



VIRGINIA RETIREMENT SYSTEM

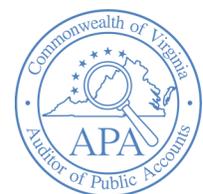
REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2025

Auditor of Public Accounts

Staci A. Henshaw, CPA

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AUDIT SUMMARY

We have audited the basic financial statements of the Virginia Retirement System (System) as of and for the year ended June 30, 2025, and issued our report thereon, dated December 15, 2025. Our report, included in the System's Annual Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at the System's website at www.varetire.org. Our audit found:

- the financial statements are presented fairly, in all material respects;
- no internal control findings requiring management's attention;
- no instances of noncompliance or other matters required to be reported under Government Auditing Standards; and
- adequate corrective action with respect to prior audit finding identified as complete in the Findings Summary included in the Appendix.

RETIREMENT SYSTEM EMPLOYER SCHEDULES

The Commonwealth and its localities have previously implemented Governmental Accounting Standards Board Statements No. 68 and 75. These standards address accounting and reporting of pension and other post-employment benefit activity by employers. Therefore, in addition to our audit of the System's financial statements, we were separately required to audit information prepared by the System for the individual participating employers. In September 2025, the System provided actuarial valuation reports, schedules of the applicable pension and other post-employment benefit amounts, footnote disclosure information, and other financial reporting guidance to the participating state and local government employers for their fiscal year 2025 financial statements. Likewise, our office published the reports that included our audit opinions over the plan schedules and applicable pension and other post-employment benefit amounts for pension and other post-employment benefit plans administered by the System. This information is available at the Auditor of Public Accounts' at www.apa.virginia.gov and at the System's website at www.varetire.org.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 15, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Trustees
Virginia Retirement System

Patricia S. Bishop
Director, Virginia Retirement System

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the **Virginia Retirement System** (System) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Status of Prior Finding

The System has taken adequate corrective action with respect to the prior audit finding identified as complete in the [Findings Summary](#) included in the Appendix.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

EMS/clj

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve IT Change Control and Configuration Management Process	Complete	2023

* A status of **Complete** indicates management has taken adequate corrective action.