



October 8, 2024

Ms. Staci A, Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

Dear Staci:

Enclosed please find the Virginia Community College System's consolidated financial statements and footnotes for the year ended June 30, 2024. The oath required by Section 4-11.00 of the Appropriation Act is attached.

If you have any questions, please contact Randy Ellis, Chief Accounting Officer/Controller, at 819-4922.

Sincerely,

A handwritten signature in black ink that reads "David Dore". The signature is fluid and cursive, with a horizontal line extending from the end.

David Dore
Chancellor

DD/rbe

Enclosure

cc: Dr. Craig Herndon (w/o enclosure)
Mr. William M. Johnson (w/o enclosure)
Mr. Randall B. Ellis (w/o enclosure)



"I hereby affirm that the FY24 financial statement submission of the Virginia Community College System is true and correct to the best of my knowledge and belief."

David Dore
Signature

Chancellor
Title

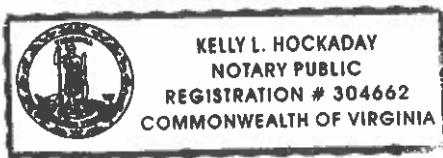
Commonwealth of Virginia
City of Richmond

This is to certify that David Dore on this 8th day of October 2024 took and subscribed the foregoing oath required by the laws of the Commonwealth.

Kelly L. Hockaday
Name of Notary

Executive Assistant, HR/Notary
Title

My commission expires December 31, 2027.



VIRGINIA COMMUNITY COLLEGE SYSTEM

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

**Prepared by:
Office of Fiscal Services
Virginia Community College System
300 Arboretum Place, Suite 200
Richmond, Virginia 23236**

VCCS Financial Report 2023-2024

STATE BOARD MEMBERS

*Peggy Layne, Chair
Terri Thompson, Vice Chair*

*Brenda Calderon
Edward Dalrymple, Jr
Sasha Gong
Jeff Haley
Mark Hourigan
Darius Johnson
Wiley "Bif" Johnson*

*Maurice Jones
Ashby Kilgore
Bruce Meyer
AJ Robinson
Michael Wooten
Michael Zajur*

CHANCELLOR

*David Dore'
Secretary, State Board*

OFFICER REPORTING

*Randall B. Ellis
Chief Accounting Officer/Controller*

VCCS Financial Report 2023-2024

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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, 2024. 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 2024 were:

- Total net position increased by 12% as a result of both increases and decreases in several operating and nonoperating revenue and expense categories. The results of operations for fiscal year 2024 reflected an overall increase in net position of \$150 million.
- Total operating revenues increased 7.9%. Student tuition and fees, net of scholarship discounts and allowances, represented 54.3% of total operating revenues which is slightly lower than prior years.
- The State Board for Community Colleges, in May 2023, approved increasing tuition rates \$4.61 per credit hour effective with the Fall 2023 semester. None of the eight colleges with tuition differentials had changes to those rates.
- From fiscal year 2023 to 2024, full-time equivalent student (FTES) enrollment increased 3.9% from 85,994 to 89,338 FTEs. This increase resulted in an increase in gross tuition collections of approximately \$19.5 million in fiscal year 2024. That increase was primarily attributable to the tuition rate increase referenced above. (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 \$63.6 million to \$698.6 million as a result of an increase in the State Appropriation Act (included FY23 salary increase and FY23 Affordable Access funds. State capital appropriations revenue decreased by \$8.4 million. This is attributed to construction activity at Northern Virginia Community College, Virginia Peninsula Community College and Piedmont Virginia Community College that was funded in FY23.
- Total operating expenses increased by 1.8% primarily as a result of employee compensation increases. Employee compensation represented 55.5% 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, 2024. 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)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Assets				
Current assets	\$ 566,057	\$ 517,347	\$ 48,710	9.42%
Capital assets, net	1,447,543	1,395,595	51,948	3.72
Other non-current assets	127,634	114,825	12,809	11.16%
Total Assets	2,141,234	2,027,767	113,467	5.60%
Deferred Outflows of Resources	124,451	97,796	26,654	27.25
Total Assets and Deferred Outflows of Resources	2,265,685	2,125,563	140,121	6.59%
Liabilities				
Current liabilities	221,392	193,748	27,644	14.27%
Non-current liabilities	551,008	537,614	13,394	2.49%
Total Liabilities	772,400	731,362	41,038	5.61%
Deferred Inflows of Resources	93,719	144,619	(50,900)	(35.20%)
Total Liabilities and Deferred Inflows of Resources	866,119	875,981	(9,862)	(1.13%)
Net Position				
Net investment in capital assets	1,351,125	1,286,394	64,731	5.03%
Restricted-nonexpendable	115	117	(2)	(1.33%)
Restricted-expendable	191,890	171,668	20,222	11.78%
Unrestricted	(143,564)	(208,597)	65,033	(31.18%)
Total Net Position	\$ 1,399,566	\$ 1,249,582	\$149,984	12.00%

Current Assets

Current assets consist of \$469.7 million in cash, cash equivalents, and short-term investments, \$25.8 million in accounts, notes, and interest receivable, \$41.9 in state appropriation available, \$9.1 million in amounts due from the commonwealth, \$17.9 million in prepaid expenses, and \$1.6 million in inventories. The \$48.7 million increase in current assets was primarily attributable to an increase of \$49.7 million in cash, cash equivalents, and short-term investments.

Current assets cover current liabilities 2.56 times, an indicator of sound liquidity and the ability to weather short-term demands on working capital. Current assets also cover over 3.63 months of total operating expenses, excluding depreciation. Both ratios remained consistent with prior years. For fiscal year 2024, one month of operating expenses (excluding depreciation) equaled \$108.2 million.

Capital Assets, Net of Accumulated Depreciation

The overall increase of \$51.9 million in net capital assets was due an increase in various capital construction costs still in progress as well as the continued implementation of Statement 96 of the Governmental Accounting Standards Board (GASB 96), which required governmental agencies to capitalize all subscription-based technology arrangements (SBITA's), which totaled \$1.8 million for the VCCS in FY24. There were other small decreases as a result of normal yearly depreciation.

The following tables compares fiscal year 2024 to fiscal year 2023 capital asset balances by category:

Summary of Capital Assets, net

(in thousands)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Land	\$ 72,468	\$ 72,180	\$ 288	0.40%
Construction in progress	98,241	49,326	48,915	99.17%
Land improvements	38,697	34,868	3,829	10.98%
Infrastructure	31,799	32,622	(823)	(2.52%)
Building	1,082,567	1,108,380	(25,813)	(2.33%)
Equipment and historical treasures	90,415	69,168	21,247	30.72%
Intangibles	1,383	2,047	(664)	(32.44%)
Library books	2,484	2,915	(431)	(14.79%)
TOTAL	\$ 1,418,054	\$ 1,371,506	\$ 46,548	3.39%

Summary of leased assets, net of amortization

(in thousands)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Land	\$ 43	\$ 69	\$ (26)	(37.68%)
Building	27,198	31,609	(4,411)	(13.95%)
Equipment and historical treasures	437	669	(232)	(34.68%)
TOTAL	\$ 27,678	\$ 32,347	\$ (4,669)	(14.43%)

per implementation of GASB 87, Leases.

Summary of Right to Use assets, net of amortization

(in thousands)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Subscription Asset	\$ 1,811	\$ 1,531	\$ 280	18.29%
TOTAL	\$ 1,811	\$ 1,531	\$ 280	18.29%

per implementation of GASB 96, SBITAs.

Other Non-Current Assets

The balance in appropriation available consists of General and Central Capital Planning funds for capital projects. The increase in other noncurrent assets is due to increases 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 2024 and 2023 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 \$53.2 million, accrued payroll expense of \$63.3 million, unearned revenues of \$52.8 million, long-term obligations (current portion) of \$38.1 million, and deposits totaling \$12 million.

Current liabilities increased by \$27.6 million in fiscal year 2024 primarily due to the increase in accounts and retainage payable of \$10.6 million. Unearned revenues also increased by \$8.7 million. There were increases in accrued payroll of \$6.4 million and other smaller increases.

Non-Current Liabilities

Non-Current liabilities consist of a net pension obligation of \$371.1 million, the OPEB obligation of \$88.9 million, pooled bonds of \$58.2 million, accrued leave of \$12 million, and federal loan program amounts due of \$129 thousand. The overall increase of \$13.4 million in non-current liabilities was primarily due to the change in the VCCS' proportionate share of the Commonwealth's overall VRS pension liability and OPEB liabilities.

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 2024 and 2023 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. For fiscal year 2024, the balance also includes amounts related to leases associated with the implementation of GASB 87, *Leases*; as well as right-to-use assets associated with GASB 96, *Subscription Based Information Technology Arrangements*.

Net Position

The increase in net investment in capital assets of \$64.7 million is explained by changes in capital assets, net of accumulated depreciation and in capital asset related debt. The increase of \$65 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 increase of \$25.2 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)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Operating revenue	\$ 455,213	\$ 421,794	\$ 33,419	7.92%
Operating expenses	1,371,691	1,347,201	24,490	(1.82%)
Operating loss	(916,478)	(925,407)	8,929	(.96%)
Non-operating revenues and expenses	963,795	980,372	(16,577)	(1.69%)
Income (loss) before other revenues, expenses, gains or losses	47,317	54,965	(7,648)	(13.91%)
Other revenues	91,968	137,106	(45,138)	(32.92%)
Increase in net position	139,285	192,071	(52,786)	(27.48%)
Net position, beginning of year (as restated)	1,260,281	1,057,511	202,770	19.17%
Net position, end of year	\$ 1,399,566	\$ 1,249,582	\$ 149,984	12.00%

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, 2024, and 2023:

**Summary Statement of Revenues
for the year ended June 30:**

(in thousands)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Operating revenues				
Student tuition and fees, net	\$ 247,157	\$ 242,728	\$ 4,429	1.82%
Grants and contracts	146,299	123,774	22,525	18.20%
Auxiliary enterprises, net	21,784	18,570	3,214	17.31%
Other operating revenue*	39,972	36,723	3,249	8.85%
Total Operating Revenues	455,212	421,793	33,419	7.92%
Non-operating activity				
State operating appropriations	698,606	634,997	63,609	10.02%
Local operating appropriations	2,898	2,584	314	12.17%
Grants and gifts	250,544	323,604	(73,060)	(22.58%)
Investment income(loss)	8,279	5,076	3,203	63.09%
Interest expense	(2,926)	(3,179)	253	(7.95%)
Other	6,394	17,289	(10,895)	(63.02%)
Total net non-operating revenue	963,795	980,371	(16,576)	(1.69%)
Other revenues (capital)				
Capital appropriations-state	78,708	87,138	(8,430)	(9.67%)
Capital appropriations-local	2,568	4,025	(1,457)	(36.21%)
Capital gifts and grants	10,692	45,943	(35,251)	(76.73%)
Total other revenues (capital)	91,968	137,104	(45,136)	(32.92%)
Total revenues	\$ 1,510,975	\$ 1,539,268	\$ (28,293)	(1.84%)

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

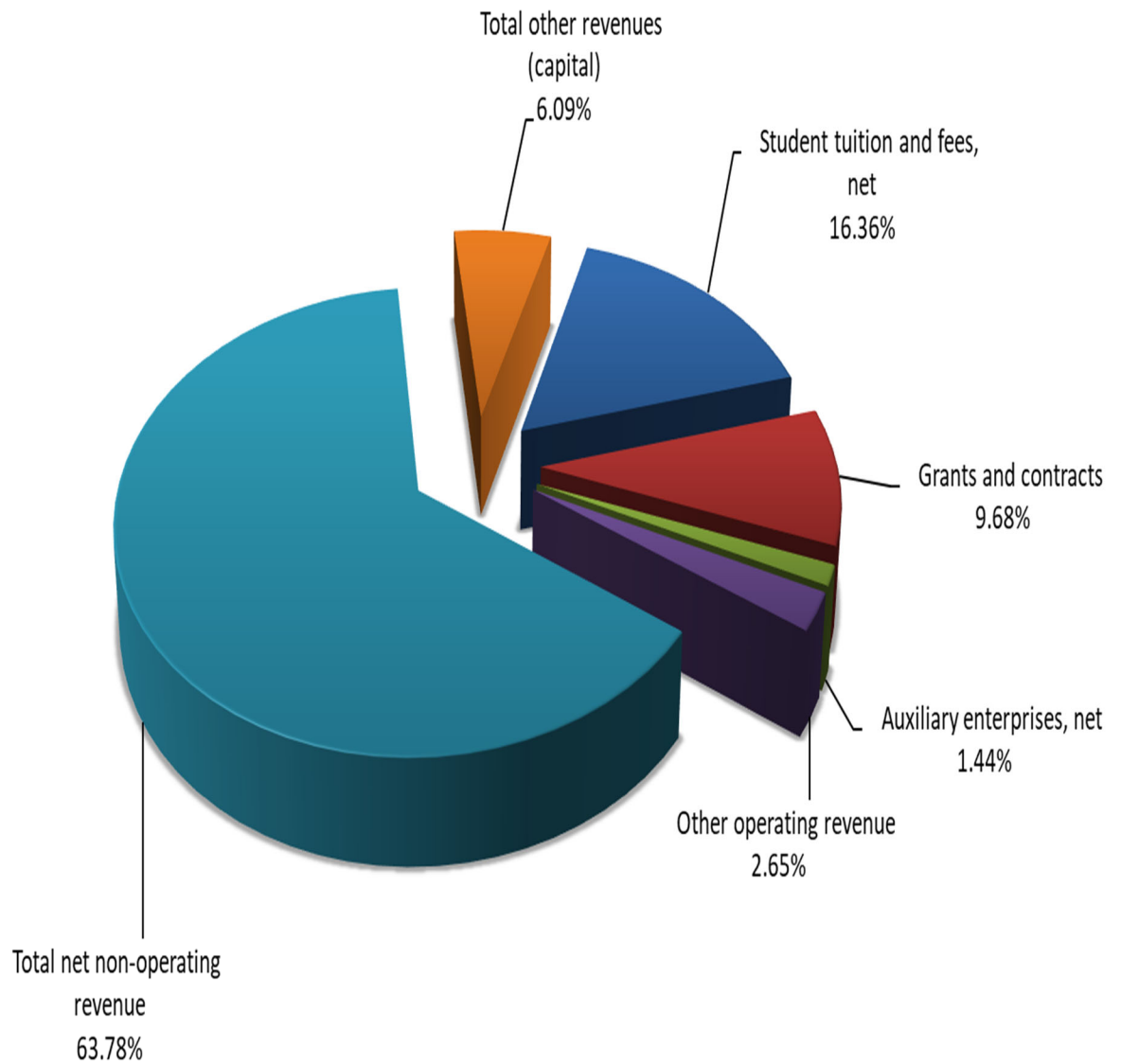
Operating Revenues

Total operating revenues increased by 7.9% compared to the prior year. Gross student tuition and fee revenues (before scholarship discounts and allowances) increased by \$19.5 million. Net tuition and fees revenue increased by \$4.4 million (1.8%). Tuition and fee rates increased by \$4.61 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 decreased by \$16.6 million. State appropriation revenues increased by \$63.6 million, however this was offset by the decrease in grants and gifts of \$73.1 million as the pandemic-related ARPA and HEERF funding coming to an end. A graphic presentation of fiscal year 2024 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, 2024, and 2023:

Summary Statement of Expenses by Function

for the year ended June 30:

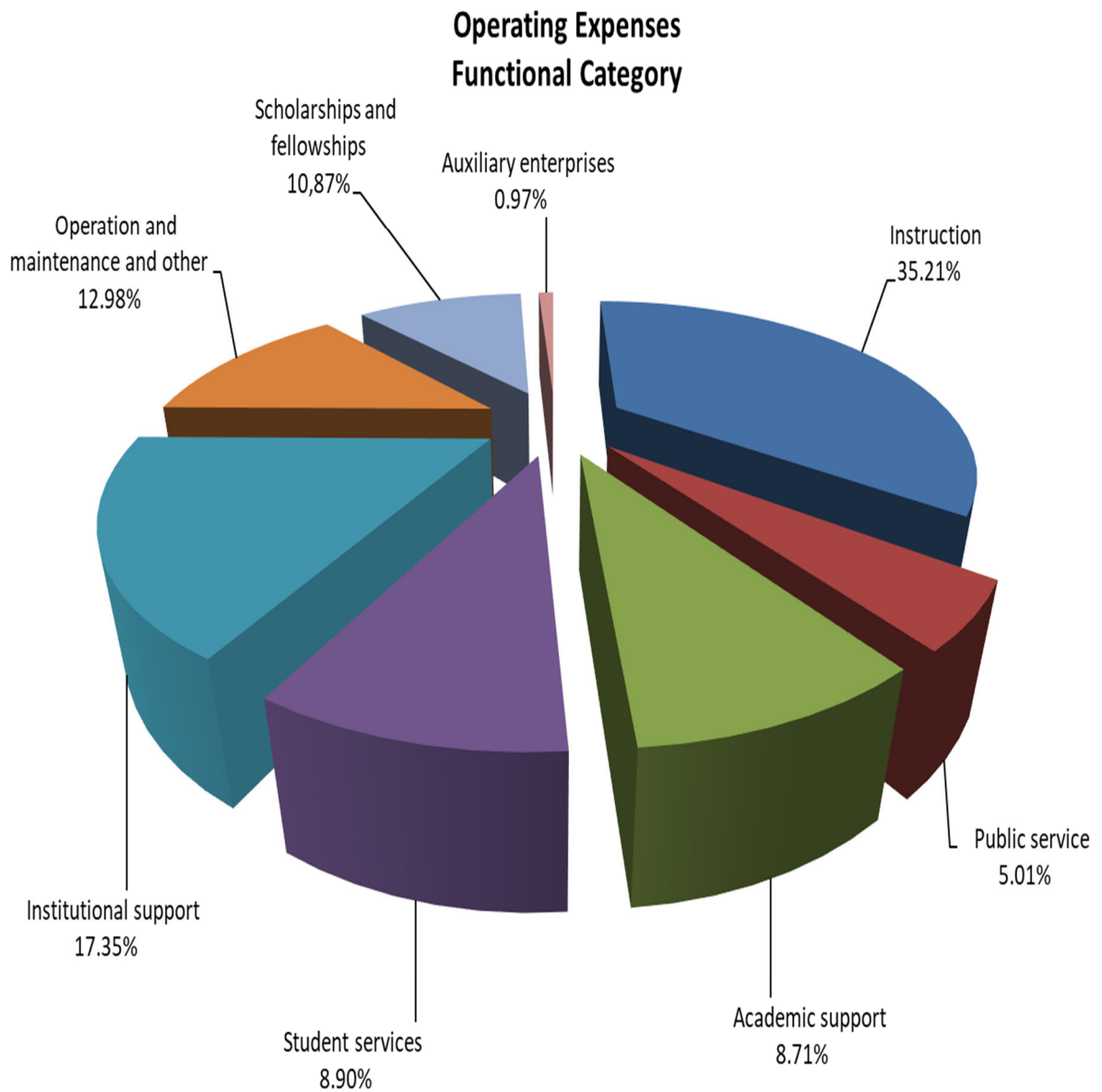
(in thousands)

	2024	2023	Increase (Decrease)	
			Amount	Percentage
Operating expenses:				
Instruction	\$ 483,003	\$ 443,765	\$ 39,239	8.84%
Public service	68,654	58,848	9,807	16.66%
Academic support	119,420	110,839	8,581	7.74%
Student services	122,062	111,621	10,442	9.35%
Institutional support	237,992	283,319	(45,327)	(16.00%)
Operation and maintenance	177,970	156,303	21,666	13.86%
Scholarships and fellowships	149,264	167,987	(18,723)	(11.15%)
Auxiliary enterprises	13,311	12,249	1,063	8.68%
Other expenses	15	2,270	(2,254)	(99.93%)
Total operating expenses	\$ 1,371,691	\$ 1,347,201	\$ 24,490	1.82%

Operating Expenses

Operating expenses totaled approximately \$1.37 billion for fiscal year 2024, an increase of \$24.5 million. The natural expense category, compensation and benefits, comprised \$761.4 million of total VCCS operating expenses representing a 9% increase over fiscal year 2023. Scholarship expenses decreased \$18.7 million, largely due to the expiration of the HEERF funding received for fiscal year 2023. The net change across the other natural expense categories (i.e., utilities and depreciation) remained relatively flat.

A graphic presentation of fiscal year 2024 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)

	2024	2023	\$ Change	% Change
Cash received from operations	\$487,733	\$451,073	36,660	8.13%
Cash used in operations	1,357,682	1,368,386	(10,704)	(0.78%)
Net cash used in operations	(\$869,949)	(\$917,313)	47,364	(5.16%)
Net cash provided by non-capital financing activities	\$961,553	\$978,534	(16,981)	(1.74%)
Net cash used in capital and related financing activities	(48,277)	8,325	(56,602)	(679.90%)
Net cash provided by (used in) investing activities	5,147	(15,939)	21,086	(132.29%)
Net increase (decrease) in cash and cash equivalents	\$48,474	\$53,607	(5,133)	(9.58%)
Cash and cash equivalents, beginning of year	\$398,534	\$344,927		
Cash and cash equivalents, end of year	\$447,008	\$398,534		

The primary sources of cash for the VCCS included tuition and fees of \$255.52 million, operating grants and contracts of \$149.27 million, and auxiliary revenues of \$21.74 million. The primary uses of operating cash included employee salaries, wages, fringe benefits and pension benefits of \$807.49 million, operating expenses (payments to suppliers/others and utilities) of \$384.82 million and scholarships of \$145.32 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 decreased \$16.98 million due to an increase of \$63.92 million in state and local appropriations, a decrease of \$72.15 million in grants and gifts due to expiration of the HEERF funding, and a decrease of \$10.54 million in other non-operating revenue. Net cash flows from capital and related financing activities decreased \$56.6 million due to an increase of \$22.63 million in state and local capital appropriations, an increase of \$4.62 million in capital grants and gifts, and an increase of \$79.63 million for capital asset purchases. Net cash provided by (used in) investing activities increased \$21.09 million as investment purchases were \$30.97 million lower, sale of investments was \$13.62 million lower, and investment income was \$3.74 million higher in fiscal year 2024. The overall decrease in cash and cash equivalents was \$5.13 million at the end of fiscal year 2024.

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 2024 will be 31.6% of the average of the four-year institutions for total tuition and mandatory fees.

Effective with the fall 2023 session, the State Board for Community Colleges elected to increase tuition rates by \$4.61 per credit hour for all students. Within the VCCS, eight colleges have (unchanged) tuition differential rates ranging from \$1.00 per credit hour to \$29.05 per credit hour.

Chapter 2, 2024 Special Session I of the Virginia Acts of Assembly, authorized the funding for a Systemwide Small Renovations project to repurpose existing property to enhance the learning environment and increase capacity for workforce development programming. This chapter also authorized funding to conduct pre-planning on a project to replace Buchanan and Tazewell Halls at Southwest Virginia Community College. In addition, this chapter approved the equipment funds for the renovation of the Seefeldt Building on the Woodbridge Campus of Northern Virginia Community College and to replace Diggs/Moore/Harrison Complex at Virginia Peninsula Community College.

The VCCS capitalized construction expenses totaling \$64.5 million during fiscal year 2024. These costs primarily included projects that were still in construction as of June 30, 2024, but also included a few projects that were complete as of June 30, 2024. Construction costs for projects completed during fiscal year 2024 totaled \$16.3 million.

The VCCS entered into contractual commitments for capital projects totaling \$178.6 million prior to June 30, 2024. Expenses processed against these commitments during fiscal year 2024 totaled \$104.8 million, leaving an unpaid commitment balance of \$73.8 million as of June 30, 2024.

***CONSOLIDATED
FINANCIAL
STATEMENTS***

Virginia Community College System
Consolidated
Statement of Net Position
As of June 30, 2024

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	VCCS	Component Units Foundations
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	442,780,041	50,366,543
Appropriation available	41,934,912	
Short term investments (Note 2)	26,916,602	9,280,851
Accounts receivable, net (Note 3)	24,873,639	4,306,864
Pledges receivable (Note 3)		5,742,679
Due from commonwealth (Note 4)	9,123,052	
Interest receivable	290,495	111,703
Prepaid expenses	17,934,317	727,660
Inventories	1,614,873	
Notes receivable, net (Note 3)	589,447	80,931
Total Current Assets	566,057,378	70,617,231
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	4,331,938	
Prepaid expenses	645,684	
Endowment cash and cash equivalents (Note 2)	17,606	5,037,803
Appropriation available	36,681,576	
Endowment investments (Note 2)		262,772,386
Other long-term investments (Note 2)	56,581,800	113,515,768
Accounts receivable, net (Note 3)	468,527	
Investments in real estate (Note 2)		3,230,367
Pledges receivable (Note 3)		4,629,336
Due from commonwealth (Note 4)	6,885,489	
Notes receivable, net (Note 3)	205,735	
Post employment benefit assets (Note 18)	21,815,558	
Non-depreciable capital assets, net (Note 5)	170,858,238	24,625,290
Depreciable capital assets, net (Note 5)	1,276,684,791	58,159,778
Total Noncurrent Assets	1,575,176,942	471,970,728
Total Assets	2,141,234,320	542,587,959
Deferred Outflows of Resources (Note 8)	124,450,606	
Total Assets and Deferred Outflows of Resources	2,265,684,926	542,587,959
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	53,210,576	4,740,876
Accrued payroll expense	63,312,069	171,829
Unearned revenue	52,835,547	1,051,721
Long-term liabilities-current portion (Note 9)	38,063,559	2,005,266
Securities lending obligation	121,609	
Post employment benefit obligations (Note 9)	1,882,607	
Deposits	11,965,603	1,312,263
Total Current Liabilities	221,391,570	9,281,955

**Virginia Community College System
Consolidated
Statement of Net Position
As of June 30, 2024**

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	VCCS	Component Units Foundations
Noncurrent Liabilities		
Unearned revenue	562,575	
Long-term liabilities (Note 9)	91,400,241	41,407,552
Due to federal government (Note 9)	1,069,483	
Pension and post employment benefit obligations (Note 9)	457,975,710	
Total Noncurrent Liabilities	<u>551,008,009</u>	<u>41,407,552</u>
Total Liabilities	<u>772,399,579</u>	<u>50,689,507</u>
Deferred Inflows of Resources (Note 8)	93,719,219	
Total Liabilities and Deferred Inflows of Resources	<u>866,118,798</u>	<u>50,689,507</u>
Net Position		
Net investment in capital assets	1,351,125,082	36,632,677
Restricted for:		
Nonexpendable	115,014	165,201,483
Expendable	191,889,536	167,302,148
Unrestricted	(143,563,504)	122,762,144
Total Net Position	<u>1,399,566,128</u>	<u>491,898,452</u>

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

Virginia Community College System

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**Consolidated
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024**

		Component Units
	VCCS	Foundations
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$206,915,493)	247,156,860	
Federal grants and contracts	104,842,335	1,327,664
State and local grants	26,947,737	5,148,450
Nongovernmental grants	14,509,130	10,009,241
Sales/services of education department	880,818	
Auxiliary enterprises (net of scholarship allowance of \$1,716,160)	21,784,376	
Gifts and contributions		28,122,686
Endowment income (loss)		32,647,328
Other operating revenues	39,091,459	12,062,022
Total Operating Revenue	455,212,715	89,317,391
Expenses		
Operating Expenses		
Instruction	483,003,261	1,001,883
Public service	68,655,402	2,804,944
Academic support	119,420,193	12,280,836
Student services	122,062,299	174,981
Institutional support	237,992,414	14,071,269
Operation and maintenance	177,969,662	2,327,521
Scholarships and fellowships	149,263,604	15,446,228
Auxiliary enterprises	13,311,074	332,730
Fundraising		3,290,672
Other expenses	13,217	837,620
Total Operating Expenses (Note 12)	1,371,691,126	52,568,684
Operating Income (Loss)	(916,478,411)	36,748,707
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	698,605,745	
Local appropriations	2,898,295	
Grants and gifts	250,544,212	
Investment income	8,278,917	15,700,846
Interest on capital asset related debt	(2,926,341)	
Other nonoperating revenue (expense)	6,394,237	
Net Nonoperating Revenue	963,795,065	15,700,846
Income before other revenues, expenses gains (losses)	47,316,654	52,449,553
Capital appropriations-state (Note 20)	78,707,861	
Capital appropriations-local	2,568,245	
Capital gifts, grants and contracts	10,692,187	670,224
Additions to permanent and term endowments		12,291,635
Increase (Decrease) in Net Position	139,284,947	65,411,412
Net Position		
Net Position beginning of year (Note 1-T)	1,260,281,181	426,487,040
Net Position end of year	1,399,566,128	491,898,452

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, 2024

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Cash flows from operating activities:

Tuition and fees	255,517,180
Grants and contracts	149,270,053
Payments to suppliers and others	(361,624,839)
Payments for employee wages	(594,439,455)
Payments for employee fringes and pension benefits	(213,053,497)
Payment for scholarships	(145,316,411)
Payments for utilities	(23,193,308)
Sales and services of education department	880,818
Auxiliary	21,742,240
Custodial receipts	20,755,897
Custodial disbursements	(19,655,430)
Loans issued to students	(399,157)
Loans collected from students	401,380
Other	39,164,748
Net cash used by operating activities	<u>(869,949,781)</u>

Cash flows from non-capital financing activities:

State appropriations	698,605,745
Local appropriations	2,898,295
Grants and gifts	252,234,682
PLUS, Stafford and Direct Lending loan receipts	51,430,748
PLUS, Stafford and Direct Lending loan disbursements	(50,429,125)
Other non-operating revenue(expense)	6,812,623
Net cash provided (used) by non-capital financing activities	<u>961,552,968</u>

Cash flows from capital and related financing activities:

Capital appropriations-state	54,314,751
Capital appropriations-local	2,568,245
Capital grants and gifts	10,410,040
Purchase capital assets	(92,400,563)
Proceeds from sale of capital assets	366,725
Debt interest payments	(3,299,706)
Debt principal payments	(20,236,315)
Net cash provided (used) by capital financing activities	<u>(48,276,823)</u>

Cash flows from investing activities:

Purchases of investments	(29,768,324)
Sale of investments	28,415,896
Investment income	6,499,648
Net cash provided (used) by investing activities	<u>5,147,220</u>

Net increase (decrease) in cash and cash equivalents

48,473,584

Cash and cash equivalents, beginning of year

398,534,392

Cash and cash equivalents, End of Year

447,007,976

Virginia Community College System
Consolidated
Statement of Cash Flows
For the Year Ended June 30, 2024

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Reconciliation of operating income (loss) to net cash used in operating activities:

Operating income (loss)	(916,478,411)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	73,536,956
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and accounts receivable, net	1,032,246
Prepaid expenses and other	(52,758)
Post employment benefits asset	(741,847)
Accrued compensation and leave	7,039,274
Accounts payable and other	7,993,440
Unearned revenue	8,837,517
Deposits pending distribution	150,170
Custodial receipts(disbursements)	1,110,345
Pension liability	28,073,421
Post employment benefits liability	(2,856,789)
Deferred inflows of resources related to pensions and post employment benefits	(50,725,736)
Deferred outflows of resources related to pensions and post employment benefits	(26,867,609)
Net cash used in operating activities	<u>(869,949,781)</u>

Reconciliation of cash and cash equivalents:

Cash and cash equivalents per Statement of Net Position	447,129,585
Less: Securities Lending Cash Equivalents	<u>121,609</u>
Cash and cash equivalents end of year	<u>447,007,976</u>

Noncash transactions

Donated capital assets	282,147
VRS Special Revenue Allocation	6,893,194
Amortization of bond premium	457,369
Unrealized gain/loss on investments	1,685,409
Amortization of deferral on debt defeasance	(213,500)
Capital assets acquired through the assumption of a liability	7,870,943
Retainage payable	3,902,736

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, 2024

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, 2024, the foundations distributed \$22,247,595 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, 2024.

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, 2024 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 and Scholarship Foundations) which are as of December 31, 2023.

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 System's 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. Prepaid Assets

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

G. Inventories

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

H. 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.

I. 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

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, 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.

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.

J. 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.

K. 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.

L. 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 its 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 its incremental rate at the beginning of the lease term.

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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.

R. 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.

S. 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.

T. Restatements

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

Net Position as of June 30, 2023 – previously reported	\$1,259,098,703
Restatement of System Office Prepaid Expenditures	(9,516,797)
Change in accounting principle (GASB implementation guide 2021-01)	10,699,275
Net Position as of July 1, 2023 – as restated	<u>\$1,260,281,181</u>

Community College Foundations

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

Net Position as of June 30, 2023 - previously reported	\$425,508,963
Paul D. Camp Community College Real Estate Foundation (NEW Foundation)	<u>978,077</u>
Net Position July 1, 2023, as restated	<u>\$426,487,040</u>

U. New Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

For the year ended June 30, 2024, the System recognized a lease liability of \$28,849,999, a Right-of-Use Lease Assets net of accumulated amortization of \$27,677,888, a Lease Receivables of \$527,101, and Deferred Inflows of Resources of \$539,649 on the Statement of Net Position as of June 30, 2024.

In May 2020, GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements (SBITAs)*. GASB 96 establishes uniform accounting and financial reporting requirements for SBITAs; improves the comparability of government's financial statements; and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB 96 is effective for Fiscal Years beginning after June 15, 2022.

For the year ended June 30, 2024, the System recognized a subscription liability of \$1,410,516 and an intangible subscription asset, net of amortization, of \$1,810,791.

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 \$48,832,283 at June 30, 2024.

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 2024. 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, 2024, the System had investments of \$74,420,252 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, 2024, the System had investments of \$3,799,281 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 2024.

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 2024.

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 2024.

Summary of VCCS Cash and Cash Equivalents

Cash and Cash Equivalents:

Local Cash and Cash Equivalents	\$147,946,921
Treasurer of Virginia	294,711,511
Treasurer of Virginia (Securities Lending)	121,609
Subtotal	<u>\$442,780,041</u>

Restricted Cash and Cash Equivalents:

Local Cash and Cash Equivalents	\$6,928,714
Treasurer of Virginia (Unreimbursed Bond Payments)	(2,596,776)
Endowment Cash and Cash Equivalents	17,606
Subtotal	<u>\$4,349,544</u>

Total Cash and Cash Equivalents	<u>\$447,129,585</u>
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<u>Cash Equivalents</u>	<u>Value</u>	<u>Credit Rating</u>
Local Government Investment Pool	\$74,420,252	AAA
Repurchase Agreements	3,130,363	Not Rated
Mutual and Money Market Funds	15,614,688	Not Rated
Total	<u>\$93,165,303</u>	

<u>Investment Type</u>	<u>S&P Credit Rating</u>	<u>Less than 1 year</u>	<u>1 - 5 Years</u>	<u>6 -10 Years</u>	<u>6/30/2024</u>
LGIP EM	AAA	\$ 3,799,281	\$ -	\$ -	\$ 3,799,281
Agency Mortgage Backed Securities	AA+	1,974,103	7,898,292	-	9,872,395
Corporate Bonds	AA+	-	979,230	-	979,230
Corporate Bonds	AA	104,665	1,302,448	-	1,407,113
Corporate Bonds	AA-	-	2,149,999	-	2,149,999
Corporate Bonds	A+	1,184,783	5,045,321	-	6,230,104
Corporate Bonds	A	1,266,667	4,636,304	-	5,902,971
Corporate Bonds	A-	-	2,894,430	-	2,894,430
Corporate Bonds	BBB+	95,031	83,505	871,325	1,049,861
Negotiable CDs	Not Rated	3,500,400	8,579,247	-	12,079,647
Mutual Funds	Not Rated	1,196,555	-	-	1,196,555
U.S. Treasury and Agency Securities	N/A	10,258,730	22,141,699	-	32,400,429
Non-Negotiable CDs	Not Rated	3,536,387			3,536,387
Total		<u>\$ 26,916,602</u>	<u>\$55,710,475</u>	<u>\$ 871,325</u>	<u>\$ 83,498,402</u>

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	\$ -	\$ 9,872,395	-
Corporate Bonds	-	20,613,708	-
Negotiable Certificates of Deposit	-	12,079,647	-
Mutual and Money Market Funds	15,614,688	1,196,555	-
U.S. Treasury and Agency Securities	32,400,429	-	-
Repurchase Agreements	-	3,130,363	-
Total Investments measured at Fair Value	\$48,015,117	\$46,892,668	-

Community College Foundations

The Foundations had the following cash, cash equivalents and investments as of June 30, 2024:

Cash and cash equivalents \$ 55,404,346

Investments:

Stocks	\$ 120,405,027
Mutual & Money Market Funds	120,384,778
Corporate bonds	38,572,859
Mortgage Backed Securities	24,354,497
Atlantic Union Wealth Management	24,702,749
Investments in Real Estate	3,396,378
UVA Investment Management Company	16,418,706
US Government Securities	10,048,085
Fixed Income Funds	12,004,392
Asset Backed Securities	6,565,677
Municipal Securities	2,102,853
Investments in Limited Partnerships	3,166,606
Certificates of Deposit	4,316,658
Cash Surrender Value Life Insurance	418,635
Private Business Developments	325,669
Alternative Investments	368,200
Other	1,247,603
Total investments	<u>\$388,799,372</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, 2024:

Gross accounts receivable:	
Tuition and fees	\$21,392,132
Auxiliary enterprises	695,873
Federal, state, local and nongovernmental grants, gifts, contracts	2,839,360
Lease*	527,101
Other activities	820,784
Total gross accounts receivable	\$26,275,250
Less: Allowance for doubtful accounts	(933,084)
Net accounts receivable	<u>\$25,342,166</u>
 Gross Loans and notes receivable	 \$ 832,574
Less: Allowance for doubtful accounts	(37,392)
Net loans and notes receivable	<u>\$ 795,182</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 receivables for fiscal years subsequent to June 30, 2024, are as follows:

Year	Lease Receivable	Interest Receivable	Total
2025	\$ 138,678	\$ 18,267	\$ 156,945
2026	137,750	13,898	151,648
2027	136,844	9,262	146,106
2028	96,025	4,346	100,371
2029	17,804	705	18,509
2030-2034	-	-	-
Total	\$ 527,101	\$ 46,478	\$ 573,579

Receivables not expected to be collected within one year are \$674,262 in accounts, notes, and loans receivable.

Community College Foundations

The foundations have the following receivables as of June 30, 2024:

Gross accounts receivable	\$4,306,864
Less: Allowance for doubtful accounts	-
Net accounts receivable	<u>\$4,306,864</u>

Pledges receivable:	
Due in one year	\$6,495,876
Due in 1-5 years	3,542,151
Due in more than 5 years	889,536
Less: Allowance for doubtful accounts	(230,521)
Present value discount	<u>(325,027)</u>
Net pledges receivable	<u>\$10,372,015</u>
Gross loans, notes and interest receivable	\$80,931
Less: Allowance for doubtful accounts	-
Net loans and notes receivable	<u>\$80,931</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 2024, 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, 2024, represent pending reimbursements from the following programs:

Due from Commonwealth, Current	
VCBA Equipment Trust Fund program	\$6,431,938
VCBA 21 st Century program	1,102,656
General Obligation Bond program	102,068
Other	<u>1,486,390</u>
Total Due from Commonwealth, Current	<u>\$9,123,052</u>
Due from Commonwealth, Noncurrent	
VCBA 21 st Century program	<u>\$6,885,489</u>
Total Due from Commonwealth, Noncurrent	<u>\$6,885,489</u>

5. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2024 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land/Land Improvements	\$ 73,089,912	\$ 97,754	\$ (719,235)	\$ 72,468,431
Inexhaustible Works of Art	148,174	-	-	148,174
Construction in Progress	49,326,121	64,450,050	(15,534,538)	98,241,633
Total capital assets not being depreciated	\$ 122,564,207	\$ 64,547,804	\$ (16,253,773)	\$ 170,858,238
Depreciable capital assets:				
Buildings	\$ 1,689,669,283	\$ 10,067,787	\$ (87,162)	\$ 1,699,649,908
Infrastructure	87,302,639	2,704,497	(8,150)	89,998,986
Equipment	257,801,293	38,491,806	(10,222,503)	286,070,596
Land Improvements	112,554,900	7,819,716	(97,754)	120,276,862
Library Books	40,606,350	634,544	(3,949,186)	37,291,708
Intangible	15,775,539	19,434	(89,314)	15,705,659
Right to use intangible assets (GASB 87)*				
Land Improvements	129,272	-	-	129,272
Buildings	52,457,567	7,266,280	(1,533,429)	58,190,418
Equipment	1,284,869	179,851	(317,902)	1,146,818
Right to use intangible assets (GASB 96)*	1,914,310	1,136,418	(25,141)	3,025,587
Total other capital assets	\$ 2,259,496,022	\$ 68,320,333	\$ (16,330,541)	\$ 2,311,485,814
Less accumulated depreciation for				
Buildings	\$ (581,290,142)	\$ (35,795,062)	-	\$ (617,085,204)
Infrastructure	(54,680,170)	(3,519,551)	-	(58,199,721)
Equipment	(188,781,757)	(16,756,741)	\$9,734,585	(195,803,913)
Land Improvements	(77,686,752)	(3,892,648)	-	(81,579,400)
Library Books	(37,691,908)	(1,064,571)	3,949,186	(34,807,293)
Intangible	(13,728,410)	(622,373)	28,707	(14,322,076)
Right to use intangible assets (GASB 87)				-
Land Improvements	(60,096)	(26,628)	-	(86,724)
Buildings	(20,848,501)	(11,677,021)	1,533,429	(30,992,093)
Equipment	(615,021)	(326,524)	231,742	(709,803)
Right to use intangible assets (GASB 96)	(383,258)	(832,070)	532	(1,214,796)
Total accumulated depreciation	\$ (975,766,015)	\$ (74,513,189)	\$ 15,478,181	\$ (1,034,801,023)
Other capital assets, net	\$ 1,283,730,007	\$ (6,192,856)	\$ (852,360)	\$ 1,276,684,791
Total capital assets, net	\$ 1,406,294,214	\$ 58,354,948	\$ (17,106,133)	\$ 1,447,543,029

*Beginning balances have been restated by \$10,699,276 for Bulk Purchases.

Community College Foundations

The foundations had the following capital assets as of June 30, 2024:

Non-depreciable capital assets:	
Land	\$24,620,290
Construction in Process	
Works of art	5,000
Total nondepreciable capital assets	\$24,625,290

Depreciable capital assets:	
Buildings	\$50,508,619
Equipment	3,199,307
Site improvement/Infrastructure	7,420,519
Intangible assets	8,847,803
Total depreciable capital assets	<u>\$69,976,248</u>
Less: Accumulated depreciation	<u>(11,816,470)</u>
Depreciable capital assets, net	<u>\$58,159,778</u>
Total capital assets, net	<u><u>\$82,785,068</u></u>

6. ACCOUNTS AND RETAINAGE PAYABLE

Accounts and retainage payable consisted of the following as of June 30, 2024:

	VCCS	Foundations
Vendors payable	\$47,560,043	\$4,740,876
Students payable	1,733,893	-
Retainage payable	3,902,736	-
Taxes payable	13,904	-
Total	<u>\$53,210,576</u>	<u>\$4,740,876</u>

7. COMMITMENTS

At June 30, 2024, the VCCS was committed to construction contracts totaling \$134,654,647 of which \$56,403,000 was unexpended. The System held \$3,902,736 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, 2024, is summarized as follows:

Deferred Loss on Debt Defeasance	\$ 1,119,823
Pension	98,687,219
Post Employment Benefit	24,643,564
Total Deferred Outflows of Resources	<u><u>\$124,450,606</u></u>

The composition of deferred inflows of resources on June 30, 2024, is summarized as follows:

Deferred Gain on Debt Refunding	\$ 400,100
Leases	539,649
Pension	50,893,371
Post Employment Benefit	41,886,099
Total Deferred Inflows of Resources	<u><u>\$93,719,219</u></u>

9. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Debt:					
Leases (GASB 87)	\$ 33,220,218	\$ 6,696,316	\$ (11,066,535)	\$ 28,849,999	\$ 8,613,110
Leases (GASB 96)	1,147,513	1,174,627	(911,624)	1,410,516	592,677
Notes Payable:					
Installment purchases	480,496	-	(243,156)	237,340	108,586
Pooled bonds	74,572,535	-	(8,472,369)	66,100,166	7,870,000
Total bonds, notes and capital leases	\$ 109,420,762	\$ 7,870,943	\$ (20,693,684)	\$ 96,598,021	\$ 17,184,373
Other liabilities:					
Compensated absences	\$ 32,264,591	\$ 26,280,124	\$ (25,678,936)	\$ 32,865,779	\$ 20,879,186
Pension obligations	343,025,494	28,073,421		371,098,915	-
Postemployment benefits	91,616,191	-	(2,856,789)	88,759,402	1,882,607
Federal loan program contributions	1,163,939	-	(94,456)	1,069,483	-
Total other liabilities	\$ 468,070,215	\$ 54,353,545	\$ (28,630,181)	\$ 493,793,579	\$ 22,761,793
Total long-term liabilities	\$ 577,490,977	\$ 62,224,488	\$ (49,323,865)	\$ 590,391,600	\$ 39,946,166

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's defeasances are reported in the Commonwealth's Annual Comprehensive Financial Report. As of June 30, 2024, \$2,615,000 of VCCS defeased bonds remain outstanding.

Community College Foundations

The foundations had the following long-term liabilities as of June 30, 2024:

Notes payable	\$33,519,096
Trust & Annuity Obligations	89,475
Lease Obligations	9,804,247
Total long-term liabilities	<u>43,412,818</u>
Less current portion	2,005,266
Total long-term liabilities	<u>\$41,407,552</u>

10. NOTES PAYABLE

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

Parking deck for the Annandale Campus of Northern Virginia Community College – The remaining balance is to be repaid in annual installments ranging from \$355,000 to \$370,000 with coupon rates ranging from 0.50% to 5.00% payable semiannually. The final installment of \$370,000 was due September 1, 2023. The outstanding balance at June 30, 2024 is \$0.

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, 2024 is \$7,114,319.

Workforce Training and Technology Center for J. Sargeant Reynolds Community College - The remaining balance is to be repaid in annual installments ranging from \$50,000 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, 2024 is \$416,047.

Student Center for Tidewater Community College Virginia Beach Campus – The remaining balance is to be repaid in annual installments ranging from \$445,000 to \$1,010,000 with coupon rates ranging from 1.53% to 5.50% payable semiannually. The final installment of \$805,000 is due September 1, 2031. The outstanding balance at June 30, 2024 is \$3,808,570.

Student Center for Tidewater Community College Chesapeake Campus – The remaining balance is to be repaid in annual installments ranging from \$315,000 to \$705,000 with coupon rates ranging from 1.53% to 5.50% payable semiannually. The final installment of \$560,000 is due September 1, 2031. The outstanding balance at June 30, 2024 is \$2,693,632.

Academic Building (17787) & Student Center (17625) for Tidewater Community College Chesapeake Campus; Student Center for Virginia Beach Campus (17067) - The remaining balance is to be repaid in annual installments ranging from \$300,000 to \$325,000 with coupon rates ranging from 3.00% to 5.00% payable semiannually. The final installment of \$325,000 is due September 1, 2024 for Academic Building (17787) The final installment of \$325,000 is due September 1, 2031 for Student Center Chesapeake (17625) and Virginia Beach (17067) Campuses.. The outstanding balance at June 30, 2024 is \$13,246,806.

Student Center for Blue Ridge Community College Weyers Cave Campus - The remaining balance is to be repaid in annual installments ranging from \$505,000 to \$660,000 with coupon rates ranging from 4.35% to 5.50% payable semiannually. The final installment of \$660,000 is due September 1, 2030. The outstanding balance at June 30, 2024 is \$4,287,149.

Student Center for Tidewater Community College Portsmouth Campus - The remaining balance is to be repaid in annual installments ranging from \$815,000 to \$1,065,000 with coupon rates ranging from 4.35% to 5.50% payable semiannually. The final installment of \$1,065,000 is due September 1, 2030. The outstanding balance at June 30, 2024 is \$6,935,510.

Student Center for Virginia Western Community College - The remaining balance is to be repaid in annual installments ranging from \$45,000 to \$470,000 with coupon rates ranging from 0.48% to 1.71% payable semiannually. The final installment of \$470,000 is due September 1, 2031. The outstanding balance at June 30, 2024 is \$3,580,000.

Parking garage for Germanna Community College - The remaining balance is to be repaid in annual installments ranging from \$35,000 to \$405,000 with coupon rates ranging from 0.48% to 1.71% payable semiannually. The final installment of \$405,000 is due September 1, 2031. The outstanding balance at June 30, 2024 is \$3,110,000.

Parking garage for John Tyler Community College Midlothian Campus - The remaining balance is to be repaid in annual installments ranging from \$310,000 to \$440,000 with coupon rates ranging from 0.48% to 5.00% payable semiannually. The final installment of

\$440,000 is due September 1, 2032. The outstanding balance at June 30, 2024 is \$3,735,000.

Parking garage for Tidewater Community College Chesapeake Campus - The remaining balance is to be repaid in annual installments ranging from \$10,000 to \$1,625,000 with coupon rates ranging from 0.48% to 5.00% payable semiannually. The final installment of \$1,625,000 is due September 1, 2032. The outstanding balance at June 30, 2024 is \$13,850,000.

Parking garage for Blue Ridge Community College Weyers Cave Campus - The remaining balance is to be repaid in annual installments ranging from \$85,000 to \$325,000 with coupon rates ranging from 0.48% to 5.00% payable semiannually. The final installment of \$325,000 is due September 1, 2034. The outstanding balance at June 30, 2024 is \$3,323,133.

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
2025	\$ 7,870,000	\$ 1,829,373	\$ 9,699,373
2026	7,740,000	1,603,277	9,343,277
2027	7,935,000	1,365,815	9,300,815
2028	8,130,000	1,103,672	9,233,672
2029	8,395,000	809,577	9,204,577
2030-2034	23,760,000	898,040	24,658,040
2035-2039	325,000	3,266	328,266
Sub Totals	\$ 64,155,000	\$ 7,613,020	\$ 71,768,020
Plus Bond Premium	1,945,166	-	1,945,166
Totals	\$ 66,100,166	\$ 7,613,020	\$ 73,713,186

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, 2024, are as follows:

GASB 87				
Year	Liability Reduction		Interest	Total
2025	\$	8,613,110	\$ 972,499	\$ 9,585,609
2026		5,802,613	698,747	6,501,360
2027		4,426,677	512,693	4,939,370
2028		3,506,339	356,631	3,862,970
2029		2,409,880	249,037	2,658,917
2030+		4,091,380	1,258,867	5,350,247
Total	\$	28,849,999	\$ 4,048,474	\$ 32,898,473

Future obligations under Subscription-Based Information Technology Agreements for fiscal years subsequent to June 30, 2024, are as follows:

GASB 96				
Year	Liability Reduction		Interest	Total
2025	\$	592,677	\$ 71,562	\$ 664,239
2026		357,493	50,827	408,320
2027		189,502	28,325	217,827
2028		153,383	17,940	171,323
2029		59,891	8,503	68,394
2030+		57,570	27,908	85,478
Total	\$	1,410,516	\$ 205,065	\$ 1,615,581

A summary of future obligations under lease agreements as of June 30, 2024, follows:

Year Ending June 30	Installment Purchase Obligations	Short Term Lease Obligations(GASB87)	Short Term Lease Obligations(GASB96)
2025	117,769	\$ 786,642	\$ 461,046
2026	117,768	230,033	2,243
2027	8,189	109,349	311
2028	8,189	30,929	311
2029+	-	5,458	2,801
Total obligation and gross minimum lease payments	\$ 251,915	\$ 1,162,411	\$ 466,712
Less: Interest	(14,575)	-	-
Present value of minimum lease payments	\$ 237,340	\$ 1,162,411	\$ 466,712

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 \$1,346,003 for the year. Subscription-Based Information Technology Agreement expenses amounted to \$7,897,655 for the year.

12. OPERATING EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS

VCCS operating expenses for the year ended June 30, 2024 were as follows:

Natural Classification

Functional Classification	Salaries & Benefits	Utilities	Scholarships	Depreciation & Amortization	Supplies Services & Other	Total
Instruction	\$ 365,993,556	\$ 330,860	\$ 1,037,265	\$ 55,562,948	\$ 60,078,632	\$ 483,003,261
Public Service	13,311,939	17,428	163,325	371,410	54,791,300	68,655,402
Academic Support	83,360,119	269,184	172,730	4,228,831	31,389,329	119,420,193
Student Services	102,590,428	2,431	1,001,029	2,639,823	15,828,588	122,062,299
Institutional Support	145,889,853	553,821	1,730,544	7,389,773	82,428,423	237,992,414
Operation & Maintenance	44,414,422	21,395,299	-	3,273,112	108,886,829	177,969,662
Scholarships and Fellowships	214,470	-	141,299,815	-	7,749,319	149,263,604
Auxiliary Enterprises	5,630,648	440,113	300,353	71,059	6,868,901	13,311,074
Other Expenses	-	-	-	-	13,217	13,217
Total Expenses	\$ 761,405,435	\$ 23,009,136	\$ 145,705,061	\$ 73,536,956	\$ 368,034,538	\$ 1,371,691,126

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 2023-24 provided that the VCCS meets financial and administrative standards outlined in the *Code of Virginia*.

During the year ended June 30, 2024, the Virginia Community College System received the following general fund appropriations in accordance with the 2022 – 2024 Biennium amended budget Chapter 1, approved September 14, 2023.

Appropriated - Chapter 1 approved September 14th, 2023	\$ 509,164,873
Subtractions:	
Net Central Accounts Distributions	44,503,907
Virginia Career Work Portal Transferred to VEC	(960,822)
Carryover (reappropriate) FY23 year end balances	128,085,159
Transfer from SCHEV - VIVA Cpen Course Grants	41,665
Network to Work initiative	2,000,000
Hampton Roads Strong	2,500,000
Affordable Access	16,796,000
Transfer from SCHEV - FY 24 VIVA allocation	21,190
Receipt of funds from Online Virginia Network Authority	650,000
Tech Talent Investment Program funding	1,272,643
Interest Earnings and Credit Card rebates	2,942,062
Equipment Trust Fund lease payment (NGF)	(633,657)
Capital Fee transfers	(3,301,665)
Reversion	(109,206,967)
Philpott manufacturing	(1,752,512)
Adjusted Unrestricted Appropriations	<u>\$ 592,121,876</u>

Other restricted appropriations were \$106,483,869 for a total of \$698,605,745

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, 2024. 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, 2024, 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
<p>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.</p>	<p>About Plan 2 Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • 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
<p>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.</p> <p>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.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>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.</p> <p>Hybrid Opt-In Election Same as Plan 1.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • 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 <p><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)</p> <p>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.</p>

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>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.</p>
<p>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.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <i>Defined Benefit Component:</i> 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.</p> <p><i>Defined Contributions Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>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.</p> <p><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.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>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.</p> <ul style="list-style-type: none"> • 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. <p>Distributions not required, except as governed by law.</p>

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <i>Defined Benefit Component:</i> See definition under Plan 1</p> <p><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.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>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%.</p> <p>VaLORS: The retirement multiplier for VaLORS employees is 1.70% or 2.00%.</p>	<p>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.</p> <p>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.</p>	<p>Service Retirement Multiplier <i>Defined Benefit Component:</i> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p>VaLORS: Not applicable.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>

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

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
<p>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.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>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.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>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.</p> <p>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.</p>
<p>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.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>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.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>

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, 2024, was 14.46% 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, 2021. 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 \$51.1 million and \$48.1 million for the years ended June 30, 2024, and June 30, 2023, respectively. Contributions from the VCCS to the VaLORS Retirement Plan were \$1.7 million and \$1.2 million for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$73.0 million to the VRS State plan and \$6.6 million to VaLors. These special payments were authorized by Chapter 2 of the Acts of Assembly in 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Recovered Session, and are classified as special employer contributions. The VCCS' proportionate share for the VRS State Employee Retirement Plan and for the VaLORS Retirement Plan are reflected in the Other Nonoperating revenue (expense) line in VCCS' financial statements.

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

At June 30, 2024, the VCCS reported a liability of \$361 million for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of \$9.8 million for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the VCCS' proportion of the VRS State Employee Retirement Plan was 7.14% as compared to 7.33% at June 30, 2022. At June 30, 2023, the VCCS' proportion of the VaLORS Retirement Plan was 1.52% as compared to 1.66% at June 30, 2022.

For the year ended June 30, 2024, the VCCS recognized pension expense of \$25 million for the VRS State Employee Retirement Plan and \$1.4 million for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2022, and June 30, 2023, 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, 2024, the VCCS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VRS State Employer Retirement Plan (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,089	\$ 10,435
Net difference between projected and actual earnings on pension plan investments	-	25,283
Change in assumptions	4,772	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	5,769	14,310
Employer contributions subsequent to the measurement date	51,053	-
Total	\$ 96,683	\$ 50,028

VaLORS Retirement Plan (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 218	\$ -
Net difference between projected and actual earnings on pension plan investments	-	420
Change in assumptions	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	71	446
Employer contributions subsequent to the measurement date	1,715	-
Total	\$ 2,004	\$ 866

\$52.7 million 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, 2025. 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

(\$ thousands)	<u>VRS Retirement Plan</u>	<u>VaLORS Retirement Plan</u>
FY 2025	\$ (11,026)	\$ (466)
FY 2026	(21,079)	(527)
FY 2027	26,793	402
FY 2028	915	15
FY 2029	-	-

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2022.

Inflation	2.50%
Salary increases, including Inflation	3.5% – 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, 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 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, 2022, 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 3.5% – 4.75%

Investment rate of return 6.75%, net of pension plan investment expenses, including inflation

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:

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, 2023, 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	\$ 28,411,528	\$ 2,577,980
Plan Fiduciary Net Position	<u>23,351,827</u>	<u>1,931,061</u>
Employers' Net Pension Liability (Asset)	<u>\$ 5,059,701</u>	<u>\$ 646,919</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.19%	74.91%

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	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

** The above allocation provides a one-year expected return of 8.25%. 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 7.14%, 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, 2023, 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, 2023, on, all agencies are assumed to continue to contribute 102% 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

	Current		
	1.00% Decrease (5.75%)	Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	\$ 601,989	\$ 361,249	\$ 159,769

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:

	Current		
	1.00% Decrease (5.75%)	Discount Rate (6.75%)	1.00% Increase (7.75%)
VCCS' proportionate share of the VaLORS Retirement Plan Net Pension Liability	\$ 15,058	\$ 9,849	\$ 5,595

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 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-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 \$63.2 million as Accrued Payroll Expenses as of June 30, 2024, which represents hours worked before June 30 but paid after July 1. The portion payable to the VRS for pension contributions is estimated at \$1.7 million.

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 \$7.1 million and \$5.9 million for years ended June 30, 2024, and 2023, respectively. Contributions to the ORP plan were calculated using the base salary amount of \$76.9 million and \$62.4 million for fiscal years 2024 and 2023. The VCCS total payroll for fiscal years 2024 and 2023 was \$598 million and \$551 million respectively.

Payables to the Optional Retirement Plan

The VCCS recognized \$56.1 million as Accrued Payroll Expenses as of June 30, 2023, 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 \$545 thousand.

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 \$1.4 million for fiscal year 2024.

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
<p>Eligible Employees</p> <p>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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS. 	<p>Eligible Employees</p> <p>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:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>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.</p>	<p>Eligible Employees</p> <p>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.</p>	<p>Eligible Employees</p> <p>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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • 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
<p>Benefit Amounts</p> <p>The State Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <i>At Retirement</i> – For State employees, the monthly benefit is \$4.00 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 \$4.00 per year of service, whichever is higher. <p>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 \$4.00 per year of service, whichever is higher.</p> <p>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.</p>	<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • <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: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Seatbelt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option 	<p>Benefit Amounts</p> <p>LODA provides death and health insurance benefits for eligible individuals:</p> <ul style="list-style-type: none"> • <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: <ul style="list-style-type: none"> ○ \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after. ○ \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date. ○ An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001. • <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. 	<p>Benefit Amounts</p> <p>The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <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
<p>Plan Notes:</p> <ul style="list-style-type: none"> • 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. 			<p>Plan Notes:</p> <ul style="list-style-type: none"> • 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 to 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.
	<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>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 adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.</p>		<p>Cost-of-Living Adjustment (COLA)</p> <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> ○ 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
			<ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> ○ 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. <ul style="list-style-type: none"> ○ 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, 2024, 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, 2021. 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 \$5.1 million and \$4.8 million for the years ended June 30, 2024 and June 30, 2023, respectively.

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% 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, 2024, was 0.54% 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, 2021. 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 entity were \$2.4 million and \$2.3 million for the years ended June 30, 2024, and June 30, 2023, 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, 2024, was \$830.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021, 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 \$87 thousand and \$64 thousand for the years ended June 30, 2024 and June 30, 2023, 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, 2024, was 0.61% 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, 2021. 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 \$2.3 million and \$2.1 million for the years ended June 30, 2024 and June 30, 2023, 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, 2024, the VCCS reported a liability of \$42.2 million 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, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating state employers. At June 30, 2023 the VCCS' proportion of the VRS State Employee Health Insurance Credit Program was 5.1% as compared to 5.3% at June 30, 2022.

For the year ended June 30, 2024, the VCCS recognized VRS State Employee Health Insurance Credit Program OPEB expense of \$5.1 million. 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, 2024, the VCCS reported a liability of \$31.8 million for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023, 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the VCCS proportion was 1.79% as compared to 1.85% at June 30, 2022.

For the year ended June 30, 2024, the VCCS recognized GLI OPEB expense of (\$24.7) thousand. 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 OPEB Liabilities, Line of Duty Act Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Line of Duty Act Program OPEB

At June 30, 2024, the VCCS reported a liability of \$2 million for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2023, 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2023, the VCCS' proportion was 0.29% as compared 0.50% at June 30, 2022.

For the year ended June 30, 2024, the VCCS recognized LODA OPEB expense of \$265 thousand. 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, 2024, the VCCS reported a liability (asset) of (\$21.8) million for its proportionate share of the Net VSDP OPEB Liability (Asset). The Net VSDP OPEB Liability (Asset) was measured as of June 30, 2023, 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the VCCS' proportion was 6.91% as compared to 7.14% at June 30, 2022.

For the year ended June 30, 2024, the VCCS recognized VSDP OPEB expense of \$925 thousand. 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, 2024, 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 (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1	\$ 2,695
Net difference between projected and actual earnings on HIC OPEB program investments	110	-
Change in assumptions	997	-
Changes in proportionate share	1,197	3,873
Employer contributions subsequent to the measurement date	5,116	-
Total	\$ 7,421	\$ 6,568

VRS Group Life Insurance Program (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,145	\$ 652
Net difference between projected and actual earnings on GLI OPEB program investments	-	863
Change in assumptions	459	1,488
Changes in proportionate share	663	2,450
Employer contributions subsequent to the measurement date	2,410	-
Total	\$ 5,677	\$ 5,453

VRS Line of Duty Act Program (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108	\$ 380
Net difference between projected and actual earnings on LODA OPEB program investments	-	6
Change in assumptions	448	416
Changes in proportionate share	472	586
Employer contributions subsequent to the measurement date	87	-
Total	\$ 1,115	\$ 1,388

VRS Virginia Sickness and Disability Plan (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,572	\$ 3,002
Net difference between projected and actual earnings on VSDP OPEB program investments	-	598
Change in assumptions	75	240
Changes in proportionate share	1,687	584
Employer contributions subsequent to the measurement date	2,298	-
Total	\$ 5,632	\$ 4,424

\$5.1 million 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, 2025.

\$2.4 million 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, 2025.

\$87 thousand 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, 2025.

\$2.3 million 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, 2025.

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

(\$ thousands)	VRS Retirement Plan	VaLORS Retirement Plan
FY 2025	\$ (11,026)	\$ (466)
FY 2026	(21,079)	(527)
FY 2027	26,793	402
FY 2028	915	15
FY 2029	-	-

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, 2022, 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%
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, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2022 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 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, 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 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, 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

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, 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)	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, 2022, 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%
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, 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 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, 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
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, 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 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, 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

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, 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)	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, 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 – 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, 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. 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

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, 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. 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, 2022, 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	N/A
SPORS employees	N/A
VaLORS employees	N/A
Locality employees	N/A
Medical cost trend rates assumption –	
Under age 65	7.00% – 4.75%
Ages 65 and older	5.25% – 4.75%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86%, including inflation*

** Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.86% 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, 2022, 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, 2021, 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, 2022, 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, 2022, 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, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

VSDP Actuarial Assumptions

The total VSDP OPEB liability was based on an actuarial valuation as of June 30, 2022, 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	3.5% – 5.35%
SPORS employees	3.5% – 4.75%
VaLORS employees	3.5% – 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, 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 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, 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. 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
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, 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. 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, 2022, Net OPEB liability (asset) amounts for VRS administered programs are as follows (amounts expressed in thousands):

	HIC	GLI	LODA	VSDP
Total OPEB Liability	\$ 1,102,220	\$ 3,907,052	\$ 406,211	\$ 318,901
Plan Fiduciary Net Position	280,599	2,707,739	5,311	634,779
Net OPEB Liability (Asset)	\$ 821,621	\$ 1,199,313	\$ 400,900	\$ (315,878)

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	25.46%	69.30%	1.31%	199.05%
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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 asset 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 Asset Allocation	Arithmetic Long-Term Rate of Return	Weighted Average Long-Term Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

** The above allocation provides a one-year return of 8.25%. 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 7.14%, 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 40th 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 3.86% 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 3.86% 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, 2023.

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, 2023, 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, 2022 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, 2023, 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, 2023 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 3.86%. 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, 2023, 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, 2023, 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, 2023, 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 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:

	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	\$ 47,649	\$ 42,196	\$ 37,521

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:

	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	\$ 31,840	\$ 21,480	\$ 13,104

The following presents the VCCS' proportionate share of the net LODA OPEB liability using the discount rate of 3.86%, 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 2.86% or one percentage point higher 4.86% than the current rate (amounts expressed in thousands):

	1.00% Decrease (2.86%)	Current Discount Rate (3.86%)	1.00% Increase (4.86%)
VCCS' proportionate share of the total LODA Net OPEB Liability	\$ 2,263	\$ 2,019	\$ 1,815

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)	\$ (18,531)	\$ (21,816)	\$ (23,249)

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

	1.00% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1.00% Increase (8.00% decreasing to 5.75%)
VCCS' proportionate share of the LODA Net OPEB Liability (Asset)	\$ 2,263	\$ 2,019	\$ 1,811

VRS OPEB Programs Fiduciary Net Position

Detailed information about the VRS OPEB Programs Fiduciary Net Position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS *Annual Comprehensive Financial Report* (Annual Report) may be downloaded from the VRS website at, <https://www.varetire.org/pdf/publications/2023-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 \$63.2 million as Accrued Payroll Expenses as of June 30, 2024, 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 \$204 thousand.

Payables to the VRS Group Life Insurance OPEB Plan

The VCCS recognized \$63.2 million as Accrued Payroll Expenses as of June 30, 2024, 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 \$236 thousand.

Payables to the Disability Insurance Program (VSDP) OPEB Plan

The VCCS recognized \$63.2 million as Accrued Payroll Expenses as of June 30, 2024, 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 \$95 thousand.

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) 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) 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 3,551 retirees and 92,780 active employees in the program as of June 30, 2023. 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, 2024, the VCCS reported a liability of \$23 million for its proportionate share of the collective total Pre-Medicare Retiree Healthcare OPEB liability of \$351.9 million. The Pre-Medicare Retiree Healthcare OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. 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, 2023, the VCCS' proportion was 6.6% as compared to 6.6% at June 30, 2022. For the year ended June 30, 2024, the VCCS recognized Pre-Medicare Retiree Healthcare OPEB expense of \$(13.5) million.

At June 30, 2024, 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 (\$ Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 592	\$ 5,575
Change in assumptions	-	14,122
Changes in proportionate share	2,464	4,354
Amounts associated with transactions subsequent to the measurement date	1,829	-
Total	\$ 4,885	\$ 24,051

Deferred outflows of resources related to the Pre-Medicare Retiree Healthcare OPEB resulting from amounts associated with transactions subsequent to the measurement date were \$1.8 million. These amounts will be recognized as a reduction of the total OPEB Liability in the fiscal year ending June 30, 2024. 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

2025	(10,091)
2026	(5,771)
2027	(3,391)
2028	(1,593)
2029	(1,513)
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, 2023 (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 7.75 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, 2023 (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	3.65%
Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years years or more
Medical Trend Under 65	Medical & Rx: 8.00% to 4.50% Dental: 4.00%
Year of Ultimate Trend	2033
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 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, 2023.

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, 2023. Additionally, the discount rate was increased from 3.54 percent to 3.65 percent based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

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 3.65 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 (2.65 percent) or one percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
OPEB Liability	\$ 24,428	\$ 23,065	\$ 21,763

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 7.75 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 (6.75 percent decreasing to 3.50 percent) or one percentage point higher (8.75 percent decreasing to 5.50 percent) than the current rate:

	1% Decrease (6.75% decreasing to 3.50%)	Trend Rate (7.75% decreasing to 4.50%)	1% Increase (8.75% decreasing to 5.50%)
OPEB Liability	\$ 20,982	\$ 23,065	\$ 25,480

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	\$50,223,270
General Fund appropriation revenue	28,275,708
Capital contributions from Treasury	<u>208,883</u>
Total	<u>\$78,707,861</u>

21. COMPONENT UNIT FINANCIAL INFORMATION

Below is a summary of the foundations.

VCCS has five major component units—Mountain Empire Community College Foundation, Southwest Virginia Community College Educational Foundation, Northern Virginia Community College Educational Foundation, Virginia Western Community College Educational Foundation, and Piedmont Virginia Community College Educational Foundation. Additionally, the System has twenty-four 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, 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 2024, Piedmont Community College Educational Foundation, Southwest Virginia Community College Educational Foundation, Mountain Empire Community College Educational Foundation, Northern Virginia Community College Educational Foundation and Virginia Western 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, 2024*

	Southwest Virginia Community College Educational Foundation	Mountain Empire Community College Educational Foundation	Northern Virginia Community College Educational Foundation	Virginia Western Community College Educational Foundation	Piedmont Virginia Community College Educational Foundation	Combined Non- Major Component Units	Total Component Units
ASSETS							
Total current assets	\$ 1,014,984	\$ 1,006,705	\$ 5,206,046	\$ 342,397	\$ 8,997,438	\$ 54,049,661	\$ 70,617,231
Noncurrent assets:							
Other noncurrent assets	32,225,627	35,126,956	33,535,539	30,982,877	20,177,757	237,136,904	389,185,660
Capital assets, net	8,556,086	-	-	-	-	74,228,982	82,785,068
Total noncurrent assets	40,781,713	35,126,956	33,535,539	30,982,877	20,177,757	311,365,886	471,970,728
Total assets	41,796,697	36,133,661	38,741,585	31,325,274	29,175,195	365,415,547	542,587,959
LIABILITIES							
Total current liabilities	187,747	190,978	290,498	87,381	220,848	8,304,503	9,281,955
Noncurrent liabilities:							
Long-term liabilities	3,343,288	500,000	-	-	27,451	37,536,813	41,407,552
Other noncurrent liabilities	-	-	-	-	-	-	-
Total noncurrent liabilities	3,343,288	500,000	-	-	27,451	37,536,813	41,407,552
Total liabilities	3,531,035	690,978	290,498	87,381	248,299	45,841,316	50,689,507
NET POSITION							
Net investment in capital assets	5,105,189	-	-	-	-	31,527,488	36,632,677
Restricted for:							
Nonexpendable	3,129,611	12,461,523	9,400,845	10,027,555	26,312,824	105,975,846	167,308,204
Expendable	10,925,618	15,321,844	14,883,628	17,835,537	2,614,072	103,614,728	165,195,427
Unrestricted	19,105,244	7,659,316	14,166,614	3,374,801	-	78,456,169	122,762,144
Total Net Position	\$ 38,265,662	\$ 35,442,683	\$ 38,451,087	\$ 31,237,893	\$ 28,926,896	\$ 319,574,231	\$ 491,898,452

* Refer to Footnote 1D

Virginia Community College System Foundations
Statement of Revenues, Expenses, and Changes in Net Position
As of June 30, 2024*

	Southwest Virginia Community College Educational Foundation	Mountain Empire Community College Educational Foundation	Northern Virginia Community College Educational Foundation	Virginia Western Community College Educational Foundation	Piedmont Virginia Community College Educational Foundation	Combined Non- Major Component Units	Total Component Units
Total operating revenues	\$ 2,593,694	\$ 6,103,228	\$ 4,470,313	\$ 5,629,575	\$ 1,083,846	\$ 69,436,735	\$ 89,317,391
Total operating expenses	4,203,773	1,460,218	3,315,095	3,077,875	2,931,792	37,579,931	52,568,684
Operating income (loss)	(1,610,079)	4,643,010	1,155,218	2,551,700	(1,847,946)	31,856,804	36,748,707
Nonoperating revenues (expenses):							
Investment Income (loss)	3,210,645	3,327	1,954,786	935,737	345,232	9,251,119	15,700,846
Other nonoperating revenues (expenses)	-	-	-	-	-	-	-
Net nonoperating revenue	3,210,645	3,327	1,954,786	935,737	345,232	9,251,119	15,700,846
Income before other revenues, expenses gains and losses	1,600,566	4,646,337	3,110,004	3,487,437	(1,502,714)	41,107,923	52,449,553
Capital gifts, grants and contracts	220,000	-	-	-	-	450,224	670,224
Additions to permanent and term endowments	32,453	-	129,431	2,138,029	1,068,755	8,922,967	12,291,635
Increase (decrease) in net position	1,853,019	4,646,337	3,239,435	5,625,466	(433,959)	50,481,114	65,411,412
Net Position - beginning of year	36,412,643	30,796,346	35,211,652	25,612,427	29,360,855	269,093,117	426,487,040
Net Position - end of year	\$ 38,265,662	\$ 35,442,683	\$ 38,451,087	\$ 31,237,893	\$ 28,926,896	\$ 319,574,231	\$ 491,898,452

*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 (CRRSA) OF 2020, and CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT OF 2020

During the 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 a 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 \$293.1 million in additional Higher Education Emergency Relief Funds (HEEFIII) 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

As of June 30, 2024

Schedule of Employer's Share of Net Pension Liability

VRS State Employee Retirement Plan For the Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
VCCS' Proportion of the Net Pension Liability (Asset)	7.14%	7.33%	7.34%	7.43%	7.66%	7.84%	8.19%	8.48%	8.48%	8.43%
VCCS' Proportionate Share of the Net Pension Liability (Asset)	\$361,249,494	\$332,510,974	\$266,500,181	\$537,958,214	\$484,192,628	\$424,652,000	\$477,103,000	\$559,144,000	\$518,887,000	\$471,710,000
VCCS' Covered Payroll	\$386,080,368	\$357,515,749	\$319,448,276	\$326,302,811	\$318,144,635	\$322,386,829	\$326,278,349	\$328,281,989	\$326,582,151	\$325,381,501
VCCS' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	93.57%	93.01%	83.43%	164.86%	152.19%	131.72%	146.22%	170.32%	158.88%	144.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.19%	83.26%	86.44%	72.15%	75.13%	77.39%	75.33%	71.29%	72.81%	74.28%

VaLORS Employee Retirement Plan For the Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
VCCS' Proportion of the Net Pension Liability (Asset)	1.52%	1.66%	1.45%	1.49%	1.52%	1.55%	1.55%	1.50%	1.38%	1.26%
VCCS' Proportionate Share of the Net Pension Liability (Asset)	\$9,849,421	\$10,514,520	\$7,587,693	\$11,661,463	\$10,574,723	\$9,642,000	\$10,192,000	\$11,618,000	\$9,786,000	\$8,509,000
VCCS' Covered Payroll	\$6,054,658	\$5,620,186	\$5,626,938	\$5,518,364	\$5,332,773	\$5,346,521	\$5,349,651	\$5,187,256	\$4,662,097	\$4,449,485
VCCS' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	162.68%	187.08%	134.85%	211.32%	198.30%	180.34%	190.52%	223.97%	209.91%	191.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.91%	74.41%	78.18%	65.74%	68.31%	69.56%	67.22%	61.01%	62.64%	63.05%

Schedule of Employer Contributions**VRS State Employee Retirement Plan****For the 10 Years Ending June 30**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	\$55,827,221	\$49,083,194	\$6,744,027	\$386,080,368	12.71%
2023	\$50,886,311	\$48,443,139	\$2,443,172	\$357,515,749	13.55%
2022	\$48,821,521	\$48,821,521	-	\$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%
2015	\$40,267,580	\$40,267,580	-	\$326,582,151	12.33%
2014	\$28,503,419	\$28,503,419	-	\$325,381,501	8.76%
2013	\$26,909,705	\$26,909,705	-	\$307,188,417	8.76%
2012	\$9,189,092	\$9,189,092	-	\$285,725,680	3.22%

VaLORS Employee Retirement Plan**For the 10 Years Ending June 30**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	\$1,489,447	\$1,489,447	-	\$6,054,658	24.60%
2023	\$1,382,656	\$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%
2015	\$823,793	\$823,793	-	\$4,662,097	17.67%
2014	\$658,524	\$658,524	-	\$4,449,485	14.80%
2013	\$611,019	\$611,019	-	\$4,128,506	14.80%
2012	\$270,231	\$270,231	-	\$3,805,675	7.10%

**Notes to Required Supplementary Information
For the Year Ended June 30, 2024**

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, 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 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, 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 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 VCCS' Share of the Net OPEB Liability
Group Life Insurance Program (GLI)
For the Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
VCCS' Proportion of the Net GLI OPEB Liability (Asset)	1.79%	1.85%	1.89%	1.91%	1.96%	2.06%	2.14%
VCCS' Proportionate Share of the Net GLI OPEB Liability (Asset)	\$21,479,943	\$22,239,660	\$21,614,468	\$31,946,869	\$31,846,900	\$31,274,000	\$32,268,000
VCCS' Covered Payroll	\$453,308,148	\$419,770,154	\$ 383,290,595	\$ 393,971,211	\$ 383,653,769	\$ 391,539,930	\$ 395,579,732
VCCS' Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	4.74%	5.30%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
Group Life Insurance Program

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
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 of VCCS' Share of the Net OPEB Liability
Health Insurance Credit Program (HIC)
For the Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
VCCS' Proportion of the Net HIC OPEB Liability (Asset)	5.14%	5.30%	5.34%	5.44%	5.60%	5.78%	6.10%
VCCS' Proportionate Share of the Net HIC OPEB Liability (Asset)	\$42,196,417	\$43,403,952	\$44,762,175	\$49,901,710	\$51,728,631	\$52,749,000	\$55,585,000
VCCS' Covered Payroll	\$452,156,115	\$421,321,102	\$381,943,222	\$ 391,633,015	\$ 381,875,067	\$ 389,321,850	\$ 394,447,967
VCCS' Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of its Covered Payroll	9.33%	10.30%	11.72%	12.74%	13.55%	13.55%	14.09%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	25.46%	21.52%	19.75%	12.02%	10.56%	9.51%	8.03%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
Health Insurance Credit Program

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
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 of VCCS' Share of the Net OPEB Liability
Line of Duty Act Program (LODA)
For the Years Ended June 30**

	2023	2022	2021	2020	2019	2018	2017
VCCS' Proportion of the Net LODA OPEB Liability (Asset)	0.50%	0.50%	0.50%	0.60%	0.52%	0.53%	0.55%
VCCS' Proportionate Share of the Net LODA OPEB Liability (Asset)	\$2,018,526	\$1,906,055	\$ 2,228,641	\$ 2,523,073	\$ 1,849,043	\$ 1,670,000	\$ 1,449,000
VCCS' Covered-Employee Payroll	\$6,430,371	\$6,189,737	\$ 5,906,588	\$ 6,171,841	\$ 5,697,818	\$ 5,346,521	\$ 5,349,651
VCCS' Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	31.39%	30.79%	37.73%	40.88%	32.45%	31.24%	27.09%
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.31%	1..87%	1.68%	1.02%	0.79%	0.60%	1.30%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be added as they become available.

**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.*

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*
2024	\$ 87,150	\$ 201,301	\$ (114,151)	\$ 6,430,371	3.13%
2023	\$ 1,382,565	\$ 1,382,565	-	\$ 5,620,186	24.60%
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 VCCS' Share of the Net OPEB Liability (Asset)
Disability Insurance Program (VSDP)
For the Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
VCCS' Proportion of the Net VSDP OPEB Liability (Asset)	6.91%	7.14%	(7.18%)	(7.25%)	(7.52%)	(7.74%)	(8.11%)
VCCS' Proportionate Share of the Net VSDP OPEB Liability (Asset)	(\$21,815,558)	(\$21,073,711)	(\$24,632,752)	(\$15,996,216)	(\$14,744,584)	(\$17,433,000)	(\$16,659,000)
VCCS' Covered Payroll	\$380,116,634	\$349,925,466	\$308,845,113	\$314,095,047	\$304,193,586	\$305,233,995	\$306,049,960
VCCS' Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	(6.02%)	(6.02%)	(8.00%)	(5.09%)	(4.85%)	(5.71%)	(5.44%)
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	199.05%	195.90%	229.01%	181.88%	167.18%	194.74%	186.63%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
Virginia Sickness and Disability Program (VSDP)

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
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%

**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, 2024**

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, 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:

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
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
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, 2024**

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

	2018*	2019*	2020*	2021*	2022*	2023*	2024*
VCCS' Proportion of the collective total OPEB Liability	7.14%	6.91%	6.77%	6.65%	6.56%	6.62%	6.55%
VCCS' Proportionate Share of the collective total OPEB Liability	\$92,753,806	\$69,451,303	\$45,992,947	\$37,813,303	\$29,447,302	\$24,006,524	\$23,064,516
VCCS' Covered-Employee Payroll	\$356,495,630	\$348,687,142	\$363,562,657	\$345,959,338	\$362,456,806	\$424,099,978	\$466,328,609
VCCS' Proportionate Share of the collective total OPEB Liability as a Percentage of its Covered-Employee Payroll	26.02%	19.92%	12.65%	10.93%	8.12%	5.66%	4.95%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven 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, 2024**

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, 2023. Additionally, the discount rate was increased from 3.54 percent to 3.65 percent based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

***INDIVIDUAL
COLLEGE
FINANCIAL
STATEMENTS***

**Virginia Community College System
Blue Ridge Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Blue Ridge Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	13,407,855	315,239
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	188,187	
Pledges receivable (Note 3)		22,974
Due from commonwealth (Note 4)	372,670	
Due from system office	54,034	
Interest receivable	64,654	
Prepaid expenses	174,984	9,013
Inventories	14,427	
Notes receivable, net (Note 3)		
Total Current Assets	<u>14,276,811</u>	<u>347,226</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	2,925,560	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		13,029,700
Other long-term investments (Note 2)		5,883,575
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		392,205
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	650,236	
Non-depreciable capital assets, net (Note 5)	1,305,062	5,000
Depreciable capital assets, net (Note 5)	63,741,812	
Total Noncurrent Assets	<u>68,622,670</u>	<u>19,310,480</u>
Total Assets	<u>82,899,481</u>	<u>19,657,706</u>
Deferred Outflows of Resources (Note 8)	4,035,008	
Total Assets and Deferred Outflows of Resources	<u>86,934,489</u>	<u>19,657,706</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	452,887	8,040
Accrued payroll expense	2,488,386	
Unearned revenue	1,111,190	
Long-term liabilities-current portion (Note 9)	1,415,570	15,540
Securities lending obligation	53	
Post employment benefit obligations (Note 9)	64,127	
Due to system's office		
Deposits	113,655	
Total Current Liabilities	<u>5,645,868</u>	<u>23,580</u>

**Virginia Community College System
Blue Ridge Community College
Statement of Net Position
As of June 30, 2024**

Page 118

	Community College	Component Unit Blue Ridge Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	7,093,191	36,625
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	13,102,372	
Total Noncurrent Liabilities	<u>20,195,563</u>	<u>36,625</u>
Total Liabilities	<u>25,841,431</u>	<u>60,205</u>
Deferred Inflows of Resources (Note 8)	2,134,435	
Total Liabilities and Deferred Inflows of Resources	<u>27,975,866</u>	<u>60,205</u>
Net Position		
Net investment in capital assets	57,434,455	
Restricted for:		
Nonexpendable		8,555,659
Expendable	7,495,193	4,729,210
Unrestricted	(5,971,025)	6,312,632
Total Net Position	<u>58,958,623</u>	<u>19,597,501</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, 2024

Page 119

	Community College	Component Unit Blue Ridge Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,652,746)	6,026,922	
Federal grants and contracts	339,541	
State and local grants	1,511,498	
Nongovernmental grants	732,734	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$18,335)	1,510,981	
Gifts and contributions		871,056
Endowment income		1,266,029
Other operating revenues	241,605	512,224
Total Operating Revenue	10,363,281	2,649,309
Expenses		
Operating Expenses		
Instruction	14,475,890	494,651
Public service	72,635	25,000
Academic support	2,282,942	44,843
Student services	2,827,121	
Institutional support	7,075,227	309,962
Operation and maintenance	3,020,994	
Scholarships and fellowships	4,709,944	736,098
Auxiliary enterprises	441,509	
Fundraising		55,330
Other expenses		
Total Operating Expenses (Note 12)	34,906,262	1,665,884
Operating Income (Loss)	(24,542,981)	983,425
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	16,988,011	
Local appropriations	26,000	
Grants and gifts	10,993,475	
Investment income	466,167	580,469
Interest on capital asset related debt	(212,934)	
Other nonoperating revenue (expense)	470,734	
Net Nonoperating Revenue	28,731,453	580,469
Income before other revenues, expenses gains (losses)	4,188,472	1,563,894
Capital appropriations-state (Note 20)		
Capital appropriations-local	400,000	
Capital gifts, grants and contracts	540,735	
Additions to permanent and term endowments		242,358
Increase (Decrease) in Net Position	5,129,207	1,806,252
Net Position		
Net Position beginning of year	53,829,416	17,791,249
Net Position end of year	58,958,623	19,597,501

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	6,054,165
Grants and contracts	2,776,006
Payments to suppliers and others	(5,148,492)
Payments for employee wages	(15,992,225)
Payments for employee fringes and pension benefits	(6,613,991)
Payment for scholarships	(4,758,742)
Payments for utilities	(811,270)
Sales and services of education department	
Auxiliary	1,510,981
Custodial receipts	6,280,986
Custodial disbursements	(6,221,642)
Loans issued to students	
Loans collected from students	
Other	241,605
Net cash used by operating activities	<u>(22,682,619)</u>
Cash flows from non-capital financing activities:	
State appropriations	16,988,011
Local appropriations	26,000
Grants and gifts	10,991,173
PLUS, Stafford and Direct Lending loan receipts	1,105,791
PLUS, Stafford and Direct Lending loan disbursements	(1,105,791)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	704,104
Net cash provided (used) by non-capital financing activities	<u>28,709,288</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	400,000
Capital grants and gifts	538,051
Purchase capital assets	(1,865,469)
Proceeds from sale of capital assets	4,456
Debt interest payments	(272,893)
Debt principal payments	(850,292)
Net cash provided (used) by capital financing activities	<u>(2,046,147)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	473,034
Net cash provided (used) by investing activities	<u>473,034</u>
Net increase (decrease) in net position	
Net increase (decrease) in cash and cash equivalents	4,453,556
Cash and cash equivalents, beginning of year	11,879,806
Cash and cash equivalents, End of Year	<u><u>16,333,362</u></u>

**Virginia Community College System
Blue Ridge Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(24,542,981)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	2,454,089
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	21,804
Prepaid expenses and other	(46,716)
Post employment benefits asset	(68,874)
Accrued compensation and leave	209,621
Accounts payable and other	59,801
Unearned revenue	198,973
Deposits pending distribution	
Custodial receipts(disbursements)	59,344
Pension liability	1,538,230
Post employment benefits liability	92,122
Deferred inflows of resources related to pensions and post employment benefits	(1,405,611)
Deferred outflows of resources related to pensions and post employment benefits	(1,252,421)
Net cash used in operating activities	<u>(22,682,619)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	16,333,415
Less: Securities Lending Cash Equivalents	<u>53</u>
Cash and cash equivalents end of year	<u>16,333,362</u>
Noncash transactions	
Donated capital assets	2,684
VRS Special Revenue Allocation	196,740
Amortization of bond premium	70,507
Amortization of deferral on debt defeasance	(5,200)
Capital assets acquired through the assumption of a liability	103,775

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, 2024**

Page 122

		Component Unit
	Community College	Central Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	7,521,670	782,750
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	133,502	66,999
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	614,732	
Due from system office	15,858	
Interest receivable		
Prepaid expenses	398,407	
Inventories	22,953	
Notes receivable, net (Note 3)		
Total Current Assets	<u>8,707,122</u>	<u>849,749</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	13,773	
Endowment cash and cash equivalents (Note 2)		204,109
Appropriation available		
Endowment investments (Note 2)		2,326,870
Other long-term investments (Note 2)		2,815,894
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)	562,389	
Non-depreciable capital assets, net (Note 5)	2,065,937	
Depreciable capital assets, net (Note 5)	14,456,010	
Total Noncurrent Assets	<u>17,098,109</u>	<u>5,346,873</u>
Total Assets	<u>25,805,231</u>	<u>6,196,622</u>
Deferred Outflows of Resources (Note 8)	3,534,094	
Total Assets and Deferred Outflows of Resources	<u>29,339,325</u>	<u>6,196,622</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	663,948	4,701
Accrued payroll expense	1,017,923	
Unearned revenue	778,522	
Long-term liabilities-current portion (Note 9)	711,087	
Securities lending obligation	17	
Post employment benefit obligations (Note 9)	55,948	
Due to system's office		
Deposits	371,162	
Total Current Liabilities	<u>3,598,607</u>	<u>4,701</u>

**Virginia Community College System
Central Virginia Community College
Statement of Net Position
As of June 30, 2024**

Page 123

		Component Unit
	Community College	Central Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	251,310	
Long-term liabilities (Note 9)	434,192	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	12,103,194	
Total Noncurrent Liabilities	<u>12,788,696</u>	
Total Liabilities	<u>16,387,303</u>	<u>4,701</u>
Deferred Inflows of Resources (Note 8)	1,944,623	
Total Liabilities and Deferred Inflows of Resources	<u>18,331,926</u>	<u>4,701</u>
Net Position		
Net investment in capital assets	16,072,506	
Restricted for:		
Nonexpendable		1,247,160
Expendable	1,055,255	3,353,881
Unrestricted	(6,120,362)	1,590,880
Total Net Position	<u>11,007,399</u>	<u>6,191,921</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, 2024

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	Community College	Component Unit Central Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,962,137)	7,090,468	
Federal grants and contracts	976,467	
State and local grants	919,355	
Nongovernmental grants	41,333	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$16,065)	103,085	
Gifts and contributions		946,591
Endowment income		303,252
Other operating revenues	159,477	140,621
Total Operating Revenue	9,290,185	1,390,464
Expenses		
Operating Expenses		
Instruction	13,443,670	
Public service	232,342	
Academic support	2,478,362	
Student services	3,012,611	
Institutional support	5,287,181	475,188
Operation and maintenance	4,561,757	
Scholarships and fellowships	4,093,052	366,462
Auxiliary enterprises	52,459	
Fundraising		58,876
Other expenses		
Total Operating Expenses (Note 12)	33,161,434	900,526
Operating Income (Loss)	(23,871,249)	489,938
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	16,895,744	
Local appropriations	6,350	
Grants and gifts	8,520,468	
Investment income	24,197	409,916
Interest on capital asset related debt	(29,332)	
Other nonoperating revenue (expense)	709,552	
Net Nonoperating Revenue	26,126,979	409,916
Income before other revenues, expenses gains (losses)	2,255,730	899,854
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	344,805	
Additions to permanent and term endowments		131,605
Increase (Decrease) in Net Position	2,600,535	1,031,459
Net Position		
Net Position beginning of year	8,406,864	5,160,462
Net Position end of year	11,007,399	6,191,921

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, 2024**

Page 125

	Community College
Cash flows from operating activities:	
Tuition and fees	7,237,794
Grants and contracts	2,044,695
Payments to suppliers and others	(5,647,477)
Payments for employee wages	(15,474,022)
Payments for employee fringes and pension benefits	(5,593,753)
Payment for scholarships	(5,407,389)
Payments for utilities	(815,504)
Sales and services of education department	
Auxiliary	103,982
Custodial receipts	108,607
Custodial disbursements	(101,719)
Loans issued to students	
Loans collected from students	
Other	159,477
Net cash used by operating activities	<u>(23,385,309)</u>
Cash flows from non-capital financing activities:	
State appropriations	16,895,744
Local appropriations	6,350
Grants and gifts	8,599,968
PLUS, Stafford and Direct Lending loan receipts	917,526
PLUS, Stafford and Direct Lending loan disbursements	(917,526)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	707,623
Net cash provided (used) by non-capital financing activities	<u>26,209,685</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	344,779
Purchase capital assets	(2,022,457)
Proceeds from sale of capital assets	1,206
Debt interest payments	(29,332)
Debt principal payments	(322,041)
Net cash provided (used) by capital financing activities	<u>(2,027,845)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	24,193
Net cash provided (used) by investing activities	<u>24,193</u>
Net increase (decrease) in cash and cash equivalents	820,724
Cash and cash equivalents, beginning of year	6,700,929
Cash and cash equivalents, End of Year	<u><u>7,521,653</u></u>

**Virginia Community College System
Central Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(23,871,249)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,194,298
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	266,342
Prepaid expenses and other	(104,359)
Post employment benefits asset	(46,019)
Accrued compensation and leave	116,461
Accounts payable and other	(322,052)
Unearned revenue	114,632
Deposits pending distribution	
Custodial receipts(disbursements)	14,653
Pension liability	1,154,217
Post employment benefits liability	52,546
Deferred inflows of resources related to pensions and post employment benefits	(1,318,198)
Deferred outflows of resources related to pensions and post employment benefits	(636,581)
Net cash used in operating activities	(23,385,309)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	7,521,670
Less: Securities Lending Cash Equivalents	17
Cash and cash equivalents end of year	<u>7,521,653</u>
Noncash transactions	
Donated capital assets	26
VRS Special Revenue Allocation	178,472
Capital assets acquired through the assumption of a liability	28,930
Retainage payable	15,858

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, 2024**

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		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)	3,943,033	575,112	882,228
Appropriation available			
Short term investments (Note 2)		-	75,600
Accounts receivable, net (Note 3)	444,964	-	413,731
Pledges receivable (Note 3)		-	2,400
Due from commonwealth (Note 4)	242,068	-	
Due from system office	173,531	-	
Interest receivable		17,444	
Prepaid expenses	206,521	16,525	
Inventories	35,096	-	
Notes receivable, net (Note 3)		-	
Total Current Assets	<u>5,045,213</u>	<u>609,081</u>	<u>1,373,959</u>
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)			
Prepaid expenses			
Endowment cash and cash equivalents (Note 2)		377,653	
Appropriation available			
Endowment investments (Note 2)		7,315,741	
Other long-term investments (Note 2)		1,042,279	4,655
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			2,182,862
Pledges receivable (Note 3)			6,700
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	210,059		
Non-depreciable capital assets, net (Note 5)	309,236		21,062
Depreciable capital assets, net (Note 5)	10,484,488		150,548
Total Noncurrent Assets	<u>11,003,783</u>	<u>8,735,673</u>	<u>2,365,827</u>
Total Assets	<u>16,048,996</u>	<u>9,344,754</u>	<u>3,739,786</u>
Deferred Outflows of Resources (Note 8)	1,303,797		
Total Assets and Deferred Outflows of Resources	<u>17,352,793</u>	<u>9,344,754</u>	<u>3,739,786</u>
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	344,909	42,900	623,268
Accrued payroll expense	411,275		
Unearned revenue			
Long-term liabilities-current portion (Note 9)	331,765		6,343
Securities lending obligation	6		
Post employment benefit obligations (Note 9)	21,226		
Due to system's office			
Deposits	115,115		16,800
Total Current Liabilities	<u>1,224,296</u>	<u>42,900</u>	<u>646,411</u>

**Virginia Community College System
Mountain Gateway Community College
Statement of Net Position
As of June 30, 2024**

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		Component Unit	
		Mountain Gateway Community College Educational Foundation	Mountain Gateway Community College Real Estate Foundation
Noncurrent Liabilities			
Unearned revenue			
Long-term liabilities (Note 9)	223,201		490,658
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	4,505,847		
Total Noncurrent Liabilities	<u>4,729,048</u>		<u>490,658</u>
Total Liabilities	<u>5,953,344</u>	<u>42,900</u>	<u>1,137,069</u>
Deferred Inflows of Resources (Note 8)	815,284		
Total Liabilities and Deferred Inflows of Resources	<u>6,768,628</u>	<u>42,900</u>	<u>1,137,069</u>
Net Position			
Net investment in capital assets	10,583,902		171,610
Restricted for:			
Nonexpendable		4,245,140	
Expendable	897,978	3,217,029	129,066
Unrestricted	(897,715)	1,839,685	2,302,041
Total Net Position	<u>10,584,165</u>	<u>9,301,854</u>	<u>2,602,717</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, 2024

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		Component Unit	Component Unit
		Mountain Gateway Community College Educational Foundation	Mountain Gateway Community College Real Estate Foundation
Revenues	Community College		
Operating Revenue			
Tuition and fees (net of scholarship allowance of \$1,303,855)	2,040,515		
Federal grants and contracts	1,003,844		836,913
State and local grants	554,569		50,000
Nongovernmental grants	538,714		281,000
Sales/services of education department	2,221		
Auxiliary enterprises (net of scholarship allowance of \$4,195)	19,949		
Gifts and contributions		151,370	
Endowment income		940,538	
Other operating revenues	230,258	34,145	39,330
Total Operating Revenue	<u>4,390,070</u>	<u>1,126,053</u>	<u>1,207,243</u>
Expenses			
Operating Expenses			
Instruction	5,095,894		
Public service	131,633		
Academic support	676,411	352,932	
Student services	1,613,177		
Institutional support	2,344,616	84,915	10,088
Operation and maintenance	2,029,464		15,715
Scholarships and fellowships	1,699,022	163,994	
Auxiliary enterprises	25,252		
Fundraising		65,253	142
Other expenses			19,476
Total Operating Expenses (Note 12)	<u>13,615,469</u>	<u>667,094</u>	<u>45,421</u>
Operating Income (Loss)	<u>(9,225,399)</u>	<u>458,959</u>	<u>1,161,822</u>
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	7,068,463		
Local appropriations	150,408		
Grants and gifts	1,572,125		
Investment income	35,164	99,445	20,062
Interest on capital asset related debt	(11,975)		
Other nonoperating revenue (expense)	760,908		
Net Nonoperating Revenue	<u>9,575,093</u>	<u>99,445</u>	<u>20,062</u>
Income before other revenues, expenses gains (losses)	349,694	558,404	1,181,884
Capital appropriations-state (Note 20)			
Capital appropriations-local	42,007		
Capital gifts, grants and contracts	224,573		39,134
Additions to permanent and term endowments		62,272	
Increase (Decrease) in Net Position	<u>616,274</u>	<u>620,676</u>	<u>1,221,018</u>
Net Position			
Net Position beginning of year (Note 1-T)	9,967,891	8,681,178	1,381,699
Net Position end of year	<u>10,584,165</u>	<u>9,301,854</u>	<u>2,602,717</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 Cash Flows
For the Year Ended June 30, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	1,888,046
Grants and contracts	2,061,046
Payments to suppliers and others	(3,152,437)
Payments for employee wages	(5,640,740)
Payments for employee fringes and pension benefits	(2,315,559)
Payment for scholarships	(1,697,449)
Payments for utilities	(421,646)
Sales and services of education department	2,221
Auxiliary	19,949
Custodial receipts	547,707
Custodial disbursements	(492,261)
Loans issued to students	
Loans collected from students	
Other	235,487
Net cash used by operating activities	<u>(8,965,636)</u>
Cash flows from non-capital financing activities:	
State appropriations	7,068,463
Local appropriations	150,408
Grants and gifts	1,828,525
PLUS, Stafford and Direct Lending loan receipts	352,544
PLUS, Stafford and Direct Lending loan disbursements	(352,544)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	605,314
Net cash provided (used) by non-capital financing activities	<u>9,652,710</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	42,007
Capital grants and gifts	194,959
Purchase capital assets	(417,909)
Proceeds from sale of capital assets	(2,270)
Debt interest payments	(11,975)
Debt principal payments	(157,372)
Net cash provided (used) by capital financing activities	<u>(352,560)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	35,162
Net cash provided (used) by investing activities	<u>35,162</u>
Net increase (decrease) in cash and cash equivalents	369,676
Cash and cash equivalents, beginning of year	3,573,351
Cash and cash equivalents, End of Year	<u><u>3,943,027</u></u>

**Virginia Community College System
Mountain Gateway Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(9,225,399)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	908,462
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(128,272)
Prepaid expenses and other	(13,501)
Post employment benefits asset	(10,595)
Accrued compensation and leave	(24,402)
Accounts payable and other	32,469
Unearned revenue	(55,049)
Deposits pending distribution	
Custodial receipts(disbursements)	55,446
Pension liability	352,305
Post employment benefits liability	19,943
Deferred inflows of resources related to pensions and post employment benefits	(604,060)
Deferred outflows of resources related to pensions and post employment benefits	(272,983)
Net cash used in operating activities	(8,965,636)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	3,943,033
Less: Securities Lending Cash Equivalents	6
Cash and cash equivalents end of year	<u>3,943,027</u>
Noncash transactions	
Donated capital assets	29,614
VRS Special Revenue Allocation	67,621
Capital assets acquired through the assumption of a liability	8,923
Retainage payable	6,164

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, 2024**

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	Community College	Component Unit Danville Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	9,016,947	1,540,971
Appropriation available		
Short term investments (Note 2)	676,719	
Accounts receivable, net (Note 3)	3,040,367	707,865
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Due from system office	89,476	
Interest receivable		68,300
Prepaid expenses	166,151	
Inventories	301,483	
Notes receivable, net (Note 3)		
Total Current Assets	<u>13,291,143</u>	<u>2,317,136</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		869,568
Appropriation available		
Endowment investments (Note 2)		16,087,650
Other long-term investments (Note 2)		100,000
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)	421,382	
Non-depreciable capital assets, net (Note 5)	891,968	
Depreciable capital assets, net (Note 5)	25,798,663	
Total Noncurrent Assets	<u>27,112,013</u>	<u>17,057,218</u>
Total Assets	<u>40,403,156</u>	<u>19,374,354</u>
Deferred Outflows of Resources (Note 8)	2,677,902	
Total Assets and Deferred Outflows of Resources	<u>43,081,058</u>	<u>19,374,354</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	482,687	69,465
Accrued payroll expense	1,761,262	
Unearned revenue	756,722	
Long-term liabilities-current portion (Note 9)	301,942	
Securities lending obligation	3,524	
Post employment benefit obligations (Note 9)	36,716	
Due to system's office		
Deposits	501,880	
Total Current Liabilities	<u>3,844,733</u>	<u>69,465</u>

**Virginia Community College System
Danville Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Danville Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	313,262	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	8,986,720	
Total Noncurrent Liabilities	<u>9,299,982</u>	
Total Liabilities	<u>13,144,715</u>	<u>69,465</u>
Deferred Inflows of Resources (Note 8)	1,696,229	
Total Liabilities and Deferred Inflows of Resources	<u>14,840,944</u>	<u>69,465</u>
Net Position		
Net investment in capital assets	26,675,499	
Restricted for:		
Nonexpendable		10,472,143
Expendable	3,546,884	4,614,157
Unrestricted	(1,982,269)	4,218,589
Total Net Position	<u>28,240,114</u>	<u>19,304,889</u>

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

Danville Community College

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2024

	Community College	Component Unit Danville Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,383,332)	1,826,198	
Federal grants and contracts	1,177,233	
State and local grants	710,214	
Nongovernmental grants	270,993	346,450
Sales/services of education department	1,076	
Auxiliary enterprises (net of scholarship allowance of \$548,026)	327,201	
Gifts and contributions		172,279
Endowment income		1,922,305
Other operating revenues	294,591	184,273
Total Operating Revenue	4,607,506	2,625,307
Expenses		
Operating Expenses		
Instruction	10,067,304	
Public service	364,987	
Academic support	1,240,041	
Student services	1,450,249	
Institutional support	7,061,093	653,596
Operation and maintenance	4,601,248	
Scholarships and fellowships	3,006,071	240,444
Auxiliary enterprises	875,050	
Fundraising		385,821
Other expenses		
Total Operating Expenses (Note 12)	28,666,043	1,279,861
Operating Income (Loss)	(24,058,537)	1,345,446
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	15,076,596	
Local appropriations	27,000	
Grants and gifts	5,702,970	
Investment income	50,272	225,231
Interest on capital asset related debt	(2,191)	
Other nonoperating revenue (expense)	1,660,837	
Net Nonoperating Revenue	22,515,484	225,231
Income before other revenues, expenses gains (losses)	(1,543,053)	1,570,677
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	28,293	
Additions to permanent and term endowments		2,915,628
Increase (Decrease) in Net Position	(1,514,760)	4,486,305
Net Position		
Net Position beginning of year	29,754,874	14,818,584
Net Position end of year	28,240,114	19,304,889

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, 2024

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	Community College
Cash flows from operating activities:	
Tuition and fees	1,432,880
Grants and contracts	2,654,524
Payments to suppliers and others	(9,213,882)
Payments for employee wages	(10,796,001)
Payments for employee fringes and pension benefits	(4,151,295)
Payment for scholarships	(2,979,637)
Payments for utilities	(744,595)
Sales and services of education department	1,076
Auxiliary	317,368
Custodial receipts	319,185
Custodial disbursements	(309,121)
Loans issued to students	
Loans collected from students	
Other	294,591
Net cash used by operating activities	<u>(23,174,907)</u>
Cash flows from non-capital financing activities:	
State appropriations	15,076,596
Local appropriations	27,000
Grants and gifts	5,702,970
PLUS, Stafford and Direct Lending loan receipts	652,042
PLUS, Stafford and Direct Lending loan disbursements	(610,708)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,580,058
Net cash provided (used) by non-capital financing activities	<u>22,427,958</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	27,433
Purchase capital assets	(232,513)
Proceeds from sale of capital assets	1,000
Debt interest payments	(2,191)
Debt principal payments	(14,076)
Net cash provided (used) by capital financing activities	<u>(220,347)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	237
Investment income	36,104
Net cash provided (used) by investing activities	<u>36,341</u>
Net increase (decrease) in cash and cash equivalents	<u>(930,955)</u>
Cash and cash equivalents, beginning of year	9,944,378
Cash and cash equivalents, End of Year	<u><u>9,013,423</u></u>

**Virginia Community College System
Danville Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(24,058,537)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,765,170
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(42,609)
Prepaid expenses and other	(112,308)
Post employment benefits asset	(19,620)
Accrued compensation and leave	378,089
Accounts payable and other	(334,219)
Unearned revenue	135,542
Deposits pending distribution	
Custodial receipts(disbursements)	10,064
Pension liability	627,923
Post employment benefits liability	(63,187)
Deferred inflows of resources related to pensions and post employment benefits	(1,166,489)
Deferred outflows of resources related to pensions and post employment benefits	(294,726)
Net cash used in operating activities	(23,174,907)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	9,016,947
Less: Securities Lending Cash Equivalents	3,524
Cash and cash equivalents end of year	<u>9,013,423</u>
Noncash transactions	
Donated capital assets	860
VRS Special Revenue Allocation	135,772
Unrealized gain/loss on investments	13,944
Retainage payable	83,471

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, 2024**

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	Community College	Component Unit Eastern Shore Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	1,421,450	1,215,675
Appropriation available		
Short term investments (Note 2)		815,142
Accounts receivable, net (Note 3)	1,415,412	
Pledges receivable (Note 3)		45,390
Due from commonwealth (Note 4)		
Due from system office		
Interest receivable		
Prepaid expenses	15,645	
Inventories	27,700	
Notes receivable, net (Note 3)		
Total Current Assets	<u>2,880,207</u>	<u>2,076,207</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		206,179
Appropriation available		
Endowment investments (Note 2)		1,364,489
Other long-term investments (Note 2)		1,509,126
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		32,890
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	142,777	
Non-depreciable capital assets, net (Note 5)	1,204,413	
Depreciable capital assets, net (Note 5)	20,326,184	590
Total Noncurrent Assets	<u>21,673,374</u>	<u>3,113,274</u>
Total Assets	<u>24,553,581</u>	<u>5,189,481</u>
Deferred Outflows of Resources (Note 8)	952,091	
Total Assets and Deferred Outflows of Resources	<u>25,505,672</u>	<u>5,189,481</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	584,221	57,003
Accrued payroll expense	444,512	
Unearned revenue	22,596	
Long-term liabilities-current portion (Note 9)	132,247	
Securities lending obligation	2	
Post employment benefit obligations (Note 9)	15,356	
Due to system's office		
Deposits	184,576	
Total Current Liabilities	<u>1,383,510</u>	<u>57,003</u>

**Virginia Community College System
Eastern Shore Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Eastern Shore Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	77,220	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	3,111,351	
Total Noncurrent Liabilities	<u>3,188,571</u>	
Total Liabilities	<u>4,572,081</u>	<u>57,003</u>
Deferred Inflows of Resources (Note 8)	652,880	
Total Liabilities and Deferred Inflows of Resources	<u>5,224,961</u>	<u>57,003</u>
Net Position		
Net investment in capital assets	21,517,857	590
Restricted for:		
Nonexpendable		1,570,668
Expendable	549,208	2,569,251
Unrestricted	(1,786,354)	991,969
Total Net Position	<u>20,280,711</u>	<u>5,132,478</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, 2024

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		Component Unit
	Community College	Eastern Shore Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$1,625,972)	1,243,888	
Federal grants and contracts	576,308	
State and local grants	297,487	
Nongovernmental grants	28,500	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$5,269)	5,828	
Gifts and contributions		840,335
Endowment income		138,620
Other operating revenues	257,466	98,748
Total Operating Revenue	2,409,477	1,077,703
Expenses		
Operating Expenses		
Instruction	4,452,176	
Public service	94,683	
Academic support	674,907	196,902
Student services	1,259,088	
Institutional support	1,760,243	163,867
Operation and maintenance	1,673,083	
Scholarships and fellowships	1,002,930	345,624
Auxiliary enterprises	256,287	
Fundraising		33,561
Other expenses		
Total Operating Expenses (Note 12)	11,173,397	739,954
Operating Income (Loss)	(8,763,920)	337,749
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	5,421,432	
Local appropriations	71,980	
Grants and gifts	1,791,927	
Investment income	15,657	313,864
Interest on capital asset related debt	(1,009)	
Other nonoperating revenue (expense)	672,258	
Net Nonoperating Revenue	7,972,245	313,864
Income before other revenues, expenses gains (losses)	(791,675)	651,613
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	168,252	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	(623,423)	651,613
Net Position		
Net Position beginning of year	20,904,134	4,480,865
Net Position end of year	20,280,711	5,132,478

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	435,917
Grants and contracts	974,376
Payments to suppliers and others	(3,703,141)
Payments for employee wages	(3,984,010)
Payments for employee fringes and pension benefits	(1,632,698)
Payment for scholarships	(985,428)
Payments for utilities	(191,931)
Sales and services of education department	
Auxiliary	5,828
Custodial receipts	89,556
Custodial disbursements	(65,650)
Loans issued to students	
Loans collected from students	
Other	257,466
Net cash used by operating activities	<u>(8,799,715)</u>
Cash flows from non-capital financing activities:	
State appropriations	5,421,432
Local appropriations	71,980
Grants and gifts	1,791,927
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	938,131
Net cash provided (used) by non-capital financing activities	<u>8,223,470</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	162,605
Purchase capital assets	(191,495)
Proceeds from sale of capital assets	(94)
Debt interest payments	(1,009)
Debt principal payments	(11,991)
Net cash provided (used) by capital financing activities	<u>(41,984)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	15,655
Net cash provided (used) by investing activities	<u>15,655</u>
Net increase (decrease) in cash and cash equivalents	(602,574)
Cash and cash equivalents, beginning of year	2,024,022
Cash and cash equivalents, End of Year	<u>1,421,448</u>

**Virginia Community College System
Eastern Shore Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(8,763,920)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	730,887
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(670,020)
Prepaid expenses and other	21,505
Post employment benefits asset	(5,088)
Accrued compensation and leave	64,669
Accounts payable and other	275,381
Unearned revenue	(65,870)
Deposits pending distribution	
Custodial receipts(disbursements)	23,906
Pension liability	224,821
Post employment benefits liability	(40,699)
Deferred inflows of resources related to pensions and post employment benefits	(523,529)
Deferred outflows of resources related to pensions and post employment benefits	(71,758)
Net cash used in operating activities	(8,799,715)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	1,421,450
Less: Securities Lending Cash Equivalents	2
Cash and cash equivalents end of year	<u>1,421,448</u>
Noncash transactions	
Donated capital assets	5,647
VRS Special Revenue Allocation	46,872
Capital assets acquired through the assumption of a liability	1,427

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, 2024**

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	Community College	Component Unit Germanna Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	18,711,415	2,535,184
Appropriation available		
Short term investments (Note 2)	912,618	
Accounts receivable, net (Note 3)	1,224,892	152,016
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	3,270	
Due from system office	5,941	
Interest receivable		
Prepaid expenses	509,097	
Inventories	12,413	
Notes receivable, net (Note 3)		
Total Current Assets	<u>21,379,646</u>	<u>2,687,200</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	959,276	
Prepaid expenses	16,955	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		4,914,435
Other long-term investments (Note 2)	793,764	6,565,895
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		749,369
Due from commonwealth (Note 4)	1,976,314	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	1,086,273	
Non-depreciable capital assets, net (Note 5)	6,536,891	7,319,830
Depreciable capital assets, net (Note 5)	40,202,674	7,186,213
Total Noncurrent Assets	<u>51,572,147</u>	<u>26,735,742</u>
Total Assets	<u>72,951,793</u>	<u>29,422,942</u>
Deferred Outflows of Resources (Note 8)	7,690,689	
Total Assets and Deferred Outflows of Resources	<u><u>80,642,482</u></u>	<u><u>29,422,942</u></u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,453,522	342,043
Accrued payroll expense	3,350,730	
Unearned revenue	3,738,392	
Long-term liabilities-current portion (Note 9)	1,741,796	61,451
Securities lending obligation	3,379	
Post employment benefit obligations (Note 9)	77,929	
Due to system's office		
Deposits	83,070	
Total Current Liabilities	<u>10,448,818</u>	<u>403,494</u>

**Virginia Community College System
Germanna Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Germanna Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	137,566	
Long-term liabilities (Note 9)	3,838,272	9,723,156
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	21,185,677	
Total Noncurrent Liabilities	<u>25,161,515</u>	<u>9,723,156</u>
Total Liabilities	<u>35,610,333</u>	<u>10,126,650</u>
Deferred Inflows of Resources (Note 8)	3,216,288	
Total Liabilities and Deferred Inflows of Resources	<u>38,826,621</u>	<u>10,126,650</u>
Net Position		
Net investment in capital assets	42,504,489	
Restricted for:		
Nonexpendable		3,681,950
Expendable	5,194,340	10,227,831
Unrestricted	(5,882,968)	5,386,511
Total Net Position	<u>41,815,861</u>	<u>19,296,292</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, 2024

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	Community College	Component Unit Germanna Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$13,238,345)	11,969,755	
Federal grants and contracts	1,786,599	
State and local grants	3,106,447	
Nongovernmental grants	352,585	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$42,927)	1,058,683	
Gifts and contributions		3,119,945
Endowment income		628,268
Other operating revenues	1,903,495	867,565
Total Operating Revenue	20,177,564	4,615,778
Expenses		
Operating Expenses		
Instruction	28,826,368	
Public service	141,814	
Academic support	9,021,705	88,415
Student services	8,609,654	
Institutional support	9,418,064	1,233,593
Operation and maintenance	5,247,211	
Scholarships and fellowships	6,679,178	905,154
Auxiliary enterprises	197,425	
Fundraising		319,658
Other expenses		
Total Operating Expenses (Note 12)	68,141,419	2,546,820
Operating Income (Loss)	(47,963,855)	2,068,958
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	34,405,628	
Local appropriations	228,618	
Grants and gifts	11,678,098	
Investment income	299,801	576,389
Interest on capital asset related debt	(150,156)	
Other nonoperating revenue (expense)	(87,020)	
Net Nonoperating Revenue	46,374,969	576,389
Income before other revenues, expenses gains (losses)	(1,588,886)	2,645,347
Capital appropriations-state (Note 20)	1,292,179	
Capital appropriations-local	478,069	
Capital gifts, grants and contracts	305,026	
Additions to permanent and term endowments		80,067
Increase (Decrease) in Net Position	486,388	2,725,414
Net Position		
Net Position beginning of year	41,329,473	16,570,878
Net Position end of year	41,815,861	19,296,292

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	13,185,623
Grants and contracts	6,179,269
Payments to suppliers and others	(16,367,033)
Payments for employee wages	(31,645,339)
Payments for employee fringes and pension benefits	(10,390,217)
Payment for scholarships	(6,653,508)
Payments for utilities	(623,257)
Sales and services of education department	
Auxiliary	1,058,683
Custodial receipts	200,027
Custodial disbursements	(230,633)
Loans issued to students	
Loans collected from students	
Other	1,911,573
Net cash used by operating activities	<u>(43,374,812)</u>
Cash flows from non-capital financing activities:	
State appropriations	34,405,628
Local appropriations	228,618
Grants and gifts	12,638,129
PLUS, Stafford and Direct Lending loan receipts	2,078,881
PLUS, Stafford and Direct Lending loan disbursements	(2,078,881)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(9,112)
Net cash provided (used) by non-capital financing activities	<u>47,263,263</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	(684,135)
Capital appropriations-local	478,069
Capital grants and gifts	305,026
Purchase capital assets	(3,979,794)
Proceeds from sale of capital assets	43,146
Debt interest payments	(163,987)
Debt principal payments	(1,210,886)
Net cash provided (used) by capital financing activities	<u>(5,212,561)</u>
Cash flows from investing activities:	
Purchases of investments	(624,119)
Sale of investments	1,124,553
Investment income	286,340
Net cash provided (used) by investing activities	<u>786,774</u>
Net increase (decrease) in cash and cash equivalents	(537,336)
Cash and cash equivalents, beginning of year	20,204,648
Cash and cash equivalents, End of Year	<u>19,667,312</u>

**Virginia Community College System
Germanna Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(47,963,855)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,236,264
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	741,593
Prepaid expenses and other	438,837
Post employment benefits asset	(168,909)
Accrued compensation and leave	435,671
Accounts payable and other	(608,862)
Unearned revenue	1,238,402
Deposits pending distribution	(211)
Custodial receipts(disbursements)	(30,606)
Pension liability	3,239,019
Post employment benefits liability	414,152
Deferred inflows of resources related to pensions and post employment benefits	(1,706,092)
Deferred outflows of resources related to pensions and post employment benefits	(2,640,215)
Net cash used in operating activities	<u>(43,374,812)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	19,670,691
Less: Securities Lending Cash Equivalents	<u>3,379</u>
Cash and cash equivalents end of year	<u>19,667,312</u>
Noncash transactions	
Donated capital assets	
VRS Special Revenue Allocation	322,079
Unrealized gain/loss on investments	13,026
Capital assets acquired through the assumption of a liability	1,322,859

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, 2024

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	Community College	Component Units J. Sargeant Reynolds Community College Educational and Real Estate Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	21,794,189	1,433,547
Appropriation available		
Short term investments (Note 2)		285,073
Accounts receivable, net (Note 3)	860,954	2,807
Pledges receivable (Note 3)		405,905
Due from commonwealth (Note 4)	46,822	
Due from system office	415,056	
Interest receivable	3,310	
Prepaid expenses	629,114	485,745
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>23,749,445</u>	<u>2,613,077</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	834,750	
Prepaid expenses	4,962	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		15,778,122
Other long-term investments (Note 2)		3,732,462
Accounts receivable, net (Note 3)	75,182	
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		889,536
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	1,202,011	
Non-depreciable capital assets, net (Note 5)	3,943,489	105,999
Depreciable capital assets, net (Note 5)	70,374,881	12,620,026
Total Noncurrent Assets	<u>76,435,275</u>	<u>33,126,145</u>
Total Assets	<u>100,184,720</u>	<u>35,739,222</u>
Deferred Outflows of Resources (Note 8)	6,330,567	
Total Assets and Deferred Outflows of Resources	<u>106,515,287</u>	<u>35,739,222</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	2,079,305	27,415
Accrued payroll expense	3,112,086	
Unearned revenue	3,175,602	
Long-term liabilities-current portion (Note 9)	1,667,897	466,961
Securities lending obligation	42,861	
Post employment benefit obligations (Note 9)	106,550	
Due to system's office		
Deposits	305,798	
Total Current Liabilities	<u>10,490,099</u>	<u>494,376</u>

Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Net Position
As of June 30, 2024

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		Component Units
	Community College	J. Sargeant Reynolds Community College Educational and Real Estate Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	1,142,768	9,171,338
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	25,702,567	
Total Noncurrent Liabilities	<u>26,845,335</u>	<u>9,171,338</u>
Total Liabilities	<u>37,335,434</u>	<u>9,665,714</u>
Deferred Inflows of Resources (Note 8)	6,202,073	
Total Liabilities and Deferred Inflows of Resources	<u>43,537,507</u>	<u>9,665,714</u>
Net Position		
Net investment in capital assets	73,104,801	3,898,725
Restricted for:		
Nonexpendable		11,557,350
Expendable	3,103,453	7,792,385
Unrestricted	(13,230,474)	2,825,048
Total Net Position	<u>62,977,780</u>	<u>26,073,508</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, 2024

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		Component Units
		J. Sargeant Reynolds Community College Educational and Real Estate Foundation
Revenues	Community College	
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$10,965,674)	16,648,324	
Federal grants and contracts	1,633,580	
State and local grants	335,220	
Nongovernmental grants	1,648,372	
Sales/services of education department	19,038	
Auxiliary enterprises (net of scholarship allowance of \$35,529)	970,823	
Gifts and contributions		1,662,517
Endowment income		2,075,220
Other operating revenues	602,810	217,184
Total Operating Revenue	21,858,167	3,954,921
Expenses		
Operating Expenses		
Instruction	28,879,392	
Public service	1,220,240	
Academic support	3,598,612	1,196,858
Student services	6,399,256	
Institutional support	10,406,902	425,057
Operation and maintenance	7,868,609	
Scholarships and fellowships	9,671,520	1,310,212
Auxiliary enterprises	773,612	
Fundraising		43,752
Other expenses		3,750
Total Operating Expenses (Note 12)	68,818,143	2,979,629
Operating Income (Loss)	(46,959,976)	975,292
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	34,240,577	
Local appropriations	342,723	
Grants and gifts	14,948,899	
Investment income	470,303	20,973
Interest on capital asset related debt	(49,372)	
Other nonoperating revenue (expense)	(338,089)	
Net Nonoperating Revenue	49,615,041	20,973
Income before other revenues, expenses gains (losses)	2,655,065	996,265
Capital appropriations-state (Note 20)		
Capital appropriations-local	1,082,586	
Capital gifts, grants and contracts	233,153	
Additions to permanent and term endowments		343,299
Increase (Decrease) in Net Position	3,970,804	1,339,564
Net Position		
Net Position beginning of year	59,006,976	24,733,944
Net Position end of year	62,977,780	26,073,508

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, 2024

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	Community College
Cash flows from operating activities:	
Tuition and fees	17,084,696
Grants and contracts	3,692,231
Payments to suppliers and others	(14,021,849)
Payments for employee wages	(31,768,808)
Payments for employee fringes and pension benefits	(11,306,501)
Payment for scholarships	(9,581,713)
Payments for utilities	(1,652,702)
Sales and services of education department	19,038
Auxiliary	970,823
Custodial receipts	8,730
Custodial disbursements	28,931
Loans issued to students	
Loans collected from students	
Other	623,818
Net cash used by operating activities	<u>(45,903,306)</u>
Cash flows from non-capital financing activities:	
State appropriations	34,240,577
Local appropriations	342,723
Grants and gifts	15,245,133
PLUS, Stafford and Direct Lending loan receipts	2,767,598
PLUS, Stafford and Direct Lending loan disbursements	(2,787,649)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(190,446)
Net cash provided (used) by non-capital financing activities	<u>49,617,936</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	1,082,586
Capital grants and gifts	232,781
Purchase capital assets	(2,002,262)
Proceeds from sale of capital assets	5,001
Debt interest payments	(59,912)
Debt principal payments	(716,141)
Net cash provided (used) by capital financing activities	<u>(1,457,947)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	3,975,758
Investment income	292,015
Net cash provided (used) by investing activities	<u>4,267,773</u>
Net increase (decrease) in cash and cash equivalents	6,524,456
Cash and cash equivalents, beginning of year	16,061,622
Cash and cash equivalents, End of Year	<u>22,586,078</u>

Virginia Community College System
J. Sargeant Reynolds Community College
Statement of Cash Flows
For the Year Ended June 30, 2024

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(46,959,976)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	4,188,942
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(138,990)
Prepaid expenses and other	(76,220)
Post employment benefits asset	(5,639)
Accrued compensation and leave	(168,127)
Accounts payable and other	561,286
Unearned revenue	636,889
Deposits pending distribution	
Custodial receipts(disbursements)	37,661
Pension liability	866,970
Post employment benefits liability	(418,567)
Deferred inflows of resources related to pensions and post employment benefits	(2,971,681)
Deferred outflows of resources related to pensions and post employment benefits	(1,455,854)
Net cash used in operating activities	(45,903,306)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	22,628,939
Less: Securities Lending Cash Equivalents	42,861
Cash and cash equivalents end of year	<u>22,586,078</u>
Noncash transactions	
Donated capital assets	372
VRS Special Revenue Allocation	381,829
Amortization of bond premium	8,912
Unrealized gain/loss on investments	158,494
Amortization of deferral on debt defeasance	(4,100)
Retainage payable	219,787

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, 2024**

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		Component Unit	
		Brightpoint Community College Educational Foundation	Brightpoint Community College Real Estate Foundation
Assets	Community College		
Current Assets			
Cash and cash equivalents (Note 2)	11,675,821	1,422,927	121,207
Appropriation available			
Short term investments (Note 2)	4,312,761		
Accounts receivable, net (Note 3)	1,783,885		
Pledges receivable (Note 3)		754,377	
Due from commonwealth (Note 4)	1,002,614		
Due from system office	106,933		
Interest receivable			
Prepaid expenses	313,292		
Inventories	4,890		
Notes receivable, net (Note 3)			
Total Current Assets	<u>19,200,196</u>	<u>2,177,304</u>	<u>121,207</u>
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)			
Prepaid expenses	12,243		
Endowment cash and cash equivalents (Note 2)		12,886	
Appropriation available			
Endowment investments (Note 2)		8,314,467	
Other long-term investments (Note 2)			
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		816,790	
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	962,323		
Non-depreciable capital assets, net (Note 5)	10,109,308		
Depreciable capital assets, net (Note 5)	88,126,738		
Total Noncurrent Assets	<u>99,210,612</u>	<u>9,144,143</u>	
Total Assets	<u>118,410,808</u>	<u>11,321,447</u>	<u>121,207</u>
Deferred Outflows of Resources (Note 8)	5,181,833		
Total Assets and Deferred Outflows of Resources	<u>123,592,641</u>	<u>11,321,447</u>	<u>121,207</u>
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	774,689	480,211	
Accrued payroll expense	2,261,613		
Unearned revenue	2,567,350		
Long-term liabilities-current portion (Note 9)	1,235,138		
Securities lending obligation	23		
Post employment benefit obligations (Note 9)	88,674		
Due to system's office			
Deposits	2,433,541		
Total Current Liabilities	<u>9,361,028</u>	<u>480,211</u>	

**Virginia Community College System
Brightpoint Community College
Statement of Net Position
As of June 30, 2024**

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		Component Unit	
		Brightpoint Community College Educational Foundation	Brightpoint Community College Real Estate Foundation
Noncurrent Liabilities	Community College		
Unearned revenue			
Long-term liabilities (Note 9)	3,834,083		
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	19,611,651		
Total Noncurrent Liabilities	23,445,734		
Total Liabilities	32,806,762	480,211	
Deferred Inflows of Resources (Note 8)	3,177,331		
Total Liabilities and Deferred Inflows of Resources	35,984,093	480,211	
Net Position			
Net investment in capital assets	94,439,846		
Restricted for:			
Nonexpendable		2,777,322	
Expendable	1,244,000	5,577,742	
Unrestricted	(8,075,298)	2,486,172	121,207
Total Net Position	87,608,548	10,841,236	121,207

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, 2024

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		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 \$13,998,297)	7,849,065		
Federal grants and contracts	2,300,699		
State and local grants	3,436,492	163,558	
Nongovernmental grants	175,104		
Sales/services of education department			
Auxiliary enterprises (net of scholarship allowance of \$45,388)	633,759		
Gifts and contributions		2,324,621	
Endowment income		1,014,826	
Other operating revenues	770,321	433,018	5,000
Total Operating Revenue	15,165,440	3,936,023	5,000
Expenses			
Operating Expenses			
Instruction	21,718,636		
Public service	706,054		
Academic support	4,938,539	953,153	
Student services	6,793,362		
Institutional support	8,367,841	399,679	3,203
Operation and maintenance	8,785,426		
Scholarships and fellowships	5,485,561	438,535	
Auxiliary enterprises	298,238		
Fundraising		239,182	
Other expenses			
Total Operating Expenses (Note 12)	57,093,657	2,030,549	3,203
Operating Income (Loss)	(41,928,217)	1,905,474	1,797
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	33,254,978		
Local appropriations	94,976		
Grants and gifts	9,908,181		
Investment income	12,613	1,025	606
Interest on capital asset related debt	(35,017)		
Other nonoperating revenue (expense)	1,684,520		
Net Nonoperating Revenue	44,920,251	1,025	606
Income before other revenues, expenses gains (losses)	2,992,034	1,906,499	2,403
Capital appropriations-state (Note 20)	11,928		
Capital appropriations-local			
Capital gifts, grants and contracts	377,377		
Additions to permanent and term endowments		65,798	
Increase (Decrease) in Net Position	3,381,339	1,972,297	2,403
Net Position			
Net Position beginning of year	84,227,209	8,868,939	118,804
Net Position end of year	87,608,548	10,841,236	121,207

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	6,841,394
Grants and contracts	6,120,672
Payments to suppliers and others	(13,883,963)
Payments for employee wages	(28,283,879)
Payments for employee fringes and pension benefits	(9,965,333)
Payment for scholarships	(5,543,279)
Payments for utilities	(1,070,027)
Sales and services of education department	
Auxiliary	625,038
Custodial receipts	3,506
Custodial disbursements	(5,454)
Loans issued to students	
Loans collected from students	
Other	770,321
Net cash used by operating activities	<u>(44,391,004)</u>
Cash flows from non-capital financing activities:	
State appropriations	33,254,978
Local appropriations	94,976
Grants and gifts	8,905,567
PLUS, Stafford and Direct Lending loan receipts	2,469,058
PLUS, Stafford and Direct Lending loan disbursements	(2,151,318)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,597,367
Net cash provided (used) by non-capital financing activities	<u>44,170,628</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	167,426
Capital appropriations-local	
Capital grants and gifts	375,084
Purchase capital assets	(783,014)
Proceeds from sale of capital assets	16,180
Debt interest payments	(50,824)
Debt principal payments	(360,000)
Net cash provided (used) by capital financing activities	<u>(635,148)</u>
Cash flows from investing activities:	
Purchases of investments	(1,000,000)
Sale of investments	
Investment income	(193,021)
Net cash provided (used) by investing activities	<u>(1,193,021)</u>
Net increase (decrease) in cash and cash equivalents	(2,048,545)
Cash and cash equivalents, beginning of year	13,724,343
Cash and cash equivalents, End of Year	<u>11,675,798</u>

**Virginia Community College System
Brightpoint Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(41,928,217)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,074,420
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(833,432)
Prepaid expenses and other	(63,742)
Post employment benefits asset	(66,033)
Accrued compensation and leave	538,666
Accounts payable and other	(3,037,354)
Unearned revenue	465,148
Deposits pending distribution	(439,731)
Custodial receipts(disbursements)	(1,948)
Pension liability	1,803,656
Post employment benefits liability	14,243
Deferred inflows of resources related to pensions and post employment benefits	(2,395,645)
Deferred outflows of resources related to pensions and post employment benefits	(1,521,035)
Net cash used in operating activities	(44,391,004)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	11,675,821
Less: Securities Lending Cash Equivalents	23
Cash and cash equivalents end of year	<u>11,675,798</u>
Noncash transactions	
Donated capital assets	2,293
VRS Special Revenue Allocation	297,131
Unrealized gain/loss on investments	205,625
Retainage payable	66,928

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, 2024**

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	Community College	Component Unit Laurel Ridge Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	18,823,415	6,084,145
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	518,678	
Pledges receivable (Note 3)		209,347
Due from commonwealth (Note 4)	1,085,912	
Due from system office	233,221	
Interest receivable		
Prepaid expenses	493,716	
Inventories	18,925	
Notes receivable, net (Note 3)		
Total Current Assets	<u>21,173,867</u>	<u>6,293,492</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	308,086	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		9,761,545
Other long-term investments (Note 2)		338,717
Accounts receivable, net (Note 3)	80,104	
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		147,333
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	751,854	
Non-depreciable capital assets, net (Note 5)	2,136,113	4,361,150
Depreciable capital assets, net (Note 5)	64,938,404	15,367,390
Total Noncurrent Assets	<u>68,214,561</u>	<u>29,976,135</u>
Total Assets	<u>89,388,428</u>	<u>36,269,627</u>
Deferred Outflows of Resources (Note 8)	4,170,063	
Total Assets and Deferred Outflows of Resources	<u>93,558,491</u>	<u>36,269,627</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	837,285	175,936
Accrued payroll expense	2,270,804	
Unearned revenue	1,246,873	402,500
Long-term liabilities-current portion (Note 9)	825,232	256,987
Securities lending obligation	24,263	
Post employment benefit obligations (Note 9)	75,855	
Due to system's office		
Deposits	564,721	
Total Current Liabilities	<u>5,845,033</u>	<u>835,423</u>

**Virginia Community College System
Laurel Ridge Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Laurel Ridge Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	1,403,004	9,182,768
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	15,468,710	
Total Noncurrent Liabilities	<u>16,871,714</u>	<u>9,182,768</u>
Total Liabilities	<u>22,716,747</u>	<u>10,018,191</u>
Deferred Inflows of Resources (Note 8)	3,015,815	
Total Liabilities and Deferred Inflows of Resources	<u>25,732,562</u>	<u>10,018,191</u>
Net Position		
Net investment in capital assets	65,986,108	10,288,785
Restricted for:		
Nonexpendable		9,761,545
Expendable	2,727,751	2,380,345
Unrestricted	(887,930)	3,820,761
Total Net Position	<u>67,825,929</u>	<u>26,251,436</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, 2024

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	Community College	Component Unit Laurel Ridge Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,809,076)	12,223,149	
Federal grants and contracts	1,409,464	
State and local grants	1,843,248	
Nongovernmental grants	85,630	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$15,571)	412,866	
Gifts and contributions		2,052,542
Endowment income		1,148,248
Other operating revenues	1,156,301	1,832,765
Total Operating Revenue	17,130,658	5,033,555
Expenses		
Operating Expenses		
Instruction	21,052,659	
Public service	993,446	
Academic support	3,391,457	
Student services	3,879,092	
Institutional support	9,776,339	1,704,342
Operation and maintenance	6,098,682	
Scholarships and fellowships	5,276,995	554,397
Auxiliary enterprises	59,378	
Fundraising		174,656
Other expenses		533,705
Total Operating Expenses (Note 12)	50,528,048	2,967,100
Operating Income (Loss)	(33,397,390)	2,066,455
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	25,747,614	
Local appropriations	271,073	
Grants and gifts	6,320,356	
Investment income	86,031	341,699
Interest on capital asset related debt	(54,945)	
Other nonoperating revenue (expense)	314,489	
Net Nonoperating Revenue	32,684,618	341,699
Income before other revenues, expenses gains (losses)	(712,772)	2,408,154
Capital appropriations-state (Note 20)	1,840,527	
Capital appropriations-local		
Capital gifts, grants and contracts	562,223	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	1,689,978	2,408,154
Net Position		
Net Position beginning of year	66,135,951	23,843,282
Net Position end of year	67,825,929	26,251,436

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	12,307,344
Grants and contracts	3,341,620
Payments to suppliers and others	(12,039,814)
Payments for employee wages	(21,770,730)
Payments for employee fringes and pension benefits	(7,965,752)
Payment for scholarships	(5,311,383)
Payments for utilities	(931,414)
Sales and services of education department	
Auxiliary	412,866
Custodial receipts	548,695
Custodial disbursements	(381,027)
Loans issued to students	
Loans collected from students	
Other	1,169,475
Net cash used by operating activities	<u>(30,620,120)</u>
Cash flows from non-capital financing activities:	
State appropriations	25,747,614
Local appropriations	271,073
Grants and gifts	6,565,372
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	55,499
Net cash provided (used) by non-capital financing activities	<u>32,639,558</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	2,565,405
Capital appropriations-local	
Capital grants and gifts	560,286
Purchase capital assets	(2,307,222)
Proceeds from sale of capital assets	25,769
Debt interest payments	(54,945)
Debt principal payments	(463,388)
Net cash provided (used) by capital financing activities	<u>325,905</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	84,746
Net cash provided (used) by investing activities	<u>84,746</u>
Net increase (decrease) in cash and cash equivalents	2,430,089
Cash and cash equivalents, beginning of year	16,677,149
Cash and cash equivalents, End of Year	<u>19,107,238</u>

**Virginia Community College System
Laurel Ridge Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(33,397,390)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,063,429
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	56,902
Prepaid expenses and other	353,574
Post employment benefits asset	(22,031)
Accrued compensation and leave	358,530
Accounts payable and other	539,006
Unearned revenue	62,547
Deposits pending distribution	
Custodial receipts(disbursements)	167,668
Pension liability	993,423
Post employment benefits liability	(61,486)
Deferred inflows of resources related to pensions and post employment benefits	(1,766,587)
Deferred outflows of resources related to pensions and post employment benefits	(967,705)
Net cash used in operating activities	(30,620,120)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	19,131,501
Less: Securities Lending Cash Equivalents	24,263
Cash and cash equivalents end of year	<u>19,107,238</u>
Noncash transactions	
Donated capital assets	1,937
VRS Special Revenue Allocation	229,231
Capital assets acquired through the assumption of a liability	473,817
Retainage payable	21,839

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, 2024**

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		Component Unit
	Community College	Mountain Empire Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	5,095,198	451,424
Appropriation available	(462)	
Short term investments (Note 2)	750,000	
Accounts receivable, net (Note 3)	496,309	543,589
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	80,494	
Due from system office	180,960	
Interest receivable		
Prepaid expenses		11,692
Inventories	418,460	
Notes receivable, net (Note 3)		
Total Current Assets	<u>7,020,959</u>	<u>1,006,705</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		99,087
Appropriation available		
Endowment investments (Note 2)		34,774,481
Other long-term investments (Note 2)		
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		23,000
Pledges receivable (Note 3)		230,388
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	389,635	
Non-depreciable capital assets, net (Note 5)	3,155,602	
Depreciable capital assets, net (Note 5)	14,488,528	
Total Noncurrent Assets	<u>18,033,765</u>	<u>35,126,956</u>
Total Assets	<u>25,054,724</u>	<u>36,133,661</u>
Deferred Outflows of Resources (Note 8)	2,541,516	
Total Assets and Deferred Outflows of Resources	<u>27,596,240</u>	<u>36,133,661</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	491,135	190,978
Accrued payroll expense	1,709,455	
Unearned revenue	158,422	
Long-term liabilities-current portion (Note 9)	413,712	
Securities lending obligation	2,371	
Post employment benefit obligations (Note 9)	46,476	
Due to system's office		
Deposits	124,994	
Total Current Liabilities	<u>2,946,565</u>	<u>190,978</u>

**Virginia Community College System
Mountain Empire Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Mountain Empire Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	327,677	500,000
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	9,460,661	
Total Noncurrent Liabilities	<u>9,788,338</u>	<u>500,000</u>
Total Liabilities	<u>12,734,903</u>	<u>690,978</u>
Deferred Inflows of Resources (Note 8)	1,548,531	
Total Liabilities and Deferred Inflows of Resources	<u>14,283,434</u>	<u>690,978</u>
Net Position		
Net investment in capital assets	17,563,626	
Restricted for:		
Nonexpendable		12,461,523
Expendable	1,610,665	15,321,844
Unrestricted	(5,861,485)	7,659,316
Total Net Position	<u>13,312,806</u>	<u>35,442,683</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, 2024

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	Community College	Component Unit Mountain Empire Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$3,748,064)	2,152,659	
Federal grants and contracts	2,334,397	50,000
State and local grants	660,140	271,494
Nongovernmental grants	272,513	105,000
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$521,664)	414,066	
Gifts and contributions		560,984
Endowment income		5,008,132
Other operating revenues	436,492	107,618
Total Operating Revenue	<u>6,270,267</u>	<u>6,103,228</u>
Expenses		
Operating Expenses		
Instruction	10,604,688	
Public service	504,941	
Academic support	2,689,577	1,084,828
Student services	1,779,257	
Institutional support	3,823,910	338,592
Operation and maintenance	3,283,339	
Scholarships and fellowships	3,428,087	
Auxiliary enterprises	1,120,150	
Fundraising		36,798
Other expenses		
Total Operating Expenses (Note 12)	<u>27,233,949</u>	<u>1,460,218</u>
Operating Income (Loss)	<u>(20,963,682)</u>	<u>4,643,010</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	13,239,758	
Local appropriations	114,146	
Grants and gifts	6,898,148	
Investment income	28,755	3,327
Interest on capital asset related debt	(3,409)	
Other nonoperating revenue (expense)	2,720,662	
Net Nonoperating Revenue	<u>22,998,060</u>	<u>3,327</u>
Income before other revenues, expenses gains (losses)	<u>2,034,378</u>	<u>4,646,337</u>
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	428,435	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	<u>2,462,813</u>	<u>4,646,337</u>
Net Position		
Net Position beginning of year	<u>10,849,993</u>	<u>30,796,346</u>
Net Position end of year	<u>13,312,806</u>	<u>35,442,683</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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	2,333,061
Grants and contracts	3,075,981
Payments to suppliers and others	(7,010,909)
Payments for employee wages	(10,930,836)
Payments for employee fringes and pension benefits	(4,599,689)
Payment for scholarships	(2,702,188)
Payments for utilities	(692,645)
Sales and services of education department	
Auxiliary	435,494
Custodial receipts	616,080
Custodial disbursements	(649,646)
Loans issued to students	
Loans collected from students	
Other	436,492
Net cash used by operating activities	<u>(19,688,805)</u>
Cash flows from non-capital financing activities:	
State appropriations	13,239,758
Local appropriations	114,146
Grants and gifts	6,858,556
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	2,539,578
Net cash provided (used) by non-capital financing activities	<u>22,752,038</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	428,435
Purchase capital assets	(2,084,730)
Proceeds from sale of capital assets	11,680
Debt interest payments	(3,409)
Debt principal payments	(49,969)
Net cash provided (used) by capital financing activities	<u>(1,697,993)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	250,000
Investment income	28,716
Net cash provided (used) by investing activities	<u>278,716</u>
Net increase (decrease) in cash and cash equivalents	1,643,956
Cash and cash equivalents, beginning of year	3,448,871
Cash and cash equivalents, End of Year	<u>5,092,827</u>

**Virginia Community College System
Mountain Empire Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(20,963,682)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,107,771
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(125,965)
Prepaid expenses and other	27,185
Post employment benefits asset	(41,296)
Accrued compensation and leave	543,839
Accounts payable and other	255,905
Unearned revenue	142,276
Deposits pending distribution	(5,024)
Custodial receipts(disbursements)	(33,566)
Pension liability	790,130
Post employment benefits liability	(495)
Deferred inflows of resources related to pensions and post employment benefits	(1,086,421)
Deferred outflows of resources related to pensions and post employment benefits	(299,462)
Net cash used in operating activities	(19,688,805)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	5,095,198
Less: Securities Lending Cash Equivalents	2,371
Cash and cash equivalents end of year	<u>5,092,827</u>
Noncash transactions	
Donated capital assets	
VRS Special Revenue Allocation	139,899
Capital assets acquired through the assumption of a liability	9,546
Retainage payable	19,217

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, 2024**

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	Community College	Component Unit New River Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	15,955,279	844,624
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	73,713	
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	490,082	
Due from system office	920	
Interest receivable		
Prepaid expenses	1,354,352	
Inventories	13,599	
Notes receivable, net (Note 3)		80,931
Total Current Assets	<u>17,887,945</u>	<u>925,555</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		2,161,771
Appropriation available		
Endowment investments (Note 2)		21,049,468
Other long-term investments (Note 2)		3,653,281
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)	417,812	
Non-depreciable capital assets, net (Note 5)	786,922	870,000
Depreciable capital assets, net (Note 5)	13,556,633	93,573
Total Noncurrent Assets	<u>14,761,367</u>	<u>27,828,093</u>
Total Assets	<u>32,649,312</u>	<u>28,753,648</u>
Deferred Outflows of Resources (Note 8)	2,526,296	
Total Assets and Deferred Outflows of Resources	<u>35,175,608</u>	<u>28,753,648</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,563,323	1,256
Accrued payroll expense	905,216	
Unearned revenue	1,232,549	
Long-term liabilities-current portion (Note 9)	893,775	
Securities lending obligation	70	
Post employment benefit obligations (Note 9)	41,442	
Due to system's office		
Deposits	56,651	
Total Current Liabilities	<u>4,693,026</u>	<u>1,256</u>

**Virginia Community College System
New River Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit New River Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	158,090	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	9,674,377	
Total Noncurrent Liabilities	<u>9,832,467</u>	
Total Liabilities	<u>14,525,493</u>	<u>1,256</u>
Deferred Inflows of Resources (Note 8)	1,738,212	
Total Liabilities and Deferred Inflows of Resources	<u>16,263,705</u>	<u>1,256</u>
Net Position		
Net investment in capital assets	13,958,728	963,573
Restricted for:		
Nonexpendable		13,563,541
Expendable	2,590,536	2,941,040
Unrestricted	2,362,639	11,284,238
Total Net Position	<u>18,911,903</u>	<u>28,752,392</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, 2024

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	Community College	Component Unit New River Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,896,863)	8,314,221	
Federal grants and contracts	860,047	
State and local grants	267,180	
Nongovernmental grants	62,801	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$15,900)	119,645	
Gifts and contributions		966,527
Endowment income		3,292,857
Other operating revenues	273,453	353,421
Total Operating Revenue	<u>9,897,347</u>	<u>4,612,805</u>
Expenses		
Operating Expenses		
Instruction	15,922,042	
Public service		
Academic support	2,903,501	
Student services	1,878,945	
Institutional support	4,497,641	106,878
Operation and maintenance	3,276,954	
Scholarships and fellowships	3,706,211	1,675,169
Auxiliary enterprises	35,717	
Fundraising		42,000
Other expenses		
Total Operating Expenses (Note 12)	<u>32,221,011</u>	<u>1,824,047</u>
Operating Income (Loss)	<u>(22,323,664)</u>	<u>2,788,758</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	20,557,045	
Local appropriations	93,739	
Grants and gifts	5,117,133	
Investment income	297,007	69,092
Interest on capital asset related debt	(24,620)	
Other nonoperating revenue (expense)	(81,212)	
Net Nonoperating Revenue	<u>25,959,092</u>	<u>69,092</u>
Income before other revenues, expenses gains (losses)	<u>3,635,428</u>	<u>2,857,850</u>
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	749,889	
Additions to permanent and term endowments		2,513,828
Increase (Decrease) in Net Position	<u>4,385,317</u>	<u>5,371,678</u>
Net Position		
Net Position beginning of year	<u>14,526,586</u>	<u>23,380,714</u>
Net Position end of year	<u>18,911,903</u>	<u>28,752,392</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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	8,496,294
Grants and contracts	1,190,028
Payments to suppliers and others	(5,566,834)
Payments for employee wages	(16,516,571)
Payments for employee fringes and pension benefits	(4,677,303)
Payment for scholarships	(3,292,319)
Payments for utilities	(619,055)
Sales and services of education department	
Auxiliary	119,645
Custodial receipts	4,923
Custodial disbursements	(68,455)
Loans issued to students	
Loans collected from students	
Other	273,453
Net cash used by operating activities	<u>(20,656,194)</u>
Cash flows from non-capital financing activities:	
State appropriations	20,557,045
Local appropriations	93,739
Grants and gifts	5,013,002
PLUS, Stafford and Direct Lending loan receipts	799,967
PLUS, Stafford and Direct Lending loan disbursements	(799,967)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(82,132)
Net cash provided (used) by non-capital financing activities	<u>25,581,654</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	749,504
Purchase capital assets	(2,864,396)
Proceeds from sale of capital assets	
Debt interest payments	(24,620)
Debt principal payments	(461,675)
Net cash provided (used) by capital financing activities	<u>(2,601,187)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	297,000
Net cash provided (used) by investing activities	<u>297,000</u>
Net increase (decrease) in cash and cash equivalents	2,621,273
Cash and cash equivalents, beginning of year	13,333,936
Cash and cash equivalents, End of Year	<u>15,955,209</u>

**Virginia Community College System
New River Community College
Statement of Cash Flows
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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(22,323,664)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,664,810
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	70,331
Prepaid expenses and other	(311,600)
Post employment benefits asset	(18,382)
Accrued compensation and leave	(655)
Accounts payable and other	1,189,408
Unearned revenue	31,740
Deposits pending distribution	120,183
Custodial receipts(disbursements)	(63,532)
Pension liability	572,468
Post employment benefits liability	(77,411)
Deferred inflows of resources related to pensions and post employment benefits	(970,977)
Deferred outflows of resources related to pensions and post employment benefits	(538,913)
Net cash used in operating activities	(20,656,194)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	15,955,279
Less: Securities Lending Cash Equivalents	70
Cash and cash equivalents end of year	<u>15,955,209</u>
Noncash transactions	
Donated capital assets	385
VRS Special Revenue Allocation	146,130

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, 2024**

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		Component Unit
	Community College	Northern Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	145,646,513	106,155
Appropriation available		
Short term investments (Note 2)	5,589,510	2,614,817
Accounts receivable, net (Note 3)	3,520,007	
Pledges receivable (Note 3)		2,485,074
Due from commonwealth (Note 4)	502,103	
Due from system office	88,519	
Interest receivable	14,957	
Prepaid expenses	4,465,935	
Inventories		
Notes receivable, net (Note 3)	583,991	
Total Current Assets	<u>160,411,535</u>	<u>5,206,046</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(7,296)	
Prepaid expenses	108,466	
Endowment cash and cash equivalents (Note 2)		
Appropriation available	13,608,286	
Endowment investments (Note 2)		13,951,515
Other long-term investments (Note 2)	31,677,366	19,054,208
Accounts receivable, net (Note 3)	313,241	
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		529,816
Due from commonwealth (Note 4)	2,918,842	
Notes receivable, net (Note 3)	205,735	
Post employment benefit assets (Note 18)	6,022,155	
Non-depreciable capital assets, net (Note 5)	68,334,880	
Depreciable capital assets, net (Note 5)	339,215,802	
Total Noncurrent Assets	<u>462,397,477</u>	<u>33,535,539</u>
Total Assets	<u>622,809,012</u>	<u>38,741,585</u>
Deferred Outflows of Resources (Note 8)	31,105,137	
Total Assets and Deferred Outflows of Resources	<u>653,914,149</u>	<u>38,741,585</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	18,997,697	176,619
Accrued payroll expense	18,096,633	34,329
Unearned revenue	23,308,438	79,550
Long-term liabilities-current portion (Note 9)	9,198,899	
Securities lending obligation	1,552	
Post employment benefit obligations (Note 9)	453,092	
Due to system's office		
Deposits	605,220	
Total Current Liabilities	<u>70,661,531</u>	<u>290,498</u>

**Virginia Community College System
Northern Virginia Community College
Statement of Net Position
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		Component Unit
	Community College	Northern Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	131,065	
Long-term liabilities (Note 9)	16,886,227	
Due to federal government (Note 9)	1,069,483	
Pension and post employment benefit obligations (Note 9)	126,471,761	
Total Noncurrent Liabilities	<u>144,558,536</u>	
Total Liabilities	<u>215,220,067</u>	<u>290,498</u>
Deferred Inflows of Resources (Note 8)	25,453,788	
Total Liabilities and Deferred Inflows of Resources	<u>240,673,855</u>	<u>290,498</u>
Net Position		
Net investment in capital assets	389,857,427	
Restricted for:		
Nonexpendable	115,618	9,400,845
Expendable	70,569,100	14,883,628
Unrestricted	(47,301,851)	14,166,614
Total Net Position	<u>413,240,294</u>	<u>38,451,087</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, 2024

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		Component Unit
	Community College	Northern Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$59,904,158)	101,744,029	
Federal grants and contracts	13,860,412	
State and local grants	2,167,991	
Nongovernmental grants	7,402,290	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$194,733)	4,569,227	
Gifts and contributions		1,936,449
Endowment income		1,806,452
Other operating revenues	9,821,090	727,412
Total Operating Revenue	<u>139,565,039</u>	<u>4,470,313</u>
Expenses		
Operating Expenses		
Instruction	136,934,571	
Public service	1,181,159	2,230,807
Academic support	33,834,545	
Student services	32,982,649	
Institutional support	51,463,336	223,152
Operation and maintenance	71,167,446	
Scholarships and fellowships	34,127,856	801,511
Auxiliary enterprises	2,924,655	
Fundraising		59,625
Other expenses	11,826	
Total Operating Expenses (Note 12)	<u>364,628,043</u>	<u>3,315,095</u>
Operating Income (Loss)	<u>(225,063,004)</u>	<u>1,155,218</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	179,144,845	
Local appropriations	293,245	
Grants and gifts	68,280,251	
Investment income	3,049,471	1,954,786
Interest on capital asset related debt	(648,078)	
Other nonoperating revenue (expense)	(1,257,760)	
Net Nonoperating Revenue	<u>248,861,974</u>	<u>1,954,786</u>
Income before other revenues, expenses gains (losses)	23,798,970	3,110,004
Capital appropriations-state (Note 20)	28,763,293	
Capital appropriations-local		
Capital gifts, grants and contracts	804,440	
Additions to permanent and term endowments		129,431
Increase (Decrease) in Net Position	<u>53,366,703</u>	<u>3,239,435</u>
Net Position		
Net Position beginning of year	<u>359,873,591</u>	<u>35,211,652</u>
Net Position end of year	<u>413,240,294</u>	<u>38,451,087</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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	109,911,875
Grants and contracts	24,313,076
Payments to suppliers and others	(93,792,605)
Payments for employee wages	(165,858,525)
Payments for employee fringes and pension benefits	(56,162,322)
Payment for scholarships	(33,632,009)
Payments for utilities	(4,235,432)
Sales and services of education department	
Auxiliary	4,569,227
Custodial receipts	3,636,870
Custodial disbursements	(3,371,804)
Loans issued to students	(398,663)
Loans collected from students	388,589
Other	9,819,212
Net cash used by operating activities	<u>(204,812,511)</u>
Cash flows from non-capital financing activities:	
State appropriations	179,144,845
Local appropriations	293,245
Grants and gifts	68,572,285
PLUS, Stafford and Direct Lending loan receipts	25,720,300
PLUS, Stafford and Direct Lending loan disbursements	(25,186,565)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(917,914)
Net cash provided (used) by non-capital financing activities	<u>247,626,196</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	28,286,260
Capital appropriations-local	
Capital grants and gifts	764,325
Purchase capital assets	(47,040,986)
Proceeds from sale of capital assets	144,933
Debt interest payments	(646,493)
Debt principal payments	(5,100,579)
Net cash provided (used) by capital financing activities	<u>(23,592,540)</u>
Cash flows from investing activities:	
Purchases of investments	(3,428,205)
Sale of investments	2,453,112
Investment income	2,138,244
Net cash provided (used) by investing activities	<u>1,163,151</u>
Net increase (decrease) in cash and cash equivalents	20,384,296
Cash and cash equivalents, beginning of year	125,253,369
Cash and cash equivalents, End of Year	<u>145,637,665</u>

**Virginia Community College System
Northern Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(225,063,004)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	18,022,571
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	2,952,519
Prepaid expenses and other	1,454,755
Post employment benefits asset	(112,553)
Accrued compensation and leave	1,862,691
Accounts payable and other	4,438,797
Unearned revenue	6,179,102
Deposits pending distribution	(193,581)
Custodial receipts(disbursements)	265,066
Pension liability	6,039,869
Post employment benefits liability	(1,111,533)
Deferred inflows of resources related to pensions and post employment benefits	(12,369,776)
Deferred outflows of resources related to pensions and post employment benefits	(7,177,434)
Net cash used in operating activities	(204,812,511)

Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	145,639,217
Less: Securities Lending Cash Equivalents	1,552
Cash and cash equivalents end of year	<u>145,637,665</u>

Noncash transactions

Donated capital assets	40,115
VRS Special Revenue Allocation	1,908,474
Unrealized gain/loss on investments	809,896
Amortization of deferral on debt defeasance	(1,100)
Capital assets acquired through the assumption of a liability	25,229
Retainage payable	1,567,414

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, 2024**

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	Community College	Component Unit Patrick & Henry Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	3,216,191	731,899
Appropriation available		
Short term investments (Note 2)	948,719	867,000
Accounts receivable, net (Note 3)	1,434,081	
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	124,029	
Due from system office		
Interest receivable		
Prepaid expenses		
Inventories	6,500	
Notes receivable, net (Note 3)	4,769	
Total Current Assets	<u>5,734,289</u>	<u>1,598,899</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(50,000)	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		93,190
Appropriation available		
Endowment investments (Note 2)		10,371,227
Other long-term investments (Note 2)		9,793,141
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	102,068	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	678,885	
Non-depreciable capital assets, net (Note 5)	819,072	111,906
Depreciable capital assets, net (Note 5)	26,482,970	698,483
Total Noncurrent Assets	<u>28,032,995</u>	<u>21,067,947</u>
Total Assets	<u>33,767,284</u>	<u>22,666,846</u>
Deferred Outflows of Resources (Note 8)	3,668,927	
Total Assets and Deferred Outflows of Resources	<u>37,436,211</u>	<u>22,666,846</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	592,892	
Accrued payroll expense	1,218,061	
Unearned revenue	394,621	189,861
Long-term liabilities-current portion (Note 9)	648,467	
Securities lending obligation	10	
Post employment benefit obligations (Note 9)	61,166	
Due to system's office		
Deposits	3,480	
Total Current Liabilities	<u>2,918,697</u>	<u>189,861</u>

**Virginia Community College System
Patrick & Henry Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Patrick & Henry Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	426,330	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	13,565,082	
Total Noncurrent Liabilities	<u>13,991,412</u>	
Total Liabilities	<u>16,910,109</u>	<u>189,861</u>
Deferred Inflows of Resources (Note 8)	2,427,041	
Total Liabilities and Deferred Inflows of Resources	<u>19,337,150</u>	<u>189,861</u>
Net Position		
Net investment in capital assets	27,225,461	810,389
Restricted for:		
Nonexpendable		7,508,344
Expendable	353,958	3,559,822
Unrestricted	(9,480,358)	10,598,430
Total Net Position	<u>18,099,061</u>	<u>22,476,985</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, 2024

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	Community College	Component Unit Patrick Henry Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,986,809)	3,203,551	
Federal grants and contracts	3,104,002	
State and local grants	780,507	
Nongovernmental grants	670,787	949,867
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$16,098)	42,833	
Gifts and contributions		781,290
Endowment income		2,731,994
Other operating revenues	284,667	104,128
Total Operating Revenue	<u>8,086,347</u>	<u>4,567,279</u>
Expenses		
Operating Expenses		
Instruction	8,057,538	61,400
Public service	1,643,517	3,535
Academic support	2,652,399	850,834
Student services	3,330,264	16,821
Institutional support	4,558,173	218,490
Operation and maintenance	2,156,956	142,726
Scholarships and fellowships	3,666,529	1,125,891
Auxiliary enterprises	44,189	332,730
Fundraising		24,895
Other expenses	1,391	179,417
Total Operating Expenses (Note 12)	<u>26,110,956</u>	<u>2,956,739</u>
Operating Income (Loss)	<u>(18,024,609)</u>	<u>1,610,540</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	13,034,063	
Local appropriations	119,249	
Grants and gifts	5,360,360	
Investment income	81,774	46,259
Interest on capital asset related debt	(3,134)	
Other nonoperating revenue (expense)	(178,081)	
Net Nonoperating Revenue	<u>18,414,231</u>	<u>46,259</u>
Income before other revenues, expenses gains (losses)	389,622	1,656,799
Capital appropriations-state (Note 20)	208,883	
Capital appropriations-local		
Capital gifts, grants and contracts	317,650	
Additions to permanent and term endowments		89,132
Increase (Decrease) in Net Position	<u>916,155</u>	<u>1,745,931</u>
Net Position		
Net Position beginning of year	<u>17,182,906</u>	<u>20,731,054</u>
Net Position end of year	<u>18,099,061</u>	<u>22,476,985</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 Cash Flows
For the Year Ended June 30, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	2,751,248
Grants and contracts	4,694,746
Payments to suppliers and others	(4,114,990)
Payments for employee wages	(12,418,664)
Payments for employee fringes and pension benefits	(5,308,174)
Payment for scholarships	(3,532,181)
Payments for utilities	(533,764)
Sales and services of education department	
Auxiliary	41,888
Custodial receipts	570,420
Custodial disbursements	(677,719)
Loans issued to students	
Loans collected from students	4,018
Other	285,284
Net cash used by operating activities	<u>(18,237,888)</u>
Cash flows from non-capital financing activities:	
State appropriations	13,034,063
Local appropriations	119,249
Grants and gifts	5,916,021
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	48,375
Net cash provided (used) by non-capital financing activities	<u>19,117,708</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	176,850
Capital appropriations-local	
Capital grants and gifts	279,443
Purchase capital assets	(1,421,267)
Proceeds from sale of capital assets	1,256
Debt interest payments	(3,134)
Debt principal payments	(36,466)
Net cash provided (used) by capital financing activities	<u>(1,003,318)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	119
Net cash provided (used) by investing activities	<u>119</u>
Net increase (decrease) in cash and cash equivalents	(123,379)
Cash and cash equivalents, beginning of year	3,289,560
Cash and cash equivalents, End of Year	<u><u>3,166,181</u></u>

**Virginia Community College System
Patrick & Henry Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(18,024,609)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,746,204
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(403,704)
Prepaid expenses and other	39,435
Post employment benefits asset	(18,334)
Accrued compensation and leave	101,402
Accounts payable and other	(323,511)
Unearned revenue	95,932
Deposits pending distribution	
Custodial receipts(disbursements)	(107,299)
Pension liability	947,689
Post employment benefits liability	(55,805)
Deferred inflows of resources related to pensions and post employment benefits	(1,516,648)
Deferred outflows of resources related to pensions and post employment benefits	(718,640)
Net cash used in operating activities	(18,237,888)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	3,166,191
Less: Securities Lending Cash Equivalents	10
Cash and cash equivalents end of year	<u>3,166,181</u>
Noncash transactions	
Donated capital assets	38,207
VRS Special Revenue Allocation	203,841
Unrealized gain/loss on investments	81,652
Retainage payable	11,467

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, 2024

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	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)	4,927,918	354,036	4,543,534
Appropriation available	8,949		
Short term investments (Note 2)		771,377	
Accounts receivable, net (Note 3)	551,137		
Pledges receivable (Note 3)		306	
Due from commonwealth (Note 4)			
Due from system office	83,854	18,522	
Interest receivable			
Prepaid expenses	42,216		
Inventories	13,500		
Notes receivable, net (Note 3)			
Total Current Assets	<u>5,627,574</u>	<u>1,144,241</u>	<u>4,543,534</u>
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)	(159,339)		
Prepaid expenses			
Endowment cash and cash equivalents (Note 2)	17,606		
Appropriation available			
Endowment investments (Note 2)		708,920	
Other long-term investments (Note 2)			
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		4,750	
Due from commonwealth (Note 4)	279,670		
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	221,652		
Non-depreciable capital assets, net (Note 5)	594,274	2,500	864,190
Depreciable capital assets, net (Note 5)	7,915,097	2,657	1,170,591
Total Noncurrent Assets	<u>8,868,960</u>	<u>718,827</u>	<u>2,034,781</u>
Total Assets	<u>14,496,534</u>	<u>1,863,068</u>	<u>6,578,315</u>
Deferred Outflows of Resources (Note 8)	1,137,434		
Total Assets and Deferred Outflows of Resources	<u><u>15,633,968</u></u>	<u><u>1,863,068</u></u>	<u><u>6,578,315</u></u>
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	589,492		
Accrued payroll expense	398,522		
Unearned revenue	301,687		
Long-term liabilities-current portion (Note 9)	187,192		
Securities lending obligation	1,502		
Post employment benefit obligations (Note 9)	18,520		
Due to system's office			
Deposits	1,333,496		
Total Current Liabilities	<u>2,830,411</u>		

**Virginia Community College System
Paul D. Camp Community College
Statement of Net Position
As of June 30, 2024**

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	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)	142,955	5,450	
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	4,432,187		
Total Noncurrent Liabilities	<u>4,575,142</u>	<u>5,450</u>	
Total Liabilities	<u>7,405,553</u>	<u>5,450</u>	
Deferred Inflows of Resources (Note 8)	897,764		
Total Liabilities and Deferred Inflows of Resources	<u>8,303,317</u>	<u>5,450</u>	
Net Position			
Net investment in capital assets	8,478,375	5,157	2,034,781
Restricted for:			
Nonexpendable		315,565	
Expendable	2,031,014	1,378,760	3,809,681
Unrestricted	(3,178,738)	158,136	733,853
Total Net Position	<u>7,330,651</u>	<u>1,857,618</u>	<u>6,578,315</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, 2024

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		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 \$1,611,702)	3,068,037		
Federal grants and contracts	823,145		
State and local grants	667,838		
Nongovernmental grants	319,219	189,081	3,943,983
Sales/services of education department			
Auxiliary enterprises (net of scholarship allowance of \$6,269)	26,719		
Gifts and contributions		143,137	
Endowment income		54,011	
Other operating revenues	145,912	171,839	324,000
Total Operating Revenue	5,050,870	558,068	4,267,983
Expenses			
Operating Expenses			
Instruction	7,084,849		
Public service	96,359	9,586	
Academic support	1,005,941	60,975	
Student services	2,052,680		
Institutional support	2,608,645	377,810	141,722
Operation and maintenance	2,931,155		
Scholarships and fellowships	20,729	131,034	10,000
Auxiliary enterprises	10,238		
Fundraising		9,274	
Other expenses			30,072
Total Operating Expenses (Note 12)	15,810,596	588,679	181,794
Operating Income (Loss)	(10,759,726)	(30,611)	4,086,189
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	7,605,882		
Local appropriations	118,222		
Grants and gifts	525,948		
Investment income	12,578	64,660	1,161,749
Interest on capital asset related debt	(861)		
Other nonoperating revenue (expense)	1,618,942		
Net Nonoperating Revenue	9,880,711	64,660	1,161,749
Income before other revenues, expenses gains (losses)	(879,015)	34,049	5,247,938
Capital appropriations-state (Note 20)	297,442		
Capital appropriations-local			
Capital gifts, grants and contracts	591,463		352,300
Additions to permanent and term endowments			
Increase (Decrease) in Net Position	9,890	34,049	5,600,238
Net Position			
Net Position beginning of year	7,320,761	1,823,569	978,077
Net Position end of year	7,330,651	1,857,618	6,578,315

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, 2024

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	Community College
Cash flows from operating activities:	
Tuition and fees	3,638,191
Grants and contracts	2,325,341
Payments to suppliers and others	(6,970,845)
Payments for employee wages	(5,991,544)
Payments for employee fringes and pension benefits	(2,119,371)
Payment for scholarships	(20,729)
Payments for utilities	(379,011)
Sales and services of education department	
Auxiliary	26,719
Custodial receipts	6,070
Custodial disbursements	(3,786)
Loans issued to students	
Loans collected from students	
Other	145,912
Net cash used by operating activities	<u>(9,343,053)</u>
Cash flows from non-capital financing activities:	
State appropriations	7,605,882
Local appropriations	118,222
Grants and gifts	525,948
PLUS, Stafford and Direct Lending loan receipts	84,032
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,586,574
Net cash provided (used) by non-capital financing activities	<u>9,920,658</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	17,772
Capital appropriations-local	
Capital grants and gifts	591,383
Purchase capital assets	(456,596)
Proceeds from sale of capital assets	
Debt interest payments	(861)
Debt principal payments	(7,328)
Net cash provided (used) by capital financing activities	<u>144,370</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	12,502
Net cash provided (used) by investing activities	<u>12,502</u>
Net increase (decrease) in cash and cash equivalents	734,477
Cash and cash equivalents, beginning of year	4,050,206
Cash and cash equivalents, End of Year	<u>4,784,683</u>

Virginia Community College System
Paul D. Camp Community College
Statement of Cash Flows
For the Year Ended June 30, 2024

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(10,759,726)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	661,784
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	196,566
Prepaid expenses and other	145,992
Post employment benefits asset	(730)
Accrued compensation and leave	(50,009)
Accounts payable and other	143,645
Unearned revenue	299,619
Deposits pending distribution	580,159
Custodial receipts(disbursements)	2,284
Pension liability	237,965
Post employment benefits liability	(59,932)
Deferred inflows of resources related to pensions and post employment benefits	(433,399)
Deferred outflows of resources related to pensions and post employment benefits	(307,271)
Net cash used in operating activities	<u>(9,343,053)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	4,786,185
Less: Securities Lending Cash Equivalents	<u>1,502</u>
Cash and cash equivalents end of year	<u>4,784,683</u>
Noncash transactions	
Donated capital assets	80
VRS Special Revenue Allocation	66,765
Retainage payable	82,643

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, 2024**

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	Community College	Component Unit Piedmont Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	8,490,191	8,350,033
Appropriation available		
Short term investments (Note 2)		2,009
Accounts receivable, net (Note 3)	624,406	15,215
Pledges receivable (Note 3)		630,181
Due from commonwealth (Note 4)	243,830	
Due from system office	133,692	
Interest receivable		
Prepaid expenses	7,888	
Inventories	6,500	
Notes receivable, net (Note 3)	687	
Total Current Assets	<u>9,507,194</u>	<u>8,997,438</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(455,130)	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		
Appropriation available	1,253,359	
Endowment investments (Note 2)		16,418,706
Other long-term investments (Note 2)		3,451,145
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		307,906
Due from commonwealth (Note 4)	1,371,934	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	594,956	
Non-depreciable capital assets, net (Note 5)	32,159,816	
Depreciable capital assets, net (Note 5)	16,787,352	
Total Noncurrent Assets	<u>51,712,287</u>	<u>20,177,757</u>
Total Assets	<u>61,219,481</u>	<u>29,175,195</u>
Deferred Outflows of Resources (Note 8)	3,225,444	
Total Assets and Deferred Outflows of Resources	<u>64,444,925</u>	<u>29,175,195</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	3,599,103	81,798
Accrued payroll expense	2,436,520	137,500
Unearned revenue	1,313,327	
Long-term liabilities-current portion (Note 9)	786,032	1,550
Securities lending obligation	4,742	
Post employment benefit obligations (Note 9)	59,839	
Due to system's office		
Deposits	81,458	
Total Current Liabilities	<u>8,281,021</u>	<u>220,848</u>

**Virginia Community College System
Piedmont Virginia Community College
Statement of Net Position
As of June 30, 2024**

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		Component Unit
	Community College	Piedmont Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	756,680	27,451
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	12,317,015	
Total Noncurrent Liabilities	<u>13,073,695</u>	<u>27,451</u>
Total Liabilities	<u>21,354,716</u>	<u>248,299</u>
Deferred Inflows of Resources (Note 8)	2,874,613	
Total Liabilities and Deferred Inflows of Resources	<u>24,229,329</u>	<u>248,299</u>
Net Position		
Net investment in capital assets	48,316,670	
Restricted for:		
Nonexpendable	(604)	26,312,824
Expendable	1,185,967	2,614,072
Unrestricted	(9,286,437)	
Total Net Position	<u>40,215,596</u>	<u>28,926,896</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, 2024

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		Component Unit
	Community College	Piedmont Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,454,709)	6,235,583	
Federal grants and contracts	1,351,464	
State and local grants	1,923,178	
Nongovernmental grants	47,377	
Sales/services of education department	818,940	
Auxiliary enterprises (net of scholarship allowance of \$17,746)	170,714	
Gifts and contributions		331,460
Endowment income		715,594
Other operating revenues	428,000	36,792
Total Operating Revenue	<u>10,975,256</u>	<u>1,083,846</u>
Expenses		
Operating Expenses		
Instruction	16,223,584	
Public service	1,148,580	
Academic support	3,625,801	1,710,344
Student services	5,874,223	
Institutional support	5,027,727	343,299
Operation and maintenance	2,821,464	
Scholarships and fellowships	5,584,571	689,131
Auxiliary enterprises	179,012	
Fundraising		189,018
Other expenses		
Total Operating Expenses (Note 12)	<u>40,484,962</u>	<u>2,931,792</u>
Operating Income (Loss)	<u>(29,509,706)</u>	<u>(1,847,946)</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	23,136,580	
Local appropriations	52,690	
Grants and gifts	7,026,409	
Investment income	122,156	345,232
Interest on capital asset related debt	(14,529)	
Other nonoperating revenue (expense)	254,688	
Net Nonoperating Revenue	<u>30,577,994</u>	<u>345,232</u>
Income before other revenues, expenses gains (losses)	1,068,288	(1,502,714)
Capital appropriations-state (Note 20)	11,715,699	
Capital appropriations-local		
Capital gifts, grants and contracts	147,410	
Additions to permanent and term endowments		1,068,755
Increase (Decrease) in Net Position	<u>12,931,397</u>	<u>(433,959)</u>
Net Position		
Net Position beginning of year	<u>27,284,199</u>	<u>29,360,855</u>
Net Position end of year	<u>40,215,596</u>	<u>28,926,896</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 Cash Flows
For the Year Ended June 30, 2024**

Page 190

	Community College
Cash flows from operating activities:	
Tuition and fees	6,916,136
Grants and contracts	3,277,260
Payments to suppliers and others	(8,102,236)
Payments for employee wages	(18,473,167)
Payments for employee fringes and pension benefits	(6,680,971)
Payment for scholarships	(6,210,753)
Payments for utilities	(391,624)
Sales and services of education department	818,940
Auxiliary	168,708
Custodial receipts	248,884
Custodial disbursements	(202,647)
Loans issued to students	(494)
Loans collected from students	8,773
Other	408,171
Net cash used by operating activities	<u>(28,215,020)</u>
Cash flows from non-capital financing activities:	
State appropriations	23,136,580
Local appropriations	52,690
Grants and gifts	6,858,130
PLUS, Stafford and Direct Lending loan receipts	1,256,477
PLUS, Stafford and Direct Lending loan disbursements	(1,256,566)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	261,802
Net cash provided (used) by non-capital financing activities	<u>30,309,113</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	12,236,768
Capital appropriations-local	
Capital grants and gifts	147,410
Purchase capital assets	(10,503,103)
Proceeds from sale of capital assets	1,861
Debt interest payments	(14,529)
Debt principal payments	(291,540)
Net cash provided (used) by capital financing activities	<u>1,576,867</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	121,195
Net cash provided (used) by investing activities	<u>121,195</u>
Net increase (decrease) in cash and cash equivalents	3,792,155
Cash and cash equivalents, beginning of year	4,238,164
Cash and cash equivalents, End of Year	<u>8,030,319</u>

**Virginia Community College System
Piedmont Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(29,509,706)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,361,238
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	490,867
Prepaid expenses and other	44,471
Post employment benefits asset	20,407
Accrued compensation and leave	101,886
Accounts payable and other	699,150
Unearned revenue	122,170
Deposits pending distribution	11,282
Custodial receipts(disbursements)	46,237
Pension liability	187,170
Post employment benefits liability	(212,427)
Deferred inflows of resources related to pensions and post employment benefits	(955,905)
Deferred outflows of resources related to pensions and post employment benefits	(621,860)
Net cash used in operating activities	(28,215,020)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	8,035,061
Less: Securities Lending Cash Equivalents	4,742
Cash and cash equivalents end of year	<u>8,030,319</u>
Noncash transactions	
Donated capital assets	
VRS Special Revenue Allocation	185,924
Capital assets acquired through the assumption of a liability	796,799
Retainage payable	1,270,541

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, 2024**

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	Community College	Component Unit Rappahannock Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	5,092,414	256,697
Appropriation available	68	
Short term investments (Note 2)	1,132,657	2,906,293
Accounts receivable, net (Note 3)	807,325	550
Pledges receivable (Note 3)		12,300
Due from commonwealth (Note 4)		
Due from system office	26,605	
Interest receivable	4,972	
Prepaid expenses	76,894	
Inventories	76,908	
Notes receivable, net (Note 3)		
Total Current Assets	7,217,843	3,175,840
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	23,383	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		17,259,213
Other long-term investments (Note 2)		
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		100,000
Pledges receivable (Note 3)		9,009
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	406,946	
Non-depreciable capital assets, net (Note 5)	311,847	137,457
Depreciable capital assets, net (Note 5)	10,051,042	
Total Noncurrent Assets	10,793,218	17,505,679
Total Assets	18,011,061	20,681,519
Deferred Outflows of Resources (Note 8)	2,547,105	
Total Assets and Deferred Outflows of Resources	20,558,166	20,681,519
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	666,600	4,357
Accrued payroll expense	1,192,671	
Unearned revenue	60,060	
Long-term liabilities-current portion (Note 9)	510,983	
Securities lending obligation	573	
Post employment benefit obligations (Note 9)	35,816	
Due to system's office		
Deposits	1,127,204	
Total Current Liabilities	3,593,907	4,357

**Virginia Community College System
Rappahannock Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Rappahannock Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	199,422	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	8,304,082	
Total Noncurrent Liabilities	<u>8,503,504</u>	
Total Liabilities	<u>12,097,411</u>	<u>4,357</u>
Deferred Inflows of Resources (Note 8)	1,675,754	
Total Liabilities and Deferred Inflows of Resources	<u>13,773,165</u>	<u>4,357</u>
Net Position		
Net investment in capital assets	10,310,728	137,457
Restricted for:		
Nonexpendable		7,284,776
Expendable	1,798,990	12,329,641
Unrestricted	(5,324,717)	925,288
Total Net Position	<u>6,785,001</u>	<u>20,677,162</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, 2024

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	Community College	Component Unit Rappahannock Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$2,205,297)	3,645,929	
Federal grants and contracts	1,737,207	
State and local grants	425,503	
Nongovernmental grants	212,370	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$7,166)	120,567	
Gifts and contributions		198,649
Endowment income		442,540
Other operating revenues	453,525	129,863
Total Operating Revenue	6,595,101	771,052
Expenses		
Operating Expenses		
Instruction	8,982,903	
Public service	462,848	
Academic support	2,498,341	649,576
Student services	2,993,567	
Institutional support	6,406,413	124,487
Operation and maintenance	3,008,280	
Scholarships and fellowships	1,974,746	710,122
Auxiliary enterprises	43,011	
Fundraising		58,047
Other expenses		
Total Operating Expenses (Note 12)	26,370,109	1,542,232
Operating Income (Loss)	(19,775,008)	(771,180)
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	13,232,003	
Local appropriations	100,293	
Grants and gifts	6,482,626	
Investment income	20,588	2,367,330
Interest on capital asset related debt		
Other nonoperating revenue (expense)	268,703	
Net Nonoperating Revenue	20,104,213	2,367,330
Income before other revenues, expenses gains (losses)	329,205	1,596,150
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	210	
Additions to permanent and term endowments		1,253,353
Increase (Decrease) in Net Position	329,415	2,849,503
Net Position		
Net Position beginning of year	6,455,586	17,827,659
Net Position end of year	6,785,001	20,677,162

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	2,658,176
Grants and contracts	2,375,080
Payments to suppliers and others	(7,627,718)
Payments for employee wages	(11,146,363)
Payments for employee fringes and pension benefits	(4,201,595)
Payment for scholarships	(2,138,473)
Payments for utilities	(287,128)
Sales and services of education department	
Auxiliary	120,567
Custodial receipts	1,741
Custodial disbursements	(863)
Loans issued to students	
Loans collected from students	
Other	468,859
Net cash used by operating activities	<u>(19,777,717)</u>
Cash flows from non-capital financing activities:	
State appropriations	13,232,003
Local appropriations	100,293
Grants and gifts	6,482,626
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	257,613
Net cash provided (used) by non-capital financing activities	<u>20,072,535</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	
Purchase capital assets	(61,295)
Proceeds from sale of capital assets	
Debt interest payments	
Debt principal payments	(53,856)
Net cash provided (used) by capital financing activities	<u>(115,151)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	5,022
Net cash provided (used) by investing activities	<u>5,022</u>
Net increase (decrease) in cash and cash equivalents	184,689
Cash and cash equivalents, beginning of year	4,907,152
Cash and cash equivalents, End of Year	<u><u>5,091,841</u></u>

**Virginia Community College System
Rappahannock Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(19,775,008)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,353,438
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(481,649)
Prepaid expenses and other	(15,266)
Post employment benefits asset	(2,617)
Accrued compensation and leave	113,741
Accounts payable and other	239,414
Unearned revenue	(550,773)
Deposits pending distribution	60,641
Custodial receipts(disbursements)	878
Pension liability	326,390
Post employment benefits liability	(74,468)
Deferred inflows of resources related to pensions and post employment benefits	(714,734)
Deferred outflows of resources related to pensions and post employment benefits	(257,704)
Net cash used in operating activities	(19,777,717)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	5,092,414
Less: Securities Lending Cash Equivalents	573
Cash and cash equivalents end of year	<u>5,091,841</u>
Noncash transactions	
Donated capital assets	210
VRS Special Revenue Allocation	125,877
Unrealized gain/loss on investments	15,884
Capital assets acquired through the assumption of a liability	106,017
Retainage payable	16,292

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, 2024**

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	Community College	Component Unit Southside Virginia Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	12,648,940	1,378,745
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	1,056,642	726,714
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)		
Due from system office	70,404	
Interest receivable		
Prepaid expenses	280,611	
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>14,056,597</u>	<u>2,105,459</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	10,623	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		5,652,396
Other long-term investments (Note 2)		1,131,458
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		130
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	470,248	
Non-depreciable capital assets, net (Note 5)	612,536	165,530
Depreciable capital assets, net (Note 5)	27,819,882	1,122,325
Total Noncurrent Assets	<u>28,913,289</u>	<u>8,071,839</u>
Total Assets	<u>42,969,886</u>	<u>10,177,298</u>
Deferred Outflows of Resources (Note 8)	2,755,515	
Total Assets and Deferred Outflows of Resources	<u>45,725,401</u>	<u>10,177,298</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	501,369	1,052,390
Accrued payroll expense	1,368,771	
Unearned revenue	922,055	
Long-term liabilities-current portion (Note 9)	459,864	
Securities lending obligation	2,113	
Post employment benefit obligations (Note 9)	47,434	
Due to system's office		
Deposits	436,111	
Total Current Liabilities	<u>3,737,717</u>	<u>1,052,390</u>

**Virginia Community College System
Southside Virginia Community College
Statement of Net Position
As of June 30, 2024**

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	Community College	Component Unit Southside Virginia Community College Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	441,958	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	10,312,115	
Total Noncurrent Liabilities	<u>10,754,073</u>	
Total Liabilities	<u>14,491,790</u>	<u>1,052,390</u>
Deferred Inflows of Resources (Note 8)	2,049,904	
Total Liabilities and Deferred Inflows of Resources	<u>16,541,694</u>	<u>1,052,390</u>
Net Position		
Net investment in capital assets	28,432,418	1,287,855
Restricted for:		
Nonexpendable		488,705
Expendable	1,036,886	4,424,646
Unrestricted	(285,597)	2,923,702
Total Net Position	<u>29,183,707</u>	<u>9,124,908</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, 2024

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	Community College	Component Unit Southside Virginia Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$6,586,159)	2,689,792	
Federal grants and contracts	1,691,701	
State and local grants	1,665,753	869,942
Nongovernmental grants	525	371,582
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$21,372)	112,545	
Gifts and contributions		781,778
Endowment income		459,672
Other operating revenues	206,935	(12,102)
Total Operating Revenue	<u>6,367,251</u>	<u>2,470,872</u>
Expenses		
Operating Expenses		
Instruction	11,884,687	295,808
Public service	411,226	5,875
Academic support	2,979,358	54,339
Student services	2,406,546	
Institutional support	4,220,726	432,456
Operation and maintenance	3,966,603	89,370
Scholarships and fellowships	3,616,421	643,848
Auxiliary enterprises	28,270	
Fundraising		30,556
Other expenses		(53,767)
Total Operating Expenses (Note 12)	<u>29,513,837</u>	<u>1,498,485</u>
Operating Income (Loss)	<u>(23,146,586)</u>	<u>972,387</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	17,198,745	
Local appropriations	86,922	
Grants and gifts	6,210,727	
Investment income	12,810	1,967
Interest on capital asset related debt		
Other nonoperating revenue (expense)	1,272,594	
Net Nonoperating Revenue	<u>24,781,798</u>	<u>1,967</u>
Income before other revenues, expenses gains (losses)	1,635,212	974,354
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	307,701	
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	<u>1,942,913</u>	<u>974,354</u>
Net Position		
Net Position beginning of year	<u>27,240,794</u>	<u>8,150,554</u>
Net Position end of year	<u>29,183,707</u>	<u>9,124,908</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, 2024

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	Community College
Cash flows from operating activities:	
Tuition and fees	3,003,615
Grants and contracts	3,387,122
Payments to suppliers and others	(6,876,781)
Payments for employee wages	(13,441,218)
Payments for employee fringes and pension benefits	(5,166,961)
Payment for scholarships	(3,610,158)
Payments for utilities	(476,613)
Sales and services of education department	
Auxiliary	112,545
Custodial receipts	111,405
Custodial disbursements	(118,291)
Loans issued to students	
Loans collected from students	
Other	206,935
Net cash used by operating activities	<u>(22,868,400)</u>
Cash flows from non-capital financing activities:	
State appropriations	17,198,745
Local appropriations	86,922
Grants and gifts	6,530,173
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,237,311
Net cash provided (used) by non-capital financing activities	<u>25,053,151</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	235,701
Purchase capital assets	(950,395)
Proceeds from sale of capital assets	21,371
Debt interest payments	
Debt principal payments	
Net cash provided (used) by capital financing activities	<u>(693,323)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	12,702
Net cash provided (used) by investing activities	<u>12,702</u>
Net increase (decrease) in cash and cash equivalents	1,504,130
Cash and cash equivalents, beginning of year	11,142,697
Cash and cash equivalents, End of Year	<u>12,646,827</u>

Virginia Community College System
Southside Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2024

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(23,146,586)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,335,042
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	152,600
Prepaid expenses and other	18,631
Post employment benefits asset	(24,686)
Accrued compensation and leave	55,086
Accounts payable and other	61,400
Unearned revenue	216,359
Deposits pending distribution	
Custodial receipts(disbursements)	(6,886)
Pension liability	771,307
Post employment benefits liability	(57,352)
Deferred inflows of resources related to pensions and post employment benefits	(1,618,667)
Deferred outflows of resources related to pensions and post employment benefits	(624,648)
Net cash used in operating activities	(22,868,400)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	12,648,940
Less: Securities Lending Cash Equivalents	2,113
Cash and cash equivalents end of year	<u>12,646,827</u>
Noncash transactions	
Donated capital assets	72,000
VRS Special Revenue Allocation	154,918
Retainage payable	61,516

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, 2024**

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	Community College	Component Unit Southwest Virginia Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	5,092,578	641,047
Appropriation available	48	
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	1,035,934	
Pledges receivable (Note 3)		272,674
Due from commonwealth (Note 4)	17,861	
Due from system office	19,733	
Interest receivable		
Prepaid expenses	123,362	101,263
Inventories	124,700	
Notes receivable, net (Note 3)		
Total Current Assets	<u>6,414,216</u>	<u>1,014,984</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	312	
Endowment cash and cash equivalents (Note 2)		
Appropriation available		
Endowment investments (Note 2)		4,406,754
Other long-term investments (Note 2)		27,816,789
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		2,084
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	439,987	
Non-depreciable capital assets, net (Note 5)	745,855	581,160
Depreciable capital assets, net (Note 5)	21,993,606	7,974,926
Total Noncurrent Assets	<u>23,179,760</u>	<u>40,781,713</u>
Total Assets	<u>29,593,976</u>	<u>41,796,697</u>
Deferred Outflows of Resources (Note 8)	3,495,257	
Total Assets and Deferred Outflows of Resources	<u>33,089,233</u>	<u>41,796,697</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	349,466	80,138
Accrued payroll expense	1,600,648	
Unearned revenue	847,888	
Long-term liabilities-current portion (Note 9)	696,440	107,609
Securities lending obligation	197	
Post employment benefit obligations (Note 9)	54,160	
Due to system's office		
Deposits	85,987	
Total Current Liabilities	<u>3,634,786</u>	<u>187,747</u>

**Virginia Community College System
Southwest Virginia Community College
Statement of Net Position
As of June 30, 2024**

Page 203

	Community College	Component Unit Southwest Virginia Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue	42,634	
Long-term liabilities (Note 9)	420,844	3,343,288
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	10,246,624	
Total Noncurrent Liabilities	<u>10,710,102</u>	<u>3,343,288</u>
Total Liabilities	<u>14,344,888</u>	<u>3,531,035</u>
Deferred Inflows of Resources (Note 8)	1,792,273	
Total Liabilities and Deferred Inflows of Resources	<u>16,137,161</u>	<u>3,531,035</u>
Net Position		
Net investment in capital assets	22,509,080	5,105,189
Restricted for:		
Nonexpendable		3,129,611
Expendable	658,736	10,925,618
Unrestricted	(6,215,744)	19,105,244
Total Net Position	<u>16,952,072</u>	<u>38,265,662</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, 2024

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		Component Unit
	Community College	Southwest Virginia Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,560,697)	3,191,500	
Federal grants and contracts	4,184,325	
State and local grants	795,053	
Nongovernmental grants	91,148	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$18,418)	1,549,625	
Gifts and contributions		830,957
Endowment income		490,821
Other operating revenues	1,145,502	1,271,916
Total Operating Revenue	10,957,153	2,593,694
Expenses		
Operating Expenses		
Instruction	8,368,030	
Public service	1,813,247	
Academic support	2,448,606	
Student services	5,039,249	
Institutional support	5,004,306	2,363,563
Operation and maintenance	2,698,319	1,163,249
Scholarships and fellowships	4,697,715	489,059
Auxiliary enterprises	1,475,494	
Fundraising		40,024
Other expenses		147,878
Total Operating Expenses (Note 12)	31,544,966	4,203,773
Operating Income (Loss)	(20,587,813)	(1,610,079)
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	15,017,240	
Local appropriations	353,492	
Grants and gifts	6,873,239	
Investment income	(24,242)	3,210,645
Interest on capital asset related debt	(11,773)	
Other nonoperating revenue (expense)	312,730	
Net Nonoperating Revenue	22,520,686	3,210,645
Income before other revenues, expenses gains (losses)	1,932,873	1,600,566
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	252,277	220,000
Additions to permanent and term endowments		32,453
Increase (Decrease) in Net Position	2,185,150	1,853,019
Net Position		
Net Position beginning of year	14,766,922	36,412,643
Net Position end of year	16,952,072	38,265,662

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, 2024

Page 205

	Community College
Cash flows from operating activities:	
Tuition and fees	2,636,351
Grants and contracts	5,027,179
Payments to suppliers and others	(6,103,113)
Payments for employee wages	(13,912,305)
Payments for employee fringes and pension benefits	(5,155,682)
Payment for scholarships	(5,342,222)
Payments for utilities	(899,630)
Sales and services of education department	
Auxiliary	1,549,625
Custodial receipts	25,382
Custodial disbursements	(30,165)
Loans issued to students	
Loans collected from students	
Other	1,112,965
Net cash used by operating activities	<u>(21,091,615)</u>
Cash flows from non-capital financing activities:	
State appropriations	15,017,240
Local appropriations	353,492
Grants and gifts	6,855,378
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	338,985
Net cash provided (used) by non-capital financing activities	<u>22,565,095</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	250,273
Purchase capital assets	(2,059,939)
Proceeds from sale of capital assets	
Debt interest payments	(11,773)
Debt principal payments	(218,677)
Net cash provided (used) by capital financing activities	<u>(2,040,116)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	(24,332)
Net cash provided (used) by investing activities	<u>(24,332)</u>
Net increase (decrease) in cash and cash equivalents	(590,968)
Cash and cash equivalents, beginning of year	5,683,349
Cash and cash equivalents, End of Year	<u>5,092,381</u>

**Virginia Community College System
Southwest Virginia Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(20,587,813)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,471,986
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(378,631)
Prepaid expenses and other	(236,374)
Post employment benefits asset	(36,721)
Accrued compensation and leave	(176,189)
Accounts payable and other	(455,963)
Unearned revenue	(252,498)
Deposits pending distribution	48
Custodial receipts(disbursements)	(4,783)
Pension liability	846,743
Post employment benefits liability	18,091
Deferred inflows of resources related to pensions and post employment benefits	(1,081,644)
Deferred outflows of resources related to pensions and post employment benefits	(217,867)
Net cash used in operating activities	(21,091,615)

Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	5,092,578
Less: Securities Lending Cash Equivalents	197
Cash and cash equivalents end of year	<u>5,092,381</u>

Noncash transactions

Donated capital assets	2,004
VRS Special Revenue Allocation	151,764
Capital assets acquired through the assumption of a liability	695

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, 2024**

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	Community College	Component Unit Virginia Peninsula Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	28,561,102	4,033,369
Appropriation available	46	
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	683,230	
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	49,892	
Due from system office	792,339	
Interest receivable		
Prepaid expenses	397,728	
Inventories	550	
Notes receivable, net (Note 3)		
Total Current Assets	<u>30,484,887</u>	<u>4,033,369</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	(83,161)	
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		1,085
Appropriation available	17,818,057	
Endowment investments (Note 2)		9,017,776
Other long-term investments (Note 2)		2,846,935
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		532,300
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	236,661	
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	777,282	
Non-depreciable capital assets, net (Note 5)	15,175,353	
Depreciable capital assets, net (Note 5)	42,938,457	
Total Noncurrent Assets	<u>76,862,649</u>	<u>12,398,096</u>
Total Assets	<u>107,347,536</u>	<u>16,431,465</u>
Deferred Outflows of Resources (Note 8)	4,292,346	
Total Assets and Deferred Outflows of Resources	<u>111,639,882</u>	<u>16,431,465</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	6,075,098	1,570
Accrued payroll expense	1,669,112	
Unearned revenue	1,987,427	
Long-term liabilities-current portion (Note 9)	1,139,241	14,155
Securities lending obligation	12,294	
Post employment benefit obligations (Note 9)	66,724	
Due to system's office		
Deposits	447,987	
Total Current Liabilities	<u>11,397,883</u>	<u>15,725</u>

**Virginia Community College System
Virginia Peninsula Community College
Statement of Net Position
As of June 30, 2024**

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		Component Unit
	Community College	Virginia Peninsula Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	489,387	113,175
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	16,262,128	
Total Noncurrent Liabilities	<u>16,751,515</u>	<u>113,175</u>
Total Liabilities	<u>28,149,398</u>	<u>128,900</u>
Deferred Inflows of Resources (Note 8)	5,991,337	
Total Liabilities and Deferred Inflows of Resources	<u>34,140,735</u>	<u>128,900</u>
Net Position		
Net investment in capital assets	57,681,994	
Restricted for:		
Nonexpendable		3,647,965
Expendable	22,662,254	7,271,579
Unrestricted	(2,845,101)	5,383,021
Total Net Position	<u>77,499,147</u>	<u>16,302,565</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, 2024

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		Component Unit
	Community College	Virginia Peninsula Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$9,243,781)	9,526,382	
Federal grants and contracts	1,948,573	
State and local grants	1,409,997	
Nongovernmental grants		197,000
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$29,974)	303,429	
Gifts and contributions		3,664,868
Endowment income		1,402,708
Other operating revenues	9,249,123	371,242
Total Operating Revenue	22,437,504	5,635,818
Expenses		
Operating Expenses		
Instruction	17,521,716	21,447
Public service	1,596,677	222,197
Academic support	1,839,331	272,084
Student services	4,207,957	
Institutional support	11,057,860	382,035
Operation and maintenance	9,107,965	
Scholarships and fellowships	7,701,815	308,193
Auxiliary enterprises	292,376	
Fundraising		236,424
Other expenses		4,832
Total Operating Expenses (Note 12)	53,325,697	1,447,212
Operating Income (Loss)	(30,888,193)	4,188,606
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	31,386,064	
Local appropriations	57,368	
Grants and gifts	12,538,201	
Investment income	401,234	318,274
Interest on capital asset related debt	(20,178)	
Other nonoperating revenue (expense)	971,054	
Net Nonoperating Revenue	45,333,743	318,274
Income before other revenues, expenses gains (losses)	14,445,550	4,506,880
Capital appropriations-state (Note 20)	285,084	
Capital appropriations-local	565,583	
Capital gifts, grants and contracts	473,717	
Additions to permanent and term endowments		1,296
Increase (Decrease) in Net Position	15,769,934	4,508,176
Net Position		
Net Position beginning of year	61,729,213	11,794,389
Net Position end of year	77,499,147	16,302,565

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	9,808,745
Grants and contracts	3,330,287
Payments to suppliers and others	(14,499,830)
Payments for employee wages	(22,559,653)
Payments for employee fringes and pension benefits	(7,907,385)
Payment for scholarships	(7,955,093)
Payments for utilities	(1,123,623)
Sales and services of education department	
Auxiliary	258,806
Custodial receipts	90,541
Custodial disbursements	(33,408)
Loans issued to students	
Loans collected from students	
Other	9,390,928
Net cash used by operating activities	<u>(31,199,685)</u>
Cash flows from non-capital financing activities:	
State appropriations	31,386,064
Local appropriations	57,368
Grants and gifts	12,662,275
PLUS, Stafford and Direct Lending loan receipts	2,638,580
PLUS, Stafford and Direct Lending loan disbursements	(2,588,343)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	415,393
Net cash provided (used) by non-capital financing activities	<u>44,571,337</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	48,423
Capital appropriations-local	565,583
Capital grants and gifts	473,695
Purchase capital assets	(6,867,265)
Proceeds from sale of capital assets	1,130
Debt interest payments	(20,178)
Debt principal payments	(413,808)
Net cash provided (used) by capital financing activities	<u>(6,212,420)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	400,724
Net cash provided (used) by investing activities	<u>400,724</u>
Net increase (decrease) in cash and cash equivalents	7,559,956
Cash and cash equivalents, beginning of year	20,905,691
Cash and cash equivalents, End of Year	<u>28,465,647</u>

**Virginia Community College System
Virginia Peninsula Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(30,888,193)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,511,237
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	127,423
Prepaid expenses and other	(341,976)
Post employment benefits asset	54,398
Accrued compensation and leave	114,806
Accounts payable and other	416,343
Unearned revenue	168,350
Deposits pending distribution	49,550
Custodial receipts(disbursements)	58,445
Pension liability	(190,870)
Post employment benefits liability	(387,644)
Deferred inflows of resources related to pensions and post employment benefits	(2,848,074)
Deferred outflows of resources related to pensions and post employment benefits	(1,043,480)
Net cash used in operating activities	(31,199,685)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	28,477,941
Less: Securities Lending Cash Equivalents	12,294
Cash and cash equivalents end of year	<u>28,465,647</u>
Noncash transactions	
Donated capital assets	22
VRS Special Revenue Allocation	244,312
Capital assets acquired through the assumption of a liability	82,938
Retainage payable	356,637

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, 2024**

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		Component Units	
		Tidewater Community College Educational Foundation	Tidewater Community College Real Estate Foundation
	Community College		
Assets			
Current Assets			
Cash and cash equivalents (Note 2)	43,759,411	3,466,645	1,214,585
Appropriation available			
Short term investments (Note 2)	12,130,087		
Accounts receivable, net (Note 3)	3,966,700		
Pledges receivable (Note 3)		222,956	
Due from commonwealth (Note 4)	795,991		
Due from system office	118,807		
Interest receivable	202,602		
Prepaid expenses	1,014,415	38,625	28,639
Inventories	435,998		
Notes receivable, net (Note 3)			
Total Current Assets	62,424,011	3,728,226	1,243,224
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)	59,192		
Prepaid expenses	111,640		
Endowment cash and cash equivalents (Note 2)		135,214	
Appropriation available	4,001,874		
Endowment investments (Note 2)		3,261,251	
Other long-term investments (Note 2)	24,110,670	5,758,237	5,966,785
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		374,692	
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	2,459,522		
Non-depreciable capital assets, net (Note 5)	15,973,803		4,107,394
Depreciable capital assets, net (Note 5)	254,994,926		11,757,662
Total Noncurrent Assets	301,711,627	9,529,394	21,831,841
Total Assets	364,135,638	13,257,620	23,075,065
Deferred Outflows of Resources (Note 8)	13,594,686		
Total Assets and Deferred Outflows of Resources	377,730,324	13,257,620	23,075,065
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	2,900,071	193,985	240,702
Accrued payroll expense	8,291,456		
Unearned revenue	5,577,586		379,810
Long-term liabilities-current portion (Note 9)	8,644,326	570	1,068,628
Securities lending obligation	16,978		
Post employment benefit obligations (Note 9)	211,373		
Due to system's office			
Deposits	547,711		
Total Current Liabilities	26,189,501	194,555	1,689,140

**Virginia Community College System
Tidewater Community College
Statement of Net Position
As of June 30, 2024**

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		Component Units	
		Tidewater Community College Educational Foundation	Tidewater Community College Real Estate Foundation
	Community College		
Noncurrent Liabilities			
Unearned revenue			
Long-term liabilities (Note 9)	42,912,201	2,267	8,811,376
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	52,604,346		
Total Noncurrent Liabilities	<u>95,516,547</u>	<u>2,267</u>	<u>8,811,376</u>
Total Liabilities	<u>121,706,048</u>	<u>196,822</u>	<u>10,500,516</u>
Deferred Inflows of Resources (Note 8)	12,508,945		
Total Liabilities and Deferred Inflows of Resources	<u>134,214,993</u>	<u>196,822</u>	<u>10,500,516</u>
Net Position			
Net investment in capital assets	223,750,989		5,985,053
Restricted for:			
Nonexpendable		3,396,965	
Expendable	9,332,802	7,656,788	
Unrestricted	10,431,540	2,007,045	6,589,496
Total Net Position	<u>243,515,331</u>	<u>13,060,798</u>	<u>12,574,549</u>

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

Tidewater Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

		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 \$23,611,890)	27,345,345		
Federal grants and contracts	5,984,201		
State and local grants	1,204,594		
Nongovernmental grants	250,893	2,830,550	
Sales/services of education department	16,033		
Auxiliary enterprises (net of scholarship allowance of \$76,446)	7,596,122		
Gifts and contributions		898,597	
Endowment income			
Other operating revenues	5,345,425	372,610	1,819,336
Total Operating Revenue	47,742,613	4,101,757	1,819,336
Expenses			
Operating Expenses			
Instruction	52,806,532	74,122	
Public service	2,526,661		
Academic support	9,592,923	80,180	
Student services	14,713,842	158,160	
Institutional support	25,216,711	1,153,722	370,775
Operation and maintenance	15,799,382		916,461
Scholarships and fellowships	20,701,898	561,530	
Auxiliary enterprises	3,954,210		
Fundraising		24,109	
Other expenses		570	
Total Operating Expenses (Note 12)	145,312,159	2,052,393	1,287,236
Operating Income (Loss)	(97,569,546)	2,049,364	532,100
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	75,269,725		
Local appropriations	18,000		
Grants and gifts	26,154,688		
Investment income	2,197,992	1,230,017	711,494
Interest on capital asset related debt	(1,323,166)		
Other nonoperating revenue (expense)	899,341		
Net Nonoperating Revenue	103,216,580	1,230,017	711,494
Income before other revenues, expenses gains (losses)	5,647,034	3,279,381	1,243,594
Capital appropriations-state (Note 20)	6,006,002		
Capital appropriations-local			
Capital gifts, grants and contracts	592,811		
Additions to permanent and term endowments		82,600	
Increase (Decrease) in Net Position	12,245,847	3,361,981	1,243,594
Net Position			
Net Position beginning of year	231,269,484	9,698,817	11,330,955
Net Position end of year	243,515,331	13,060,798	12,574,549

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	25,208,160
Grants and contracts	7,492,186
Payments to suppliers and others	(25,287,886)
Payments for employee wages	(66,495,039)
Payments for employee fringes and pension benefits	(23,372,287)
Payment for scholarships	(20,225,595)
Payments for utilities	(3,990,439)
Sales and services of education department	16,033
Auxiliary	7,596,122
Custodial receipts	596,951
Custodial disbursements	(609,636)
Loans issued to students	
Loans collected from students	
Other	5,345,425
Net cash used by operating activities	<u>(93,726,005)</u>
Cash flows from non-capital financing activities:	
State appropriations	75,269,725
Local appropriations	18,000
Grants and gifts	26,031,930
PLUS, Stafford and Direct Lending loan receipts	8,322,887
PLUS, Stafford and Direct Lending loan disbursements	(8,328,491)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	848,101
Net cash provided (used) by non-capital financing activities	<u>102,162,152</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	2,000,000
Capital appropriations-local	
Capital grants and gifts	511,291
Purchase capital assets	(3,851,545)
Proceeds from sale of capital assets	17,730
Debt interest payments	(1,582,056)
Debt principal payments	(6,160,593)
Net cash provided (used) by capital financing activities	<u>(9,065,173)</u>
Cash flows from investing activities:	
Purchases of investments	(24,716,000)
Sale of investments	20,179,310
Investment income	1,846,742
Net cash provided (used) by investing activities	<u>(2,689,948)</u>
Net increase (decrease) in cash and cash equivalents	(3,318,974)
Cash and cash equivalents, beginning of year	47,120,599
Cash and cash equivalents, End of Year	<u><u>43,801,625</u></u>

**Virginia Community College System
Tidewater Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(97,569,546)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	10,238,198
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(1,325,247)
Prepaid expenses and other	321,903
Post employment benefits asset	(37,471)
Accrued compensation and leave	1,588,161
Accounts payable and other	1,054,384
Unearned revenue	(557,863)
Deposits pending distribution	(39,920)
Custodial receipts(disbursements)	(12,685)
Pension liability	2,522,130
Post employment benefits liability	(547,475)
Deferred inflows of resources related to pensions and post employment benefits	(6,634,596)
Deferred outflows of resources related to pensions and post employment benefits	(2,725,978)
Net cash used in operating activities	(93,726,005)

Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	43,818,603
Less: Securities Lending Cash Equivalents	16,978
Cash and cash equivalents end of year	<u>43,801,625</u>

Noncash transactions

Donated capital assets	81,520
VRS Special Revenue Allocation	797,336
Amortization of bond premium	377,950
Unrealized gain/loss on investments	375,668
Amortization of deferral on debt defeasance	(203,100)
Capital assets acquired through the assumption of a liability	654,769
Retainage payable	83,807

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, 2024

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	Community College	Component Unit Virginia Highlands Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	6,671,390	3,082,388
Appropriation available		
Short term investments (Note 2)	243,676	
Accounts receivable, net (Note 3)	280,517	1,228,649
Pledges receivable (Note 3)		
Due from commonwealth (Note 4)	193,881	
Due from system office	15,103	
Interest receivable		
Prepaid expenses	90,952	
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>7,495,519</u>	<u>4,311,037</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)		1,435,090
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)	345,918	
Non-depreciable capital assets, net (Note 5)	504,536	5,928,719
Depreciable capital assets, net (Note 5)	6,716,438	14,794
Total Noncurrent Assets	<u>7,566,892</u>	<u>7,378,603</u>
Total Assets	<u>15,062,411</u>	<u>11,689,640</u>
Deferred Outflows of Resources (Note 8)	2,265,756	
Total Assets and Deferred Outflows of Resources	<u>17,328,167</u>	<u>11,689,640</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	794,085	132,042
Accrued payroll expense	1,313,133	
Unearned revenue	506,361	
Long-term liabilities-current portion (Note 9)	310,754	
Securities lending obligation	5	
Post employment benefit obligations (Note 9)	36,854	
Due to system's office		
Deposits	641,483	
Total Current Liabilities	<u>3,602,675</u>	<u>132,042</u>

**Virginia Community College System
Virginia Highlands Community College
Statement of Net Position
As of June 30, 2024**

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		Component Unit
	Community College	Virginia Highlands Community College Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	171,753	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	7,331,903	
Total Noncurrent Liabilities	<u>7,503,656</u>	
Total Liabilities	<u>11,106,331</u>	<u>132,042</u>
Deferred Inflows of Resources (Note 8)	1,487,547	
Total Liabilities and Deferred Inflows of Resources	<u>12,593,878</u>	<u>132,042</u>
Net Position		
Net investment in capital assets	7,213,675	5,943,513
Restricted for:		
Nonexpendable		1,435,090
Expendable	130,679	2,605,088
Unrestricted	(2,610,065)	1,573,907
Total Net Position	<u>4,734,289</u>	<u>11,557,598</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, 2024

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		Component Unit
	Community College	Virginia Highlands Community College Educational Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$5,115,455)	322,703	
Federal grants and contracts	1,334,352	
State and local grants	395,906	3,264,000
Nongovernmental grants		
Sales/services of education department	3,000	
Auxiliary enterprises (net of scholarship allowance of \$16,554)	157,495	
Gifts and contributions		263,746
Endowment income		307,693
Other operating revenues	726,034	468,927
Total Operating Revenue	<u>2,939,490</u>	<u>4,304,366</u>
Expenses		
Operating Expenses		
Instruction	7,728,853	
Public service	483,502	
Academic support	986,958	186,446
Student services	2,147,517	
Institutional support	3,625,522	212,297
Operation and maintenance	2,698,214	
Scholarships and fellowships	3,821,789	
Auxiliary enterprises	27,949	
Fundraising		48,992
Other expenses		
Total Operating Expenses (Note 12)	<u>21,520,304</u>	<u>447,735</u>
Operating Income (Loss)	<u>(18,580,814)</u>	<u>3,856,631</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	12,694,129	
Local appropriations	118,130	
Grants and gifts	6,539,243	
Investment income	21,818	
Interest on capital asset related debt	(612)	
Other nonoperating revenue (expense)	57,633	
Net Nonoperating Revenue	<u>19,430,341</u>	
Income before other revenues, expenses gains (losses)	849,527	3,856,631
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	164,225	58,790
Additions to permanent and term endowments		
Increase (Decrease) in Net Position	<u>1,013,752</u>	<u>3,915,421</u>
Net Position		
Net Position beginning of year	<u>3,720,537</u>	<u>7,642,177</u>
Net Position end of year	<u>4,734,289</u>	<u>11,557,598</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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	387,166
Grants and contracts	1,775,068
Payments to suppliers and others	(3,925,147)
Payments for employee wages	(9,796,029)
Payments for employee fringes and pension benefits	(3,789,457)
Payment for scholarships	(3,683,998)
Payments for utilities	(328,706)
Sales and services of education department	3,000
Auxiliary	157,495
Custodial receipts	1,013,549
Custodial disbursements	(463,088)
Loans issued to students	
Loans collected from students	
Other	761,027
Net cash used by operating activities	<u>(17,889,120)</u>
Cash flows from non-capital financing activities:	
State appropriations	12,694,129
Local appropriations	118,130
Grants and gifts	6,602,955
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	44,397
Net cash provided (used) by non-capital financing activities	<u>19,459,611</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	163,068
Purchase capital assets	(1,022,776)
Proceeds from sale of capital assets	12,795
Debt interest payments	(612)
Debt principal payments	(6,888)
Net cash provided (used) by capital financing activities	<u>(854,413)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	19,529
Net cash provided (used) by investing activities	<u>19,529</u>
Net increase (decrease) in cash and cash equivalents	735,607
Cash and cash equivalents, beginning of year	5,935,778
Cash and cash equivalents, End of Year	<u><u>6,671,385</u></u>

**Virginia Community College System
Virginia Highlands Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(18,580,814)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	625,479
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	123,228
Prepaid expenses and other	8,136
Post employment benefits asset	(37,896)
Accrued compensation and leave	174,742
Accounts payable and other	(59,493)
Unearned revenue	118,426
Deposits pending distribution	
Custodial receipts(disbursements)	550,461
Pension liability	898,937
Post employment benefits liability	(13,850)
Deferred inflows of resources related to pensions and post employment benefits	(1,081,705)
Deferred outflows of resources related to pensions and post employment benefits	(614,771)
Net cash used in operating activities	(17,889,120)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	6,671,390
Less: Securities Lending Cash Equivalents	5
Cash and cash equivalents end of year	<u>6,671,385</u>
Noncash transactions	
Donated capital assets	1,157
VRS Special Revenue Allocation	108,360
Unrealized gain/loss on investments	2,287
Capital assets acquired through the assumption of a liability	14,187
Retainage payable	14,663

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, 2024**

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		Component Unit
	Community College	Virginia Western Community College Educational Foundation
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	20,160,252	65,622
Appropriation available		
Short term investments (Note 2)		
Accounts receivable, net (Note 3)	506,032	
Pledges receivable (Note 3)		214,658
Due from commonwealth (Note 4)	116,022	
Due from system office	93,221	
Interest receivable		25,959
Prepaid expenses	745,348	36,158
Inventories		
Notes receivable, net (Note 3)		
Total Current Assets	<u>21,620,875</u>	<u>342,397</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses		
Endowment cash and cash equivalents (Note 2)		269,679
Appropriation available		
Endowment investments (Note 2)		24,721,331
Other long-term investments (Note 2)		5,833,786
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		158,081
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	776,365	
Non-depreciable capital assets, net (Note 5)	2,348,016	
Depreciable capital assets, net (Note 5)	<u>71,341,544</u>	
Total Noncurrent Assets	<u>74,465,925</u>	<u>30,982,877</u>
Total Assets	<u>96,086,800</u>	<u>31,325,274</u>
Deferred Outflows of Resources (Note 8)	4,375,961	
Total Assets and Deferred Outflows of Resources	<u>100,462,761</u>	<u>31,325,274</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	1,550,319	87,381
Accrued payroll expense	2,432,651	
Unearned revenue	2,430,249	
Long-term liabilities-current portion (Note 9)	1,674,277	
Securities lending obligation	3,530	
Post employment benefit obligations (Note 9)	77,499	
Due to system's office		
Deposits	<u>236,989</u>	
Total Current Liabilities	<u>8,405,514</u>	<u>87,381</u>

**Virginia Community College System
Virginia Western Community College
Statement of Net Position
As of June 30, 2024**

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		<u>Component Unit</u>
	<u>Community College</u>	<u>Virginia Western Community College Educational Foundation</u>
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	6,038,746	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	17,064,446	
Total Noncurrent Liabilities	<u>23,103,192</u>	
Total Liabilities	<u>31,508,706</u>	<u>87,381</u>
Deferred Inflows of Resources (Note 8)	3,356,379	
Total Liabilities and Deferred Inflows of Resources	<u>34,865,085</u>	<u>87,381</u>
Net Position		
Net investment in capital assets	67,179,748	
Restricted for:		
Nonexpendable		10,027,555
Expendable	1,210,458	17,835,537
Unrestricted	<u>(2,792,530)</u>	<u>3,374,801</u>
Total Net Position	<u>65,597,676</u>	<u>31,237,893</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, 2024

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		<u>Component Unit</u> <u>Virginia Western</u> <u>Community</u> <u>College</u> <u>Educational</u> <u>Foundation</u>
	<u>Community</u> <u>College</u>	
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$8,818,795)	7,159,402	
Federal grants and contracts	1,428,407	
State and local grants	1,090,849	
Nongovernmental grants	20,215	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$28,749)	1,454,946	
Gifts and contributions		1,140,386
Endowment income		4,034,279
Other operating revenues	1,571,246	454,910
Total Operating Revenue	<u>12,725,065</u>	<u>5,629,575</u>
Expenses		
Operating Expenses		
Instruction	23,227,371	
Public service	1,201,700	
Academic support	5,871,541	
Student services	3,986,162	
Institutional support	4,577,155	820,505
Operation and maintenance	6,861,938	
Scholarships and fellowships	5,999,215	2,107,735
Auxiliary enterprises	93,495	
Fundraising		149,635
Other expenses		
Total Operating Expenses (Note 12)	<u>51,818,577</u>	<u>3,077,875</u>
Operating Income (Loss)	<u>(39,093,512)</u>	<u>2,551,700</u>
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	30,739,895	
Local appropriations		
Grants and gifts	9,738,945	
Investment income	459,158	935,737
Interest on capital asset related debt	(90,549)	
Other nonoperating revenue (expense)	1,906,753	
Net Nonoperating Revenue	<u>42,754,202</u>	<u>935,737</u>
Income before other revenues, expenses gains (losses)	3,660,690	3,487,437
Capital appropriations-state (Note 20)		
Capital appropriations-local		
Capital gifts, grants and contracts	618,342	
Additions to permanent and term endowments		2,138,029
Increase (Decrease) in Net Position	<u>4,279,032</u>	<u>5,625,466</u>
Net Position		
Net Position beginning of year	<u>61,318,644</u>	<u>25,612,427</u>
Net Position end of year	<u>65,597,676</u>	<u>31,237,893</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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	9,426,289
Grants and contracts	2,622,959
Payments to suppliers and others	(9,294,277)
Payments for employee wages	(23,044,311)
Payments for employee fringes and pension benefits	(8,219,970)
Payment for scholarships	(7,223,268)
Payments for utilities	(1,532,434)
Sales and services of education department	
Auxiliary	1,454,946
Custodial receipts	2,039,569
Custodial disbursements	(1,982,581)
Loans issued to students	
Loans collected from students	
Other	1,571,246
Net cash used by operating activities	<u>(34,181,832)</u>
Cash flows from non-capital financing activities:	
State appropriations	30,739,895
Local appropriations	
Grants and gifts	9,622,923
PLUS, Stafford and Direct Lending loan receipts	1,908,809
PLUS, Stafford and Direct Lending loan disbursements	(1,905,967)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	1,905,169
Net cash provided (used) by non-capital financing activities	<u>42,270,829</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	617,308
Purchase capital assets	(6,093,093)
Proceeds from sale of capital assets	53,960
Debt interest payments	(106,472)
Debt principal payments	(975,519)
Net cash provided (used) by capital financing activities	<u>(6,503,816)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	
Investment income	458,839
Net cash provided (used) by investing activities	<u>458,839</u>
Net increase (decrease) in cash and cash equivalents	2,044,020
Cash and cash equivalents, beginning of year	18,112,702
Cash and cash equivalents, End of Year	<u>20,156,722</u>

**Virginia Community College System
Virginia Western Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(39,093,512)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,894,302
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	1,991,449
Prepaid expenses and other	(126,116)
Post employment benefits asset	(8,792)
Accrued compensation and leave	542,553
Accounts payable and other	119,896
Unearned revenue	352,152
Deposits pending distribution	6,774
Custodial receipts(disbursements)	56,988
Pension liability	721,075
Post employment benefits liability	(129,280)
Deferred inflows of resources related to pensions and post employment benefits	(1,553,816)
Deferred outflows of resources related to pensions and post employment benefits	(955,505)
Net cash used in operating activities	<u>(34,181,832)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	20,160,252
Less: Securities Lending Cash Equivalents	3,530
Cash and cash equivalents end of year	<u>20,156,722</u>
Noncash transactions	
Donated capital assets	1,034
VRS Special Revenue Allocation	253,223
Capital assets acquired through the assumption of a liability	2,207,375
Retainage payable	4,492

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, 2024**

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		Component Units	
	Community College	Wytheville Community College Educational Foundation	Wytheville Community College Scholarship Foundation
Assets			
Current Assets			
Cash and cash equivalents (Note 2)	12,106,752	269,458	17,406
Appropriation available			
Short term investments (Note 2)	219,855	900,746	42,794
Accounts receivable, net (Note 3)	226,765	384,576	
Pledges receivable (Note 3)		6,580	
Due from commonwealth (Note 4)	449,665		
Due from system office			
Interest receivable			
Prepaid expenses	464,821		
Inventories	49,570		
Notes receivable, net (Note 3)			
Total Current Assets	13,517,428	1,561,360	60,200
Noncurrent Assets			
Restricted cash and cash equivalents (Note 2)			
Prepaid expenses	227,074		
Endowment cash and cash equivalents (Note 2)			
Appropriation available			
Endowment investments (Note 2)		8,251,939	596,882
Other long-term investments (Note 2)		6,042,502	174,898
Accounts receivable, net (Note 3)			
Investments in real estate (Note 2)			
Pledges receivable (Note 3)		1,260	
Due from commonwealth (Note 4)			
Notes receivable, net (Note 3)			
Post employment benefit assets (Note 18)	317,236		
Non-depreciable capital assets, net (Note 5)	833,309	43,393	
Depreciable capital assets, net (Note 5)	14,905,724		
Total Noncurrent Assets	16,283,343	14,339,094	771,780
Total Assets	29,800,771	15,900,454	831,980
Deferred Outflows of Resources (Note 8)	2,330,015		
Total Assets and Deferred Outflows of Resources	32,130,786	15,900,454	831,980
Liabilities			
Current Liabilities			
Accounts and retainage payable (Note 6)	864,118	19,847	30,000
Accrued payroll expense	1,038,139		
Unearned revenue	397,630		
Long-term liabilities-current portion (Note 9)	736,416		
Securities lending obligation	1,544		
Post employment benefit obligations (Note 9)	33,069		
Due to system's office			
Deposits	375,943		
Total Current Liabilities	3,446,859	19,847	30,000

**Virginia Community College System
Wytheville Community College
Statement of Net Position
As of June 30, 2024**

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		Component Units	
		Wytheville Community College Educational Foundation	Wytheville Community College Scholarship Foundation
	Community College		
Noncurrent Liabilities			
Unearned revenue			
Long-term liabilities (Note 9)	1,293,565		
Due to federal government (Note 9)			
Pension and post employment benefit obligations (Note 9)	6,928,880		
Total Noncurrent Liabilities	<u>8,222,445</u>		
Total Liabilities	<u>11,669,304</u>	<u>19,847</u>	<u>30,000</u>
Deferred Inflows of Resources (Note 8)	1,578,254		
Total Liabilities and Deferred Inflows of Resources	<u>13,247,558</u>	<u>19,847</u>	<u>30,000</u>
Net Position			
Net investment in capital assets	14,223,425		
Restricted for:			
Nonexpendable		8,253,199	596,882
Expendable	1,164,317	7,384,686	204,841
Unrestricted	3,495,486	242,722	257
Total Net Position	<u>18,883,228</u>	<u>15,880,607</u>	<u>801,980</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, 2024

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		Component Units	
	Community College	Wytheville Community College Educational Foundation	Wytheville Community College Scholarship Foundation
Revenues			
Operating Revenue			
Tuition and fees (net of scholarship allowance of \$4,231,680)	1,639,443		
Federal grants and contracts	2,158,298		
State and local grants	722,619	159,456	
Nongovernmental grants		794,728	
Sales/services of education department	20,510		
Auxiliary enterprises (net of scholarship allowance of \$13,766)	103,268		
Gifts and contributions		30,277	
Endowment income		844,649	
Other operating revenues	1,018,638	439,748	
Total Operating Revenue	5,662,776	2,268,858	
Expenses			
Operating Expenses			
Instruction	8,699,806	54,455	
Public service	13,364	37,944	
Academic support	2,240,019	10,518	
Student services	2,185,337		
Institutional support	3,441,127	302,161	125
Operation and maintenance	2,072,254		
Scholarships and fellowships	2,793,926	1,072,085	60,000
Auxiliary enterprises	103,098		
Fundraising		165,957	
Other expenses			
Total Operating Expenses (Note 12)	21,548,931	1,643,120	60,125
Operating Income (Loss)	(15,886,155)	625,738	(60,125)
Nonoperating Revenues(Expenses)			
State appropriations (Note 13)	12,936,737		
Local appropriations	153,671		
Grants and gifts	5,821,957		
Investment income	137,613	459,997	106,178
Interest on capital asset related debt	(99,644)		
Other nonoperating revenue (expense)	(72,642)		
Net Nonoperating Revenue	18,877,692	459,997	106,178
Income before other revenues, expenses gains (losses)	2,991,537	1,085,735	46,053
Capital appropriations-state (Note 20)			
Capital appropriations-local			
Capital gifts, grants and contracts	350,971		
Additions to permanent and term endowments		1,073,736	17,170
Increase (Decrease) in Net Position	3,342,508	2,159,471	63,223
Net Position			
Net Position beginning of year	15,540,720	13,721,136	738,757
Net Position end of year	18,883,228	15,880,607	801,980

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, 2024**

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	Community College
Cash flows from operating activities:	
Tuition and fees	1,874,014
Grants and contracts	2,360,106
Payments to suppliers and others	(5,131,330)
Payments for employee wages	(9,230,944)
Payments for employee fringes and pension benefits	(3,450,665)
Payment for scholarships	(2,828,897)
Payments for utilities	(351,016)
Sales and services of education department	20,510
Auxiliary	104,935
Custodial receipts	3,048,550
Custodial disbursements	(3,069,732)
Loans issued to students	
Loans collected from students	
Other	905,933
Net cash used by operating activities	<u>(15,748,536)</u>
Cash flows from non-capital financing activities:	
State appropriations	12,936,737
Local appropriations	153,671
Grants and gifts	5,893,878
PLUS, Stafford and Direct Lending loan receipts	356,256
PLUS, Stafford and Direct Lending loan disbursements	(358,809)
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(78,257)
Net cash provided (used) by non-capital financing activities	<u>18,903,476</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	348,991
Purchase capital assets	(1,779,377)
Proceeds from sale of capital assets	5,615
Debt interest payments	(99,644)
Debt principal payments	(663,324)
Net cash provided (used) by capital financing activities	<u>(2,187,739)</u>
Cash flows from investing activities:	
Purchases of investments	
Sale of investments	432,926
Investment income	128,418
Net cash provided (used) by investing activities	<u>561,344</u>
Net increase (decrease) in cash and cash equivalents	1,528,545
Cash and cash equivalents, beginning of year	10,576,663
Cash and cash equivalents, End of Year	<u><u>12,105,208</u></u>

**Virginia Community College System
Wytheville Community College
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(15,886,155)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	1,674,133
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(144,469)
Prepaid expenses and other	(496,560)
Post employment benefits asset	(37,609)
Accrued compensation and leave	141,614
Accounts payable and other	189,685
Unearned revenue	(258,689)
Deposits pending distribution	
Custodial receipts(disbursements)	(20,381)
Pension liability	862,877
Post employment benefits liability	52,281
Deferred inflows of resources related to pensions and post employment benefits	(1,161,967)
Deferred outflows of resources related to pensions and post employment benefits	(663,296)
Net cash used in operating activities	(15,748,536)
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	12,106,752
Less: Securities Lending Cash Equivalents	1,544
Cash and cash equivalents end of year	<u>12,105,208</u>
Noncash transactions	
Donated capital assets	1,980
VRS Special Revenue Allocation	103,681
Unrealized gain/loss on investments	8,933
Capital assets acquired through the assumption of a liability	2,033,657
Retainage payable	

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, 2024

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	<u>System Office</u>	<u>Component Unit Community Colleges of VA Educational Foundation</u>
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	19,031,306	3,649,891
Appropriation available	41,926,263	
Short term investments (Note 2)		
Accounts receivable, net (Note 3)		45,631
Pledges receivable (Note 3)		457,557
Due from commonwealth (Note 4)	2,691,114	
Due from colleges		
Interest receivable		
Prepaid expenses	5,826,192	
Inventories	5,000	
Notes receivable, net (Note 3)		
Total Current Assets	<u>69,479,875</u>	<u>4,153,079</u>
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		
Prepaid expenses	116,253	
Endowment cash and cash equivalents (Note 2)		607,382
Appropriation available		
Endowment investments (Note 2)		12,002,418
Other long-term investments (Note 2)		
Accounts receivable, net (Note 3)		
Investments in real estate (Note 2)		
Pledges receivable (Note 3)		368,602
Due from commonwealth (Note 4)		
Notes receivable, net (Note 3)		
Post employment benefit assets (Note 18)	1,158,231	
Non-depreciable capital assets, net (Note 5)		
Depreciable capital assets, net (Note 5)	7,988,109	
Total Noncurrent Assets	<u>9,262,593</u>	<u>12,978,402</u>
Total Assets	<u>78,742,468</u>	<u>17,131,481</u>
Deferred Outflows of Resources (Note 8)	6,576,740	
Total Assets and Deferred Outflows of Resources	<u>85,319,208</u>	<u>17,131,481</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable (Note 6)	5,944,813	616,831
Accrued payroll expense	1,960,826	
Unearned revenue		
Long-term liabilities-current portion (Note 9)	2,718,160	5,472
Securities lending obligation		
Post employment benefit obligations (Note 9)	68,263	
Due to colleges	2,718,207	
Deposits	1,187,371	1,295,463
Total Current Liabilities	<u>14,597,640</u>	<u>1,917,766</u>

**Virginia Community College System
System Office
Statement of Net Position
As of June 30, 2024**

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		Component Unit
	System Office	Community Colleges of VA Educational Foundation
Noncurrent Liabilities		
Unearned revenue		
Long-term liabilities (Note 9)	1,784,009	
Due to federal government (Note 9)		
Pension and post employment benefit obligations (Note 9)	22,776,108	
Total Noncurrent Liabilities	<u>24,560,117</u>	
Total Liabilities	<u>39,157,757</u>	<u>1,917,766</u>
Deferred Inflows of Resources (Note 8)	4,375,091	
Total Liabilities and Deferred Inflows of Resources	<u>43,532,848</u>	<u>1,917,766</u>
Net Position		
Net investment in capital assets	5,876,327	
Restricted for:		
Nonexpendable		3,509,156
Expendable	49,389,688	7,563,980
Unrestricted	(13,479,655)	4,140,579
Total Net Position	<u>41,786,360</u>	<u>15,213,715</u>

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

System Office

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2024

	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	50,838,069	440,751
State and local grants	56,099	370,000
Nongovernmental grants	1,285,027	
Sales/services of education department		
Auxiliary enterprises (net of scholarship allowance of \$0)		
Gifts and contributions		3,452,325
Endowment income		1,618,620
Other operating revenues	2,128,700	555,489
Total Operating Revenue	54,307,895	6,437,185
Expenses		
Operating Expenses		
Instruction	1,778,618	
Public service	51,613,787	270,000
Academic support	15,948,376	4,487,609
Student services	640,494	
Institutional support	29,596,188	695,710
Operation and maintenance	1,701,252	
Scholarships and fellowships	5,797,823	
Auxiliary enterprises		
Fundraising		799,087
Other expenses		(28,313)
Total Operating Expenses (Note 12)	107,076,538	6,224,093
Operating Income (Loss)	(52,768,643)	213,092
Nonoperating Revenues(Expenses)		
State appropriations (Note 13)	44,554,384	
Local appropriations		
Grants and gifts	5,539,838	
Investment income		124,423
Interest on capital asset related debt	(91,977)	
Other nonoperating revenue (expense)	(19,187,225)	
Net Nonoperating Revenue	30,815,020	124,423
Income before other revenues, expenses gains (losses)	(21,953,623)	337,515
Capital appropriations-state (Note 20)	28,286,824	
Capital appropriations-local		
Capital gifts, grants and contracts	2,108,209	
Additions to permanent and term endowments		50,825
Increase (Decrease) in Net Position	8,441,410	388,340
Net Position		
Net Position beginning of year (Note 1-T)	33,344,950	14,825,375
Net Position end of year	41,786,360	15,213,715

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, 2024

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	<u>System Office</u>
Cash flows from operating activities:	
Tuition and fees	
Grants and contracts	52,179,195
Payments to suppliers and others	(73,149,455)
Payments for employee wages	(22,808,226)
Payments for employee fringes and pension benefits	(9,255,562)
Payment for scholarships	
Payments for utilities	(52)
Sales and services of education department	
Auxiliary	
Custodial receipts	637,963
Custodial disbursements	(595,033)
Loans issued to students	
Loans collected from students	
Other	2,128,700
Net cash used by operating activities	<u>(50,862,470)</u>
Cash flows from non-capital financing activities:	
State appropriations	44,554,384
Local appropriations	
Grants and gifts	5,539,838
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	(18,620,778)
Net cash provided (used) by non-capital financing activities	<u>31,473,444</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	9,499,982
Capital appropriations-local	
Capital grants and gifts	2,108,209
Purchase capital assets	8,512,080
Proceeds from sale of capital assets	
Debt interest payments	(91,977)
Debt principal payments	(1,319,528)
Net cash provided (used) by capital financing activities	<u>18,708,766</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 cash and cash equivalents	(680,260)
Cash and cash equivalents, beginning of year	19,711,566
Cash and cash equivalents, End of Year	<u><u>19,031,306</u></u>

**Virginia Community College System
System Office
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(52,768,643)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	3,738,176
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	(1,486,390)
Prepaid expenses and other	(1,046,332)
Post employment benefits asset	5,378
Accrued compensation and leave	(37,228)
Accounts payable and other	2,851,163
Unearned revenue	
Deposits pending distribution	
Custodial receipts(disbursements)	42,930
Pension liability	1,027,221
Post employment benefits liability	(248,014)
Deferred inflows of resources related to pensions and post employment benefits	(2,110,309)
Deferred outflows of resources related to pensions and post employment benefits	(830,422)
Net cash used in operating activities	<u>(50,862,470)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	19,031,306
Less: Securities Lending Cash Equivalents	
Cash and cash equivalents end of year	<u>19,031,306</u>
Noncash transactions	
VRS Special Revenue Allocation	349,653

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, 2024**

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	Shared Services Center
Assets	
Current Assets	
Cash and cash equivalents (Note 2)	8,811
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	136,676
Inventories	25,701
Notes receivable, net (Note 3)	
Total Current Assets	<u>171,188</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)	
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)	349,424
Non-depreciable capital assets, net (Note 5)	
Depreciable capital assets, net (Note 5)	<u>1,038,827</u>
Total Noncurrent Assets	<u>1,388,251</u>
Total Assets	<u>1,559,439</u>
Deferred Outflows of Resources (Note 8)	2,136,427
Total Assets and Deferred Outflows of Resources	<u><u>3,695,866</u></u>
Liabilities	
Current Liabilities	
Accounts and retainage payable (Note 6)	57,542
Accrued payroll expense	561,664
Unearned revenue	
Long-term liabilities-current portion (Note 9)	682,347
Securities lending obligation	
Post employment benefit obligations (Note 9)	28,499
Due to colleges	
Deposits	
Total Current Liabilities	<u>1,330,052</u>

**Virginia Community College System
Shared Services Center
Statement of Net Position
As of June 30, 2024**

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	Shared Services Center
Noncurrent Liabilities	
Unearned revenue	
Long-term liabilities (Note 9)	591,204
Due to federal government (Note 9)	
Pension and post employment benefit obligations (Note 9)	6,445,906
Total Noncurrent Liabilities	<u>7,037,110</u>
Total Liabilities	<u>8,367,162</u>
Deferred Inflows of Resources (Note 8)	1,108,828
Total Liabilities and Deferred Inflows of Resources	<u>9,475,990</u>
Net Position	
Net investment in capital assets	226,948
Restricted for:	
Nonexpendable	
Expendable	349,424
Unrestricted	(6,356,496)
Total Net Position	<u>(5,780,124)</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, 2024

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	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	240,393
Total Operating Revenue	<u>240,393</u>
Expenses	
Operating Expenses	
Instruction	(834,516)
Public service	
Academic support	
Student services	
Institutional support	11,369,468
Operation and maintenance	531,667
Scholarships and fellowships	
Auxiliary enterprises	
Fundraising	
Other expenses	
Total Operating Expenses (Note 12)	<u>11,066,619</u>
Operating Income (Loss)	<u>(10,826,226)</u>
Nonoperating Revenues(Expenses)	
State appropriations (Note 13)	(240,393)
Local appropriations	
Grants and gifts	
Investment income	
Interest on capital asset related debt	(46,880)
Other nonoperating revenue (expense)	11,039,868
Net Nonoperating Revenue	<u>10,752,595</u>
Income before other revenues, expenses gains (losses)	<u>(73,631)</u>
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>(73,631)</u>
Net Position	
Net Position beginning of year	<u>(5,706,493)</u>
Net Position end of year	<u>(5,780,124)</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, 2024**

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	<u>Shared Services</u>
Cash flows from operating activities:	
Tuition and fees	
Grants and contracts	
Payments to suppliers and others	(992,795)
Payments for employee wages	(6,460,306)
Payments for employee fringes and pension benefits	(3,051,004)
Payment for scholarships	
Payments for utilities	(89,790)
Sales and services of education department	
Auxiliary	
Custodial receipts	
Custodial disbursements	
Loans issued to students	
Loans collected from students	
Other	240,393
Net cash used by operating activities	<u>(10,353,502)</u>
Cash flows from non-capital financing activities:	
State appropriations	(240,393)
Local appropriations	
Grants and gifts	
PLUS, Stafford and Direct Lending loan receipts	
PLUS, Stafford and Direct Lending loan disbursements	
Borrowings	
Loan repayments	
Other non-operating revenue(expense)	11,039,868
Net cash provided (used) by non-capital financing activities	<u>10,799,475</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	
Capital appropriations-local	
Capital grants and gifts	
Purchase capital assets	(53,745)
Proceeds from sale of capital assets	
Debt interest payments	(46,880)
Debt principal payments	(370,378)
Net cash provided (used) by capital financing activities	<u>(471,003)</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 cash and cash equivalents	(25,030)
Cash and cash equivalents, beginning of year	33,841
Cash and cash equivalents, End of Year	<u><u>8,811</u></u>

**Virginia Community College System
Shared Services Center
Statement of Cash Flows
For the Year Ended June 30, 2024**

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Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	(10,826,226)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation expense	514,626
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Appropriation available and receivables, net	
Prepaid expenses and other	63,888
Post employment benefits asset	(32,135)
Accrued compensation and leave	53,656
Accounts payable and other	7,761
Unearned revenue	
Deposits pending distribution	
Custodial receipts(disbursements)	
Pension liability	711,756
Post employment benefits liability	39,458
Deferred inflows of resources related to pensions and post employment benefits	(729,206)
Deferred outflows of resources related to pensions and post employment benefits	(157,080)
Net cash used in operating activities	<u>(10,353,502)</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents per Statement of Net Position	8,811
Less: Securities Lending Cash Equivalents	
Cash and cash equivalents end of year	<u>8,811</u>
Noncash transactions	
VRS Special Revenue Allocation	97,290

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

AGENCY CODE	PROJECT CODE	AGENCY NAME	APPROPRIATION OR PROJECT TITLE	BIENNIUM (*	APPROP.	OBLIGATED	DATE CO-2	DESIGN	CONSTR.	CONSTRUCT.	ESTIMATED	CABINET SECRETARY
				FIRST-FUNDED)	AMOUNT	AMOUNT	APPROVED	PERCENT COMPLETE	CONTRACT	PERCENT COMPLETE	CONSTRUCTION COMPL. DATE	
AG 260	PC 16614	VIRGINIA COMMUNITY COLLEGE SYSTEM	PHCC: LRC & WEST HALL RENOVATION	* 2002-2004	\$8,489,000	\$8,476,935	07/2003	100	\$225,450	100	06/2024	Education
AG 260	PC 17699	VIRGINIA COMMUNITY COLLEGE SYSTEM	VCCS: ADA IMPROVEMENTS	* 2008-2010	\$2,875,070	\$2,796,016	10/2008	100	\$2,000,394	VARIES	11/2025	Education
AG 260	PC 17905	VIRGINIA COMMUNITY COLLEGE SYSTEM	VCCS-NON-GENERAL FUND CAPITAL OUTLAY BLANKET AUTHORIZATION	* 2011	\$53,161,911	\$26,355,813	02/12	VARIOUS	VARIOUS	VARIOUS	06/2026	Education
AG 260	PC 17989	VIRGINIA COMMUNITY COLLEGE SYSTEM	NVCC-RENOVATE REYNOLDS ACADEMIC BLDG-LOUDON	* 2012	\$26,810,063	\$26,800,708	12/2012	100	\$19,796,458	100	08/2023	Education
AG 260	PC 18087	VIRGINIA COMMUNITY COLLEGE SYSTEM	NVCC-RENOVATE GODWIN BLDG-ANNANDALE	* 2013	\$2,498,000	\$2,498,000	01/2017	19	\$0	0	10/2028	Education
AG 260	PC 18161	VIRGINIA COMMUNITY COLLEGE SYSTEM	LRCC-ACADEMIC BUILDING, FAUQUIER	* 2015	\$29,336,000	\$27,692,732	04/2015	100	\$22,462,089	100	12/2023	Education
AG 260	PC 18162	VIRGINIA COMMUNITY COLLEGE SYSTEM	NVCC-RENOVATE SEEFELDT BLDG-WOODBRIDGE	* 2016	\$66,787,286	\$65,644,158	01/2017	100	\$51,441,354	60	07/2025	Education
AG 260	PC 18163	VIRGINIA COMMUNITY COLLEGE SYSTEM	NVCC-RENOVATE HOWSMAN BLDG-MANASSAS	* 2016	\$5,475,000	\$4,610,637	01/2017	95	\$0	0	07/2027	Education
AG 260	PC 18209	VIRGINIA COMMUNITY COLLEGE SYSTEM	JTCC-RENOVATE BIRD HALL & RENOVATE/EXPAND NICHOLAS CTR	* 2016	\$35,493,000	\$35,194,022	11/2016	100	\$339,483	100	08/2024	Education
AG 260	PC 18279	VIRGINIA COMMUNITY COLLEGE SYSTEM	VCCS-IMPROVE LIFE SAFETY & SECURITY SYSTEMWIDE	* 2016	\$5,763,720	\$5,362,492	01/2017	100	\$2,397,000	15	06/2027	Education
AG 260	PC 18280	VIRGINIA COMMUNITY COLLEGE SYSTEM	VCCS-REPAIR OR REPLACE MAJOR MECHANICAL SYSTEMS	* 2016	\$9,874,000	\$1,262,075	01/2017	90	\$0	0	06/2027	Education
AG 260	PC 18340	VIRGINIA COMMUNITY COLLEGE SYSTEM	GCC-REPLACE FRENCH SLAUGHTER BUILDING	*2016	\$3,853,842	\$3,457,253	02/2018	90	\$0	0	12/2026	Education
AG 260	PC 18341	VIRGINIA COMMUNITY COLLEGE SYSTEM	TNCC-REPLACE DIGGS-MOORE-HARRISON COMPLEX	*2016	\$48,491,250	\$4,430,398	10/2017	75	\$0	0	09/2027	Education
AG 260	PC 18342	VIRGINIA COMMUNITY COLLEGE SYSTEM	PVCC-CONSTRUCT ADVANCED TECHNOLOGY CENTER	*2016	\$34,168,856	\$33,860,225	02/2018	100	\$26,744,701	100	08/2024	Education
AG 260	PC 18343	VIRGINIA COMMUNITY COLLEGE SYSTEM	CVCC-RENOVATE AMHERST/CAMPBELL HALL	*2016	\$1,293,086	\$1,293,086	02/2018	35	\$0	0	04/2028	Education
AG 260	PC 18483	VIRGINIA COMMUNITY COLLEGE SYSTEM	VCCS: RE-ROOF AND HVAC-MULTIPLE BUILDINGS	2020-2022	\$16,000,000	\$5,041,754	10/2021	90	\$4,403,806	10	12/2025	Education
AG 260	PC 18501	VIRGINIA COMMUNITY COLLEGE SYSTEM	PDCCC-REPLACE HVAC-ADMINISTRATION BUILDING-FRANKLIN CAMPUS	2020-2022	\$2,200,000	\$1,896,156	06/2021	100	\$1,674,000	50	10/2024	Education
AG 260	PC 18554	VIRGINIA COMMUNITY COLLEGE SYSTEM	VCCS: TECH TALENT RENOVATIONS	2020-2022	\$2,500,000	\$1,124,267	03/2022	N/A	N/A	N/A	12/2024	Education
AG 260	PC 18572	VIRGINIA COMMUNITY COLLEGE SYSTEM	NVCC-CONSTRUCT TRADES BUILDING	2021	\$19,000,000	\$3,806,691	09/2021	95	\$0	0	09/2026	Education
AG 260	PC 18573	VIRGINIA COMMUNITY COLLEGE SYSTEM	NVCC-EXPAND MEDICAL EDUCATION CAMPUS	2021	\$35,000,000	\$3,560,920	09/2021	90	\$0	0	11/2026	Education

				BIENNIUM (*								
AGENCY CODE	PROJECT CODE	AGENCY NAME	APPROPRIATION OR PROJECT TITLE	FIRST- FUNDED)	APPROP. AMOUNT	OBLIGATED AMOUNT	DATE CO-2 APPROVED	DESIGN PERCENT COMPLETE	CONSTR. CONTRACT	CONSTRUCT. PERCENT COMPLETE	ESTIMATED CONSTRUCTION COMPL. DATE	CABINET SECRETARY
AG 260	PC 18656	VIRGINIA COMMUNITY COLLEGE SYSTEM	VPCC-RECONSTRUCT TEMPLIN HALL AUDITORIUM, HAMPTON CAMPUS	2022	\$28,323,000	\$23,067,218	05/2023	100	\$17,060,810	40	12/2025	Education
AG 260	PC18679	VIRGINIA COMMUNITY COLLEGE SYSTEM	TCC-UPGRADE ADA ACCESSIBILITY	2023	\$8,012,004	\$4,128	04/2024	100		0	11/2025	Education
				Grand Total	\$445,405,088	\$288,235,684						

VCCS Fiscal Year 2024 Workforce Development and Noncredit Instruction Report

In accordance with Chapter 2, 2024 Acts of Assembly, Special Session I, the Virginia Community College System (VCCS) offers the following in-depth summary of workforce development and noncredit instruction during Fiscal Year 2024 (July 1, 2023-June 30, 2024).

I. Introduction

Virginia's Community Colleges provide a variety of workforce and noncredit activities to support employers, incumbent workers, and Virginia's emerging workforce. These activities include offering career pathway programs that assist individuals in transitioning to employment after training is provided, open enrollment courses (offered to the general public) that allow employees or potential employees to upgrade their skills quickly and at low cost, and customized training, which provides the opportunity for employers to develop a course of study for employees that meets specific training needs.

II. Workforce and Noncredit Instruction at Community Colleges

Workforce Credential Grants

Recognizing the importance of creating and sustaining a demand-driven supply of credentialed workers for high-demand occupations in the Commonwealth, state lawmakers created a grant program in 2016 to make specific workforce training programs much more affordable for Virginians. The New Economy Workforce Credential Grant, which allocated \$18.5 million for Fiscal Year 2024, reduces the student cost of approved workforce credential training programs by two-thirds, so that more people can access this type of training and the high-demand jobs that stem from it. The grant program covers community college training in 42 different occupational fields that are in demand across the Commonwealth.

With the Workforce Credentials Grant, students are eligible for up to \$4,000 in grant money to help pay for the cost of credential training. Most programs take between six and twelve weeks and are built so Virginians can get their education while they work. At Virginia's Community Colleges, students can gain the skills that they need quickly and affordably, while creating more opportunities for their future.

Community colleges provide training that prepares individuals to earn an industry-recognized credential or licensure. Programs focus on a wide variety of high-demand fields, such as business and customer service, education, healthcare, information technology, logistics and transportation, skilled trades, welding, and manufacturing. Courses include training for certified nursing assistants, pharmacy technicians, and medical coding and billing specialists; trades-related occupations, such as electricians, HVAC technicians, and welders; advanced

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manufacturing, such as Manufacturing Technician 1; and information technology, including cybersecurity and CompTIA certifications. During Fiscal Year 2024, Virginia's Community Colleges provided noncredit training that led to 11,969 high-demand industry credentials.

Noncredit Open Enrollment and Customized Training

VCCS colleges design and offer training programs that meet the community and employer-specific workforce needs through delivery of noncredit open enrollment and customized training. During Fiscal Year 2024, colleges provided 29,197 individuals with noncredit workforce training. This training included courses that provide new skills for high-demand occupations, as well as skills upgrades, such as training in information technology, leadership, and project management. Selection of courses is driven by the specific needs of local employers and the short-term workforce needs of individual community members.

Employers are another key customer of community college workforce services, whether through direct contracts or through partnerships with economic development and community agencies that assist existing or potential employers. Last year, colleges served 995 employers through noncredit training.

Workforce coordinators at Virginia's Community Colleges consist of administrative and professional faculty, as well as classified staff. Each coordinator is evaluated annually using established Virginia Community College System and Virginia Department of Human Resources performance plans and procedures.

III. Institutes of Excellence

Institutes of Excellence, Fiscal Year 2024

Community colleges received funding through the Institutes of Excellence (IE) program and other grant programs to develop and improve workforce training programs targeted at high-demand, high-growth workforce needs as recognized by today's employers. Each college targeted in-demand industry sectors and created pathways leading to education and training, credential attainment, employment, and credit for prior learning.

In Fiscal Year 2024, \$400,000 in IE funds were allocated to colleges based on GoVirginia regions. This funding was utilized to enhance credential offerings across six key industry sectors: energy, information technology, manufacturing, skilled trades, and transportation. Colleges invested the funds in various initiatives, including purchasing equipment to expand Mechatronics and Nuclear Technology programs, acquiring classroom furniture for the Mountain Gateway Community College skilled trades program in their new workforce center, and obtaining welding equipment and supplies to develop a welding program in collaboration with Volvo Corporation. Additionally, materials for phlebotomy and manufacturing classes were purchased, including medical office supplies, telemetry transmitters, and manufacturing sensors.

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The remaining \$264,647 from the IE funds were allocated for curriculum development, equipment, materials, certifications, and licensing for a fiber optic training program being launched across several colleges. This training will equip students to become certified in fiber optic splicing and prepare them for infrastructure-related jobs, particularly in building data centers in the Commonwealth. Additionally, these funds supported professional development training for workforce faculty and staff.

IV. Specialized Workforce Centers

Expanding Services through Specialized Workforce Centers

In addition to the Institutes of Excellence, individuals and employers were served by the four specialty workforce centers located at Central Virginia, Danville, Paul D. Camp, and Virginia Peninsula Community Colleges. These colleges improved and expanded training and developed new programs through noncredit workforce-related instruction with emphasis on student attainment of industry credentials. The allocation of state funds to these specialized workforce centers requires a 25 percent match from each college. Matching funds were provided by local and county governments, regional foundations, and federal grants, demonstrating the investment that these groups have in the workforce services provided by the centers. Workforce projects and services at each of these centers are described below.

Central Virginia Community College (CVCC) achieved more than 140 percent growth in FastForward enrollment in Fiscal Year 2024. This growth can be attributed to the addition of several programs and expanding capacity for existing programs by utilizing funds from this appropriation. The following is a summary of noncredit workforce programs impacted by this appropriation at CVCC:

- Skilled trades program enrollment increased significantly by expanding capacity for National Center for Construction Education and Research (NCCER) CORE, Electrical Levels 1 - 4 programs, HVAC 1 - 4 programs (Levels 3 and 4 were added) and Plumbing Levels 1 - 2 programs. Program development for NCCER Heavy Equipment Operator and Plumbing Level 3 continues.

Renovations on existing facilities to provide state-of-the-art training were completed. More companies registered apprenticeship programs using CVCC for the related technical instruction (RTI).

- Healthcare program capacity increased by offering more sections of Phlebotomy Technician and Certified Clinical Medical Assistant (CCMA). Additionally, the partnership with the local hospital system (Centra) resulted in more Certified Nursing Assistant (CNA) completers.
- Commercial Driver's License (CDL) programs operated on campus for a second year during Fiscal Year 2024, resulting in 113 credentialed students. CVCC worked with the third-party vendor, Ancora, with a fleet of four trucks to meet program demand for both full-time and part-time programs. Commercial Drivers' License Class B program

VCCS Fiscal Year 2024 Workforce Development and Noncredit Instruction Report

development began to meet community demand.

- CompTIA A+ and other information technology courses continue. Emergency Medical Technician (EMT) and Advanced EMT programs were also held. Paramedic program implementation was underway. CVCC became a NC3 Leadership School. NC3 is a network of geographically dispersed schools, industry leaders, and organizations that identifies and establishes standards and develops certifications to train the next generation of skilled professionals in key areas including transportation, manufacturing, welding, building trades, aviation, energy, and STEM sectors.

CVCC served a multitude of companies by providing customized training, hosting entrance exams, and developing work-based learning opportunities. Business and industry partners continue to become more and more engaged with college programs and initiatives. These partnerships can be attributed to increased marketing efforts, including outreach, production of career pathways, and digital campaigns.

CVCC partnered with a local school division to offer career readiness certificates in lieu of SOL testing, allowing students to meet high school graduate requirements. Career exploration summer camps were held for local middle and high school level students. CVCC continued to support both the transition program and customized classes for special needs students related to training and career readiness.

Danville Community College (DCC) provided workforce noncredit training for area business and industry leaders in various fields, including those listed below.

FY 2024 Program	FY 2024 Students Enrolled	FY 2024 Students Completed	FY 2024 Completion Rate
Commercial Driver's License	76	70	92%
Cybersecurity	28	16	57%
HR Training	4	4	100%
Welding--GTAW	9	9	100%
Certified Medical Assistant	14	14	100%
Certified Nurse Aide	16	10	63%
Medication Aide	2	2	100%
EMT Danville	12	12	100%
EMT South Boston	10	6	60%
Advanced EMT	7	7	100%
Electrical 1	4	4	100%
FY 2024 Total	182	154	85%

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DCC provided training to the following organizations in FY 2024:	
1.	VDOT (Government)
2.	First Piedmont (Waste Mgmt.)
3.	City of Danville (Government)
4.	EPL America LLC (Essel Propack America LLC) (Mfg.)
5.	Hitachi (Mfg.)
6.	Tyson Foods (Food & Mfg.)
7.	Hooker Furniture (Wholesale & Retail)

DCC has expanded its Healthcare program through a partnership with the Southern Virginia Higher Education Center (SVHEC), with the Certified Clinical Medical Assistant (CCMA) program. In response to local medical offices' demand for medical assistants, the CCMA program has extended DCC's healthcare offerings into the South Boston area, welcoming an inaugural cohort of 14 students. All students successfully completed the course and earned their CCMA certification.

Furthermore, DCC's partnership with the SVHEC enabled them to offer Industrial Maintenance and Electrical Instrumentation Levels 1-4 at their facility, leading to increased student enrollments and completions. The first cohort currently has 12 students enrolled, and they will progress to the next levels upon completion of their current coursework.

Paul D. Camp Community College (CAMP) focused on the following noncredit training programs leading to employment and employee development for Fiscal Year 2024.

- The National Center for Construction Education and Research (NCCER) Core and Industrial Maintenance/Electrical and Instrumentation (Levels 2-4) programs continue to be offered in the fall and spring terms. In Fiscal Year 2024, 27 students were served in NCCER Core with a 96 percent completion.
- In Fiscal Year 2024, the Marine Welder pre-hire program, in partnership with Virginia Ship Repair Association located at the Suffolk Campus, enrolled a total of 33 students with a 98 percent completion and 95 percent credential rate.
- The Outside Machinist pre-hire program at the Suffolk campus was offered in partnership with the Virginia Ship Repair Association. In Fiscal Year 2024, 35 students were served with 97 percent completion and credential rates.
- The Fast-Track Healthcare program, which offers two program options that include three certifications (Clinical Medical Assistant, Phlebotomy, and EKG Technician) or (Patient Care Technician, Phlebotomy and EKG Technician), is offered as a hybrid class with small groups meeting in person for hands-on labs at the Franklin Workforce Development Center. The Healthcare program enrolled a total of 63 students with a completion rate of 74 percent.
- Blended credit and noncredit in-demand IT programs are offered for CompTIA A+,

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Network+, and Security+. In Fiscal Year 2024, Camp served 14 noncredit students in the blended CompTIA A+ with 11 completers, as well as 4 students in the blended Network+ class with 1 completing, and 3 in the blended CompTIA Security+ with 2 completers.

- The Truck Driver Training program (Class A and Class B Commercial Driver's License) at the Suffolk campus offers 2 classes per month on weekdays and weekends. In Fiscal Year 2024, 143 CDL A and 49 CDL B students were served, with 91 percent of CLD A and 95 percent of CDL B students successfully completing the class.
- Backflow Prevention served 8 students with a 100 percent completion and credential rates.
- A Heavy Equipment Operator Level 1 with NCCER Core was offered in the Spring 2024 with 2 enrolled in the program and 100 percent completion and credential rates.
- Customized training is offered to local employers meeting their needs for Forklift Operators, Excel Spreadsheets, and NCCER Electrical. These include the development of soft skills modules for employers and students.
- CAMP partnered with Franklin City Public Schools and Southampton County Schools to provide GED/Adult Ed training at Camp Workforce Development Center. Participants will earn a GED and enroll in classes at CAMP.

Virginia Peninsula Community College (VPCC) is a founding member of the Community College Workforce Cooperative (CCWC) along with Tidewater Community College and Paul D. Camp Community College. The CCWC was designed to meet the large-scale workforce demands in Hampton Roads with a primary focus in the shipbuilding and ship repair industries. Critical partners include the Hampton Roads Workforce Council, the Virginia Ship Repair Association, and Newport News Shipbuilding.

The Marine Trades Training Program (MTT), delivered by partner colleges since 2017, has enrolled over 3,400 participant and remains a cornerstone for maritime skilled trades training in the region. As part of the MTT program, VPCC delivered Welding and Marine Electrical training to 247 students in Fiscal Year 2024. VPCC also delivers welding training aligned with American Welding Society (AWS) credentials to include SMAW, FCAW, GMAW, GTAW, and Certified Welder. Enrollments in AWS courses totaled 422 in Fiscal Year 2024. VPCC's AWS accredited testing facility supports both student testing and industry partners. The following is a summary of other noncredit workforce programs impacted by this appropriation at VPCC:

- The building and construction trades, including Electrical and HVAC, remain high-demand programs and are delivered on the Hampton Campus.
- A new Trades Center was opened in James City County in February 2023. The Center currently offers Welding, Carpentry, Masonry, and CNC Machining.
- Allied health programs continue to represent a significant percentage of VPCC's total workforce enrollment, including Clinical Medical Assistant (CMA), Certified Medical

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Administrative Assistant (CMAA), EKG Technician, Phlebotomy Technician, Nurse Aide Education (CNA), and Medical Coding and Billing. These programs are available at VPCC's Hampton campus, the Historical Triangle campus, and the college's Southeast Newport News Center.

- VPCC remained a valuable resource in providing Commercial Driver's License training and preparation. VPCC trained 154 students in Fiscal Year 2024.
- VPCC hosted multiple events in Fiscal Year 2024 to benefit the local community, employer partners, and students. These events included the Regional Apprenticeship Summit, coordinated and sponsored by the Hampton Roads Workforce Council and WHRO, on November 15, 2023. The event included remarks from President Brannon, an Apprenticeship subject matter expert panel, facilitated round table discussions, and keynote remarks from Virginia Secretary of Labor Bryan Slater. The event was attended by nearly 100 business, agency, and education representatives.
- VPCC continued to serve individuals and businesses with customized training options to include a focus on leadership development, communication strategies, and career skill development.
- VPCC continued support for the Virginia Career Works Center located in the Peninsula Workforce Development Center (PWDC), representing a partnership among four other state and local agencies sharing staff and facility costs and providing career search services for jobseekers. A local branch of the Small Business Development Center also operates from the PWDC, providing engagement opportunities for both VPCC students and faculty.
- VPCC is working in partnership with the Newport News Economic Development Authority to secure a new trades training facility in Southeast Newport News. The project was initiated in Fall 2023 and the facility will be 100 percent designed complete by December 2024. Facility opening is scheduled for June 2025 and will house Welding, Structural Fitting (new program), and Marine Electrical in support of the Maritime industry. The new facility will also house Electrical, Facilities Maintenance, HVAC, and Plumbing in support of the Construction industry.