net VSDP OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate (amounts expressed in thousands):

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the VSDP Net OPEB Liability (Asset)	\$ (22,166,779)	\$ (23,801,888)	\$ (25,249,968)

Sensitivity of Covered Employer's Proportionate Share of the net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program (LODA) contains provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the VCCS' proportionate share of the net LODA OPEB liability using health care trend rate of 7.25% decreasing to 4.25%, as well as what the VCCS' proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.25% decreasing to 3.25%) or one percentage point higher (8.25% decreasing to 5.25%) than the current rate:

	1.00% Decrease (6.25% decreasing to 3.25%)	Current Trend Rate (7.25% decreasing to 4.25%)	1.00% Increase (8.25% decreasing to 5.25%)
VCCS' proportionate share of the LODA Net OPEB Liability (Asset)	\$ 1,938,252	\$ 2,275,297	\$ 2,688,859

VRS OPEB Programs Fiduciary Net Position

Detailed information about the VRS OPEB Programs Fiduciary Net Position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at, <https://www.varetire.org/pdf/publications/2024-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the State Employee Health Insurance Credit Program OPEB Plan

The VCCS recognized \$65,139,169 as Accrued Payroll Expenses as of June 30, 2025, which represents hours worked before June 30 but paid after July 1. The portion payable for contributions to the Health Insurance Credit Program is estimated at \$214,394.

Payables to the VRS Group Life Insurance OPEB Plan

The VCCS recognized \$65,139,169 as Accrued Payroll Expenses as of June 30, 2025, which represents hours worked before June 30 but paid after July 1. The portion payable for contributions to the Group Life Insurance Plan is estimated at \$226,834.

Payables to the Disability Insurance Program (VSDP) OPEB Plan

The VCCS recognized \$65,139,169 as Accrued Payroll Expenses as of June 30, 2025, which represents hours worked before June 30 but paid after July 1. The portion payable for contributions to the Disability Insurance Plan is estimated at \$86,951.

Plans administered by the DHRM

Pre-Medicare Retiree Healthcare

The Commonwealth provides a healthcare plan established by Title 2.2, Chapter 28 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare.

Following are eligibility requirements for Virginia Retirement System retirees:

- You are a retiring state employee who is eligible for a monthly retirement benefit from the Virginia Retirement System (VRS), and
- You start receiving (do not defer) your retirement benefit immediately upon retirement*, and
- Your last employer before retirement was the Commonwealth of Virginia, and
- You were eligible for (even if you were not enrolled in) coverage as an active employee in the State Health Benefits Program until your retirement date (not including Extended Coverage/COBRA), and
- You enroll no later than 31 days from your retirement date.

*For VRS retirees, this means that your employing agency reported a retirement contribution or leave without pay status for retirement in the month immediately prior to your retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.

Effective January 1, 2017**, following are eligibility requirements for Optional Retirement Plan retirees:

- You are a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
- Your last employer before termination was the Commonwealth of Virginia, and
- You were eligible for (even if you were not enrolled in) coverage in the State Employee Health Benefits Program for active employees at the time of your termination, and
- You meet the age and service requirements for an immediate retirement benefit under the non-ORP Virginia Retirement System plan that you would have been eligible for on your date of hire had you not elected the ORP, and
- You enroll in the State Retiree Health Benefits Program no later than 31 days from the date you lose coverage (or lose eligibility for coverage) in the State Health Benefits Program for active employees due to your termination of employment.

**This change applies to ORP terminations effective January 1, 2017, or later. Eligibility for those who terminated employment prior to January 1 should be determined based on the policy in place at the time of their termination.

The employer does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the employer effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of the premiums for active employees.

This fund is reported as part of the Commonwealth's Healthcare Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes, and is administered by the Department of Human Resource Management. There were approximately 3,235 retirees and 96,895 active employees in the program as of June 30, 2024. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

Pre-Medicare Retiree Healthcare OPEB Liabilities, OPEB Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources

At June 30, 2025, the VCCS reported a liability of \$23,206,225 for its proportionate share of the collective total Pre-Medicare Retiree Healthcare OPEB liability of \$356.5 million. The Pre-Medicare Retiree Healthcare OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024. The VCCS' proportion of the Pre-Medicare Retiree Healthcare OPEB liability was based on each employer's calculated healthcare premium contributions as a percentage of the total employer's calculated healthcare premium contributions for all participating employers. On June 30, 2024, the VCCS' proportion was 6.51% as compared to 6.55% at June 30, 2023. For the year ended June 30, 2025, the VCCS recognized Pre-Medicare Retiree Healthcare OPEB expense of \$(7,793,123).

At June 30, 2025, the VCCS reported deferred outflows or resources and deferred inflows of resources related to Pre-Medicare Retiree Healthcare from the following sources:

Pre-Medicare Retiree Healthcare	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 465,203	\$ 2,793,758
Change in assumptions	455,034	8,166,299
Changes in proportionate share	1,944,715	3,150,107
Sub Total	2,864,952	14,110,164
Amounts associated with transactions subsequent to the measurement date	-	-
Total	\$ 2,864,952	\$ 14,110,164

Deferred outflows of resources related to the Pre-Medicare Retiree Healthcare OPEB resulting from amounts associated with transactions subsequent to the measurement date were \$0. These amounts will be recognized as a reduction of the total OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pre-Medicare Retiree Healthcare OPEB will be recognized in the Pre-Medicare Retiree Healthcare OPEB expense as follows:

Year ended June 30

FY 2026	\$ 5,818,107
FY 2027	\$ (3,452,153)
FY 2028	\$ (1,665,341)
FY 2029	\$ (233,636)
FY 2030	\$ (65,840)
Thereafter	-

Actuarial Assumptions and Methods

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2024 (one year prior to the end of the fiscal year). The Department of Human Resource Management selected the economic, demographic and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.50 percent for medical and pharmacy and 4.00 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.00 percent for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2024 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.80 years
Discount Rate	3.93%

Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical & Rx: 7.50% to 4.50% Dental: 4.00%
Year of Ultimate Trend	2034
Mortality	Mortality rates vary by participant status and gender
Pre-Retirement:	Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years
Post-Retirement	Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a modified MP-2021 Improvement Scale; 110% of rates for females
Post-Disablement:	Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2024.

Changes of Assumptions:

There were not any changes in assumptions since June 30, 2022, measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage – rate remained at 20 percent
- Retiree participation – rate remained at 35 percent

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2024. Additionally, the discount rate was increased from 3.65 percent to 3.93 percent based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2024.

There was no plan changes in the valuation since the prior year.

Sensitivity of the VCCS' Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the VCCS' proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability using the discount rate of 3.93 percent, as well as what the VCCS' proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93 percent) or one percentage point higher (4.93 percent) than the current rate:

	1% Decrease (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
OPEB Liability	\$ 24,618,617	\$ 23,206,225	\$ 21,867,347

Sensitivity of the VCCS' Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the VCCS' proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability using healthcare cost trend rate of 7.50 percent decreasing to 4.50 percent, as well as what the VCCS' proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.50 percent decreasing to 3.50 percent) or one percentage point higher (8.50 percent decreasing to 5.50 percent) than the current rate:

	1% Decrease (6.50% decreasing to 3.50%)	Trend Rate (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
OPEB Liability	\$ 21,091,110	\$ 23,206,225	\$ 25,659,737

19. RISK MANAGEMENT

The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The System participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plan are administered by the Department of Human Resource Management, and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bonds, automobile, and air and watercraft plans. The System pays premiums to each of these Departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

A Faithful Performance Duty Bond administered by the Commonwealth of Virginia's Department of Treasury, Division of Risk Management, covers the employees of the VCCS. The Faithful Performance Duty Bond provides coverage with liability limits of \$500,000 for each occurrence.

20. CAPITAL APPROPRIATIONS-STATE

Capital appropriations-state is comprised of the following:

Virginia College Building Authority appropriation revenue	\$23,884,480
General Fund appropriation revenue	44,010,665
Capital contributions from Treasury	11,947
Total	<u>\$67,907,092</u>

21. COMPONENT UNIT FINANCIAL INFORMATION

Below is a summary of the foundations.

VCCS has five major component units—Virginia Western Community College Educational Foundation, Southwest Virginia Community College Educational Foundation, Mountain Empire Community College Educational Foundation, Northern Virginia Community College Educational Foundation and New River Community College Educational Foundation. Additionally, the System has twenty-five non-major component units—Blue Ridge Community College Educational Foundation, Central Virginia Community College Educational Foundation, Dabney S. Lancaster Community College Educational Foundation, Dabney S. Lancaster Community College Real Estate Foundation, Danville Community College Educational Foundation, Eastern Shore Community College Foundation, Germanna Community College Educational Foundation, J. Sargeant Reynolds Community College Educational and Real Estate Foundation, John Tyler Community College Foundation, John Tyler Community College Real Estate Foundation, Laurel Ridge Community College Educational Foundation, New River Community College Educational Foundation, Patrick Henry Community College Real Estate Foundation, Paul D. Camp Community College Foundation, Paul D. Camp Community College Real Estate Foundation, Rappahannock Community College Educational Foundation, Southside Virginia Community College Foundation, Thomas Nelson Community College Educational Foundation, Tidewater Community College Educational Foundation, Tidewater Community College Real Estate Foundation, Virginia Highlands Community College Educational Foundation, Wytheville Community College Educational Foundation, Wytheville Community College Scholarship Foundation, Wytheville Community College Real Estate Foundation and the Virginia Foundation for Community College Education. These organizations are separately incorporated entities and other auditors examine the related financial statements.

For fiscal year 2025, Virginia Western Community College Educational Foundation, Southwest Virginia Community College Educational Foundation, Mountain Empire Community College Educational Foundation, Northern Virginia Community College Educational Foundation and New River Community College Educational Foundation were considered major component units as a result of their ending net position.

Virginia Community College System Foundations
Statement of Net Position
As of June 30, 2025*

	Virginia Western Community College Educational Foundation	Southwest Virginia Community College Educational Foundation	Mountain Empire Community College Educational Foundation	Northern Virginia Community College Educational Foundation	New River Community College Educational Foundation	Combined Non- Major Component Units	Total Component Units
ASSETS							
Cash and cash equivalents	\$ 31,325	\$ 169,053	\$ 311,311	\$ 862,975	\$ 364,557	\$ 36,241,588	\$ 37,980,809
Short term investments	-	18,383,963	-	2,661,526	-	10,774,571	31,820,060
Accounts receivable, net	-	406	8,279	-	-	3,520,269	3,528,954
Pledges receivable	663,595	69,846	-	140,000	-	4,149,854	5,023,295
Interest receivable	30,149	-	-	-	-	88,871	119,020
Prepaid expenses	45,948	28,913	15,399	-	-	684,559	774,819
Notes receivable, net	-	-	-	-	50,694	215,000	265,694
Total current assets	<u>771,017</u>	<u>18,652,181</u>	<u>334,989</u>	<u>3,664,501</u>	<u>415,251</u>	<u>55,674,712</u>	<u>79,512,651</u>
Noncurrent assets:							
Endowment cash and cash equivalents	953,989	33,600	87,093	-	2,139,045	5,102,577	8,316,304
Endowment investments	31,197,348	4,899,789	36,382,250	15,082,867	25,708,609	167,752,117	281,022,980
Other long-term investments	6,811,889	11,042,549	2,939,845	18,873,164	4,918,581	79,399,312	123,985,340
Accounts receivable, net	-	-	600,145	-	-	38,263	638,408
Investments in real estate	-	-	-	-	-	1,051,105	1,051,105
Pledges receivable	1,020,887	101,225	-	397,362	-	2,551,968	4,071,442
Non-depreciable capital assets, net	-	366,160	35,500	-	-	29,417,490	29,819,150
Depreciable capital assets, net	-	7,752,795	-	-	48,657	59,130,530	66,931,982
Total noncurrent assets	<u>39,984,113</u>	<u>24,196,118</u>	<u>40,044,833</u>	<u>34,353,393</u>	<u>32,814,892</u>	<u>344,443,362</u>	<u>515,836,711</u>
Total assets	<u><u>40,755,130</u></u>	<u><u>42,848,299</u></u>	<u><u>40,379,822</u></u>	<u><u>38,017,894</u></u>	<u><u>33,230,143</u></u>	<u><u>400,118,074</u></u>	<u><u>595,349,362</u></u>
LIABILITIES							
Accounts and retainage payable	183,086	35,510	381,887	240,919	1,256	4,773,732	5,616,390
Accrued payroll expense	-	-	-	15,274	-	138,249	153,523
Unearned revenue	-	-	-	-	-	614,554	614,554
Long-term liabilities-current portion	-	95,480	-	-	-	1,352,706	1,448,186
Deposits	-	26,137	-	-	-	185,601	211,738
Total current liabilities	<u>183,086</u>	<u>157,127</u>	<u>381,887</u>	<u>256,193</u>	<u>1,256</u>	<u>7,064,842</u>	<u>8,044,391</u>

Noncurrent liabilities:

	Virginia Western Community College Educational Foundation	Southwest Virginia Community College Educational Foundation	Mountain Empire Community College Educational Foundation	Northern Virginia Community College Educational Foundation	New River Community College Educational Foundation	Combined Non- Major Component Units	Total Component Units
Unearned revenue	-	-	-	-	-	217,500	217,500
Long-term liabilities	-	3,248,647	599,381	-	-	40,092,369	43,940,397
Total noncurrent liabilities	-	3,248,647	599,381	-	-	40,309,869	44,157,897
Total liabilities	183,086	3,405,774	981,268	256,193	1,256	47,374,711	52,202,288
NET POSITION							
Net investment in capital assets	-	4,790,126	-	-	48,657	38,694,113	43,532,896
Restricted for:							
Nonexpendable	14,442,580	3,174,573	13,088,106	9,620,023	15,389,434	123,947,585	179,662,301
Expendable	21,218,752	10,901,464	17,936,603	11,083,055	3,630,963	115,027,444	179,798,281
Unrestricted	4,910,712	20,576,362	8,373,845	17,058,623	14,159,833	75,074,221	140,153,596
Total Net Position	\$ 40,572,044	\$ 39,442,525	\$ 39,398,554	\$ 37,761,701	\$ 33,228,887	\$ 352,743,363	\$ 543,147,074

* Refer to Footnote 1D

Virginia Community College System Foundations
Statement of Revenues, Expenses, and Changes in Net Position
As of June 30, 2025*

	Virginia Western Community College Educational Foundation	Southwest Virginia Community College Educational Foundation	Mountain Empire Community College Educational Foundation	Northern Virginia Community College Educational Foundation	New River Community College Educational Foundation	Combined Non- Major Component Units	Total Component Units
REVENUES							
Grants	\$ -	\$ 85,185	\$ 719,922	\$ -	\$ -	\$ 12,019,357	\$ 12,824,464
Gifts and contributions	1,365,245	577,700	95,160	2,249,899	1,114,911	19,785,493	25,188,408
Other operating revenues	3,831,962	531,065	194,171	998,384	264,070	16,282,226	22,101,878
Total operating revenues	<u>5,197,207</u>	<u>1,193,950</u>	<u>1,009,253</u>	<u>3,248,283</u>	<u>1,378,981</u>	<u>48,087,076</u>	<u>60,114,750</u>
EXPENSES							
Instruction	-	-	-	-	-	1,410,465	1,410,465
Public service	-	-	-	-	-	1,624,184	1,624,184
Academic support	-	-	1,241,721	6,796,632	-	14,255,931	22,294,284
Student services	-	-	-	-	-	297,401	297,401
Institutional support	896,095	2,443,440	396,632	223,925	113,642	16,840,438	20,914,172
Operation and maintenance	-	724,678	-	-	-	870,045	1,594,723
Scholarships and fellowships	1,610,357	370,969	101,103	505,750	1,770,989	9,448,650	13,807,818
Auxiliary enterprises	-	-	-	-	-	495,501	495,501
Fundraising	183,060	21,473	94,415	100,144	66,300	2,570,597	3,035,989
Other expenses	-	137,438	-	-	-	1,759,661	1,897,099
Total operating expenses	<u>2,689,512</u>	<u>3,697,998</u>	<u>1,833,871</u>	<u>7,626,451</u>	<u>1,950,931</u>	<u>49,572,873</u>	<u>67,371,636</u>
Operating income (loss)	<u>2,507,695</u>	<u>(2,504,048)</u>	<u>(824,618)</u>	<u>(4,378,168)</u>	<u>(571,950)</u>	<u>(1,485,796)</u>	<u>(7,256,885)</u>
Nonoperating revenues (expenses):							
Investment Income (loss)	4,505,696	3,620,129	4,401,143	3,408,993	3,214,133	26,242,263	45,392,357
Other nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net nonoperating revenue	<u>4,505,696</u>	<u>3,620,129</u>	<u>4,401,143</u>	<u>3,408,993</u>	<u>3,214,133</u>	<u>26,242,263</u>	<u>45,392,357</u>
Income before other revenues, expenses gains and losses	<u>7,013,391</u>	<u>1,116,081</u>	<u>3,576,525</u>	<u>(969,175)</u>	<u>2,642,183</u>	<u>24,756,466</u>	<u>38,135,471</u>

	Virginia Western Community College Educational Foundation	Southwest Virginia Community College Educational Foundation	Mountain Empire Community College Educational Foundation	Northern Virginia Community College Educational Foundation	New River Community College Educational Foundation	Combined Non- Major Component Units	Total Component Units
Capital gifts, grants and contracts	-	-	-	-	-	1,067	1,067
Additions to permanent and term endowments	2,320,760	60,782	379,346	279,789	1,834,312	8,237,094	13,112,083
Increase (decrease) in net position	9,334,151	1,176,863	3,955,871	(689,386)	4,476,495	32,994,627	51,248,621
Net Position - beginning of year	31,237,893	38,265,662	35,442,683	38,451,087	28,752,392	319,748,735	491,898,452
Net Position - end of year	<u>\$ 40,572,044</u>	<u>\$ 39,442,525</u>	<u>\$ 39,398,554</u>	<u>\$ 37,761,701</u>	<u>\$ 33,228,887</u>	<u>\$ 352,743,363</u>	<u>\$ 543,147,074</u>

*Refer to Footnote 1D

22. LITIGATION

A few community colleges have been named as defendants in lawsuits. The outcome of these lawsuits cannot be determined at this time. However, management is of the opinion that any ultimate liability to which the colleges may be exposed will not have a material effect upon the Virginia Community College System's financial position.

23. **AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) CORONAVIRUS RELIEF AND RESPONSE SUPPLEMENTAL ACT (CRRSAA) OF 2020, and CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT OF 2020**

During the fiscal year, eleven community colleges were awarded American Rescue Plan Act of 2021 (ARPA) reimbursement grants from the Virginia Department of Criminal Justice Services totaling \$306,010. Germanna Community College received a separate ARPA reimbursement grant of \$100,000 from the Virginia Department of Education. The total amount of these sub-recipient awards was \$406,010, which is not considered significant to the overall financial position.

In the previous fiscal year, , Chapter 1, 2023 Acts of Assembly, Special Session I designated funding to the VCCS from the American Rescue Plan Act of 2021 (ARPA), State and Local Recovery Fund (SLRF) in the amount of \$2.8 million for the development of a Commercial Driver's License (CDL) Training Program and Driving Range at Blue Ridge Community College to support workforce education and training for Virginia citizens.

In prior years, Chapter 1, 2021 Acts of Assembly, Special Session II designated funding to the VCCS from the American Rescue Plan Act of 2021 (ARPA), State and Local Recovery Fund (SLRF) in the amount of \$40.0 million for two capital projects at Northern Virginia Community College (NVCC) including \$15.0 million designated for construction of a new building that would allow NVCC to expand its trades programs in carpentry, electrical, computer integration in trades, advanced automotive, and backup power systems and \$25.0 million designated for construction of a building that would allow NVCC to expand its nursing, phlebotomy, occupational therapy assistant, and physical therapist assistant programs. In addition, the budget allotted to the VCCS sub-award of \$20.0 million from funding awarded to the State Council of Higher Education for Virginia. ARPA funded capital project and financial aid spending commenced in FY2023 with a December 30, 2023 spend deadline.

In prior years, the Virginia Department of Education (VDOE) awarded an additional \$6.7 million in Governor's Education Emergency Relief (GEER) financial-aid funding, referred to as GEERII, from the Coronavirus Relief and Response Supplemental Act (CRRSAA) of 2020. Financial-aid disbursements from GEERII funding commenced in fiscal year 2023 and I concluded in FY2024.

In prior years, the U.S. Department of Education awarded \$164.1 million to Virginia's community colleges from the Coronavirus Relief and Response Supplemental Act (CRRSAA) of 2020 as supplemental Higher Education Emergency Relief Funds (HEERFII). Community colleges also received \$293.1million in additional Higher Education Emergency Relief Funds (HEERFIII) from the 2021 American Rescue Plan Act (ARPA). The authorized uses for both CRRSAA and ARPA funds included direct emergency grants to students for pandemic related cost impacts, and institutional costs associated with responding to the pandemic, including revenue loss.

In prior years, VCCS colleges also received \$38.1 million Coronavirus Aid, Relief, and Economic Security Act (CARES) Coronavirus Relief Funds (CRF) from state CARES Act allocations from the Governor for targeted pandemic related spending this fiscal year. In

FY2022 the VCCS reverted \$19.7 million in CRF not spent by the December 31, 2021, deadline.

***REQUIRED
SUPPLEMENTARY
INFORMATION***

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer's Share of Net Pension Liability VRS State Employee Retirement Plan *For the Years Ended June 30

	VCCS' Proportion of the Net Pension Liability (Asset)	VCCS's Proportionate Share of the Net Pension Liability (Asset)	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	6.95%	\$ 342,633,749	\$ 386,080,368	88.75%	83.45%
2024	7.14%	\$ 361,249,494	\$ 335,014,793	107.83%	82.19%
2023	7.33%	\$ 332,510,974	\$ 337,638,468	98.48%	83.26%
2022	7.35%	\$ 266,500,181	\$ 319,448,276	83.43%	86.44%
2021	7.43%	\$ 537,958,214	\$ 326,302,811	164.86%	72.15%
2020	7.66%	\$ 484,192,628	\$ 318,144,635	152.19%	75.13%
2019	7.84%	\$ 424,652,000	\$ 322,386,829	131.72%	77.39%
2018	8.19%	\$ 477,103,000	\$ 326,278,349	146.23%	75.33%
2017	8.48%	\$ 559,144,000	\$ 328,281,989	170.32%	71.29%
2016	8.48%	\$ 518,887,000	\$ 326,582,151	158.88%	72.81%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule of Employer's Share of Net Pension Liability VaLORS Retirement Plan *For the Years Ended June 30

	VCCS' Proportion of the Net Pension Liability (Asset)	VCCS's Proportionate Share of the Net Pension Liability (Asset)	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	1.52%	\$ 10,143,235	\$ 6,054,658	167.53%	75.70%
2024	1.66%	\$ 9,849,421	\$ 5,620,186	175.25%	74.91%
2023	1.52%	\$ 10,514,520	\$ 5,626,938	186.86%	74.41%
2022	1.45%	\$ 7,587,693	\$ 5,070,967	149.63%	78.18%
2021	1.49%	\$ 11,661,463	\$ 5,518,364	211.32%	65.74%
2020	1.52%	\$ 10,574,723	\$ 5,332,773	198.30%	68.31%
2019	1.55%	\$ 9,642,000	\$ 5,346,521	180.34%	69.56%
2018	1.55%	\$ 10,192,000	\$ 5,349,651	190.52%	67.22%
2017	1.50%	\$ 11,618,000	\$ 5,187,256	223.97%	61.01%
2016	1.38%	\$ 9,786,000	\$ 4,662,097	209.91%	62.64%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule of Employer Contributions
VRS State Employee Retirement Plan
For the Years Ended June 30, 2016 through 2025

Date	Contributions in Relation to					Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll		
2025	\$ 51,235,084	\$ 51,235,084	-	\$ 409,225,909		12.52%
2024	\$ 55,827,221	\$ 55,827,221	-	\$ 386,080,368		14.46%
2023	\$ 51,696,777	\$ 51,696,777	-	\$ 357,515,749		14.46%
2022	\$ 48,822,522	\$ 48,822,522	-	\$ 337,638,468		14.46%
2021	\$ 46,192,220	\$ 46,192,220	-	\$ 319,448,276		14.46%
2020	\$ 44,116,141	\$ 44,116,141	-	\$ 326,302,811		13.52%
2019	\$ 41,787,000	\$ 41,787,000	-	\$ 318,144,635		13.13%
2018	\$ 43,489,983	\$ 43,489,983	-	\$ 322,386,829		13.49%
2017	\$ 44,014,949	\$ 44,014,949	-	\$ 326,278,349		13.49%
2016	\$ 46,152,519	\$ 46,152,519	-	\$ 328,281,989		14.06%

Schedule of Employer Contributions
VaLORS Employee Retirement Plan
For the Years Ended June 30, 2016 through 2025

Date	Contributions in Relation to					Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll		
2025	\$ 1,521,443	\$ 1,521,443	-	\$ 6,184,727		24.60%
2024	\$ 1,489,447	\$ 1,489,447	-	\$ 6,054,658		24.60%
2023	\$ 1,382,565	\$ 1,382,565	-	\$ 5,620,186		24.60%
2022	\$ 1,232,299	\$ 1,232,299	-	\$ 5,626,938		21.90%
2021	\$ 1,110,540	\$ 1,110,540	-	\$ 5,070,967		21.90%
2020	\$ 1,192,521	\$ 1,192,521	-	\$ 5,518,364		21.61%
2019	\$ 1,145,000	\$ 1,145,000	-	\$ 5,332,773		21.47%
2018	\$ 1,125,443	\$ 1,125,443	-	\$ 5,346,521		21.05%
2017	\$ 1,126,102	\$ 1,126,102	-	\$ 5,349,651		21.05%
2016	\$ 977,198	\$ 977,198	-	\$ 5,187,256		18.84%

**Notes to Required Supplementary Information
For the Year Ended June 30, 2025**

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

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

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

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

Schedule of Employer's Share of Net OPEB Liability
Health Insurance Credit Program (HIC)
***For the Years Ended June 30**

	VCCS' Proportion of the Net HIC OPEB Liability (Asset)	VCCS's Proportionate Share of the Net HIC OPEB Liability	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability
2025	4.98%	\$ 35,345,060	\$ 452,156,115	7.82%	35.17%
2024	5.14%	\$ 42,196,417	\$ 421,321,102	10.02%	25.46%
2023	5.30%	\$ 43,403,952	\$ 401,475,699	10.81%	21.52%
2022	5.30%	\$ 44,762,175	\$ 381,943,222	11.72%	19.75%
2021	5.44%	\$ 49,901,710	\$ 391,633,015	12.74%	12.02%
2020	5.60%	\$ 51,728,631	\$ 381,875,067	13.55%	10.56%
2019	5.78%	\$ 52,749,000	\$ 389,321,850	13.55%	9.51%
2018	6.10%	\$ 55,585,000	\$ 394,447,967	14.09%	8.03%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
Health Insurance Credit Program
For the Years Ended June 30, 2018 through 2025

For the Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 5,344,150	\$ 5,344,150		\$ 477,156,319	1.12%
2024	\$ 5,064,147	\$ 5,064,147	-	\$ 452,156,115	1.12%
2023	\$ 4,718,794	\$ 4,718,794	-	\$ 421,321,102	1.12%
2022	\$ 4,496,529	\$ 4,496,529	-	\$ 401,475,699	1.12%
2021	\$ 4,277,766	\$ 4,277,766	-	\$ 381,943,222	1.12%
2020	\$ 4,582,106	\$ 4,582,106	-	\$ 391,633,015	1.17%
2019	\$ 4,468,478	\$ 4,468,478	-	\$ 381,875,067	1.17%
2018	\$ 4,593,998	\$ 4,593,998	-	\$ 389,321,850	1.18%

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance OPEB Plan (GLI)
***For the Years Ended June 30**

	VCCS' Proportion of the Net GLI OPEB Liability (Asset)	VCCS's Proportionate Share of the Net GLI Liability (Asset)	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability
2025	1.77%	\$ 19,701,044	\$ 453,308,148	4.35%	73.41%
2024	1.85%	\$ 21,479,943	\$ 419,770,154	5.12%	69.30%
2023	1.79%	\$ 22,239,660	\$ 401,769,550	5.54%	67.21%
2022	1.86%	\$ 21,614,468	\$ 383,290,595	5.64%	67.45%
2021	1.91%	\$ 31,946,869	\$ 393,971,211	8.11%	52.64%
2020	1.96%	\$ 31,846,900	\$ 383,653,769	8.30%	52.00%
2019	2.06%	\$ 31,274,000	\$ 391,539,930	7.99%	51.22%
2018	2.14%	\$ 32,268,000	\$ 395,579,732	8.16%	48.86%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
Group Life Insurance OPEB Plan
For the Years Ended June 30, 2018 through 2025

For the Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 2,245,371	\$ 2,245,371	-	\$ 477,738,769	0.47%
2024	\$ 2,447,867	\$ 2,447,867	-	\$ 453,308,148	0.54%
2023	\$ 2,278,187	\$ 2,278,187	-	\$ 419,770,154	0.54%
2022	\$ 2,169,557	\$ 2,169,557	-	\$ 401,769,550	0.54%
2021	\$ 2,069,768	\$ 2,069,768	-	\$ 383,290,595	0.54%
2020	\$ 2,048,652	\$ 2,048,652	-	\$ 393,971,211	0.52%
2019	\$ 1,995,018	\$ 1,995,018	-	\$ 383,653,769	0.52%
2018	\$ 2,036,008	\$ 2,036,008	-	\$ 391,539,930	0.52%

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

**Schedule of Employer's Share of Net OPEB Liability
Line of Duty Act Program (LODA)
*For the Measurement Dates of June 30, 2018 through 2025**

	VCCS' Proportion of the Net LODA OPEB Liability (Asset)	VCCS's Proportionate Share of the Net LODA Liability (Asset)	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability
2025	0.58%	\$ 2,275,297	\$ 6,430,371	35.38%	1.22%
2024	0.50%	\$ 2,018,526	\$ 6,189,737	32.61%	1.31%
2023	0.50%	\$ 1,906,055	\$ 6,348,538	30.02%	1.87%
2022	0.50%	\$ 2,228,641	\$ 5,906,588	37.73%	1.68%
2021	0.60%	\$ 2,523,073	\$ 6,171,841	40.88%	1.02%
2020	0.52%	\$ 1,849,043	\$ 5,697,818	32.45%	0.79%
2019	0.53%	\$ 1,670,000	\$ 5,346,521	31.24%	0.60%
2018	0.55%	\$ 1,449,000	\$ 5,349,651	27.09%	1.30%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

The contributions for the Line of Duty Act Program are based on the number of the participants in the program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total of the employees in the OBEP plan.

**Schedule of Employer Contributions
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2018 through 2025**

For the Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered-Employee Payroll*
2025	\$ 96,394	\$ 96,394	-	\$ 7,078,420	1.36%
2024	\$ 87,238	\$ 87,238	-	\$ 6,430,371	1.36%
2023	\$ 64,093	\$ 64,093	-	\$ 5,620,186	1.14%
2022	\$ 69,365	\$ 69,365	-	\$ 6,348,538	1.09%
2021	\$ 69,579	\$ 69,579	-	\$ 5,906,588	1.18%
2020	\$ 81,869	\$ 81,869	-	\$ 6,171,841	1.33%
2019	\$ 69,165	\$ 69,165	-	\$ 5,697,818	1.21%
2018	\$ 68,000	\$ 68,000	-	\$ 5,346,521	1.27%

**The contributions for the Line of Duty Act Program are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.*

**Schedule of Employer's Share of Net OPEB Liability (Asset)
Virginia Sickness and Disability Program (VSDP)**

***For the Years Ended June 30**

	VCCS' Proportion of the Net VSDP OPEB Liability (Asset)	VCCS's Proportionate Share of the Net VSDP Liability (Asset)	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability
2025	(6.73%)	\$ (23,801,888)	\$ 380,116,634	(6.26%)	204.38%
2024	(6.91%)	\$ (21,815,558)	\$ 349,925,466	(6.23%)	199.05%
2023	(7.14%)	\$ (21,073,711)	\$ 328,639,106	(6.41%)	195.90%
2022	(7.15%)	\$ (24,632,752)	\$ 308,845,113	(7.98%)	229.01%
2021	(7.25%)	\$ (15,996,216)	\$ 314,095,047	(5.09%)	181.88%
2020	(7.52%)	\$ (14,744,584)	\$ 304,193,586	(4.85%)	167.18%
2019	(7.74%)	\$ (17,433,000)	\$ 305,233,995	(5.71%)	194.74%
2018	(8.11%)	\$ (16,659,000)	\$ 306,049,960	(5.44%)	186.63%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

**Schedule of Employer Contributions
Virginia Sickness and Disability Program (VSDP)
For the Years Ended June 30, 2018 through 2025**

For the Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 2,022,439	\$ 2,022,439	-	\$ 404,488,869	0.50%
2024	\$ 2,318,714	\$ 2,318,714	-	\$ 380,116,634	0.61%
2023	\$ 2,134,545	\$ 2,134,545	-	\$ 349,925,466	0.61%
2022	\$ 2,004,701	\$ 2,004,701	-	\$ 328,639,106	0.61%
2021	\$ 1,883,956	\$ 1,883,956	-	\$ 308,845,113	0.61%
2020	\$ 1,947,391	\$ 1,947,391	-	\$ 314,095,047	0.62%
2019	\$ 1,885,999	\$ 1,885,999	-	\$ 304,193,586	0.62%
2018	\$ 2,014,544	\$ 2,014,544	-	\$ 305,233,995	0.66%

Schedule is intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information
Plans Administered by VRS**

Health Insurance Credit Program (HIC)

Group Life Insurance Program (GLI)

Line of Duty Act (LODA)

Disability Insurance Program (VSDP)

For the Year Ended June 30, 2025

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

General State Employees (HIC, GLI, LODA, VSDP)

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

Teachers (GLI)

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

SPORS Employees (HIC, GLI, LODA, VSDP)

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

VaLORS Employees (HIC, GLI, LODA, VSDP)

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

JRS Employees (HIC, GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Largest 10 Locality Employers - General Employees (GLI)

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

Non-Largest 10 Locality Employers - General Employees (GLI)

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

Largest 10 Locality Employers – Hazardous Duty Employees (GLI)

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

Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI)

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

Employees in the Largest 10 Locality Employers With Public Safety Employees (LODA)

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

Employees in the Non-Largest 10 Locality Employers With Public Safety Employees (LODA)

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

Required Supplementary Information**Commonwealth of Virginia State Health Plans
Program for Pre-Medicare Retirees
For the Fiscal Year Ended June 30, 2025**

Schedule of Employer's Share of Total OPEB Liability
Pre-Medicare Retiree Program
***For the Years Ended June 30**

	VCCS' Proportion of the collective total OPEB Liability	VCCS's Proportionate Share of the collective total OPEB Liability	VCCS' Covered Payroll	VCCS' Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll
2025	6.51%	\$ 23,206,225	\$ 417,100,274	5.56%
2024	6.55%	\$ 23,064,516	\$ 374,091,462	6.17%
2023	6.62%	\$ 24,066,524	\$ 362,456,806	6.64%
2022	6.56%	\$ 29,447,302	\$ 345,959,338	8.51%
2021	6.65%	\$ 37,813,303	\$ 363,562,657	10.40%
2020	6.77%	\$ 45,992,947	\$ 348,687,142	13.19%
2019	6.91%	\$ 69,451,303	\$ 356,495,630	19.48%
2018	7.14%	\$ 92,753,806	\$ 326,278,349	28.43%

**The amounts presented have a measurement date of the previous fiscal year-end.*

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only eight years of data are available. However, additional years will be added as they become available.

**The amounts presented have a measurement date of the previous fiscal year end.*

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior year measurement date:

- Spousal Coverage – rate remained at 20 percent
- Retiree Participation – rate remained at 35 percent

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2024. Additionally, the discount rate was increased from 3.65 percent to 3.93 percent based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2024.

***INDIVIDUAL
COLLEGE
FINANCIAL
STATEMENTS***

**Virginia Community College System
Blue Ridge Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Blue Ridge Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	13,520,801	211,236
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	181,087	
Pledges receivable (Note 3)		45,611
Due from commonwealth (Note 4)	323,393	
Due from system office	343,274	
Interest receivable	57,112	
Prepaid expenses	157,064	6,677
Inventories	15,856	
Notes receivable, net (Note 3)		
Total Current Assets	<u>14,598,587</u>	<u>263,524</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	3,129,063	
Prepaid expenses	1,111	
Endowment cash and cash equivalents (Note 2)		13,491
Appropriation available		
Endowment investments (Note 2)		14,335,712
Other long-term investments (Note 2)		6,609,995
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		392,205
Pledges receivable (Note 3)		159,638
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	703,339	
Non-depreciable capital assets, net (Note 5)	1,441,382	3,600
Depreciable capital assets, net (Note 5)	61,623,783	
Total Noncurrent Assets	<u>66,898,678</u>	<u>21,514,641</u>
Total Assets	<u>81,497,265</u>	<u>21,778,165</u>
Deferred Outflows of Resources (Note 8)	4,077,073	
Total Assets and Deferred Outflows of Resources	<u>85,574,338</u>	<u>21,778,165</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,034,239	558
Accrued payroll expense	2,272,668	
Unearned revenue	1,119,792	
Long-term liabilities-current portion (Note 9)	1,518,685	15,540
Securities lending obligation	68	
Post employment benefit obligations (Note 9)	74,272	
Due to system's office		
Deposits	143,631	
Total Current Liabilities	<u>6,163,355</u>	<u>16,098</u>

**Virginia Community College System
Blue Ridge Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Blue Ridge Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Account payable for noncurrent assets		
Long-term liabilities (Note 9)	6,694,511	33,209
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	12,295,544	
Total Noncurrent Liabilities	<u>18,990,055</u>	<u>33,209</u>
Total Liabilities	<u>25,153,410</u>	<u>49,307</u>
Deferred Inflows of Resources (Note 8)	2,359,593	
Total Liabilities and Deferred Inflows of Resources	<u>27,513,003</u>	<u>49,307</u>
Net Position		
Net investment in capital assets	56,066,982	3,600
Restricted for:		
Nonexpendable		9,137,724
Expendable	6,294,868	5,499,927
Unrestricted	(4,300,515)	7,087,607
Total Net Position	<u>58,061,335</u>	<u>21,728,858</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Blue Ridge Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit
	Community College	Blue Ridge Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$6,447,341)	5,845,632	
Federal grants and contracts	467,369	
State and local grants	2,049,598	
Nongovernmental grants	1,056,534	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$20,631)	1,453,475	
Gifts and contributions		926,346
Endowment income		1,235,030
Other operating revenues	400,243	794,847
Total Operating Revenue	<u>11,272,851</u>	<u>2,956,223</u>
Expenses		
Operating Expenses		
Instruction	15,459,278	670,075
Public service	54,486	26,090
Academic support	1,868,089	60,746
Student services	3,038,173	
Institutional support	6,408,456	268,302
Operation and maintenance	5,433,553	
Scholarships and fellowships	5,967,353	895,386
Auxiliary enterprises	426,379	
Fundraising		68,349
Other expenses		
Total Operating Expenses (Note 12)	<u>38,655,767</u>	<u>1,988,948</u>
Operating Income (Loss)	<u>(27,382,916)</u>	<u>967,275</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	18,524,160	
Local appropriations	26,000	
Grants and gifts	7,230,989	
Investment income	451,347	582,017
Interest on capital asset related debt	(268,692)	
Other nonoperating revenue (expense)	418,857	
Net Nonoperating Revenue	<u>26,382,661</u>	<u>582,017</u>
Income before other revenues, expenses gains (losses)	<u>(1,000,255)</u>	<u>1,549,292</u>
Capital appropriations-state (Note 20)		
Capital appropriations-local	300,001	
Capital gifts, grants and contracts	128,399	
Additions to permanent and term endowments		582,065
Increase (Decrease) in Net Position	<u>(571,855)</u>	<u>2,131,357</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>58,633,190</u>	<u>19,597,501</u>
Net Position end of year	<u>58,061,335</u>	<u>21,728,858</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Blue Ridge Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	6,074,832
Grants and contracts	3,363,137
Payments to suppliers and others	(6,584,415)
Payments for employee wages	(16,540,655)
Payments for employee fringes and pension benefits	(6,514,252)
Payment for scholarships	(6,019,138)
Payments for utilities	(781,521)
Sales and services of education department	
Auxiliary	1,453,475
Custodial receipts	6,980,475
Custodial disbursements	(6,950,499)
PLUS, Stafford and Direct Lending loan receipts	921,254
PLUS, Stafford and Direct Lending loan disbursements	(921,254)
Loans issued to students	
Loans collected from students	
Other	400,243
Net cash used by operating activities	<u>(25,118,318)</u>
Cash flows from non-capital financing activities:	
State appropriations	18,524,160
Local appropriations	26,000
Grants and gifts	7,280,266
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	406,277
Net cash provided (used) by non-capital financing activities	<u>26,236,703</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	300,001
Capital grants and gifts	117,434
Purchase capital assets	(395,230)
Proceeds from sale of capital assets	8,379
Debt interest payments	(304,784)
Debt principal payments	(986,636)
Net cash provided (used) by capital financing activities	<u>(1,260,836)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	458,885
Net cash provided (used) by investing activities	<u>458,885</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	316,434
Cash and cash equivalents, beginning of year	16,333,362
Cash and cash equivalents, End of Year	<u><u>16,649,796</u></u>

**Virginia Community College System
Blue Ridge Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(27,382,916)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	2,519,931
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	7,100
Prepaid expenses and other	15,380
Post employment benefits asset	(53,103)
Accrued compensation and leave	(217,280)
Accounts payable and other	572,782
Unearned revenue	8,602
Deposits pending distribution	
Custodial receipts(disbursements)	29,976
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(534,976)
Post employment benefits liability	(261,707)
Deferred inflows of resources related to pensions and post employment benefits	225,158
Deferred outflows of resources related to pensions and post employment benefits	(47,265)
Net cash used in operating activities	(25,118,318)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	16,649,864
Less: Securities Lending Cash Equivalents	68
Cash and cash equivalents end of year	<u>16,649,796</u>
Noncash transactions	
Donated capital assets	10,965
VRS Special Revenue Allocation	74,812
Amortization of bond premium	29,563
Amortization of deferral on debt defeasance	(5,200)
Capital assets acquired through the assumption of a liability	396,763
Retainage payable	27,136

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Central Virginia Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Central Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	8,598,949	536,380
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	302,773	317,005
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	702,991	
Due from system office	332,172	
Interest receivable		
Prepaid expenses	413,865	
Inventories	45,252	
Notes receivable, net (Note 3)		
Total Current Assets	<u>10,396,002</u>	<u>853,385</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		186,420
Appropriation available		
Endowment investments (Note 2)		2,712,388
Other long-term investments (Note 2)		3,204,801
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	593,571	
Non-depreciable capital assets, net (Note 5)	1,997,314	
Depreciable capital assets, net (Note 5)	14,734,746	
Total Noncurrent Assets	<u>17,325,631</u>	<u>6,103,609</u>
Total Assets	<u>27,721,633</u>	<u>6,956,994</u>
Deferred Outflows of Resources (Note 8)	3,618,920	
Total Assets and Deferred Outflows of Resources	<u><u>31,340,553</u></u>	<u><u>6,956,994</u></u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	559,976	519
Accrued payroll expense	1,019,438	
Unearned revenue	984,831	
Long-term liabilities-current portion (Note 9)	811,577	
Securities lending obligation	21	
Post employment benefit obligations (Note 9)	64,973	
Due to system's office		
Deposits	388,527	
Total Current Liabilities	<u>3,829,343</u>	<u>519</u>

**Virginia Community College System
Central Virginia Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Central Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	325,191	
Account payable for noncurrent assets		
Long-term liabilities (Note 9)	814,364	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	11,040,118	
Total Noncurrent Liabilities	<u>12,179,673</u>	
Total Liabilities	<u>16,009,016</u>	<u>519</u>
Deferred Inflows of Resources (Note 8)	2,404,232	
Total Liabilities and Deferred Inflows of Resources	<u>18,413,248</u>	<u>519</u>
Net Position		
Net investment in capital assets	16,098,104	
Restricted for:		
Nonexpendable		1,177,273
Expendable	999,911	3,982,699
Unrestricted	(4,170,710)	1,796,503
Total Net Position	<u>12,927,305</u>	<u>6,956,475</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Central Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

	Community College	Component Unit Central Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,555,361)	9,195,429	
Federal grants and contracts	936,422	
State and local grants	2,073,174	
Nongovernmental grants		
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$17,514)	176,836	
Gifts and contributions		1,489,085
Endowment income		294,796
Other operating revenues	179,106	202,807
Total Operating Revenue	12,560,967	1,986,688
Expenses		
Operating Expenses		
Instruction	15,036,038	
Public service	174,074	
Academic support	2,788,074	
Student services	3,362,869	
Institutional support	3,472,241	1,224,509
Operation and maintenance	5,621,169	
Scholarships and fellowships	6,923,610	374,033
Auxiliary enterprises	75,552	
Fundraising		24,332
Other expenses		
Total Operating Expenses (Note 12)	37,453,627	1,622,874
Operating Income (Loss)	(24,892,660)	363,814
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	18,272,195	
Local appropriations	6,350	
Grants and gifts	7,471,428	
Investment income	31,918	348,384
Interest on capital asset related debt	(59,953)	
Other nonoperating revenue (expense)	636,879	
Net Nonoperating Revenue	26,358,817	348,384
Income before other revenues, expenses gains (losses)	1,466,157	712,198
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	756,290	
Additions to permanent and term endowments		52,356
Increase (Decrease) in Net Position	2,222,447	764,554
Net Position		
Net Position beginning of year (Note 1-V)	10,704,858	6,191,921
Net Position end of year	12,927,305	6,956,475

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Central Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	9,280,910
Grants and contracts	3,037,368
Payments to suppliers and others	(6,995,527)
Payments for employee wages	(16,440,080)
Payments for employee fringes and pension benefits	(5,609,215)
Payment for scholarships	(7,138,018)
Payments for utilities	(627,644)
Sales and services of education department	
Auxiliary	175,854
Custodial receipts	126,587
Custodial disbursements	(104,654)
PLUS, Stafford and Direct Lending loan receipts	945,163
PLUS, Stafford and Direct Lending loan disbursements	(943,037)
Loans issued to students	
Loans collected from students	
Other	179,106
Net cash used by operating activities	<u>(24,113,187)</u>
Cash flows from non-capital financing activities:	
State appropriations	18,272,195
Local appropriations	6,350
Grants and gifts	7,383,169
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	299,253
Net cash provided (used) by non-capital financing activities	<u>25,960,967</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	292,642
Purchase capital assets	(779,244)
Proceeds from sale of capital assets	21,312
Debt interest payments	(62,100)
Debt principal payments	(275,032)
Net cash provided (used) by capital financing activities	<u>(802,422)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	31,917
Net cash provided (used) by investing activities	<u>31,917</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	1,077,275
Cash and cash equivalents, beginning of year	7,521,653
Cash and cash equivalents, End of Year	<u><u>8,598,928</u></u>

**Virginia Community College System
Central Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(24,892,660)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,499,637
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(169,271)
Prepaid expenses and other	(23,984)
Post employment benefits asset	(31,182)
Accrued compensation and leave	(4,879)
Accounts payable and other	(109,135)
Unearned revenue	280,190
Deposits pending distribution	
Custodial receipts(disbursements)	15,239
Stafford and Direct Loan receipts(disbursements)	2,126
Pension liability	(818,519)
Post employment benefits liability	(235,532)
Deferred inflows of resources related to pensions and post employment benefits	459,609
Deferred outflows of resources related to pensions and post employment benefits	(84,826)
Net cash used in operating activities	<u>(24,113,187)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	8,598,949
Less: Securities Lending Cash Equivalents	21
Cash and cash equivalents end of year	<u>8,598,928</u>
Noncash transactions	
Donated capital assets	463,648
VRS Special Revenue Allocation	62,785
Capital assets acquired through the assumption of a liability	459,547
Retainage payable	63,644

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Mountain Gateway Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit	
		Mountain Gateway Community College Educational Foundation	Mountain Gateway Community College Real Estate Foundation
	Community College		
Assets			
Current Assets			
Cash and cash equivalents (Note 2)	3,825,146	753,561	655,047
Appropriation available			
Short term investments (Note 2)		701,437	75,600
Accounts receivable, net (Note 3)	458,319	-	278,858
Pledges receivable (Note 3)		38,000	2,000
Due from commonwealth (Note 4)		-	-
Due from system office	67,195	-	-
Interest receivable		17,192	-
Prepaid expenses	130,464	-	-
Inventories	31,619	-	-
Notes receivable, net (Note 3)		-	-
Total Current Assets	<u>4,512,743</u>	<u>1,510,190</u>	<u>1,011,505</u>
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)			
Prepaid expenses	1,108		
Endowment cash and cash equivalents (Note 2)			
Appropriation available			
Endowment investments (Note 2)		8,132,589	
Other long-term investments (Note 2)		306,606	4,496
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		38,000	4,000
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	246,218		
Non-depreciable capital assets, net (Note 5)	582,168		190,215
Depreciable capital assets, net (Note 5)	11,054,262		6,245,171
Total Noncurrent Assets	<u>11,883,756</u>	<u>8,477,195</u>	<u>6,443,882</u>
Total Assets	<u>16,396,499</u>	<u>9,987,385</u>	<u>7,455,387</u>
Deferred Outflows of Resources (Note 8)	1,449,991		
Total Assets and Deferred Outflows of Resources	<u>17,846,490</u>	<u>9,987,385</u>	<u>7,455,387</u>
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	318,655	4,039	270,744
Accrued payroll expense	484,357		
Unearned revenue	77,444		
Long-term liabilities-current portion (Note 9)	328,829		6,734
Securities lending obligation	8		
Post employment benefit obligations (Note 9)	25,410		
Due to system's office			
Deposits	60,200		83,050
Total Current Liabilities	<u>1,294,903</u>	<u>4,039</u>	<u>360,528</u>

**Virginia Community College System
Mountain Gateway Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit	
	Community College	Mountain Gateway Community College Educational Foundation	Mountain Gateway Community College Real Estate Foundation
Noncurrent Liabilities			
Unearned revenue			
Account payable for noncurrent assets			
Long-term liabilities (Note 9)	454,289		483,752
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	4,389,741		
Total Noncurrent Liabilities	<u>4,844,030</u>		<u>483,752</u>
Total Liabilities	<u>6,138,933</u>	<u>4,039</u>	<u>844,280</u>
Deferred Inflows of Resources (Note 8)	806,972		
Total Liabilities and Deferred Inflows of Resources	<u>6,945,905</u>	<u>4,039</u>	<u>844,280</u>
Net Position			
Net investment in capital assets	11,368,471		5,944,900
Restricted for:			
Nonexpendable		4,354,095	
Expendable	1,013,120	4,215,780	69,845
Unrestricted	(1,481,006)	1,413,471	596,362
Total Net Position	<u>10,900,585</u>	<u>9,983,346</u>	<u>6,611,107</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Mountain Gateway Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

		Component Unit	Component Unit
	Community College	Mountain Gateway Community College Educational Foundation	Mountain Gateway Community College Real Estate Foundation
Revenues			
Operating Revenue			
Tuition and fees (net of scholarship allowance of \$1,262,202)	1,653,538		
Federal grants and contracts	1,182,344		2,159,880
State and local grants	1,871,685		650,000
Nongovernmental grants	372,725		395,000
Sales/services of education department	2,224		
Auxiliary enterprises (net of scholarship allowance of \$4,015)	19,353		
Gifts and contributions		181,368	70,606
Endowment income		776,290	
Other operating revenues	267,980	161,674	1,110,289
Total Operating Revenue	5,369,849	1,119,332	4,385,775
Expenses			
Operating Expenses			
Instruction	5,809,330		
Public service			
Academic support	1,920,580	334,424	309,133
Student services	1,670,209		
Institutional support	2,380,403	79,875	12,893
Operation and maintenance	1,697,953		21,173
Scholarships and fellowships	1,757,776	146,470	
Auxiliary enterprises			
Fundraising		51,280	9,880
Other expenses			32,475
Total Operating Expenses (Note 12)	15,236,251	612,049	385,554
Operating Income (Loss)	(9,866,402)	507,283	4,000,221
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	7,236,970		
Local appropriations	111,689		
Grants and gifts	1,577,390		
Investment income	32,196	62,309	8,169
Interest on capital asset related debt	(6,428)		
Other nonoperating revenue (expense)	403,056		
Net Nonoperating Revenue	9,354,873	62,309	8,169
Income before other revenues, expenses gains (losses)	(511,529)	569,592	4,008,390
Capital appropriations-state (Note 20)			
Capital appropriations-local	17,000		
Capital gifts, grants and contracts	938,271		
Additions to permanent and term endowments		111,900	
Increase (Decrease) in Net Position	443,742	681,492	4,008,390
Net Position			
Net Position beginning of year (Note 1-V)	10,456,843	9,301,854	2,602,717
Net Position end of year	10,900,585	9,983,346	6,611,107

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Mountain Gateway Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	1,613,210
Grants and contracts	3,531,206
Payments to suppliers and others	(3,981,019)
Payments for employee wages	(5,971,203)
Payments for employee fringes and pension benefits	(2,350,338)
Payment for scholarships	(1,757,804)
Payments for utilities	(318,585)
Sales and services of education department	2,224
Auxiliary	19,353
Custodial receipts	267,573
Custodial disbursements	(322,488)
PLUS, Stafford and Direct Lending loan receipts	195,348
PLUS, Stafford and Direct Lending loan disbursements	(195,348)
Loans issued to students	
Loans collected from students	
Other	267,945
Net cash used by operating activities	<u>(8,999,926)</u>
Cash flows from non-capital financing activities:	
State appropriations	7,236,970
Local appropriations	111,689
Grants and gifts	1,819,458
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	507,034
Net cash provided (used) by non-capital financing activities	<u>9,675,151</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	17,000
Capital grants and gifts	771,910
Purchase capital assets	(1,320,777)
Proceeds from sale of capital assets	2,358
Debt interest payments	(881)
Debt principal payments	(294,919)
Net cash provided (used) by capital financing activities	<u>(825,309)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	32,195
Net cash provided (used) by investing activities	<u>32,195</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	(117,889)
Cash and cash equivalents, beginning of year	3,943,027
Cash and cash equivalents, End of Year	<u>3,825,138</u>

**Virginia Community College System
Mountain Gateway Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(9,866,402)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	997,488
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(13,355)
Prepaid expenses and other	78,426
Post employment benefits asset	(36,159)
Accrued compensation and leave	115,775
Accounts payable and other	(31,800)
Unearned revenue	77,444
Deposits pending distribution	
Custodial receipts(disbursements)	(54,915)
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(55,808)
Post employment benefits liability	(56,114)
Deferred inflows of resources related to pensions and post employment benefits	(8,312)
Deferred outflows of resources related to pensions and post employment benefits	(146,194)
Net cash used in operating activities	(8,999,926)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	3,825,146
Less: Securities Lending Cash Equivalents	8
Cash and cash equivalents end of year	<u>3,825,138</u>
Noncash transactions	
Donated capital assets	166,361
VRS Special Revenue Allocation	25,138
Capital assets acquired through the assumption of a liability	353,056
Retainage payable	12,130

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Danville Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Danville Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	9,777,927	1,258,537
Appropriation available	1,364	
Short term investments (Note 2)	666,142	
Accounts receivable, net (Note 3)	3,376,540	738,682
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Due from system office	53,589	
Interest receivable		71,679
Prepaid expenses	229,149	
Inventories	306,177	
Notes receivable, net (Note 3)		
Total Current Assets	<u>14,410,888</u>	<u>2,068,898</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		747,111
Appropriation available	2,500,000	
Endowment investments (Note 2)		17,842,453
Other long-term investments (Note 2)		184,886
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	453,759	
Non-depreciable capital assets, net (Note 5)	944,152	
Depreciable capital assets, net (Note 5)	24,953,831	4,184
Total Noncurrent Assets	<u>28,851,742</u>	<u>18,778,634</u>
Total Assets	<u>43,262,630</u>	<u>20,847,532</u>
Deferred Outflows of Resources (Note 8)	2,662,534	
Total Assets and Deferred Outflows of Resources	<u><u>45,925,164</u></u>	<u><u>20,847,532</u></u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	478,449	18,926
Accrued payroll expense	1,873,808	
Unearned revenue	663,459	
Long-term liabilities-current portion (Note 9)	413,033	
Securities lending obligation	7,635	
Post employment benefit obligations (Note 9)	41,427	
Due to system's office		
Deposits	518,301	
Total Current Liabilities	<u>3,996,112</u>	<u>18,926</u>

**Virginia Community College System
Danville Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Danville Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Account payable for noncurrent assets		
Long-term liabilities (Note 9)	296,836	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	8,279,194	
Total Noncurrent Liabilities	<u>8,576,030</u>	
Total Liabilities	<u>12,572,142</u>	<u>18,926</u>
Deferred Inflows of Resources (Note 8)	1,826,940	
Total Liabilities and Deferred Inflows of Resources	<u>14,399,082</u>	<u>18,926</u>
Net Position		
Net investment in capital assets	25,897,983	4,184
Restricted for:		
Nonexpendable		10,615,021
Expendable	5,937,881	4,995,330
Unrestricted	(309,782)	5,214,071
Total Net Position	<u>31,526,082</u>	<u>20,828,606</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Danville Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit
	Community College	Danville Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,353,941)	2,354,204	
Federal grants and contracts	1,454,564	
State and local grants	933,643	
Nongovernmental grants	31,423	289,043
Sales/services of education department	135	
Auxiliary enterprises (net of scholarship allowance of \$481,185)	220,320	
Gifts and contributions		19,519
Endowment income		1,785,650
Other operating revenues	343,295	240,684
Total Operating Revenue	<u>5,337,584</u>	<u>2,334,896</u>
Expenses		
Operating Expenses		
Instruction	10,183,295	
Public service	493,896	
Academic support	1,587,560	
Student services	2,177,191	
Institutional support	5,308,990	548,280
Operation and maintenance	2,922,836	
Scholarships and fellowships	3,678,390	225,693
Auxiliary enterprises	885,978	
Fundraising		320,899
Other expenses		
Total Operating Expenses (Note 12)	<u>27,238,136</u>	<u>1,094,872</u>
Operating Income (Loss)	<u>(21,900,552)</u>	<u>1,240,024</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	16,047,915	
Local appropriations	27,000	
Grants and gifts	5,676,562	
Investment income	49,595	
Interest on capital asset related debt	(1,135)	
Other nonoperating revenue (expense)	286,893	
Net Nonoperating Revenue	<u>22,086,830</u>	
Income before other revenues, expenses gains (losses)	186,278	1,240,024
Capital appropriations-state (Note 20)	2,500,000	
Capital appropriations-local		
Capital gifts, grants and contracts	92,102	
Additions to permanent and term endowments		283,693
Increase (Decrease) in Net Position	<u>2,778,380</u>	<u>1,523,717</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>28,747,702</u>	<u>19,304,889</u>
Net Position end of year	<u>31,526,082</u>	<u>20,828,606</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Danville Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	1,875,021
Grants and contracts	2,470,764
Payments to suppliers and others	(6,412,278)
Payments for employee wages	(11,310,705)
Payments for employee fringes and pension benefits	(4,080,392)
Payment for scholarships	(3,665,897)
Payments for utilities	(789,278)
Sales and services of education department	135
Auxiliary	220,297
Custodial receipts	338,838
Custodial disbursements	(315,246)
PLUS, Stafford and Direct Lending loan receipts	612,494
PLUS, Stafford and Direct Lending loan disbursements	(621,029)
Other	343,295
Net cash used by operating activities	<u>(21,333,981)</u>
Cash flows from non-capital financing activities:	
State appropriations	16,047,915
Local appropriations	27,000
Grants and gifts	5,676,562
Other non-operating revenue(expense)	323,623
Net cash provided (used) by non-capital financing activities	<u>22,075,100</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	92,102
Purchase capital assets	(121,107)
Proceeds from sale of capital assets	
Debt interest payments	(79)
Debt principal payments	(15,132)
Net cash provided (used) by capital financing activities	<u>(44,216)</u>
Cash flows from investing activities:	
Sale of investments	24,994
Investment income	34,972
Net cash provided (used) by investing activities	<u>59,966</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	756,869
Cash and cash equivalents, beginning of year	<u>9,013,423</u>
Cash and cash equivalents, End of Year	<u>9,770,292</u>

**Virginia Community College System
Danville Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(21,900,552)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,593,598
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(337,537)
Prepaid expenses and other	(67,692)
Post employment benefits asset	(32,377)
Accrued compensation and leave	49,246
Accounts payable and other	(5,089)
Unearned revenue	(93,263)
Custodial receipts(disbursements)	23,592
Stafford and Direct Loan receipts(disbursements)	(8,535)
Pension liability	(515,325)
Post employment benefits liability	(187,490)
Deferred inflows of resources related to pensions and post employment benefits	130,711
Deferred outflows of resources related to pensions and post employment benefits	15,368
Net cash used in operating activities	(21,333,981)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	9,777,927
Less: Securities Lending Cash Equivalents	7,635
Cash and cash equivalents end of year	<u>9,770,292</u>
Noncash transactions	
VRS Special Revenue Allocation	47,721
Unrealized gain/loss on investments	14,417
Capital assets acquired through the assumption of a liability	-
Retainage payable	11,306

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Eastern Shore Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Eastern Shore Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	1,712,608	208,009
Appropriation available		
Short term investments (Note 2)		1,061,902
Accounts receivable, net (Note 3)	1,194,526	
Pledges receivable (Note 3)		13,950
Due from commonwealth (Note 4)		
Due from system office		
Interest receivable		
Prepaid expenses	16,630	
Inventories	16,000	
Notes receivable, net (Note 3)		
Total Current Assets	<u>2,939,764</u>	<u>1,283,861</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		215,316
Appropriation available		
Endowment investments (Note 2)		1,489,784
Other long-term investments (Note 2)		2,690,745
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		18,966
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	172,048	
Non-depreciable capital assets, net (Note 5)	1,204,413	
Depreciable capital assets, net (Note 5)	20,224,088	
Total Noncurrent Assets	<u>21,600,549</u>	<u>4,414,811</u>
Total Assets	<u>24,540,313</u>	<u>5,698,672</u>
Deferred Outflows of Resources (Note 8)	1,110,478	
Total Assets and Deferred Outflows of Resources	<u>25,650,791</u>	<u>5,698,672</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	276,533	55,684
Accrued payroll expense	527,907	
Unearned revenue	19,880	
Long-term liabilities-current portion (Note 9)	214,782	
Securities lending obligation	2	
Post employment benefit obligations (Note 9)	17,820	
Due to system's office		
Deposits	206,998	
Total Current Liabilities	<u>1,263,922</u>	<u>55,684</u>

**Virginia Community College System
Eastern Shore Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Eastern Shore Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Account payable for noncurrent assets		
Long-term liabilities (Note 9)	205,775	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	3,084,011	
Total Noncurrent Liabilities	<u>3,289,786</u>	
Total Liabilities	<u>4,553,708</u>	<u>55,684</u>
Deferred Inflows of Resources (Note 8)	613,188	
Total Liabilities and Deferred Inflows of Resources	<u>5,166,896</u>	<u>55,684</u>
Net Position		
Net investment in capital assets	21,321,560	
Restricted for:		
Nonexpendable		1,705,100
Expendable	692,908	2,815,623
Unrestricted	(1,530,573)	1,122,265
Total Net Position	<u>20,483,895</u>	<u>5,642,988</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Eastern Shore Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

		Component Unit
	Community College	Eastern Shore Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$2,859,401)	515,467	
Federal grants and contracts	871,530	
State and local grants	1,040,700	
Nongovernmental grants	8,867	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$9,149)	52,883	
Gifts and contributions		607,895
Endowment income		169,592
Other operating revenues	4,769	82,527
Total Operating Revenue	2,494,216	860,014
Expenses		
Operating Expenses		
Instruction	5,061,298	
Public service	84,107	
Academic support	341,446	248,733
Student services	1,152,534	
Institutional support	2,312,137	164,392
Operation and maintenance	650,033	
Scholarships and fellowships	1,242,446	313,734
Auxiliary enterprises	7,639	
Fundraising		32,472
Other expenses		
Total Operating Expenses (Note 12)	10,851,640	759,331
Operating Income (Loss)	(8,357,424)	100,683
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	6,265,397	
Local appropriations	59,406	
Grants and gifts	2,103,493	
Investment income	14,753	409,827
Interest on capital asset related debt	(1,427)	
Other nonoperating revenue (expense)	(50,326)	
Net Nonoperating Revenue	8,391,296	409,827
Income before other revenues, expenses gains (losses)	33,872	510,510
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	252,881	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	286,753	510,510
Net Position		
Net Position beginning of year (Note 1-V)	20,197,142	5,132,478
Net Position end of year	20,483,895	5,642,988

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Eastern Shore Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	742,504
Grants and contracts	1,912,230
Payments to suppliers and others	(2,882,441)
Payments for employee wages	(4,428,828)
Payments for employee fringes and pension benefits	(1,749,923)
Payment for scholarships	(1,240,384)
Payments for utilities	(167,991)
Sales and services of education department	
Auxiliary	52,883
Custodial receipts	83,870
Custodial disbursements	(61,448)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	4,769
Net cash used by operating activities	<u>(7,734,759)</u>
Cash flows from non-capital financing activities:	
State appropriations	6,265,397
Local appropriations	59,406
Grants and gifts	2,103,493
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(50,326)
Net cash provided (used) by non-capital financing activities	<u>8,377,970</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	247,793
Purchase capital assets	(517,252)
Proceeds from sale of capital assets	
Debt interest payments	(1,845)
Debt principal payments	(95,502)
Net cash provided (used) by capital financing activities	<u>(366,806)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	14,753
Net cash provided (used) by investing activities	<u>14,753</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	291,158
Cash and cash equivalents, beginning of year	1,421,448
Cash and cash equivalents, End of Year	<u>1,712,606</u>

**Virginia Community College System
Eastern Shore Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(8,357,424)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	814,139
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	220,886
Prepaid expenses and other	10,715
Post employment benefits asset	(29,271)
Accrued compensation and leave	116,715
Accounts payable and other	(307,270)
Unearned revenue	(2,716)
Deposits pending distribution	
Custodial receipts(disbursements)	22,422
Stafford and Direct Loan receipts(disbursements)	
Pension liability	32,869
Post employment benefits liability	(57,745)
Deferred inflows of resources related to pensions and post employment benefits	(39,692)
Deferred outflows of resources related to pensions and post employment benefits	(158,387)
Net cash used in operating activities	(7,734,759)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	1,712,608
Less: Securities Lending Cash Equivalents	2
Cash and cash equivalents end of year	<u>1,712,606</u>
Noncash transactions	
Donated capital assets	5,088
VRS Special Revenue Allocation	18,089
Capital assets acquired through the assumption of a liability	189,703

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Germanna Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Germanna Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	16,328,078	1,157,204
Appropriation available		
Short term investments (Note 2)	1,447,610	
Accounts receivable, net (Note 3)	1,392,112	164,247
Pledges receivable (Note 3)		620,000
Due from commonwealth (Note 4)	479,645	
Due from system office	182,822	
Interest receivable		
Prepaid expenses	433,686	
Inventories	8,129	
Notes receivable, net (Note 3)		
Total Current Assets	<u>20,272,082</u>	<u>1,941,451</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	3,840,236	
Prepaid expenses	32,780	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		5,330,595
Other long-term investments (Note 2)	373,074	8,040,698
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		99,369
Due from commonwealth (Note 4)	56,988	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	1,223,023	
Non-depreciable capital assets, net (Note 5)	5,720,483	13,329,815
Depreciable capital assets, net (Note 5)	56,714,905	6,925,889
Total Noncurrent Assets	<u>67,961,489</u>	<u>33,726,366</u>
Total Assets	<u>88,233,571</u>	<u>35,667,817</u>
Deferred Outflows of Resources (Note 8)	8,058,655	
Total Assets and Deferred Outflows of Resources	<u>96,292,226</u>	<u>35,667,817</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,655,368	132,961
Accrued payroll expense	4,005,019	
Unearned revenue	3,870,690	
Long-term liabilities-current portion (Note 9)	2,085,612	317,394
Securities lending obligation	4,751	
Post employment benefit obligations (Note 9)	93,829	
Due to system's office		
Deposits	106,878	
Total Current Liabilities	<u>11,822,147</u>	<u>450,355</u>

**Virginia Community College System
Germanna Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Germanna Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	137,566	
Long-term liabilities (Note 9)	17,896,450	11,459,002
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	20,698,752	
Total Noncurrent Liabilities	<u>38,732,768</u>	<u>11,459,002</u>
Total Liabilities	<u>50,554,915</u>	<u>11,909,357</u>
Deferred Inflows of Resources (Note 8)	3,493,706	
Total Liabilities and Deferred Inflows of Resources	<u>54,048,621</u>	<u>11,909,357</u>
Net Position		
Net investment in capital assets	44,574,523	
Restricted for:		
Nonexpendable		3,960,227
Expendable	6,034,695	10,973,350
Unrestricted	(8,365,613)	8,824,883
Total Net Position	<u>42,243,605</u>	<u>23,758,460</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Germanna Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Community College	Component Unit Germanna Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$15,113,088)	13,607,958	
Federal grants and contracts	2,591,919	
State and local grants	4,597,234	
Nongovernmental grants	778,158	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$48,330)	1,096,862	
Gifts and contributions		1,328,154
Endowment income		410,962
Other operating revenues	418,936	5,043,732
Total Operating Revenue	<u>23,091,067</u>	<u>6,782,848</u>
Expenses		
Operating Expenses		
Instruction	29,932,761	
Public service	179,205	
Academic support	10,293,225	139,665
Student services	9,039,725	
Institutional support	10,860,025	1,685,949
Operation and maintenance	5,677,515	
Scholarships and fellowships	8,245,949	1,107,057
Auxiliary enterprises	93,488	
Fundraising		277,759
Other expenses		
Total Operating Expenses (Note 12)	<u>74,321,893</u>	<u>3,210,430</u>
Operating Income (Loss)	<u>(51,230,826)</u>	<u>3,572,418</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	36,574,347	
Local appropriations	253,618	
Grants and gifts	14,045,063	
Investment income	264,971	704,125
Interest on capital asset related debt	(709,479)	
Other nonoperating revenue (expense)	63,808	
Net Nonoperating Revenue	<u>50,492,328</u>	<u>704,125</u>
Income before other revenues, expenses gains (losses)	<u>(738,498)</u>	<u>4,276,543</u>
Capital appropriations-state (Note 20)	657,786	
Capital appropriations-local	288,069	
Capital gifts, grants and contracts	769,261	
Additions to permanent and term endowments		185,625
Increase (Decrease) in Net Position	<u>976,618</u>	<u>4,462,168</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>41,266,987</u>	<u>19,296,292</u>
Net Position end of year	<u>42,243,605</u>	<u>23,758,460</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Germanna Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	13,610,480
Grants and contracts	7,808,819
Payments to suppliers and others	(13,619,185)
Payments for employee wages	(35,934,465)
Payments for employee fringes and pension benefits	(11,314,598)
Payment for scholarships	(8,276,152)
Payments for utilities	(785,898)
Sales and services of education department	
Auxiliary	1,096,862
Custodial receipts	302,284
Custodial disbursements	(278,687)
PLUS, Stafford and Direct Lending loan receipts	2,047,510
PLUS, Stafford and Direct Lending loan disbursements	(2,047,510)
Loans issued to students	
Loans collected from students	
Other	402,405
Net cash used by operating activities	<u>(46,988,135)</u>
Cash flows from non-capital financing activities:	
State appropriations	36,574,347
Local appropriations	253,618
Grants and gifts	13,568,688
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(107,641)
Net cash provided (used) by non-capital financing activities	<u>50,289,012</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	2,577,112
Capital appropriations-local	288,069
Capital grants and gifts	597,492
Purchase capital assets	(3,988,276)
Proceeds from sale of capital assets	8,340
Debt interest payments	(1,282,396)
Debt principal payments	(1,154,932)
Net cash provided (used) by capital financing activities	<u>(2,954,591)</u>
Cash flows from investing activities:	
Purchases of investments	(964,738)
Sale of investments	860,371
Investment income	254,332
Net cash provided (used) by investing activities	<u>149,965</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	496,251
Cash and cash equivalents, beginning of year	19,667,312
Cash and cash equivalents, End of Year	<u><u>20,163,563</u></u>

**Virginia Community College System
Germanna Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(51,230,826)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,177,660
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(167,220)
Prepaid expenses and other	63,870
Post employment benefits asset	(136,750)
Accrued compensation and leave	875,120
Accounts payable and other	828,978
Unearned revenue	132,298
Deposits pending distribution	211
Custodial receipts(disbursements)	23,597
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(219,210)
Post employment benefits liability	(251,815)
Deferred inflows of resources related to pensions and post employment benefits	283,918
Deferred outflows of resources related to pensions and post employment benefits	(367,966)
Net cash used in operating activities	(46,988,135)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	20,168,314
Less: Securities Lending Cash Equivalents	4,751
Cash and cash equivalents end of year	<u>20,163,563</u>
Noncash transactions	
Donated capital assets	171,769
VRS Special Revenue Allocation	128,811
Unrealized gain/loss on investments	9,935
Capital assets acquired through the assumption of a liability	14,787,221
Retainage payable	16,942

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Net Position
As of June 30, 2025

		Component Units
	Community College	J. Sargeant Reynolds Community College Educational and Real Estate Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	25,603,842	1,574,150
Appropriation available		
Short term investments (Note 2)		713,345
Accounts receivable, net (Note 3)	454,620	3,857
Pledges receivable (Note 3)		788,180
Due from commonwealth (Note 4)		
Due from system office		
Interest receivable	4,261	
Prepaid expenses	829,611	604,211
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>26,892,334</u>	<u>3,683,743</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	1,326,377	
Prepaid expenses	43,059	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		17,623,217
Other long-term investments (Note 2)		3,692,305
Accounts receivable, net (Note 3)	55,475	
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		935,046
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	1,299,705	
Non-depreciable capital assets, net (Note 5)	3,944,737	105,999
Depreciable capital assets, net (Note 5)	66,969,869	12,139,383
Total Noncurrent Assets	<u>73,639,222</u>	<u>34,495,950</u>
Total Assets	<u>100,531,556</u>	<u>38,179,693</u>
Deferred Outflows of Resources (Note 8)	7,267,316	
Total Assets and Deferred Outflows of Resources	<u><u>107,798,872</u></u>	<u><u>38,179,693</u></u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	2,584,277	456,130
Accrued payroll expense	3,319,086	
Unearned revenue	2,289,680	
Long-term liabilities-current portion (Note 9)	1,438,225	414,908
Securities lending obligation	52,641	
Post employment benefit obligations (Note 9)	122,264	
Due to system's office		
Deposits	533,015	
Total Current Liabilities	<u>10,339,188</u>	<u>871,038</u>

Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Net Position
As of June 30, 2025

		Component Units
	Community College	J. Sargeant Reynolds Community College Educational and Real Estate Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	1,438,043	8,756,430
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	23,864,194	
Total Noncurrent Liabilities	<u>25,302,237</u>	<u>8,756,430</u>
Total Liabilities	<u>35,641,425</u>	<u>9,627,468</u>
Deferred Inflows of Resources (Note 8)	6,161,887	
Total Liabilities and Deferred Inflows of Resources	<u>41,803,312</u>	<u>9,627,468</u>
Net Position		
Net investment in capital assets	70,397,969	3,643,297
Restricted for:		
Nonexpendable		11,750,277
Expendable	2,896,015	9,784,489
Unrestricted	(7,298,424)	3,374,162
Total Net Position	<u>65,995,560</u>	<u>28,552,225</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Units
		J. Sargeant Reynolds Community College Educational and Real Estate Foundation
	Community College	
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$11,942,219)	20,741,590	
Federal grants and contracts	2,020,982	
State and local grants	750	
Nongovernmental grants	1,265,545	
Sales/services of education department	19,973	
Auxiliary enterprises (net of scholarship allowance of \$38,153)	1,060,877	
Gifts and contributions		2,762,999
Endowment income		2,203,579
Other operating revenues	532,206	252,989
Total Operating Revenue	25,641,923	5,219,567
Expenses		
Operating Expenses		
Instruction	31,635,172	
Public service	1,523,576	
Academic support	4,523,512	1,217,623
Student services	5,860,549	
Institutional support	9,474,985	518,353
Operation and maintenance	8,786,859	120,000
Scholarships and fellowships	11,345,551	1,062,763
Auxiliary enterprises	744,229	
Fundraising		30,372
Other expenses		1,667
Total Operating Expenses (Note 12)	73,894,433	2,950,778
Operating Income (Loss)	(48,252,510)	2,268,789
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	32,964,519	
Local appropriations	367,200	
Grants and gifts	16,276,334	
Investment income	461,461	16,901
Interest on capital asset related debt	(26,262)	
Other nonoperating revenue (expense)	(64,995)	
Net Nonoperating Revenue	49,978,257	16,901
Income before other revenues, expenses gains (losses)	1,725,747	2,285,690
Capital appropriations-state (Note 20)		
Capital appropriations-local	1,895,215	
Capital gifts, grants and contracts	836	
Additions to permanent and term endowments		193,027
Increase (Decrease) in Net Position	3,621,798	2,478,717
Net Position		
Net Position beginning of year (Note 1-V)	62,373,762	26,073,508
Net Position end of year	65,995,560	28,552,225

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	20,357,016
Grants and contracts	3,157,083
Payments to suppliers and others	(13,830,175)
Payments for employee wages	(33,590,260)
Payments for employee fringes and pension benefits	(11,133,916)
Payment for scholarships	(11,286,780)
Payments for utilities	(1,658,287)
Sales and services of education department	19,973
Auxiliary	1,060,877
Custodial receipts	675,243
Custodial disbursements	(561,743)
PLUS, Stafford and Direct Lending loan receipts	2,859,484
PLUS, Stafford and Direct Lending loan disbursements	(2,745,767)
Loans issued to students	
Loans collected from students	
Other	552,553
Net cash used by operating activities	<u>(46,124,699)</u>
Cash flows from non-capital financing activities:	
State appropriations	32,964,519
Local appropriations	367,200
Grants and gifts	16,323,156
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	349,656
Net cash provided (used) by non-capital financing activities	<u>50,004,531</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	1,895,215
Capital grants and gifts	
Purchase capital assets	(1,236,772)
Proceeds from sale of capital assets	1,169
Debt interest payments	(13,323)
Debt principal payments	(673,635)
Net cash provided (used) by capital financing activities	<u>(27,346)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	439,014
Net cash provided (used) by investing activities	<u>439,014</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	4,291,500
Cash and cash equivalents, beginning of year	22,586,078
Cash and cash equivalents, End of Year	<u><u>26,877,578</u></u>

**Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(48,252,510)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	4,225,552
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	426,041
Prepaid expenses and other	(238,594)
Post employment benefits asset	(97,694)
Accrued compensation and leave	351,132
Accounts payable and other	905,288
Unearned revenue	(885,922)
Deposits pending distribution	
Custodial receipts(disbursements)	113,500
Stafford and Direct Loan receipts(disbursements)	113,717
Pension liability	(1,470,202)
Post employment benefits liability	(352,457)
Deferred inflows of resources related to pensions and post employment benefits	(21,701)
Deferred outflows of resources related to pensions and post employment benefits	(940,849)
Net cash used in operating activities	<u>(46,124,699)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	26,930,219
Less: Securities Lending Cash Equivalents	52,641
Cash and cash equivalents end of year	<u>26,877,578</u>
Noncash transactions	
Donated capital assets	836
VRS Special Revenue Allocation	135,226
Amortization of bond premium	8,912
Amortization of deferral on debt defeasance	(4,100)

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Brightpoint Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit	
		Brightpoint Community College Educational Foundation	Brightpoint Community College Real Estate Foundation
	Community College		
Assets			
Current Assets			
Cash and cash equivalents (Note 2)	11,651,241	1,376,526	123,618
Appropriation available			
Short term investments (Note 2)	4,523,619		
Accounts receivable, net (Note 3)	2,092,052		
Pledges receivable (Note 3)		894,821	
Due from commonwealth (Note 4)			
Due from system office	37,086		
Interest receivable			
Prepaid expenses	257,183		
Inventories	5,384		
Notes receivable, net (Note 3)			
Total Current Assets	18,566,565	2,271,347	123,618
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)			
Prepaid expenses			
Endowment cash and cash equivalents (Note 2)		314,573	
Appropriation available			
Endowment investments (Note 2)		5,322,109	
Other long-term investments (Note 2)		3,548,074	
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)			
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	1,065,660		
Non-depreciable capital assets, net (Note 5)	10,109,308		
Depreciable capital assets, net (Note 5)	85,840,318		
Total Noncurrent Assets	97,015,286	9,184,756	
Total Assets	115,581,851	11,456,103	123,618
Deferred Outflows of Resources (Note 8)	5,764,478		
Total Assets and Deferred Outflows of Resources	121,346,329	11,456,103	123,618
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	690,820	192,277	
Accrued payroll expense	2,451,860		
Unearned revenue	890,980		
Long-term liabilities-current portion (Note 9)	1,457,676		
Securities lending obligation	29		
Post employment benefit obligations (Note 9)	102,790		
Due to system's office			
Deposits	2,177,084		
Total Current Liabilities	7,771,239	192,277	

**Virginia Community College System
Brightpoint Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit	
		Brightpoint Community College Educational Foundation	Brightpoint Community College Real Estate Foundation
	Community College		
Noncurrent Liabilities			
Unearned revenue			
Long-term liabilities (Note 9)	3,914,797		
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	18,755,358		
Total Noncurrent Liabilities	<u>22,670,155</u>		
Total Liabilities	<u>30,441,394</u>	<u>192,277</u>	
Deferred Inflows of Resources (Note 8)	3,290,961		
Total Liabilities and Deferred Inflows of Resources	<u>33,732,355</u>	<u>192,277</u>	
Net Position			
Net investment in capital assets	92,560,926		
Restricted for:			
Nonexpendable		2,980,381	
Expendable	3,187,497	5,889,802	
Unrestricted	(8,134,449)	2,393,643	123,618
Total Net Position	<u>87,613,974</u>	<u>11,263,826</u>	<u>123,618</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Brightpoint Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

		Component Unit	
	Community College	Brightpoint Community College Educational Foundation	Brightpoint Community College Real Estate Foundation
Revenues			
Operating Revenue			
Tuition and fees (net of scholarship allowance of \$12,293,367)	7,612,328		
Federal grants and contracts	1,687,043		
State and local grants	3,823,552		
Nongovernmental grants	225,478		
Sales/services of education department			
Auxiliary enterprises (net of scholarship allowance of \$39,344)	449,967		
Gifts and contributions		488,851	
Endowment income		887,481	
Other operating revenues	514,510	634,138	5,000
Total Operating Revenue	14,312,878	2,010,470	5,000
Expenses			
Operating Expenses			
Instruction	23,180,680		
Public service	1,119,753		
Academic support	4,467,832	417,183	
Student services	7,478,423		
Institutional support	8,508,443	624,138	3,203
Operation and maintenance	8,554,908		
Scholarships and fellowships	8,971,665	407,995	
Auxiliary enterprises	295,778		
Fundraising		165,014	
Other expenses			
Total Operating Expenses (Note 12)	62,577,482	1,614,330	3,203
Operating Income (Loss)	(48,264,604)	396,140	1,797
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	35,696,374		
Local appropriations	95,033		
Grants and gifts	11,248,931		
Investment income	5,932		614
Interest on capital asset related debt	(32,953)		
Other nonoperating revenue (expense)	464,158		
Net Nonoperating Revenue	47,477,475		614
Income before other revenues, expenses gains (losses)	(787,129)	396,140	2,411
Capital appropriations-state (Note 20)			
Capital appropriations-local			
Capital gifts, grants and contracts	1,339,472		
Additions to permanent and term endowments		26,450	
Increase (Decrease) in Net Position	552,343	422,590	2,411
Net Position			
Net Position beginning of year (Note 1-V)	87,061,631	10,841,236	121,207
Net Position end of year	87,613,974	11,263,826	123,618

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Brightpoint Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	4,693,610
Grants and contracts	6,206,786
Payments to suppliers and others	(9,216,583)
Payments for employee wages	(30,478,219)
Payments for employee fringes and pension benefits	(10,347,077)
Payment for scholarships	(9,009,745)
Payments for utilities	(927,444)
Sales and services of education department	
Auxiliary	449,286
Custodial receipts	2,521
Custodial disbursements	(9,931)
PLUS, Stafford and Direct Lending loan receipts	2,283,021
PLUS, Stafford and Direct Lending loan disbursements	(2,067,919)
Loans issued to students	
Loans collected from students	
Other	514,510
Net cash used by operating activities	<u>(47,907,184)</u>
Cash flows from non-capital financing activities:	
State appropriations	35,696,374
Local appropriations	95,033
Grants and gifts	12,251,545
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	527,425
Net cash provided (used) by non-capital financing activities	<u>48,570,377</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	1,339,200
Purchase capital assets	(1,382,110)
Proceeds from sale of capital assets	6,580
Debt interest payments	(46,522)
Debt principal payments	(400,000)
Net cash provided (used) by capital financing activities	<u>(482,852)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	(204,927)
Net cash provided (used) by investing activities	<u>(204,927)</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	(24,586)
Cash and cash equivalents, beginning of year	11,675,798
Cash and cash equivalents, End of Year	<u>11,651,212</u>

**Virginia Community College System
Brightpoint Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(48,264,604)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,650,163
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(308,167)
Prepaid expenses and other	67,858
Post employment benefits asset	(103,337)
Accrued compensation and leave	346,582
Accounts payable and other	(59,160)
Unearned revenue	(1,676,370)
Deposits pending distribution	(464,149)
Custodial receipts(disbursements)	(7,410)
Stafford and Direct Loan receipts(disbursements)	215,102
Pension liability	(501,272)
Post employment benefits liability	(340,905)
Deferred inflows of resources related to pensions and post employment benefits	121,130
Deferred outflows of resources related to pensions and post employment benefits	(582,645)
Net cash used in operating activities	(47,907,184)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	11,651,241
Less: Securities Lending Cash Equivalents	29
Cash and cash equivalents end of year	<u>11,651,212</u>
Noncash transactions	
Donated capital assets	272
VRS Special Revenue Allocation	116,772
Retainage payable	30,531

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Laurel Ridge Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Laurel Ridge Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	20,231,492	3,268,627
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	373,792	
Pledges receivable (Note 3)		64,396
Due from commonwealth (Note 4)	773,875	
Due from system office	23,127	
Interest receivable		
Prepaid expenses	163,835	
Inventories	24,000	
Notes receivable, net (Note 3)		215,000
Total Current Assets	<u>21,590,121</u>	<u>3,548,023</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	313,482	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		14,611
Appropriation available		
Endowment investments (Note 2)		10,431,557
Other long-term investments (Note 2)		4,438,856
Accounts receivable, net (Note 3)	95,869	
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		33,490
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	837,914	
Non-depreciable capital assets, net (Note 5)	2,201,318	4,011,150
Depreciable capital assets, net (Note 5)	66,892,684	14,914,431
Total Noncurrent Assets	<u>70,341,267</u>	<u>33,844,095</u>
Total Assets	<u>91,931,388</u>	<u>37,392,118</u>
Deferred Outflows of Resources (Note 8)	4,970,384	
Total Assets and Deferred Outflows of Resources	<u>96,901,772</u>	<u>37,392,118</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	630,254	202,527
Accrued payroll expense	2,323,210	
Unearned revenue	1,014,000	
Long-term liabilities-current portion (Note 9)	1,389,184	272,381
Securities lending obligation	50,352	
Post employment benefit obligations (Note 9)	97,406	
Due to system's office		
Deposits	464,648	
Total Current Liabilities	<u>5,969,054</u>	<u>474,908</u>

**Virginia Community College System
Laurel Ridge Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Laurel Ridge Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		217,500
Account payable for noncurrent assets		
Long-term liabilities (Note 9)	5,611,379	8,917,052
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	15,148,166	
Total Noncurrent Liabilities	<u>20,759,545</u>	<u>9,134,552</u>
Total Liabilities	<u>26,728,599</u>	<u>9,609,460</u>
Deferred Inflows of Resources (Note 8)	2,940,862	
Total Liabilities and Deferred Inflows of Resources	<u>29,669,461</u>	<u>9,609,460</u>
Net Position		
Net investment in capital assets	63,739,678	9,736,148
Restricted for:		
Nonexpendable		10,446,168
Expendable	3,303,693	3,166,955
Unrestricted	188,940	4,433,387
Total Net Position	<u>67,232,311</u>	<u>27,782,658</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Laurel Ridge Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

		Component Unit
	Community College	Laurel Ridge Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,241,697)	14,344,282	
Federal grants and contracts	1,410,430	
State and local grants	4,460,571	
Nongovernmental grants	155,057	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$16,814)	417,344	
Gifts and contributions		1,299,337
Endowment income		926,607
Other operating revenues	174,277	2,008,717
Total Operating Revenue	<u>20,961,961</u>	<u>4,234,661</u>
Expenses		
Operating Expenses		
Instruction	21,070,254	
Public service	622,798	
Academic support	3,604,957	
Student services	4,563,804	
Institutional support	9,159,792	1,758,525
Operation and maintenance	4,437,676	
Scholarships and fellowships	7,783,393	460,076
Auxiliary enterprises	89,632	
Fundraising		162,820
Other expenses		521,624
Total Operating Expenses (Note 12)	<u>51,332,306</u>	<u>2,903,045</u>
Operating Income (Loss)	<u>(30,370,345)</u>	<u>1,331,616</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	24,133,508	
Local appropriations	335,461	
Grants and gifts	7,346,074	
Investment income	82,805	199,606
Interest on capital asset related debt	(196,131)	
Other nonoperating revenue (expense)	(1,952,113)	
Net Nonoperating Revenue	<u>29,749,604</u>	<u>199,606</u>
Income before other revenues, expenses gains (losses)	<u>(620,741)</u>	<u>1,531,222</u>
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	399,884	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	<u>(220,857)</u>	<u>1,531,222</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>67,453,168</u>	<u>26,251,436</u>
Net Position end of year	<u>67,232,311</u>	<u>27,782,658</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Laurel Ridge Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	14,296,515
Grants and contracts	6,035,308
Payments to suppliers and others	(8,462,519)
Payments for employee wages	(23,593,503)
Payments for employee fringes and pension benefits	(8,378,284)
Payment for scholarships	(7,810,749)
Payments for utilities	(962,953)
Sales and services of education department	
Auxiliary	417,344
Custodial receipts	544,218
Custodial disbursements	(637,140)
PLUS, Stafford and Direct Lending loan receipts	929,398
PLUS, Stafford and Direct Lending loan disbursements	(936,549)
Loans issued to students	
Loans collected from students	
Other	188,211
Net cash used by operating activities	<u>(28,370,703)</u>
Cash flows from non-capital financing activities:	
State appropriations	24,133,508
Local appropriations	335,461
Grants and gifts	7,658,111
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(1,252,607)
Net cash provided (used) by non-capital financing activities	<u>30,874,473</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	398,236
Purchase capital assets	(949,187)
Proceeds from sale of capital assets	24,809
Debt interest payments	(337,317)
Debt principal payments	(333,869)
Net cash provided (used) by capital financing activities	<u>(1,197,328)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	80,942
Net cash provided (used) by investing activities	<u>80,942</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	1,387,384
Cash and cash equivalents, beginning of year	19,107,238
Cash and cash equivalents, End of Year	<u><u>20,494,622</u></u>

**Virginia Community College System
Laurel Ridge Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(30,370,345)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,040,040
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	129,121
Prepaid expenses and other	324,806
Post employment benefits asset	(86,060)
Accrued compensation and leave	186,057
Accounts payable and other	(87,109)
Unearned revenue	(232,873)
Deposits pending distribution	
Custodial receipts(disbursements)	(92,922)
Stafford and Direct Loan receipts(disbursements)	(7,151)
Pension liability	(204,482)
Post employment benefits liability	(94,511)
Deferred inflows of resources related to pensions and post employment benefits	(74,953)
Deferred outflows of resources related to pensions and post employment benefits	(800,321)
Net cash used in operating activities	<u><u>(28,370,703)</u></u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	20,544,974
Less: Securities Lending Cash Equivalents	50,352
Cash and cash equivalents end of year	<u><u>20,494,622</u></u>
Noncash transactions	
Donated capital assets	1,648
VRS Special Revenue Allocation	91,048
Capital assets acquired through the assumption of a liability	4,599,784

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Mountain Empire Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Mountain Empire Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	6,979,008	311,311
Appropriation available		
Short term investments (Note 2)	750,000	
Accounts receivable, net (Note 3)	743,446	8,279
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	84,060	
Due from system office	680,556	
Interest receivable		
Prepaid expenses		15,399
Inventories	418,460	
Notes receivable, net (Note 3)		
Total Current Assets	<u>9,655,530</u>	<u>334,989</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		87,093
Appropriation available		
Endowment investments (Note 2)		36,382,250
Other long-term investments (Note 2)		2,939,845
Accounts receivable, net (Note 3)		600,145
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	425,450	
Non-depreciable capital assets, net (Note 5)	3,716,937	35,500
Depreciable capital assets, net (Note 5)	15,377,555	
Total Noncurrent Assets	<u>19,519,942</u>	<u>40,044,833</u>
Total Assets	<u>29,175,472</u>	<u>40,379,822</u>
Deferred Outflows of Resources (Note 8)	2,773,794	
Total Assets and Deferred Outflows of Resources	<u>31,949,266</u>	<u>40,379,822</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	907,071	381,887
Accrued payroll expense	1,529,541	
Unearned revenue	5,000	
Long-term liabilities-current portion (Note 9)	499,662	
Securities lending obligation	1,054	
Post employment benefit obligations (Note 9)	54,724	
Due to system's office		
Deposits	477,152	
Total Current Liabilities	<u>3,474,204</u>	<u>381,887</u>

**Virginia Community College System
Mountain Empire Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Mountain Empire Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	483,374	599,381
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	8,808,439	
Total Noncurrent Liabilities	<u>9,291,813</u>	<u>599,381</u>
Total Liabilities	<u>12,766,017</u>	<u>981,268</u>
Deferred Inflows of Resources (Note 8)	1,792,545	
Total Liabilities and Deferred Inflows of Resources	<u>14,558,562</u>	<u>981,268</u>
Net Position		
Net investment in capital assets	19,055,263	
Restricted for:		
Nonexpendable		13,088,106
Expendable	3,279,648	17,936,603
Unrestricted	(4,944,207)	8,373,845
Total Net Position	<u>17,390,704</u>	<u>39,398,554</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Mountain Empire Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Community College	Component Unit Mountain Empire Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$3,526,922)	2,981,024	
Federal grants and contracts	2,236,713	
State and local grants	1,195,622	238,113
Nongovernmental grants	252,004	481,809
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$11,259)	236,540	
Gifts and contributions		95,160
Endowment income		3,881,506
Other operating revenues	100,553	194,171
Total Operating Revenue	<u>7,002,456</u>	<u>4,890,759</u>
Expenses		
Operating Expenses		
Instruction	10,818,249	
Public service	407,163	
Academic support	2,731,988	1,241,721
Student services	1,748,508	
Institutional support	2,849,637	396,632
Operation and maintenance	2,382,782	
Scholarships and fellowships	5,057,786	101,103
Auxiliary enterprises	137,887	
Fundraising		94,415
Other expenses		
Total Operating Expenses (Note 12)	<u>26,134,000</u>	<u>1,833,871</u>
Operating Income (Loss)	<u>(19,131,544)</u>	<u>3,056,888</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	14,301,307	
Local appropriations	114,303	
Grants and gifts	6,296,534	
Investment income	33,475	519,637
Interest on capital asset related debt	(2,591)	
Other nonoperating revenue (expense)	2,360,479	
Net Nonoperating Revenue	<u>23,103,507</u>	<u>519,637</u>
Income before other revenues, expenses gains (losses)	3,971,963	3,576,525
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	310,695	
Additions to permanent and term endowments		379,346
Increase (Decrease) in Net Position	<u>4,282,658</u>	<u>3,955,871</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>13,108,046</u>	<u>35,442,683</u>
Net Position end of year	<u><u>17,390,704</u></u>	<u><u>39,398,554</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Mountain Empire Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	2,788,738
Grants and contracts	3,400,031
Payments to suppliers and others	(5,680,762)
Payments for employee wages	(11,184,278)
Payments for employee fringes and pension benefits	(4,457,508)
Payment for scholarships	(4,003,157)
Payments for utilities	(569,474)
Sales and services of education department	
Auxiliary	345,499
Custodial receipts	647,472
Custodial disbursements	(328,238)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	100,553
Net cash used by operating activities	<u>(18,941,124)</u>
Cash flows from non-capital financing activities:	
State appropriations	14,301,307
Local appropriations	114,303
Grants and gifts	6,292,968
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,869,417
Net cash provided (used) by non-capital financing activities	<u>22,577,995</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	310,695
Purchase capital assets	(2,070,302)
Proceeds from sale of capital assets	17,519
Debt interest payments	(1,772)
Debt principal payments	(41,276)
Net cash provided (used) by capital financing activities	<u>(1,785,136)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	33,392
Net cash provided (used) by investing activities	<u>33,392</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	1,885,127
Cash and cash equivalents, beginning of year	5,092,827
Cash and cash equivalents, End of Year	<u>6,977,954</u>

**Virginia Community College System
Mountain Empire Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(19,131,544)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,159,889
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(247,599)
Prepaid expenses and other	
Post employment benefits asset	(35,815)
Accrued compensation and leave	(101,751)
Accounts payable and other	(150,802)
Unearned revenue	(153,422)
Deposits pending distribution	32,924
Custodial receipts(disbursements)	319,234
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(488,191)
Post employment benefits liability	(155,783)
Deferred inflows of resources related to pensions and post employment benefits	244,014
Deferred outflows of resources related to pensions and post employment benefits	(232,278)
Net cash used in operating activities	(18,941,124)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	6,979,008
Less: Securities Lending Cash Equivalents	1,054
Cash and cash equivalents end of year	<u>6,977,954</u>
Noncash transactions	
VRS Special Revenue Allocation	49,072
Retainage payable	118,072

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
New River Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	New River Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	16,810,249	364,557
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	147,326	
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Due from system office	27,050	
Interest receivable		
Prepaid expenses	1,025,689	
Inventories	11,121	
Notes receivable, net (Note 3)		50,694
Total Current Assets	<u>18,021,435</u>	<u>415,251</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		2,139,045
Appropriation available		
Endowment investments (Note 2)		25,708,609
Other long-term investments (Note 2)		4,918,581
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	450,964	
Non-depreciable capital assets, net (Note 5)	822,066	
Depreciable capital assets, net (Note 5)	16,015,098	48,657
Total Noncurrent Assets	<u>17,288,128</u>	<u>32,814,892</u>
Total Assets	<u>35,309,563</u>	<u>33,230,143</u>
Deferred Outflows of Resources (Note 8)	2,706,638	
Total Assets and Deferred Outflows of Resources	<u>38,016,201</u>	<u>33,230,143</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,468,201	1,256
Accrued payroll expense	985,358	
Unearned revenue	973,668	
Long-term liabilities-current portion (Note 9)	651,782	
Securities lending obligation	88	
Post employment benefit obligations (Note 9)	47,989	
Due to system's office		
Deposits	17,867	
Total Current Liabilities	<u>4,144,953</u>	<u>1,256</u>

**Virginia Community College System
New River Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit New River Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	2,763,356	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	8,898,092	
Total Noncurrent Liabilities	<u>11,661,448</u>	
Total Liabilities	<u>15,806,401</u>	<u>1,256</u>
Deferred Inflows of Resources (Note 8)	1,944,385	
Total Liabilities and Deferred Inflows of Resources	<u>17,750,786</u>	<u>1,256</u>
Net Position		
Net investment in capital assets	14,388,849	48,657
Restricted for:		
Nonexpendable		15,389,434
Expendable	2,962,313	3,630,963
Unrestricted	2,914,253	14,159,833
Total Net Position	<u>20,265,415</u>	<u>33,228,887</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
New River Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit
	Community College	New River Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,539,187)	8,294,930	
Federal grants and contracts	577,387	
State and local grants	424,440	
Nongovernmental grants	51,842	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$17,712)	118,196	
Gifts and contributions		1,114,911
Endowment income		3,518,513
Other operating revenues	63,815	264,070
Total Operating Revenue	<u>9,530,610</u>	<u>4,897,494</u>
Expenses		
Operating Expenses		
Instruction	15,760,475	
Public service	95,438	
Academic support	3,241,986	
Student services	1,817,182	
Institutional support	4,977,153	113,642
Operation and maintenance	4,770,753	
Scholarships and fellowships	3,644,861	1,770,989
Auxiliary enterprises	36,576	
Fundraising		66,300
Other expenses		
Total Operating Expenses (Note 12)	<u>34,344,424</u>	<u>1,950,931</u>
Operating Income (Loss)	<u>(24,813,814)</u>	<u>2,946,563</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	20,361,043	
Local appropriations	95,083	
Grants and gifts	5,462,723	
Investment income	369,535	(304,380)
Interest on capital asset related debt	(222,353)	
Other nonoperating revenue (expense)	(166,138)	
Net Nonoperating Revenue	<u>25,899,893</u>	<u>(304,380)</u>
Income before other revenues, expenses gains (losses)	1,086,079	2,642,183
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	533,357	
Additions to permanent and term endowments		1,834,312
Increase (Decrease) in Net Position	<u>1,619,436</u>	<u>4,476,495</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>18,645,979</u>	<u>28,752,392</u>
Net Position end of year	<u>20,265,415</u>	<u>33,228,887</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
New River Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	8,018,535
Grants and contracts	1,053,669
Payments to suppliers and others	(5,717,691)
Payments for employee wages	(17,367,423)
Payments for employee fringes and pension benefits	(4,769,949)
Payment for scholarships	(3,661,122)
Payments for utilities	(844,456)
Sales and services of education department	
Auxiliary	118,196
Custodial receipts	3,888
Custodial disbursements	(81,863)
PLUS, Stafford and Direct Lending loan receipts	823,493
PLUS, Stafford and Direct Lending loan disbursements	(823,493)
Loans issued to students	
Loans collected from students	
Other	63,815
Net cash used by operating activities	<u>(23,184,401)</u>
Cash flows from non-capital financing activities:	
State appropriations	20,361,043
Local appropriations	95,083
Grants and gifts	5,952,805
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(187,318)
Net cash provided (used) by non-capital financing activities	<u>26,221,613</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	532,982
Purchase capital assets	(2,126,392)
Proceeds from sale of capital assets	
Debt interest payments	(404,357)
Debt principal payments	(554,024)
Net cash provided (used) by capital financing activities	<u>(2,551,791)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	369,531
Net cash provided (used) by investing activities	<u>369,531</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	854,952
Cash and cash equivalents, beginning of year	15,955,209
Cash and cash equivalents, End of Year	<u><u>16,810,161</u></u>

**Virginia Community College System
New River Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(24,813,814)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	2,272,074
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(73,613)
Prepaid expenses and other	331,141
Post employment benefits asset	(33,152)
Accrued compensation and leave	114,003
Accounts payable and other	60,532
Unearned revenue	(258,881)
Deposits pending distribution	39,191
Custodial receipts(disbursements)	(77,975)
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(575,757)
Post employment benefits liability	(193,981)
Deferred inflows of resources related to pensions and post employment benefits	206,173
Deferred outflows of resources related to pensions and post employment benefits	(180,342)
Net cash used in operating activities	<u>(23,184,401)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	16,810,249
Less: Securities Lending Cash Equivalents	88
Cash and cash equivalents end of year	<u>16,810,161</u>
Noncash transactions	
Donated capital assets	375
VRS Special Revenue Allocation	52,562
Capital assets acquired through the assumption of a liability	2,617,512

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Northern Virginia Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Northern Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	148,325,043	862,975
Appropriation available		
Short term investments (Note 2)	9,101,025	2,661,526
Accounts receivable, net (Note 3)	1,938,334	
Pledges receivable (Note 3)		140,000
Due from commonwealth (Note 4)	2,934,503	
Due from system office	1,462,246	
Interest receivable	16,660	
Prepaid expenses	16,936,192	
Inventories		
Notes receivable, net (Note 3)	451,679	
Total Current Assets	<u>181,165,682</u>	<u>3,664,501</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(104,534)	
Prepaid expenses	103,804	
Endowment cash and cash equivalents (Note 2)		
Appropriation available	12,733,277	
Endowment investments (Note 2)		15,082,867
Other long-term investments (Note 2)	28,439,680	18,873,164
Accounts receivable, net (Note 3)	195,298	
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		397,362
Due from commonwealth (Note 4)	2,165,376	
Notes receivable, net (Note 3)	25,152	
Post employment benefit assets (Note 18)	6,488,194	
Non-depreciable capital assets, net (Note 5)	103,138,850	
Depreciable capital assets, net (Note 5)	338,578,597	
Total Noncurrent Assets	<u>491,763,694</u>	<u>34,353,393</u>
Total Assets	<u>672,929,376</u>	<u>38,017,894</u>
Deferred Outflows of Resources (Note 8)	35,523,710	
Total Assets and Deferred Outflows of Resources	<u>708,453,086</u>	<u>38,017,894</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	20,360,731	240,919
Accrued payroll expense	18,990,252	15,274
Unearned revenue	28,043,974	
Long-term liabilities-current portion (Note 9)	9,677,373	
Securities lending obligation	1,939	
Post employment benefit obligations (Note 9)	521,816	
Due to system's office		
Deposits	(1,046,554)	
Total Current Liabilities	<u>76,549,531</u>	<u>256,193</u>

Northern Virginia Community College
Statement of Net Position
As of June 30, 2025

		Component Unit
	Community College	Northern Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	927,142	
Long-term liabilities (Note 9)	16,295,355	
Due to federal government (Note 9)	855,387	
Pension and post employment benefit obligations (Note 9)	117,776,233	
Total Noncurrent Liabilities	<u>135,854,117</u>	
Total Liabilities	<u>212,403,648</u>	<u>256,193</u>
Deferred Inflows of Resources (Note 8)	25,938,301	
Total Liabilities and Deferred Inflows of Resources	<u>238,341,949</u>	<u>256,193</u>
Net Position		
Net investment in capital assets	427,637,128	
Restricted for:		
Nonexpendable	113,626	9,620,023
Expendable	58,675,635	11,083,055
Unrestricted	(16,315,252)	17,058,623
Total Net Position	<u>470,111,137</u>	<u>37,761,701</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Northern Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Community College	Component Unit Northern Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$74,883,014)	115,185,792	
Federal grants and contracts	15,124,923	
State and local grants	2,500,494	
Nongovernmental grants	5,679,906	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$239,415)	5,240,783	
Gifts and contributions		2,249,899
Endowment income		1,544,517
Other operating revenues	8,417,301	998,384
Total Operating Revenue	<u>152,149,199</u>	<u>4,792,800</u>
Expenses		
Operating Expenses		
Instruction	153,141,041	
Public service	1,818,927	
Academic support	32,200,584	6,796,632
Student services	34,756,693	
Institutional support	60,270,918	223,925
Operation and maintenance	71,013,478	
Scholarships and fellowships	48,534,908	505,750
Auxiliary enterprises	7,184,900	
Fundraising		100,144
Other expenses	12,849	
Total Operating Expenses (Note 12)	<u>408,934,298</u>	<u>7,626,451</u>
Operating Income (Loss)	<u>(256,785,099)</u>	<u>(2,833,651)</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	236,984,977	
Local appropriations	250,000	
Grants and gifts	72,929,565	
Investment income	4,119,128	1,864,476
Interest on capital asset related debt	(506,350)	
Other nonoperating revenue (expense)	(22,495,150)	
Net Nonoperating Revenue	<u>291,282,170</u>	<u>1,864,476</u>
Income before other revenues, expenses gains (losses)	34,497,071	(969,175)
Capital appropriations-state (Note 20)	19,585,862	
Capital appropriations-local		
Capital gifts, grants and contracts	6,257,924	
Additions to permanent and term endowments		279,789
Increase (Decrease) in Net Position	<u>60,340,857</u>	<u>(689,386)</u>
Net Position		
Net Position beginning of year (Note 1-V)	409,770,280	38,451,087
Net Position end of year	<u>470,111,137</u>	<u>37,761,701</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Northern Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	123,404,355
Grants and contracts	22,828,101
Payments to suppliers and others	(115,140,151)
Payments for employee wages	(177,942,988)
Payments for employee fringes and pension benefits	(57,517,911)
Payment for scholarships	(62,182,284)
Payments for utilities	(4,029,175)
Sales and services of education department	
Auxiliary	5,240,783
Custodial receipts	2,852,895
Custodial disbursements	(2,844,001)
PLUS, Stafford and Direct Lending loan receipts	23,967,907
PLUS, Stafford and Direct Lending loan disbursements	(25,628,575)
Loans issued to students	159,029
Loans collected from students	173,009
Other	8,278,197
Net cash used by operating activities	<u>(258,380,809)</u>
Cash flows from non-capital financing activities:	
State appropriations	236,984,977
Local appropriations	250,000
Grants and gifts	70,497,165
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(23,874,918)
Net cash provided (used) by non-capital financing activities	<u>283,857,224</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	12,898,238
Capital appropriations-local	
Capital grants and gifts	6,204,368
Purchase capital assets	(42,115,097)
Proceeds from sale of capital assets	251,023
Debt interest payments	(364,622)
Debt principal payments	(3,501,156)
Net cash provided (used) by capital financing activities	<u>(26,627,246)</u>
Cash flows from investing activities:	
Purchases of investments	(6,190,366)
Sale of investments	7,041,748
Investment income	2,880,354
Net cash provided (used) by investing activities	<u>3,731,736</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	2,580,905
Cash and cash equivalents, beginning of year	145,637,665
Cash and cash equivalents, End of Year	<u>148,218,570</u>

**Virginia Community College System
Northern Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(256,785,099)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	20,302,569
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	2,012,511
Prepaid expenses and other	(12,465,595)
Post employment benefits asset	(466,039)
Accrued compensation and leave	812,363
Accounts payable and other	(3,222,274)
Unearned revenue	5,531,613
Deposits pending distribution	
Custodial receipts(disbursements)	8,894
Stafford and Direct Loan receipts(disbursements)	(1,660,668)
Pension liability	(5,928,090)
Post employment benefits liability	(2,698,714)
Deferred inflows of resources related to pensions and post employment benefits	596,293
Deferred outflows of resources related to pensions and post employment benefits	(4,418,573)
Net cash used in operating activities	<u>(258,380,809)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	148,220,509
Less: Securities Lending Cash Equivalents	1,939
Cash and cash equivalents end of year	<u>148,218,570</u>
Noncash transactions	
Donated capital assets	53,556
VRS Special Revenue Allocation	760,779
Unrealized gain/loss on investments	1,125,212
Retainage payable	2,954,509

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Patrick & Henry Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Patrick & Henry Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	3,646,939	894,026
Appropriation available		
Short term investments (Note 2)	1,080,719	573,000
Accounts receivable, net (Note 3)	1,422,775	
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	149,195	
Due from system office	57,513	
Interest receivable		
Prepaid expenses		
Inventories	6,500	
Notes receivable, net (Note 3)	4,091	
Total Current Assets	<u>6,367,732</u>	<u>1,467,026</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		93,190
Appropriation available		
Endowment investments (Note 2)		11,386,408
Other long-term investments (Note 2)		10,873,192
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	761,090	
Non-depreciable capital assets, net (Note 5)	917,926	111,906
Depreciable capital assets, net (Note 5)	25,772,716	638,221
Total Noncurrent Assets	<u>27,451,732</u>	<u>23,102,917</u>
Total Assets	<u>33,819,464</u>	<u>24,569,943</u>
Deferred Outflows of Resources (Note 8)	4,106,330	
Total Assets and Deferred Outflows of Resources	<u>37,925,794</u>	<u>24,569,943</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	689,602	2,181
Accrued payroll expense	1,209,973	
Unearned revenue	299,955	225,885
Long-term liabilities-current portion (Note 9)	602,577	
Securities lending obligation	12	
Post employment benefit obligations (Note 9)	72,091	
Due to system's office		
Deposits	102,849	
Total Current Liabilities	<u>2,977,059</u>	<u>228,066</u>

**Virginia Community College System
Patrick & Henry Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Patrick & Henry Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	595,314	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	13,178,308	
Total Noncurrent Liabilities	<u>13,773,622</u>	
Total Liabilities	<u>16,750,681</u>	<u>228,066</u>
Deferred Inflows of Resources (Note 8)	2,355,480	
Total Liabilities and Deferred Inflows of Resources	<u>19,106,161</u>	<u>228,066</u>
Net Position		
Net investment in capital assets	26,651,730	750,127
Restricted for:		
Nonexpendable		7,544,211
Expendable	1,104,811	4,339,805
Unrestricted	(8,936,908)	11,707,734
Total Net Position	<u>18,819,633</u>	<u>24,341,877</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Patrick & Henry Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Community College	Component Unit Patrick Henry Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,556,843)	2,714,981	
Federal grants and contracts	3,333,159	
State and local grants	1,702,002	
Nongovernmental grants	416,531	747,194
Sales/services of education department	4,766	
Auxiliary enterprises (net of scholarship allowance of \$17,773)	259,692	
Gifts and contributions		1,008,459
Endowment income		2,711,558
Other operating revenues	182,442	164,726
Total Operating Revenue	8,613,573	4,631,937
Expenses		
Operating Expenses		
Instruction	8,752,099	64,464
Public service	3,494,708	4,580
Academic support	2,564,125	855,248
Student services	3,377,974	16,866
Institutional support	3,437,507	125,561
Operation and maintenance	1,998,530	107,102
Scholarships and fellowships	3,060,976	979,117
Auxiliary enterprises	249,391	495,501
Fundraising		27,026
Other expenses		143,444
Total Operating Expenses (Note 12)	26,935,310	2,818,909
Operating Income (Loss)	(18,321,737)	1,813,028
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	13,961,886	
Local appropriations	74,249	
Grants and gifts	4,509,340	
Investment income	132,074	20,521
Interest on capital asset related debt	(1,931)	
Other nonoperating revenue (expense)	(2,446)	
Net Nonoperating Revenue	18,673,172	20,521
Income before other revenues, expenses gains (losses)	351,435	1,833,549
Capital appropriations-state (Note 20)	11,947	
Capital appropriations-local		
Capital gifts, grants and contracts	516,541	
Additions to permanent and term endowments		31,343
Increase (Decrease) in Net Position	879,923	1,864,892
Net Position		
Net Position beginning of year (Note 1-V)	17,939,710	22,476,985
Net Position end of year	18,819,633	24,341,877

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Patrick & Henry Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	2,562,225
Grants and contracts	5,523,202
Payments to suppliers and others	(4,417,152)
Payments for employee wages	(13,115,577)
Payments for employee fringes and pension benefits	(5,232,950)
Payment for scholarships	(3,033,172)
Payments for utilities	(544,114)
Sales and services of education department	4,766
Auxiliary	262,364
Custodial receipts	214,902
Custodial disbursements	(115,533)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	1,067
Other	177,267
Net cash used by operating activities	<u>(17,712,705)</u>
Cash flows from non-capital financing activities:	
State appropriations	13,961,886
Local appropriations	74,249
Grants and gifts	4,484,174
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(65,229)
Net cash provided (used) by non-capital financing activities	<u>18,455,080</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	114,015
Capital appropriations-local	
Capital grants and gifts	358,133
Purchase capital assets	(700,724)
Proceeds from sale of capital assets	5,270
Debt interest payments	(728)
Debt principal payments	(37,669)
Net cash provided (used) by capital financing activities	<u>(261,703)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	74
Net cash provided (used) by investing activities	<u>74</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	480,746
Cash and cash equivalents, beginning of year	3,166,181
Cash and cash equivalents, End of Year	<u><u>3,646,927</u></u>

**Virginia Community College System
Patrick & Henry Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(18,321,737)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,459,320
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	11,984
Prepaid expenses and other	
Post employment benefits asset	(82,205)
Accrued compensation and leave	(6,676)
Accounts payable and other	106,719
Unearned revenue	(94,666)
Deposits pending distribution	
Custodial receipts(disbursements)	99,369
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(203,294)
Post employment benefits liability	(172,555)
Deferred inflows of resources related to pensions and post employment benefits	(71,561)
Deferred outflows of resources related to pensions and post employment benefits	(437,403)
Net cash used in operating activities	<u><u>(17,712,705)</u></u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	3,646,939
Less: Securities Lending Cash Equivalents	12
Cash and cash equivalents end of year	<u><u>3,646,927</u></u>
Noncash transactions	
Donated capital assets	158,408
VRS Special Revenue Allocation	75,256
Unrealized gain/loss on investments	132,000

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Paul D. Camp Community College
Statement of Net Position
As of June 30, 2025

		Component Unit	
	Community College	Paul D. Camp Community College Foundation	Paul D. Camp Community College Real Estate Foundation
Assets			
Current Assets			
Cash and cash equivalents (Note 2)	5,268,157	290,330	2,879,272
Appropriation available			
Short term investments (Note 2)		911,020	
Accounts receivable, net (Note 3)	944,165	2,325	24,564
Pledges receivable (Note 3)			
Due from commonwealth (Note 4)			
Due from system office	87,241		
Interest receivable			
Prepaid expenses	52,104		
Inventories	13,500		
Notes receivable, net (Note 3)			
Total Current Assets	<u>6,365,167</u>	<u>1,203,675</u>	<u>2,903,836</u>
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)	(2,016)		
Prepaid expenses			
Endowment cash and cash equivalents (Note 2)	17,606		
Appropriation available	750,000		
Endowment investments (Note 2)		772,932	
Other long-term investments (Note 2)			
Accounts receivable, net (Note 3)			38,263
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		4,650	
Due from commonwealth (Note 4)	81,202		
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	247,528		
Non-depreciable capital assets, net (Note 5)	594,274	2,500	1,463,939
Depreciable capital assets, net (Note 5)	7,242,640	1,916	3,197,134
Total Noncurrent Assets	<u>8,931,234</u>	<u>781,998</u>	<u>4,699,336</u>
Total Assets	<u>15,296,401</u>	<u>1,985,673</u>	<u>7,603,172</u>
Deferred Outflows of Resources (Note 8)	1,266,280		
Total Assets and Deferred Outflows of Resources	<u>16,562,681</u>	<u>1,985,673</u>	<u>7,603,172</u>
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	511,929		90
Accrued payroll expense	424,051		
Unearned revenue	422,056	6,350	48,509
Long-term liabilities-current portion (Note 9)	262,513		
Securities lending obligation	246		
Post employment benefit obligations (Note 9)	21,456		
Due to system's office			
Deposits	1,536,867		
Total Current Liabilities	<u>3,179,118</u>	<u>6,350</u>	<u>48,599</u>

**Virginia Community College System
Paul D. Camp Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit	
	Community College	Paul D. Camp Community College Foundation	Paul D. Camp Community College Real Estate Foundation
Noncurrent Liabilities			
Unearned revenue			
Long-term liabilities (Note 9)	187,544		
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	4,286,407		
Total Noncurrent Liabilities	<u>4,473,951</u>		
Total Liabilities	<u>7,653,069</u>	<u>6,350</u>	<u>48,599</u>
Deferred Inflows of Resources (Note 8)	848,522		
Total Liabilities and Deferred Inflows of Resources	<u>8,501,591</u>	<u>6,350</u>	<u>48,599</u>
Net Position			
Net investment in capital assets	7,813,411	4,416	4,661,073
Restricted for:			
Nonexpendable		315,565	
Expendable	2,385,055	1,527,060	2,049,830
Unrestricted	(2,137,376)	132,282	843,670
Total Net Position	<u>8,061,090</u>	<u>1,979,323</u>	<u>7,554,573</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Paul D. Camp Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit	
	Community College	Paul D. Camp Community College Foundation	Paul D. Camp Community College Real Estate Foundation
Revenues			
Operating Revenue			
Tuition and fees (net of scholarship allowance of \$3,530,775)	2,221,593		
Federal grants and contracts	1,364,530		
State and local grants	2,700,347		
Nongovernmental grants	361,651	252,000	478,500
Sales/services of education department	2,276		
Auxiliary enterprises (net of scholarship allowance of \$11,290)	17,622		
Gifts and contributions		220,078	
Endowment income		76,747	
Other operating revenues	148,426	174,513	582,605
Total Operating Revenue	6,816,445	723,338	1,061,105
Expenses			
Operating Expenses			
Instruction	7,029,258		
Public service	117,090	43,628	
Academic support	1,456,446	124,498	28,006
Student services	2,522,760		
Institutional support	2,880,785	320,744	191,152
Operation and maintenance	3,557,296		
Scholarships and fellowships	1,598,503	199,311	
Auxiliary enterprises	10,218		
Fundraising		6,650	
Other expenses			
Total Operating Expenses (Note 12)	19,172,356	694,831	219,158
Operating Income (Loss)	(12,355,911)	28,507	841,947
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	8,880,532		
Local appropriations	92,348		
Grants and gifts	1,711,444		
Investment income	10,003	93,198	134,311
Interest on capital asset related debt	(696)		
Other nonoperating revenue (expense)	300,700		
Net Nonoperating Revenue	10,994,331	93,198	134,311
Income before other revenues, expenses gains (losses)	(1,361,580)	121,705	976,258
Capital appropriations-state (Note 20)	2,209,663		
Capital appropriations-local			
Capital gifts, grants and contracts	15,804		
Additions to permanent and term endowments			
Increase (Decrease) in Net Position	863,887	121,705	976,258
Net Position			
Net Position beginning of year (Note 1-V)	7,197,203	1,857,618	6,578,315
Net Position end of year	8,061,090	1,979,323	7,554,573

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Paul D. Camp Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	1,667,780
Grants and contracts	4,466,886
Payments to suppliers and others	(8,095,288)
Payments for employee wages	(6,537,213)
Payments for employee fringes and pension benefits	(2,140,954)
Payment for scholarships	(1,603,783)
Payments for utilities	(377,964)
Sales and services of education department	2,276
Auxiliary	17,622
Custodial receipts	16,514
Custodial disbursements	(9,876)
PLUS, Stafford and Direct Lending loan receipts	437,529
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	148,426
Net cash used by operating activities	<u>(12,008,045)</u>
Cash flows from non-capital financing activities:	
State appropriations	8,880,532
Local appropriations	92,348
Grants and gifts	1,711,444
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	295,488
Net cash provided (used) by non-capital financing activities	<u>10,979,812</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	1,658,131
Capital appropriations-local	
Capital grants and gifts	15,804
Purchase capital assets	(150,632)
Proceeds from sale of capital assets	1,825
Debt interest payments	(531)
Debt principal payments	(7,493)
Net cash provided (used) by capital financing activities	<u>1,517,104</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	9,947
Net cash provided (used) by investing activities	<u>9,947</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	498,818
Cash and cash equivalents, beginning of year	4,784,683
Cash and cash equivalents, End of Year	<u>5,283,501</u>

**Virginia Community College System
Paul D. Camp Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(12,355,911)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	688,282
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(384,079)
Prepaid expenses and other	(9,888)
Post employment benefits asset	(25,876)
Accrued compensation and leave	19,484
Accounts payable and other	57,135
Unearned revenue	120,369
Deposits pending distribution	(240,796)
Custodial receipts(disbursements)	6,638
Stafford and Direct Loan receipts(disbursements)	437,529
Pension liability	(88,234)
Post employment benefits liability	(54,610)
Deferred inflows of resources related to pensions and post employment benefits	(49,242)
Deferred outflows of resources related to pensions and post employment benefits	(128,846)
Net cash used in operating activities	(12,008,045)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	5,283,747
Less: Securities Lending Cash Equivalents	246
Cash and cash equivalents end of year	<u>5,283,501</u>
Noncash transactions	
VRS Special Revenue Allocation	24,636
Retainage payable	166,449

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Piedmont Virginia Community College
Statement of Net Position
As of June 30, 2025

		Component Unit
	Community College	Piedmont Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	7,963,844	5,550,492
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	2,680,287	200
Pledges receivable (Note 3)		637,206
Due from commonwealth (Note 4)	44,771	
Due from system office	232,073	
Interest receivable		
Prepaid expenses	7,876	
Inventories	8,000	
Notes receivable, net (Note 3)		
Total Current Assets	<u>10,936,851</u>	<u>6,187,898</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(65,399)	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		18,135,763
Other long-term investments (Note 2)		7,231,377
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		76,021
Due from commonwealth (Note 4)	154,151	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	661,265	
Non-depreciable capital assets, net (Note 5)	3,076,933	
Depreciable capital assets, net (Note 5)	47,677,459	
Total Noncurrent Assets	<u>51,504,409</u>	<u>25,443,161</u>
Total Assets	<u>62,441,260</u>	<u>31,631,059</u>
Deferred Outflows of Resources (Note 8)	3,764,370	
Total Assets and Deferred Outflows of Resources	<u>66,205,630</u>	<u>31,631,059</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,346,758	40,477
Accrued payroll expense	2,509,103	138,249
Unearned revenue	1,102,312	
Long-term liabilities-current portion (Note 9)	1,056,846	
Securities lending obligation	10,683	
Post employment benefit obligations (Note 9)	71,315	
Due to system's office		
Deposits	(4,776)	
Total Current Liabilities	<u>6,092,241</u>	<u>178,726</u>

**Virginia Community College System
Piedmont Virginia Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Piedmont Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	931,830	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	11,999,412	
Total Noncurrent Liabilities	<u>12,931,242</u>	
Total Liabilities	<u>19,023,483</u>	<u>178,726</u>
Deferred Inflows of Resources (Note 8)	2,599,896	
Total Liabilities and Deferred Inflows of Resources	<u>21,623,379</u>	<u>178,726</u>
Net Position		
Net investment in capital assets	50,055,603	
Restricted for:		
Nonexpendable	(581)	27,904,179
Expendable	1,143,080	3,548,154
Unrestricted	(6,615,851)	
Total Net Position	<u>44,582,251</u>	<u>31,452,333</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Piedmont Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit
	Community College	Piedmont Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,127,545)	8,758,628	
Federal grants and contracts	1,677,726	
State and local grants	2,181,766	
Nongovernmental grants	140,000	
Sales/services of education department	530,796	
Auxiliary enterprises (net of scholarship allowance of \$16,260)	142,223	
Gifts and contributions		730,010
Endowment income		1,617,976
Other operating revenues	1,168,725	29,946
Total Operating Revenue	14,599,864	2,377,932
Expenses		
Operating Expenses		
Instruction	16,200,535	
Public service	731,023	
Academic support	3,990,106	1,463,841
Student services	5,583,897	
Institutional support	5,667,335	844,672
Operation and maintenance	4,602,484	
Scholarships and fellowships	4,727,242	242,288
Auxiliary enterprises	113,060	
Fundraising		169,779
Other expenses		
Total Operating Expenses (Note 12)	41,615,682	2,720,580
Operating Income (Loss)	(27,015,818)	(342,648)
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	22,272,758	
Local appropriations	63,785	
Grants and gifts	5,228,266	
Investment income	68,491	441,509
Interest on capital asset related debt	(19,782)	
Other nonoperating revenue (expense)	927,459	
Net Nonoperating Revenue	28,540,977	441,509
Income before other revenues, expenses gains (losses)	1,525,159	98,861
Capital appropriations-state (Note 20)	2,397,779	
Capital appropriations-local		
Capital gifts, grants and contracts	786,315	
Additions to permanent and term endowments		2,426,576
Increase (Decrease) in Net Position	4,709,253	2,525,437
Net Position		
Net Position beginning of year (Note 1-V)	39,872,998	28,926,896
Net Position end of year	44,582,251	31,452,333

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Piedmont Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	6,568,954
Grants and contracts	3,912,636
Payments to suppliers and others	(10,177,186)
Payments for employee wages	(19,596,560)
Payments for employee fringes and pension benefits	(6,756,639)
Payment for scholarships	(5,061,859)
Payments for utilities	(388,368)
Sales and services of education department	530,796
Auxiliary	132,916
Custodial receipts	352,206
Custodial disbursements	(418,910)
PLUS, Stafford and Direct Lending loan receipts	58,520
PLUS, Stafford and Direct Lending loan disbursements	(59,571)
Loans issued to students	
Loans collected from students	687
Other	1,168,066
Net cash used by operating activities	<u>(29,734,312)</u>
Cash flows from non-capital financing activities:	
State appropriations	22,272,758
Local appropriations	63,785
Grants and gifts	5,427,325
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	898,689
Net cash provided (used) by non-capital financing activities	<u>28,662,557</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	3,615,562
Capital appropriations-local	
Capital grants and gifts	786,315
Purchase capital assets	(3,158,967)
Proceeds from sale of capital assets	(39,475)
Debt interest payments	(19,753)
Debt principal payments	(322,532)
Net cash provided (used) by capital financing activities	<u>861,150</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	68,048
Net cash provided (used) by investing activities	<u>68,048</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	(142,557)
Cash and cash equivalents, beginning of year	8,030,319
Cash and cash equivalents, End of Year	<u>7,887,762</u>

**Virginia Community College System
Piedmont Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(27,015,818)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,203,988
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(2,055,194)
Prepaid expenses and other	(1,488)
Post employment benefits asset	(66,309)
Accrued compensation and leave	107,658
Accounts payable and other	(490,130)
Unearned revenue	(211,015)
Deposits pending distribution	(18,479)
Custodial receipts(disbursements)	(66,704)
Stafford and Direct Loan receipts(disbursements)	(1,051)
Pension liability	(124,319)
Post employment benefits liability	(181,808)
Deferred inflows of resources related to pensions and post employment benefits	(274,717)
Deferred outflows of resources related to pensions and post employment benefits	(538,926)
Net cash used in operating activities	<u>(29,734,312)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	7,898,445
Less: Securities Lending Cash Equivalents	10,683
Cash and cash equivalents end of year	<u>7,887,762</u>
Noncash transactions	
VRS Special Revenue Allocation	80,240
Capital assets acquired through the assumption of a liability	390,823
Retainage payable	385,442

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Rappahannock Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Rappahannock Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	6,534,596	1,083,177
Appropriation available	68	
Short term investments (Note 2)	1,145,392	3,494,598
Accounts receivable, net (Note 3)	281,056	20,539
Pledges receivable (Note 3)		318,213
Due from commonwealth (Note 4)		
Due from system office	14,293	
Interest receivable	28,361	
Prepaid expenses	259,384	2,431
Inventories	76,000	
Notes receivable, net (Note 3)		
Total Current Assets	<u>8,339,150</u>	<u>4,918,958</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	123,635	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		19,407,614
Other long-term investments (Note 2)		
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		100,000
Pledges receivable (Note 3)		349,346
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	456,236	
Non-depreciable capital assets, net (Note 5)	340,734	663,357
Depreciable capital assets, net (Note 5)	8,811,936	
Total Noncurrent Assets	<u>9,732,541</u>	<u>20,520,317</u>
Total Assets	<u>18,071,691</u>	<u>25,439,275</u>
Deferred Outflows of Resources (Note 8)	2,769,410	
Total Assets and Deferred Outflows of Resources	<u>20,841,101</u>	<u>25,439,275</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	453,056	238,340
Accrued payroll expense	1,436,072	
Unearned revenue	433,726	
Long-term liabilities-current portion (Note 9)	509,820	
Securities lending obligation	645	
Post employment benefit obligations (Note 9)	43,883	
Due to system's office		
Deposits	1,194,412	
Total Current Liabilities	<u>4,071,614</u>	<u>238,340</u>

**Virginia Community College System
Rappahannock Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Rappahannock Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	489,950	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	7,982,578	
Total Noncurrent Liabilities	<u>8,472,528</u>	
Total Liabilities	<u>12,544,142</u>	<u>238,340</u>
Deferred Inflows of Resources (Note 8)	1,606,449	
Total Liabilities and Deferred Inflows of Resources	<u>14,150,591</u>	<u>238,340</u>
Net Position		
Net investment in capital assets	9,152,670	
Restricted for:		
Nonexpendable		7,305,006
Expendable	2,207,803	16,653,861
Unrestricted	(4,669,963)	1,242,068
Total Net Position	<u>6,690,510</u>	<u>25,200,935</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Rappahannock Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

	Community College	Component Unit Rappahannock Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$3,849,666)	2,279,073	
Federal grants and contracts	2,371,486	
State and local grants	1,144,459	
Nongovernmental grants	308,177	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$11,427)	128,475	
Gifts and contributions		201,558
Endowment income		1,445,562
Other operating revenues	307,002	107,288
Total Operating Revenue	6,538,672	1,754,408
Expenses		
Operating Expenses		
Instruction	9,760,310	
Public service	341,217	
Academic support	2,749,430	580,717
Student services	3,397,234	
Institutional support	4,811,686	130,844
Operation and maintenance	2,767,622	
Scholarships and fellowships	2,773,631	799,978
Auxiliary enterprises	189,053	
Fundraising		41,055
Other expenses		
Total Operating Expenses (Note 12)	26,790,183	1,552,594
Operating Income (Loss)	(20,251,511)	201,814
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	15,737,117	
Local appropriations	108,926	
Grants and gifts	4,522,299	
Investment income	33,811	1,415,336
Interest on capital asset related debt	(1,695)	
Other nonoperating revenue (expense)	(19,970)	
Net Nonoperating Revenue	20,380,488	1,415,336
Income before other revenues, expenses gains (losses)	128,977	1,617,150
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	513	
Additions to permanent and term endowments		2,906,623
Increase (Decrease) in Net Position	129,490	4,523,773
Net Position		
Net Position beginning of year (Note 1-V)	6,561,020	20,677,162
Net Position end of year	6,690,510	25,200,935

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Rappahannock Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	3,221,910
Grants and contracts	3,824,122
Payments to suppliers and others	(5,947,642)
Payments for employee wages	(12,553,501)
Payments for employee fringes and pension benefits	(4,592,856)
Payment for scholarships	(2,920,470)
Payments for utilities	(274,930)
Sales and services of education department	
Auxiliary	128,475
Custodial receipts	1,378
Custodial disbursements	(72)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	330,002
Net cash used by operating activities	<u>(18,783,584)</u>
Cash flows from non-capital financing activities:	
State appropriations	15,737,117
Local appropriations	108,926
Grants and gifts	4,522,299
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(7,658)
Net cash provided (used) by non-capital financing activities	<u>20,360,684</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	
Purchase capital assets	(76,999)
Proceeds from sale of capital assets	
Debt interest payments	(3,390)
Debt principal payments	(52,161)
Net cash provided (used) by capital financing activities	<u>(132,550)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	(2,440)
Net cash provided (used) by investing activities	<u>(2,440)</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	1,442,110
Cash and cash equivalents, beginning of year	5,091,841
Cash and cash equivalents, End of Year	<u><u>6,533,951</u></u>

**Virginia Community College System
Rappahannock Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(20,251,511)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,290,889
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	526,269
Prepaid expenses and other	(281,834)
Post employment benefits asset	(49,290)
Accrued compensation and leave	360,946
Accounts payable and other	(214,880)
Unearned revenue	373,666
Deposits pending distribution	65,902
Custodial receipts(disbursements)	1,306
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(225,119)
Post employment benefits liability	(88,318)
Deferred inflows of resources related to pensions and post employment benefits	(69,305)
Deferred outflows of resources related to pensions and post employment benefits	(222,305)
Net cash used in operating activities	(18,783,584)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	6,534,596
Less: Securities Lending Cash Equivalents	645
Cash and cash equivalents end of year	<u>6,533,951</u>
Noncash transactions	
Donated capital assets	513
VRS Special Revenue Allocation	49,843
Unrealized gain/loss on investments	12,735
Retainage payable	822

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Southside Virginia Community College
Statement of Net Position
As of June 30, 2025

		Component Unit
	Community College	Southside Virginia Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	15,570,545	1,275,715
Appropriation available		
Short term investments (Note 2)		2,528,753
Accounts receivable, net (Note 3)	2,001,695	1,195,384
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	725,348	
Due from system office	60,579	
Interest receivable		
Prepaid expenses	319,793	
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>18,677,960</u>	<u>4,999,852</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	28,260	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		5,168,811
Other long-term investments (Note 2)		236,898
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	540,987	
Non-depreciable capital assets, net (Note 5)	612,536	165,530
Depreciable capital assets, net (Note 5)	27,893,307	1,062,105
Total Noncurrent Assets	<u>29,075,090</u>	<u>6,633,344</u>
Total Assets	<u>47,753,050</u>	<u>11,633,196</u>
Deferred Outflows of Resources (Note 8)	3,201,507	
Total Assets and Deferred Outflows of Resources	<u>50,954,557</u>	<u>11,633,196</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	341,922	1,604,528
Accrued payroll expense	1,636,667	
Unearned revenue	886,519	
Long-term liabilities-current portion (Note 9)	642,520	
Securities lending obligation	6,287	
Post employment benefit obligations (Note 9)	56,443	
Due to system's office		
Deposits	722,676	
Total Current Liabilities	<u>4,293,034</u>	<u>1,604,528</u>

**Virginia Community College System
Southside Virginia Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Southside Virginia Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	737,330	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	10,113,896	
Total Noncurrent Liabilities	<u>10,851,226</u>	
Total Liabilities	<u>15,144,260</u>	<u>1,604,528</u>
Deferred Inflows of Resources (Note 8)	1,933,357	
Total Liabilities and Deferred Inflows of Resources	<u>17,077,617</u>	<u>1,604,528</u>
Net Position		
Net investment in capital assets	28,414,189	1,227,635
Restricted for:		
Nonexpendable		2,166,131
Expendable	2,594,271	
Unrestricted	2,868,480	6,634,902
Total Net Position	<u>33,876,940</u>	<u>10,028,668</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Southside Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit
	Community College	Southside Virginia Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$6,693,939)	3,322,806	
Federal grants and contracts	2,712,924	
State and local grants	2,457,237	986,593
Nongovernmental grants	27,975	239,335
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$21,404)	115,555	
Gifts and contributions		987,300
Endowment income		556,874
Other operating revenues	599,543	256,373
Total Operating Revenue	<u>9,236,040</u>	<u>3,026,475</u>
Expenses		
Operating Expenses		
Instruction	12,920,824	572,446
Public service	64,248	6
Academic support	3,435,296	145,250
Student services	2,842,318	
Institutional support	5,086,488	803,448
Operation and maintenance	2,563,074	60,220
Scholarships and fellowships	4,023,906	493,520
Auxiliary enterprises	28,660	
Fundraising		49,768
Other expenses		
Total Operating Expenses (Note 12)	<u>30,964,814</u>	<u>2,124,658</u>
Operating Income (Loss)	<u>(21,728,774)</u>	<u>901,817</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	19,143,271	
Local appropriations	89,309	
Grants and gifts	6,798,161	
Investment income	14,935	1,943
Interest on capital asset related debt		
Other nonoperating revenue (expense)	(475,182)	
Net Nonoperating Revenue	<u>25,570,494</u>	<u>1,943</u>
Income before other revenues, expenses gains (losses)	3,841,720	903,760
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	1,140,114	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	<u>4,981,834</u>	<u>903,760</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>28,895,106</u>	<u>9,124,908</u>
Net Position end of year	<u>33,876,940</u>	<u>10,028,668</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Southside Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	2,791,682
Grants and contracts	4,783,568
Payments to suppliers and others	(6,199,660)
Payments for employee wages	(14,284,289)
Payments for employee fringes and pension benefits	(5,262,947)
Payment for scholarships	(4,017,379)
Payments for utilities	(422,851)
Sales and services of education department	
Auxiliary	91,313
Custodial receipts	388,338
Custodial disbursements	(101,773)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	599,543
Net cash used by operating activities	<u>(21,634,455)</u>
Cash flows from non-capital financing activities:	
State appropriations	19,143,271
Local appropriations	89,309
Grants and gifts	6,072,813
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(489,371)
Net cash provided (used) by non-capital financing activities	<u>24,816,022</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	856,114
Purchase capital assets	(1,125,425)
Proceeds from sale of capital assets	26,343
Debt interest payments	
Debt principal payments	(35,886)
Net cash provided (used) by capital financing activities	<u>(278,854)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	14,718
Net cash provided (used) by investing activities	<u>14,718</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	2,917,431
Cash and cash equivalents, beginning of year	12,646,827
Cash and cash equivalents, End of Year	<u><u>15,564,258</u></u>

**Virginia Community College System
Southside Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(21,728,774)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,461,211
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(945,053)
Prepaid expenses and other	(56,819)
Post employment benefits asset	(70,739)
Accrued compensation and leave	365,669
Accounts payable and other	(159,230)
Unearned revenue	(35,536)
Deposits pending distribution	
Custodial receipts(disbursements)	286,565
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(77,057)
Post employment benefits liability	(112,153)
Deferred inflows of resources related to pensions and post employment benefits	(116,547)
Deferred outflows of resources related to pensions and post employment benefits	(445,992)
Net cash used in operating activities	<u><u>(21,634,455)</u></u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	15,570,545
Less: Securities Lending Cash Equivalents	6,287
Cash and cash equivalents end of year	<u><u>15,564,258</u></u>
Noncash transactions	
Donated capital assets	284,000
VRS Special Revenue Allocation	58,254
Capital assets acquired through the assumption of a liability	127,540

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Southwest Virginia Community College
Statement of Net Position
As of June 30, 2025

	Community College	Component Unit Southwest Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	5,653,016	169,053
Appropriation available	48	
Short term investments (Note 2)		18,383,963
Accounts receivable, net (Note 3)	775,466	406
Pledges receivable (Note 3)		69,846
Due from commonwealth (Note 4)		
Due from system office	86,807	
Interest receivable		
Prepaid expenses	64,565	28,913
Inventories	38,000	
Notes receivable, net (Note 3)		
Total Current Assets	<u>6,617,902</u>	<u>18,652,181</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		33,600
Appropriation available	250,000	
Endowment investments (Note 2)		4,899,789
Other long-term investments (Note 2)		11,042,549
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		101,225
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	498,877	
Non-depreciable capital assets, net (Note 5)	817,735	366,160
Depreciable capital assets, net (Note 5)	24,003,108	7,752,795
Total Noncurrent Assets	<u>25,569,720</u>	<u>24,196,118</u>
Total Assets	<u>32,187,622</u>	<u>42,848,299</u>
Deferred Outflows of Resources (Note 8)	3,413,923	
Total Assets and Deferred Outflows of Resources	<u>35,601,545</u>	<u>42,848,299</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	347,632	35,510
Accrued payroll expense	1,655,242	
Unearned revenue	1,005,830	
Long-term liabilities-current portion (Note 9)	527,466	95,480
Securities lending obligation	486	
Post employment benefit obligations (Note 9)	61,533	
Due to system's office		
Deposits	81,651	26,137
Total Current Liabilities	<u>3,679,840</u>	<u>157,127</u>

**Virginia Community College System
Southwest Virginia Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Southwest Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	105,056	
Long-term liabilities (Note 9)	6,096,626	3,248,647
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	9,932,437	
Total Noncurrent Liabilities	<u>16,134,119</u>	<u>3,248,647</u>
Total Liabilities	<u>19,813,959</u>	<u>3,405,774</u>
Deferred Inflows of Resources (Note 8)	1,815,014	
Total Liabilities and Deferred Inflows of Resources	<u>21,628,973</u>	<u>3,405,774</u>
Net Position		
Net investment in capital assets	19,301,253	4,790,126
Restricted for:		
Nonexpendable		3,174,573
Expendable	816,255	10,901,464
Unrestricted	(6,144,936)	20,576,362
Total Net Position	<u>13,972,572</u>	<u>39,442,525</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Southwest Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Unit
	Community College	Southwest Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$6,818,148)	2,352,669	
Federal grants and contracts	3,392,461	
State and local grants	2,161,362	85,185
Nongovernmental grants	120,631	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$21,801)	1,447,543	
Gifts and contributions		577,700
Endowment income		532,033
Other operating revenues	1,006,795	531,065
Total Operating Revenue	<u>10,481,461</u>	<u>1,725,983</u>
Expenses		
Operating Expenses		
Instruction	12,080,386	
Public service	1,972,297	
Academic support	2,692,459	
Student services	4,481,029	
Institutional support	3,893,009	2,443,440
Operation and maintenance	4,290,574	724,678
Scholarships and fellowships	5,584,478	370,969
Auxiliary enterprises	1,075,757	
Fundraising		21,473
Other expenses		137,438
Total Operating Expenses (Note 12)	<u>36,069,989</u>	<u>3,697,998</u>
Operating Income (Loss)	<u>(25,588,528)</u>	<u>(1,972,015)</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	15,196,798	
Local appropriations	238,023	
Grants and gifts	6,842,110	
Investment income	5,108	3,088,096
Interest on capital asset related debt	(180,552)	
Other nonoperating revenue (expense)	(21,063)	
Net Nonoperating Revenue	<u>22,080,424</u>	<u>3,088,096</u>
Income before other revenues, expenses gains (losses)	<u>(3,508,104)</u>	<u>1,116,081</u>
Capital appropriations-state (Note 20)	250,000	
Capital appropriations-local		
Capital gifts, grants and contracts	568,445	
Additions to permanent and term endowments		60,782
Increase (Decrease) in Net Position	<u>(2,689,659)</u>	<u>1,176,863</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>16,662,231</u>	<u>38,265,662</u>
Net Position end of year	<u><u>13,972,572</u></u>	<u><u>39,442,525</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Southwest Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	2,728,388
Grants and contracts	5,789,840
Payments to suppliers and others	(5,640,147)
Payments for employee wages	(14,147,666)
Payments for employee fringes and pension benefits	(5,223,310)
Payment for scholarships	(5,854,936)
Payments for utilities	(1,096,828)
Sales and services of education department	
Auxiliary	1,447,543
Custodial receipts	17,087
Custodial disbursements	(21,423)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	996,522
Net cash used by operating activities	<u>(21,004,930)</u>
Cash flows from non-capital financing activities:	
State appropriations	15,196,798
Local appropriations	238,023
Grants and gifts	6,859,971
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	20,480
Net cash provided (used) by non-capital financing activities	<u>22,315,272</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	460,426
Purchase capital assets	(720,487)
Proceeds from sale of capital assets	
Debt interest payments	(349,331)
Debt principal payments	(145,798)
Net cash provided (used) by capital financing activities	<u>(755,190)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	4,997
Net cash provided (used) by investing activities	<u>4,997</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	560,149
Cash and cash equivalents, beginning of year	5,092,381
Cash and cash equivalents, End of Year	<u>5,652,530</u>

**Virginia Community College System
Southwest Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(25,588,528)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	4,102,820
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	260,468
Prepaid expenses and other	145,809
Post employment benefits asset	(58,890)
Accrued compensation and leave	(17,648)
Accounts payable and other	137,750
Unearned revenue	220,364
Deposits pending distribution	
Custodial receipts(disbursements)	(4,336)
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(90,481)
Post employment benefits liability	(216,333)
Deferred inflows of resources related to pensions and post employment benefits	22,741
Deferred outflows of resources related to pensions and post employment benefits	81,334
Net cash used in operating activities	(21,004,930)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	5,653,016
Less: Securities Lending Cash Equivalents	486
Cash and cash equivalents end of year	<u>5,652,530</u>
Noncash transactions	
Donated capital assets	108,019
VRS Special Revenue Allocation	59,337
Capital assets acquired through the assumption of a liability	5,435,007

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Virginia Peninsula Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Virginia Peninsula Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	26,928,987	3,463,851
Appropriation available	298	
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	1,032,036	
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Due from system office	1,444,787	
Interest receivable		
Prepaid expenses	166,184	
Inventories	850	
Notes receivable, net (Note 3)		
Total Current Assets	<u>29,573,142</u>	<u>3,463,851</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(184,840)	
Prepaid expenses	29,944	
Endowment cash and cash equivalents (Note 2)		
Appropriation available	12,893,270	
Endowment investments (Note 2)		9,929,851
Other long-term investments (Note 2)		2,721,125
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		558,900
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	396,030	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	850,086	
Non-depreciable capital assets, net (Note 5)	27,537,618	
Depreciable capital assets, net (Note 5)	41,817,825	
Total Noncurrent Assets	<u>83,339,933</u>	<u>13,209,876</u>
Total Assets	<u>112,913,075</u>	<u>16,673,727</u>
Deferred Outflows of Resources (Note 8)	4,818,688	
Total Assets and Deferred Outflows of Resources	<u>117,731,763</u>	<u>16,673,727</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	5,997,203	57,220
Accrued payroll expense	1,756,497	
Unearned revenue	1,982,144	
Long-term liabilities-current portion (Note 9)	1,008,658	14,155
Securities lending obligation	15,286	
Post employment benefit obligations (Note 9)	75,759	
Due to system's office		
Deposits	544,102	
Total Current Liabilities	<u>11,379,649</u>	<u>71,375</u>

**Virginia Community College System
Virginia Peninsula Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Virginia Peninsula Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	895,915	99,020
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	15,661,550	
Total Noncurrent Liabilities	<u>16,557,465</u>	<u>99,020</u>
Total Liabilities	<u>27,937,114</u>	<u>170,395</u>
Deferred Inflows of Resources (Note 8)	4,425,378	
Total Liabilities and Deferred Inflows of Resources	<u>32,362,492</u>	<u>170,395</u>
Net Position		
Net investment in capital assets	69,185,175	
Restricted for:		
Nonexpendable		3,954,783
Expendable	14,423,072	10,425,728
Unrestricted	1,761,024	2,122,821
Total Net Position	<u>85,369,271</u>	<u>16,503,332</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Virginia Peninsula Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Community College	Component Unit Virginia Peninsula Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$10,694,738)	9,562,863	
Federal grants and contracts	2,250,002	
State and local grants	2,416,572	
Nongovernmental grants		151,670
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$33,728)	321,737	
Gifts and contributions		143,286
Endowment income		1,374,840
Other operating revenues	1,676,199	420,014
Total Operating Revenue	16,227,373	2,089,810
Expenses		
Operating Expenses		
Instruction	18,839,764	40,930
Public service	1,318,769	1,151,982
Academic support	2,231,090	233,767
Student services	4,824,685	
Institutional support	13,665,291	440,536
Operation and maintenance	7,741,248	
Scholarships and fellowships	7,435,959	189,280
Auxiliary enterprises	137,055	
Fundraising		140,542
Other expenses		4,265
Total Operating Expenses (Note 12)	56,193,861	2,201,302
Operating Income (Loss)	(39,966,488)	(111,492)
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	32,360,969	
Local appropriations	52,889	
Grants and gifts	9,833,545	
Investment income	395,937	312,259
Interest on capital asset related debt	(8,709)	
Other nonoperating revenue (expense)	3,646,478	
Net Nonoperating Revenue	46,281,109	312,259
Income before other revenues, expenses gains (losses)	6,314,621	200,767
Capital appropriations-state (Note 20)	533,845	
Capital appropriations-local	636,496	
Capital gifts, grants and contracts	836,388	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	8,321,350	200,767
Net Position		
Net Position beginning of year (Note 1-V)	77,047,921	16,302,565
Net Position end of year	85,369,271	16,503,332

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Virginia Peninsula Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	9,707,715
Grants and contracts	4,259,424
Payments to suppliers and others	(14,501,942)
Payments for employee wages	(24,286,363)
Payments for employee fringes and pension benefits	(7,963,136)
Payment for scholarships	(7,445,747)
Payments for utilities	(1,203,894)
Sales and services of education department	
Auxiliary	357,881
Custodial receipts	124,992
Custodial disbursements	(19,978)
PLUS, Stafford and Direct Lending loan receipts	2,406,016
PLUS, Stafford and Direct Lending loan disbursements	(2,394,486)
Loans issued to students	
Loans collected from students	
Other	1,530,236
Net cash used by operating activities	<u>(39,429,282)</u>
Cash flows from non-capital financing activities:	
State appropriations	32,360,969
Local appropriations	52,889
Grants and gifts	9,883,437
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	2,960,650
Net cash provided (used) by non-capital financing activities	<u>45,257,945</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	374,476
Capital appropriations-local	636,496
Capital grants and gifts	836,388
Purchase capital assets	(9,482,673)
Proceeds from sale of capital assets	43,101
Debt interest payments	2,761
Debt principal payments	(371,221)
Net cash provided (used) by capital financing activities	<u>(7,960,672)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	395,223
Net cash provided (used) by investing activities	<u>395,223</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	(1,736,786)
Cash and cash equivalents, beginning of year	28,465,647
Cash and cash equivalents, End of Year	<u>26,728,861</u>

**Virginia Community College System
Virginia Peninsula Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(39,966,488)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,755,012
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(349,058)
Prepaid expenses and other	201,300
Post employment benefits asset	(72,804)
Accrued compensation and leave	173,652
Accounts payable and other	(577,883)
Unearned revenue	(5,283)
Deposits pending distribution	(20,430)
Custodial receipts(disbursements)	105,014
Stafford and Direct Loan receipts(disbursements)	11,530
Pension liability	(339,463)
Post employment benefits liability	(252,080)
Deferred inflows of resources related to pensions and post employment benefits	(1,565,959)
Deferred outflows of resources related to pensions and post employment benefits	(526,342)
Net cash used in operating activities	<u>(39,429,282)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	26,744,147
Less: Securities Lending Cash Equivalents	15,286
Cash and cash equivalents end of year	<u>26,728,861</u>
Noncash transactions	
VRS Special Revenue Allocation	97,025
Capital assets acquired through the assumption of a liability	109,673
Retainage payable	943,640

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Tidewater Community College
Statement of Net Position
As of June 30, 2025**

		Component Units	
	Community College	Tidewater Community College Educational Foundation	Tidewater Community College Real Estate Foundation
Assets			
Current Assets			
Cash and cash equivalents (Note 2)	34,721,232	2,335,587	788,907
Appropriation available			
Short term investments (Note 2)	15,951,273		
Accounts receivable, net (Note 3)	4,295,783		15,000
Pledges receivable (Note 3)		387,947	
Due from commonwealth (Note 4)	911,676		
Due from system office	297,575		
Interest receivable	179,405		
Prepaid expenses	764,608	41,763	29,477
Inventories	373,608		
Notes receivable, net (Note 3)			
Total Current Assets	57,495,160	2,765,297	833,384
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)	59,192		
Prepaid expenses	11,410		
Endowment cash and cash equivalents (Note 2)		200,842	
Appropriation available	3,109,313		
Endowment investments (Note 2)		3,204,053	
Other long-term investments (Note 2)	22,300,754	7,746,478	6,276,742
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		614,695	
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	2,496,224		
Non-depreciable capital assets, net (Note 5)	17,132,094		4,295,394
Depreciable capital assets, net (Note 5)	254,586,526		12,536,860
Total Noncurrent Assets	299,695,513	11,766,068	23,108,996
Total Assets	357,190,673	14,531,365	23,942,380
Deferred Outflows of Resources (Note 8)	14,700,538		
Total Assets and Deferred Outflows of Resources	371,891,211	14,531,365	23,942,380
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	2,526,311	262,121	39,528
Accrued payroll expense	7,011,744		
Unearned revenue	5,277,801		333,810
Long-term liabilities-current portion (Note 9)	8,805,267	570	294,287
Securities lending obligation	20,080		
Post employment benefit obligations (Note 9)	231,371		
Due to system's office			
Deposits	578,055		
Total Current Liabilities	24,450,629	262,691	667,625

**Virginia Community College System
Tidewater Community College
Statement of Net Position
As of June 30, 2025**

		Component Units	
		Tidewater Community College Educational Foundation	Tidewater Community College Real Estate Foundation
Noncurrent Liabilities	Community College		
Unearned revenue			
Long-term liabilities (Note 9)	41,048,707	2,087	9,260,839
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	45,864,063		
Total Noncurrent Liabilities	<u>86,912,770</u>	<u>2,087</u>	<u>9,260,839</u>
Total Liabilities	<u>111,363,399</u>	<u>264,778</u>	<u>9,928,464</u>
Deferred Inflows of Resources (Note 8)	13,545,728		
Total Liabilities and Deferred Inflows of Resources	<u>124,909,127</u>	<u>264,778</u>	<u>9,928,464</u>
Net Position			
Net investment in capital assets	227,389,072		7,277,127
Restricted for:			
Nonexpendable		3,404,895	
Expendable	8,219,810	8,448,263	
Unrestricted	11,373,202	2,413,429	6,736,789
Total Net Position	<u>246,982,084</u>	<u>14,266,587</u>	<u>14,013,916</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Tidewater Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Units	
		Tidewater Community College Educational Foundation	Tidewater Community College Real Estate Foundation
Revenues	Community College		
Operating Revenue			
Tuition and fees (net of scholarship allowance of \$24,776,970)	27,001,764		
Federal grants and contracts	5,281,941		
State and local grants	2,807,841		
Nongovernmental grants	368,270		
Sales/services of education department	18,952		
Auxiliary enterprises (net of scholarship allowance of \$79,351)	7,666,042		
Gifts and contributions		1,759,874	
Endowment income			
Other operating revenues	1,725,117	335,333	2,104,128
Total Operating Revenue	44,869,927	2,095,207	2,104,128
Expenses			
Operating Expenses			
Instruction	51,820,344	60,223	
Public service	5,176,523		
Academic support	9,249,913	79,817	
Student services	14,768,059	280,535	
Institutional support	23,566,540	1,315,000	748,684
Operation and maintenance	16,148,747		561,550
Scholarships and fellowships	25,309,634	380,742	
Auxiliary enterprises	5,439,624		
Fundraising		45,137	
Other expenses		570	
Total Operating Expenses (Note 12)	151,479,384	2,162,024	1,310,234
Operating Income (Loss)	(106,609,457)	(66,817)	793,894
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	78,670,321		
Local appropriations	11,880		
Grants and gifts	29,529,500		
Investment income	2,292,095	1,264,675	645,473
Interest on capital asset related debt	(1,506,046)		
Other nonoperating revenue (expense)	1,541,586		
Net Nonoperating Revenue	110,539,336	1,264,675	645,473
Income before other revenues, expenses gains (losses)	3,929,879	1,197,859	1,439,367
Capital appropriations-state (Note 20)			
Capital appropriations-local			
Capital gifts, grants and contracts	862,080		
Additions to permanent and term endowments		7,930	
Increase (Decrease) in Net Position	4,791,959	1,205,789	1,439,367
Net Position			
Net Position beginning of year (Note 1-V)	242,190,125	13,060,798	12,574,549
Net Position end of year	246,982,084	14,266,587	14,013,916

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Tidewater Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	26,551,887
Grants and contracts	8,289,195
Payments to suppliers and others	(25,007,525)
Payments for employee wages	(70,500,275)
Payments for employee fringes and pension benefits	(23,071,582)
Payment for scholarships	(25,008,342)
Payments for utilities	(3,969,573)
Sales and services of education department	18,952
Auxiliary	7,666,042
Custodial receipts	716,888
Custodial disbursements	(699,564)
PLUS, Stafford and Direct Lending loan receipts	8,445,271
PLUS, Stafford and Direct Lending loan disbursements	(8,434,664)
Loans issued to students	
Loans collected from students	
Other	1,725,117
Net cash used by operating activities	<u>(103,278,173)</u>
Cash flows from non-capital financing activities:	
State appropriations	78,670,321
Local appropriations	11,880
Grants and gifts	29,413,815
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,420,634
Net cash provided (used) by non-capital financing activities	<u>109,516,650</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	862,080
Purchase capital assets	(6,859,958)
Proceeds from sale of capital assets	24,830
Debt interest payments	(1,937,180)
Debt principal payments	(7,671,444)
Net cash provided (used) by capital financing activities	<u>(15,581,672)</u>
Cash flows from investing activities:	
Purchases of investments	(15,015,000)
Sale of investments	13,400,000
Investment income	1,916,914
Net cash provided (used) by investing activities	<u>301,914</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	(9,041,281)
Cash and cash equivalents, beginning of year	43,801,625
Cash and cash equivalents, End of Year	<u>34,760,344</u>

**Virginia Community College System
Tidewater Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(106,609,457)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	12,257,812
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(329,083)
Prepaid expenses and other	412,427
Post employment benefits asset	(36,702)
Accrued compensation and leave	(1,245,279)
Accounts payable and other	(495,096)
Unearned revenue	(299,785)
Deposits pending distribution	2,413
Custodial receipts(disbursements)	17,324
Stafford and Direct Loan receipts(disbursements)	10,607
Pension liability	(5,244,223)
Post employment benefits liability	(1,476,062)
Deferred inflows of resources related to pensions and post employment benefits	1,065,983
Deferred outflows of resources related to pensions and post employment benefits	(1,309,052)
Net cash used in operating activities	(103,278,173)

Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	34,780,424
Less: Securities Lending Cash Equivalents	20,080
Cash and cash equivalents end of year	<u>34,760,344</u>

Noncash transactions

VRS Special Revenue Allocation	274,095
Amortization of bond premium	349,718
Unrealized gain/loss on investments	396,270
Amortization of deferral on debt defeasance	(203,200)
Capital assets acquired through the assumption of a liability	4,958,970
Retainage payable	165,412

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Virginia Highlands Community College
Statement of Net Position
As of June 30, 2025

	Community College	Component Unit Virginia Highlands Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	6,621,980	2,154,378
Appropriation available	846	
Short term investments (Note 2)	257,156	
Accounts receivable, net (Note 3)	953,831	5,448
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Due from system office	826,672	
Interest receivable		
Prepaid expenses	83,917	
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>8,744,402</u>	<u>2,159,826</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		1,569,906
Other long-term investments (Note 2)		
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	381,430	
Non-depreciable capital assets, net (Note 5)	1,480,306	4,646,994
Depreciable capital assets, net (Note 5)	7,038,085	20,131
Total Noncurrent Assets	<u>8,899,821</u>	<u>6,237,031</u>
Total Assets	<u>17,644,223</u>	<u>8,396,857</u>
Deferred Outflows of Resources (Note 8)	2,408,231	
Total Assets and Deferred Outflows of Resources	<u>20,052,454</u>	<u>8,396,857</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,201,337	59,568
Accrued payroll expense	1,361,270	
Unearned revenue	320,351	
Long-term liabilities-current portion (Note 9)	360,819	
Securities lending obligation	6	
Post employment benefit obligations (Note 9)	44,877	
Due to system's office		
Deposits	1,097,224	
Total Current Liabilities	<u>4,385,884</u>	<u>59,568</u>

**Virginia Community College System
Virginia Highlands Community College
Statement of Net Position
As of June 30, 2025**

	Community College	Component Unit Virginia Highlands Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	298,399	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	7,047,035	
Total Noncurrent Liabilities	<u>7,345,434</u>	
Total Liabilities	<u>11,731,318</u>	<u>59,568</u>
Deferred Inflows of Resources (Note 8)	1,416,788	
Total Liabilities and Deferred Inflows of Resources	<u>13,148,106</u>	<u>59,568</u>
Net Position		
Net investment in capital assets	8,518,391	4,667,125
Restricted for:		
Nonexpendable		1,569,906
Expendable	725,807	453,877
Unrestricted	(2,339,850)	1,646,381
Total Net Position	<u>6,904,348</u>	<u>8,337,289</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Virginia Highlands Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Community College	Component Unit Virginia Highlands Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$2,749,942)	2,178,674	
Federal grants and contracts	1,655,247	
State and local grants	898,933	641,023
Nongovernmental grants		
Sales/services of education department	3,200	
Auxiliary enterprises (net of scholarship allowance of \$8,815)	62,066	
Gifts and contributions		377,576
Endowment income		147,981
Other operating revenues	464,194	98,256
Total Operating Revenue	<u>5,262,314</u>	<u>1,264,836</u>
Expenses		
Operating Expenses		
Instruction	7,978,068	
Public service	701,765	
Academic support	2,295,661	280,949
Student services	2,573,985	
Institutional support	3,546,051	4,162,829
Operation and maintenance	2,108,615	
Scholarships and fellowships	3,334,107	
Auxiliary enterprises	58,716	
Fundraising		44,080
Other expenses		
Total Operating Expenses (Note 12)	<u>22,596,968</u>	<u>4,487,858</u>
Operating Income (Loss)	<u>(17,334,654)</u>	<u>(3,223,022)</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	14,540,999	
Local appropriations	110,213	
Grants and gifts	4,025,333	
Investment income	21,653	1,646
Interest on capital asset related debt	(201)	
Other nonoperating revenue (expense)	832,701	
Net Nonoperating Revenue	<u>19,530,698</u>	<u>1,646</u>
Income before other revenues, expenses gains (losses)	<u>2,196,044</u>	<u>(3,221,376)</u>
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	140,465	1,067
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	<u>2,336,509</u>	<u>(3,220,309)</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>4,567,839</u>	<u>11,557,598</u>
Net Position end of year	<u>6,904,348</u>	<u>8,337,289</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Virginia Highlands Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	1,739,955
Grants and contracts	2,129,537
Payments to suppliers and others	(4,312,588)
Payments for employee wages	(10,279,365)
Payments for employee fringes and pension benefits	(3,875,673)
Payment for scholarships	(4,086,866)
Payments for utilities	(318,279)
Sales and services of education department	3,200
Auxiliary	62,066
Custodial receipts	646,521
Custodial disbursements	(191,626)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	468,943
Net cash used by operating activities	<u>(18,014,175)</u>
Cash flows from non-capital financing activities:	
State appropriations	14,540,999
Local appropriations	110,213
Grants and gifts	4,219,214
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	6,466
Net cash provided (used) by non-capital financing activities	<u>18,876,892</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	21,724
Purchase capital assets	(957,924)
Proceeds from sale of capital assets	22,988
Debt interest payments	210
Debt principal payments	(7,299)
Net cash provided (used) by capital financing activities	<u>(920,301)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	8,173
Net cash provided (used) by investing activities	<u>8,173</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	(49,411)
Cash and cash equivalents, beginning of year	6,671,385
Cash and cash equivalents, End of Year	<u>6,621,974</u>

**Virginia Community College System
Virginia Highlands Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(17,334,654)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	582,495
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(674,160)
Prepaid expenses and other	7,035
Post employment benefits asset	(35,512)
Accrued compensation and leave	65,697
Accounts payable and other	(404,728)
Unearned revenue	(186,010)
Deposits pending distribution	846
Custodial receipts(disbursements)	454,895
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(220,526)
Post employment benefits liability	(56,319)
Deferred inflows of resources related to pensions and post employment benefits	(70,759)
Deferred outflows of resources related to pensions and post employment benefits	(142,475)
Net cash used in operating activities	(18,014,175)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	6,621,980
Less: Securities Lending Cash Equivalents	6
Cash and cash equivalents end of year	<u>6,621,974</u>
Noncash transactions	
Donated capital assets	118,741
VRS Special Revenue Allocation	40,587
Unrealized gain/loss on investments	13,480
Retainage payable	53,874

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Virginia Western Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Virginia Western Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	20,967,355	31,325
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	157,494	
Pledges receivable (Note 3)		663,595
Due from commonwealth (Note 4)		
Due from system office	747,866	
Interest receivable		30,149
Prepaid expenses	877,737	45,948
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>22,750,452</u>	<u>771,017</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		953,989
Appropriation available		
Endowment investments (Note 2)		31,197,348
Other long-term investments (Note 2)		6,811,889
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		1,020,887
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	870,893	
Non-depreciable capital assets, net (Note 5)	2,803,340	
Depreciable capital assets, net (Note 5)	73,015,131	
Total Noncurrent Assets	<u>76,689,364</u>	<u>39,984,113</u>
Total Assets	<u>99,439,816</u>	<u>40,755,130</u>
Deferred Outflows of Resources (Note 8)	5,204,840	
Total Assets and Deferred Outflows of Resources	<u>104,644,656</u>	<u>40,755,130</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,857,929	183,086
Accrued payroll expense	2,477,152	
Unearned revenue	1,686,478	
Long-term liabilities-current portion (Note 9)	1,742,325	
Securities lending obligation	4,310	
Post employment benefit obligations (Note 9)	91,564	
Due to system's office		
Deposits	210,632	
Total Current Liabilities	<u>8,070,390</u>	<u>183,086</u>

**Virginia Community College System
Virginia Western Community College
Statement of Net Position
As of June 30, 2025**

		Component Unit
	Community College	Virginia Western Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	7,730,399	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	16,606,081	
Total Noncurrent Liabilities	<u>24,336,480</u>	
Total Liabilities	<u>32,406,870</u>	<u>183,086</u>
Deferred Inflows of Resources (Note 8)	3,249,226	
Total Liabilities and Deferred Inflows of Resources	<u>35,656,096</u>	<u>183,086</u>
Net Position		
Net investment in capital assets	68,116,140	
Restricted for:		
Nonexpendable		14,442,580
Expendable	1,618,532	21,218,752
Unrestricted	(746,112)	4,910,712
Total Net Position	<u>68,988,560</u>	<u>40,572,044</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Virginia Western Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		<u>Component Unit</u>
	<u>Community College</u>	<u>Virginia Western Community College Educational Foundation</u>
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$10,082,637)	9,983,241	
Federal grants and contracts	1,717,015	
State and local grants	1,818,159	
Nongovernmental grants	59,030	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$32,263)	622,299	
Gifts and contributions		1,365,245
Endowment income		3,717,945
Other operating revenues	699,030	3,831,962
Total Operating Revenue	<u>14,898,774</u>	<u>8,915,152</u>
Expenses		
Operating Expenses		
Instruction	21,918,774	
Public service	1,185,239	
Academic support	6,666,085	
Student services	4,438,145	
Institutional support	6,381,231	896,095
Operation and maintenance	7,811,409	
Scholarships and fellowships	7,225,339	1,610,357
Auxiliary enterprises	224,639	
Fundraising		183,060
Other expenses		
Total Operating Expenses (Note 12)	<u>55,850,861</u>	<u>2,689,512</u>
Operating Income (Loss)	<u>(40,952,087)</u>	<u>6,225,640</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	31,243,091	
Local appropriations		
Grants and gifts	10,198,180	
Investment income	446,318	787,751
Interest on capital asset related debt	(42,188)	
Other nonoperating revenue (expense)	3,095,717	
Net Nonoperating Revenue	<u>44,941,118</u>	<u>787,751</u>
Income before other revenues, expenses gains (losses)	3,989,031	7,013,391
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	242,057	
Additions to permanent and term endowments		2,320,760
Increase (Decrease) in Net Position	<u>4,231,088</u>	<u>9,334,151</u>
Net Position		
Net Position beginning of year (Note 1-V)	<u>64,757,472</u>	<u>31,237,893</u>
Net Position end of year	<u>68,988,560</u>	<u>40,572,044</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Virginia Western Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	9,534,515
Grants and contracts	3,628,133
Payments to suppliers and others	(9,305,371)
Payments for employee wages	(24,877,860)
Payments for employee fringes and pension benefits	(8,721,989)
Payment for scholarships	(8,441,640)
Payments for utilities	(1,601,810)
Sales and services of education department	
Auxiliary	622,299
Custodial receipts	1,469,600
Custodial disbursements	(1,470,021)
PLUS, Stafford and Direct Lending loan receipts	2,247,901
PLUS, Stafford and Direct Lending loan disbursements	(2,254,273)
Loans issued to students	
Loans collected from students	
Other	699,030
Net cash used by operating activities	<u>(38,471,486)</u>
Cash flows from non-capital financing activities:	
State appropriations	31,243,091
Local appropriations	
Grants and gifts	10,314,202
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	2,420,798
Net cash provided (used) by non-capital financing activities	<u>43,978,091</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	242,057
Purchase capital assets	(1,471,444)
Proceeds from sale of capital assets	22,886
Debt interest payments	(178,622)
Debt principal payments	(3,761,035)
Net cash provided (used) by capital financing activities	<u>(5,146,158)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	445,876
Net cash provided (used) by investing activities	<u>445,876</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	806,323
Cash and cash equivalents, beginning of year	20,156,722
Cash and cash equivalents, End of Year	<u><u>20,963,045</u></u>

**Virginia Community College System
Virginia Western Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(40,952,087)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	4,139,569
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	348,538
Prepaid expenses and other	(132,389)
Post employment benefits asset	(94,528)
Accrued compensation and leave	96,090
Accounts payable and other	266,281
Unearned revenue	(743,771)
Deposits pending distribution	(19,564)
Custodial receipts(disbursements)	(421)
Stafford and Direct Loan receipts(disbursements)	(6,372)
Pension liability	(189,581)
Post employment benefits liability	(254,719)
Deferred inflows of resources related to pensions and post employment benefits	(99,653)
Deferred outflows of resources related to pensions and post employment benefits	(828,879)
Net cash used in operating activities	(38,471,486)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	20,967,355
Less: Securities Lending Cash Equivalents	4,310
Cash and cash equivalents end of year	<u>20,963,045</u>
Noncash transactions	
VRS Special Revenue Allocation	100,531
Capital assets acquired through the assumption of a liability	4,628,943
Retainage payable	87,243

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Wytheville Community College
Statement of Net Position
As of June 30, 2025**

		Component Units		
	Community College	Wytheville Community College Educational Foundation	Wytheville Community College Scholarship Foundation	Wytheville Community College Real Estate Foundation
Assets				
Current Assets				
Cash and cash equivalents (Note 2)	12,854,647	814,938	7,469	225,161
Appropriation available				
Short term investments (Note 2)	228,040	662,185	52,731	
Accounts receivable, net (Note 3)	95,604	452,587		231,557
Pledges receivable (Note 3)		6,580		
Due from commonwealth (Note 4)	611,086			
Due from system office	5,397			
Interest receivable				
Prepaid expenses	563,919			
Inventories	47,828			
Notes receivable, net (Note 3)				
Total Current Assets	<u>14,406,521</u>	<u>1,936,290</u>	<u>60,200</u>	<u>456,718</u>
Noncurrent Assets				
Restricted cash and cash equivalents (Note 2)				
Prepaid expenses	239,772			
Endowment cash and cash equivalents (Note 2)				
Appropriation available				
Endowment investments (Note 2)		9,143,807	606,261	
Other long-term investments (Note 2)		6,840,638	171,594	
Accounts receivable, net (Note 3)				
Investments in real estate (Note 2)				
Pledges receivable (Note 3)		1,295		
Due from commonwealth (Note 4)				
Notes receivable, net (Note 3)				
Post employment benefit assets (Note 18)	357,792			
Non-depreciable capital assets, net (Note 5)	838,706	43,393		383,698
Depreciable capital assets, net (Note 5)	14,363,725			1,445,105
Total Noncurrent Assets	<u>15,799,995</u>	<u>16,029,133</u>	<u>777,855</u>	<u>1,828,803</u>
Total Assets	<u>30,206,516</u>	<u>17,965,423</u>	<u>838,055</u>	<u>2,285,521</u>
Deferred Outflows of Resources (Note 8)				
	2,404,663			
Total Assets and Deferred Outflows of Resources	<u>32,611,179</u>	<u>17,965,423</u>	<u>838,055</u>	<u>2,285,521</u>
Liabilities				
Current Liabilities				
Accounts and retainage payable (Note 6)	424,461	606,742		2,064
Accrued payroll expense	1,136,632			
Unearned revenue	476,491			
Long-term liabilities-current portion (Note 9)	725,786			16,737
Securities lending obligation	1,737			
Post employment benefit obligations (Note 9)	38,451			
Due to system's office				
Deposits	314,448			
Total Current Liabilities	<u>3,118,006</u>	<u>606,742</u>		<u>18,801</u>

**Virginia Community College System
Wytheville Community College
Statement of Net Position
As of June 30, 2025**

		Component Units		
	Community College	Wytheville Community College Educational Foundation	Wytheville Community College Scholarship Foundation	Wytheville Community College Real Estate Foundation
Noncurrent Liabilities				
Unearned revenue				
Long-term liabilities (Note 9)	1,135,779			1,080,978
Due to federal government (Note 9)				
Pension and post employment benefit obligations (Note 9)	6,740,247			
Total Noncurrent Liabilities	<u>7,876,026</u>			<u>1,080,978</u>
Total Liabilities	<u>10,994,032</u>	<u>606,742</u>		<u>1,099,779</u>
Deferred Inflows of Resources (Note 8)	1,358,566			
Total Liabilities and Deferred Inflows of Resources	<u>12,352,598</u>	<u>606,742</u>		<u>1,099,779</u>
Net Position				
Net investment in capital assets	14,065,470	43,393		731,088
Restricted for:				
Nonexpendable		9,145,102	606,261	
Expendable	1,642,100	7,850,497	231,527	
Unrestricted	4,551,011	319,689	267	454,654
Total Net Position	<u>20,258,581</u>	<u>17,358,681</u>	<u>838,055</u>	<u>1,185,742</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
Wytheville Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

		Component Units		
		Wytheville Community College Educational Foundation	Wytheville Community College Scholarship Foundation	Wytheville Community College Real Estate Foundation
Revenues	Community College			
Operating Revenue				
Tuition and fees (net of scholarship allowance of \$5,144,832)	1,009,729			
Federal grants and contracts	1,930,886			
State and local grants	1,653,287	282,712		
Nongovernmental grants		1,121,418		
Sales/services of education department	15,123			
Auxiliary enterprises (net of scholarship allowance of \$16,471)	106,853			
Gifts and contributions		18,805		1,056,016
Endowment income		1,214,903	86,811	
Other operating revenues	1,313,710	730,694		205,633
Total Operating Revenue	6,029,588	3,368,532	86,811	1,261,649
Expenses				
Operating Expenses				
Instruction	9,051,132	2,327		
Public service	177,696	127,598		
Academic support	2,435,344	799,594		79,911
Student services	2,346,997			
Institutional support	4,158,960	161,286	125	
Operation and maintenance	2,627,351			
Scholarships and fellowships	3,438,100	1,111,207	60,000	
Auxiliary enterprises	23,672			
Fundraising		134,788		
Other expenses		1,055,616		
Total Operating Expenses (Note 12)	24,259,252	3,392,416	60,125	79,911
Operating Income (Loss)	(18,229,664)	(23,884)	26,686	1,181,738
Nonoperating Revenues(Expenses)				
State appropriations (Note 13)	17,847,975			
Local appropriations	156,086			
Grants and gifts	5,409,905			
Investment income	130,190	384,331	10	4,005
Interest on capital asset related debt	(107,721)			
Other nonoperating revenue (expense)	(4,149,776)			
Net Nonoperating Revenue	19,286,659	384,331	10	4,005
Income before other revenues, expenses gains (losses)	1,056,995	360,447	26,696	1,185,743
Capital appropriations-state (Note 20)				
Capital appropriations-local				
Capital gifts, grants and contracts	516,506			
Additions to permanent and term endowments		1,117,627	9,379	
Increase (Decrease) in Net Position	1,573,501	1,478,074	36,075	1,185,743
Net Position				
Net Position beginning of year (Note 1-V)	18,685,080	15,880,607	801,980	
Net Position end of year	20,258,581	17,358,681	838,055	1,185,743

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Wytheville Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Community College
Cash flows from operating activities:	
Tuition and fees	1,082,204
Grants and contracts	3,592,300
Payments to suppliers and others	(5,822,112)
Payments for employee wages	(10,221,137)
Payments for employee fringes and pension benefits	(3,646,029)
Payment for scholarships	(3,487,750)
Payments for utilities	(380,962)
Sales and services of education department	15,123
Auxiliary	99,215
Custodial receipts	3,361,064
Custodial disbursements	(3,423,179)
PLUS, Stafford and Direct Lending loan receipts	394,843
PLUS, Stafford and Direct Lending loan disbursements	(394,843)
Loans issued to students	
Loans collected from students	
Other	1,446,246
Net cash used by operating activities	<u>(17,385,017)</u>
Cash flows from non-capital financing activities:	
State appropriations	17,847,975
Local appropriations	156,086
Grants and gifts	5,248,484
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(4,162,333)
Net cash provided (used) by non-capital financing activities	<u>19,090,212</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	495,555
Purchase capital assets	(995,046)
Proceeds from sale of capital assets	7,624
Debt interest payments	(115,798)
Debt principal payments	(471,453)
Net cash provided (used) by capital financing activities	<u>(1,079,118)</u>
Cash flows from investing activities:	
Purchases of investments	(228,040)
Sale of investments	228,040
Investment income	121,625
Net cash provided (used) by investing activities	<u>121,625</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	747,702
Cash and cash equivalents, beginning of year	12,105,208
Cash and cash equivalents, End of Year	<u><u>12,852,910</u></u>

**Virginia Community College System
Wytheville Community College
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(18,229,664)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,650,338
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	131,161
Prepaid expenses and other	(110,054)
Post employment benefits asset	(40,556)
Accrued compensation and leave	110,576
Accounts payable and other	(436,597)
Unearned revenue	78,861
Deposits pending distribution	
Custodial receipts(disbursements)	(61,495)
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(66,725)
Post employment benefits liability	(116,526)
Deferred inflows of resources related to pensions and post employment benefits	(219,688)
Deferred outflows of resources related to pensions and post employment benefits	(74,648)
Net cash used in operating activities	<u>(17,385,017)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	12,854,647
Less: Securities Lending Cash Equivalents	1,737
Cash and cash equivalents end of year	<u>12,852,910</u>
Noncash transactions	
Donated capital assets	20,951
VRS Special Revenue Allocation	37,578
Unrealized gain/loss on investments	8,185
Capital assets acquired through the assumption of a liability	92,806

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
System Office
Statement of Net Position
As of June 30, 2025

		Component Unit
	System Office	Community Colleges of VA Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	56,284,608	3,355,390
Appropriation available	60,784,097	
Short term investments (Note 2)		
Accounts receivable, net (Note 3)		70,016
Pledges receivable (Note 3)		332,950
Due from commonwealth (Note 4)	3,024,214	
Due from colleges		
Interest receivable		
Prepaid expenses	5,174,971	
Inventories	5,000	
Notes receivable, net (Note 3)		
Total Current Assets	125,272,890	3,758,356
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	237,402	
Endowment cash and cash equivalents (Note 2)		3,317,023
Appropriation available		
Endowment investments (Note 2)		5,206,307
Other long-term investments (Note 2)		4,579,806
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		217,452
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	1,331,093	
Non-depreciable capital assets, net (Note 5)		
Depreciable capital assets, net (Note 5)	18,477,800	
Total Noncurrent Assets	20,046,295	13,320,588
Total Assets	145,319,185	17,078,944
Deferred Outflows of Resources (Note 8)	7,253,002	
Total Assets and Deferred Outflows of Resources	152,572,187	17,078,944
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	8,799,534	526,508
Accrued payroll expense	1,890,068	
Unearned revenue		
Long-term liabilities-current portion (Note 9)	6,961,365	
Securities lending obligation		
Post employment benefit obligations (Note 9)	81,907	
Due to colleges	7,069,920	
Deposits	1,042,112	102,551
Total Current Liabilities	25,844,906	629,059

**Virginia Community College System
System Office
Statement of Net Position
As of June 30, 2025**

		Component Unit
	System Office	Community Colleges of VA Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	8,680,554	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	22,417,397	
Total Noncurrent Liabilities	<u>31,097,951</u>	
Total Liabilities	<u>56,942,857</u>	<u>629,059</u>
Deferred Inflows of Resources (Note 8)	4,306,524	
Total Liabilities and Deferred Inflows of Resources	<u>61,249,381</u>	<u>629,059</u>
Net Position		
Net investment in capital assets	5,958,046	
Restricted for:		
Nonexpendable		3,905,280
Expendable	101,801,765	8,105,042
Unrestricted	(16,437,005)	4,439,563
Total Net Position	<u>91,322,806</u>	<u>16,449,885</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Virginia Community College System
System Office
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	System's Office	Component Unit Community Colleges of VA Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$0)		
Federal grants and contracts	9,497,096	2,399,989
State and local grants	423,422	1,225,000
Nongovernmental grants	1,579,453	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$0)		
Gifts and contributions		4,108,371
Endowment income		1,172,820
Other operating revenues	527,705	535,313
Total Operating Revenue	12,027,676	9,441,493
Expenses		
Operating Expenses		
Instruction	16,824,930	
Public service	1,718,156	270,300
Academic support	24,562,991	6,856,826
Student services	618,125	
Institutional support	7,942,474	707,138
Operation and maintenance	2,040,167	
Scholarships and fellowships		
Auxiliary enterprises		
Fundraising		768,595
Other expenses		
Total Operating Expenses (Note 12)	53,706,843	8,602,859
Operating Income (Loss)	(41,679,167)	838,634
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	46,726,004	
Local appropriations		
Grants and gifts	1,375,196	
Investment income		95,036
Interest on capital asset related debt	(1,063,861)	
Other nonoperating revenue (expense)	5,064,601	
Net Nonoperating Revenue	52,101,940	95,036
Income before other revenues, expenses gains (losses)	10,422,773	933,670
Capital appropriations-state (Note 20)	39,760,210	
Capital appropriations-local		
Capital gifts, grants and contracts	1,885,265	
Additions to permanent and term endowments		302,500
Increase (Decrease) in Net Position	52,068,248	1,236,170
Net Position		
Net Position beginning of year (Note 1-V)	39,254,558	15,213,715
Net Position end of year	91,322,806	16,449,885

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
System Office
Statement of Cash Flows
For the Year Ended June 30, 2025**

	<u>System Office</u>
Cash flows from operating activities:	
Tuition and fees	
Grants and contracts	11,499,971
Payments to suppliers and others	(11,040,104)
Payments for employee wages	(23,363,533)
Payments for employee fringes and pension benefits	(9,024,499)
Payment for scholarships	
Payments for utilities	
Sales and services of education department	
Auxiliary	
Custodial receipts	433,831
Custodial disbursements	(579,090)
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	527,705
Net cash used by operating activities	<u>(31,545,719)</u>
Cash flows from non-capital financing activities:	
State appropriations	46,726,004
Local appropriations	
Grants and gifts	1,375,196
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	9,416,314
Net cash provided (used) by non-capital financing activities	<u>57,517,514</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	5,390,894
Capital appropriations-local	
Capital grants and gifts	1,885,265
Purchase capital assets	12,326,476
Proceeds from sale of capital assets	
Debt interest payments	(1,974,716)
Debt principal payments	(6,346,412)
Net cash provided (used) by capital financing activities	<u>11,281,507</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	
Net cash provided (used) by investing activities	
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	37,253,302
Cash and cash equivalents, beginning of year	19,031,306
Cash and cash equivalents, End of Year	<u><u>56,284,608</u></u>

**Virginia Community College System
System Office
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(43,071,601)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	7,870,323
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	966,641
Prepaid expenses and other	530,072
Post employment benefits asset	(172,862)
Accrued compensation and leave	(198,713)
Accounts payable and other	3,765,576
Unearned revenue	
Deposits pending distribution	
Custodial receipts(disbursements)	(145,259)
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(60,078)
Post employment benefits liability	(284,989)
Deferred inflows of resources related to pensions and post employment benefits	(68,567)
Deferred outflows of resources related to pensions and post employment benefits	(676,262)
Net cash used in operating activities	<u>(31,545,719)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	56,284,608
Less: Securities Lending Cash Equivalents	
Cash and cash equivalents end of year	<u>56,284,608</u>
Noncash transactions	
VRS Special Revenue Allocation	133,917
The accompanying Notes to the Financial Statements are an integral part of this statement.	

**Virginia Community College System
Shared Services Center
Statement of Net Position
As of June 30, 2025**

	Shared Services Center
Assets	
Current Assets	
Cash and cash equivalents (Note 2)	138,604
Appropriation available	
Short term investments (Note 2)	
Accounts receivable, net (Note 3)	
Pledges receivable (Note 3)	
Due from commonwealth (Note 4)	
Due from colleges	
Interest receivable	
Prepaid expenses	442,920
Inventories	24,141
Notes receivable, net (Note 3)	
Total Current Assets	605,665
Noncurrent Assets	
Restricted cash and cash equivalents (Note 2)	
Prepaid expenses	
Endowment cash and cash equivalents (Note 2)	
Appropriation available	
Endowment investments (Note 2)	
Other long-term investments (Note 2)	
Accounts receivable, net (Note 3)	
Investments in real estate (Note 2)	
Pledges receivable (Note 3)	
Due from commonwealth (Note 4)	
Notes receivable, net (Note 3)	
Post employment benefit assets (Note 18)	388,542
Non-depreciable capital assets, net (Note 5)	
Depreciable capital assets, net (Note 5)	812,585
Total Noncurrent Assets	1,201,127
Total Assets	1,806,792
Deferred Outflows of Resources (Note 8)	2,162,042
Total Assets and Deferred Outflows of Resources	3,968,834
Liabilities	
Current Liabilities	
Accounts and retainage payable (Note 6)	155,868
Accrued payroll expense	598,937
Unearned revenue	
Long-term liabilities-current portion (Note 9)	696,108
Securities lending obligation	
Post employment benefit obligations (Note 9)	34,223
Due to colleges	
Deposits	
Total Current Liabilities	1,485,136

**Virginia Community College System
Shared Services Center
Statement of Net Position
As of June 30, 2025**

	Shared Services Center
Noncurrent Liabilities	
Unearned revenue	
Long-term liabilities (Note 9)	464,671
Due to federal government (Note 9)	
Pension and post employment benefit obligations (Note 9)	6,247,764
Total Noncurrent Liabilities	<u>6,712,435</u>
Total Liabilities	<u>8,197,571</u>
Deferred Inflows of Resources (Note 8)	1,104,520
Total Liabilities and Deferred Inflows of Resources	<u>9,302,091</u>
Net Position	
Net investment in capital assets	285,866
Restricted for:	
Nonexpendable	
Expendable	388,542
Unrestricted	(6,007,665)
Total Net Position	<u>(5,333,257)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Shared Services Center
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

	Shared Services Center
Revenues	
Operating Revenue	
Tuition and fees (net of scholarship allowance of \$0)	
Federal grants and contracts	
State and local grants	
Nongovernmental grants	
Sales/services of education department	
Auxiliary enterprises (net of scholarship allowance of \$0)	
Gifts and contributions	
Endowment income	
Other operating revenues	285,819
Total Operating Revenue	<u>285,819</u>
Expenses	
Operating Expenses	
Instruction	6,826
Public service	
Academic support	
Student services	
Institutional support	10,417,065
Operation and maintenance	868,041
Scholarships and fellowships	
Auxiliary enterprises	
Fundraising	
Other expenses	
Total Operating Expenses (Note 12)	<u>11,291,932</u>
Operating Income (Loss)	<u>(11,006,113)</u>
Nonoperating Revenues(Expenses)	
State appropriations (Note 13)	(285,819)
Local appropriations	
Grants and gifts	
Investment income	
Interest on capital asset related debt	(37,394)
Other nonoperating revenue (expense)	11,903,117
Net Nonoperating Revenue	<u>11,579,904</u>
Income before other revenues, expenses gains (losses)	573,791
Capital appropriations-state (Note 20)	
Capital appropriations-local	
Capital gifts, grants and contracts	
Additions to permanent and term endowments	
Increase (Decrease) in Net Position	<u>573,791</u>
Net Position	
Net Position beginning of year (Note 1-V)	<u>(5,907,048)</u>
Net Position end of year	<u>(5,333,257)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Virginia Community College System
Shared Services Center
Statement of Cash Flows
For the Year Ended June 30, 2025**

	<u>Shared Services</u>
Cash flows from operating activities:	
Tuition and fees	
Grants and contracts	
Payments to suppliers and others	(1,086,743)
Payments for employee wages	(6,801,017)
Payments for employee fringes and pension benefits	(3,129,061)
Payment for scholarships	
Payments for utilities	(78,026)
Sales and services of education department	
Auxiliary	
Custodial receipts	
Custodial disbursements	
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Loans issued to students	
Loans collected from students	
Other	285,819
Net cash used by operating activities	<u>(10,809,028)</u>
Cash flows from non-capital financing activities:	
State appropriations	(285,819)
Local appropriations	
Grants and gifts	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	11,903,117
Net cash provided (used) by non-capital financing activities	<u>11,617,298</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	
Purchase capital assets	(246,831)
Proceeds from sale of capital assets	
Debt interest payments	(27,908)
Debt principal payments	(403,738)
Net cash provided (used) by capital financing activities	<u>(678,477)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	
Net cash provided (used) by investing activities	
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	129,793
Cash and cash equivalents, beginning of year	8,811
Cash and cash equivalents, End of Year	<u><u>138,604</u></u>

**Virginia Community College System
Shared Services Center
Statement of Cash Flows
For the Year Ended June 30, 2025**

Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(11,006,113)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	591,651
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	
Prepaid expenses and other	(304,684)
Post employment benefits asset	(39,118)
Accrued compensation and leave	82,737
Accounts payable and other	88,840
Unearned revenue	
Deposits pending distribution	
Custodial receipts(disbursements)	
Stafford and Direct Loan receipts(disbursements)	
Pension liability	(113,868)
Post employment benefits liability	(78,550)
Deferred inflows of resources related to pensions and post employment benefits	(4,308)
Deferred outflows of resources related to pensions and post employment benefits	(25,615)
Net cash used in operating activities	(10,809,028)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	138,604
Less: Securities Lending Cash Equivalents	
Cash and cash equivalents end of year	<u>138,604</u>
Noncash transactions	
VRS Special Revenue Allocation	37,129
Capital assets acquired through the assumption of a liability	118,578

The accompanying Notes to the Financial Statements are an integral part of this statement.