

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

AUTHORITY MEMBERS

Orange County

Theodore Voorhees
Sheriff Jason Smith, Member
Kent Higginbotham, Member at Large

Fluvanna County

Sheriff Eric Hess, Chairman
Christopher Fairchild, Member

Greene County

Sheriff Steve Smith, Member
Marie Durrer, Member

Louisa County

Sheriff Donald Lowe, Member
Duane Adams, Member

Madison County

Sheriff Erik Weaver, Vice Chairman
Judson Buchanan, Member

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Independent Auditors' Report

**To the Honorable Members of
Central Virginia Regional Jail Authority
Orange, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Central Virginia Regional Jail Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Central Virginia Regional Jail Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of Central Virginia Regional Jail Authority, as of June 30, 2025, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Virginia Regional Jail Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 13 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Virginia Regional Jail Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Virginia Regional Jail Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Virginia Regional Jail Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Central Virginia Regional Jail Authority's basic financial statements. The accompanying budgetary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of Central Virginia Regional Jail Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Virginia Regional Jail Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Virginia Regional Jail Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 12, 2025

- Basic Financial Statements -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Statement of Net Position
As of June 30, 2025**

	<u>Operating Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 16,328,639	\$ 1,243,651	\$ 17,572,290
Due from other governmental units	<u>1,451,483</u>	<u>87,750</u>	<u>1,539,233</u>
Total current assets	\$ <u>17,780,122</u>	\$ <u>1,331,401</u>	\$ <u>19,111,523</u>
Noncurrent assets:			
Net pension asset	2,331,973	-	2,331,973
Capital assets (net of accumulated depreciation) (Note 5):			
Land	175,000	-	175,000
Buildings and improvements	17,197,219	-	17,197,219
Vehicles	131,997	-	131,997
Machinery and equipment	<u>1,028,814</u>	<u>-</u>	<u>1,028,814</u>
Total noncurrent assets	\$ <u>20,865,003</u>	\$ <u>-</u>	\$ <u>20,865,003</u>
Total assets	\$ <u>38,645,125</u>	\$ <u>1,331,401</u>	\$ <u>39,976,526</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items (Note 3)	\$ 1,312,192	\$ -	\$ 1,312,192
OPEB related items (Notes 7 - 10)	<u>342,768</u>	<u>-</u>	<u>342,768</u>
Total deferred outflows of resources	\$ <u>1,654,960</u>	\$ <u>-</u>	\$ <u>1,654,960</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 364,748	\$ 16,196	\$ 380,944
Accrued payroll	102,181	-	102,181
Compensated absences - current portion (Note 6)	<u>155,494</u>	<u>-</u>	<u>155,494</u>
Total current liabilities	\$ <u>622,423</u>	\$ <u>16,196</u>	\$ <u>638,619</u>
Noncurrent Liabilities:			
Compensated absences - long-term portion (Note 6)	1,399,446	-	1,399,446
Net OPEB liabilities (Notes 7 - 10)	<u>2,278,578</u>	<u>-</u>	<u>2,278,578</u>
Total noncurrent assets	\$ <u>3,678,024</u>	\$ <u>-</u>	\$ <u>3,678,024</u>
Total liabilities	\$ <u>4,300,447</u>	\$ <u>16,196</u>	\$ <u>4,316,643</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items (Note 3)	\$ 1,005,454	\$ -	\$ 1,005,454
OPEB related items (Notes 7 - 10)	<u>1,599,639</u>	<u>-</u>	<u>1,599,639</u>
Total deferred inflows of resources	\$ <u>2,605,093</u>	\$ <u>-</u>	\$ <u>2,605,093</u>
NET POSITION			
Investment in capital assets	\$ 18,533,030	\$ -	\$ 18,533,030
Restricted for inmates	-	1,315,205	1,315,205
Restricted for employees	4,617	-	4,617
Restricted for net pension asset	2,331,973	-	2,331,973
Unrestricted	<u>12,524,925</u>	<u>-</u>	<u>12,524,925</u>
Total net position	\$ <u>33,394,545</u>	\$ <u>1,315,205</u>	\$ <u>34,709,750</u>

The accompanying notes to financial statements are an integral part of this statement.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025**

	<u>Operating Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
Operating revenues:			
Contributions from participating localities:			
County of Greene	\$ 1,010,193	\$ -	\$ 1,010,193
County of Fluvanna	777,583	-	777,583
County of Orange	1,641,923	-	1,641,923
County of Madison	411,505	-	411,505
County of Louisa	1,988,856	-	1,988,856
Other jurisdictions per diem	3,086,789	-	3,086,789
Commissary sales	-	1,331,784	1,331,784
Donations fund receipts	7,615	-	7,615
Medical fund receipts	48,560	-	48,560
Miscellaneous	459,208	7,127	466,335
Commonwealth of Virginia State Compensation Board:			
State of Virginia	6,573,267	-	6,573,267
Reimbursement for jail inmate days:			
State of Virginia	1,211,664	-	1,211,664
Federal inmate days	369,611	-	369,611
Total operating revenues	\$ 17,586,774	\$ 1,338,911	\$ 18,925,685
Operating expenses:			
Public Safety:			
Personnel costs	\$ 9,571,343	\$ 450,904	\$ 10,022,247
Fringe benefits	3,015,062	-	3,015,062
Contractual services	2,620,000	-	2,620,000
Other charges	3,105,803	749,865	3,855,668
Depreciation expense	1,107,678	-	1,107,678
Capital outlay	142,438	-	142,438
Total operating expenses	\$ 19,562,324	\$ 1,200,769	\$ 20,763,093
Operating income (loss)	\$ (1,975,550)	\$ 138,142	\$ (1,837,408)
Nonoperating revenues (expenses):			
Interest income	\$ 551,496	\$ -	\$ 551,496
Net nonoperating revenues (expenses)	\$ 551,496	\$ -	\$ 551,496
Change in net position	\$ (1,424,054)	\$ 138,142	\$ (1,285,912)
Net position, beginning of year	34,818,599	1,177,063	35,995,662
Net position, end of year	\$ 33,394,545	\$ 1,315,205	\$ 34,709,750

The accompanying notes to financial statements are an integral part of this statement.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Statement of Cash Flows
For the Year Ended June 30, 2025**

	<u>Operating Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 18,137,792	\$ 1,373,393	\$ 19,511,185
Payments to suppliers	(6,073,930)	(748,030)	(6,821,960)
Payments to and on behalf of employees	(13,459,055)	(450,904)	(13,909,959)
Net cash flows provided by (used for) operating activities	<u>\$ (1,395,193)</u>	<u>\$ 174,459</u>	<u>\$ (1,220,734)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	\$ (577,828)	\$ -	\$ (577,828)
Net cash flows provided by (used for) capital and related financing activities	<u>\$ (577,828)</u>	<u>\$ -</u>	<u>\$ (577,828)</u>
Cash flows from investing activities:			
Interest income	\$ 551,496	\$ -	\$ 551,496
Net cash flows provided by (used for) investing activities	<u>\$ 551,496</u>	<u>\$ -</u>	<u>\$ 551,496</u>
Net increase (decrease) in cash and cash equivalents	\$ (1,421,525)	\$ 174,459	\$ (1,247,066)
Cash and cash equivalents, beginning of year	17,750,164	1,069,192	18,819,356
Cash and cash equivalents, end of year	<u>\$ 16,328,639</u>	<u>\$ 1,243,651</u>	<u>\$ 17,572,290</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (1,975,550)	\$ 138,142	\$ (1,837,408)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,107,678	-	1,107,678
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) / decrease in accounts receivable	-	122,232	122,232
(Increase) / decrease in due from other governmental units	551,018	(87,750)	463,268
(Increase) / decrease in net pension asset	(251,301)	-	(251,301)
(Increase) / decrease in deferred outflows - pension related	(340,621)	-	(340,621)
(Increase) / decrease in deferred outflows - OPEB related	74,696	-	74,696
Increase / (decrease) in accounts payable	(205,689)	1,835	(203,854)
Increase / (decrease) in accrued payroll	(10,991)	-	(10,991)
Increase / (decrease) in compensated absences	136,689	-	136,689
Increase / (decrease) in net OPEB liabilities	144,904	-	144,904
Increase / (decrease) in deferred inflows - pension related	(351,178)	-	(351,178)
Increase / (decrease) in deferred inflows - OPEB related	(274,848)	-	(274,848)
Cash flows provided by (used for) operating activities	<u>\$ (1,395,193)</u>	<u>\$ 174,459</u>	<u>\$ (1,220,734)</u>

The accompanying notes to financial statements are an integral part of this statement.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

As of June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>207,875</u>
Total assets	\$ <u><u>207,875</u></u>
NET POSITION	
Restricted for inmates	\$ <u>207,875</u>
Total net position	\$ <u><u>207,875</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Inmate deposits	\$ 1,687,273
Work release fees	<u>171,495</u>
Total additions	<u>\$ 1,858,768</u>
DEDUCTIONS	
Medical charges	\$ 48,560
Commissary purchases	1,331,784
Telephone charges	290,520
Work release charges	<u>135,699</u>
Total deductions	<u>\$ 1,806,563</u>
Net increase (decrease) in fiduciary net position	\$ 52,205
Net position, beginning of year	<u>121,893</u>
Net position, end of year	<u><u>\$ 207,875</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Central Virginia Jail Authority (The Authority) conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

A. The Financial Reporting Entity:

The Central Virginia Regional Jail Authority was established pursuant to the Code of Virginia (1950), as amended and the participating Counties of Fluvanna, Greene, Louisa, Madison and Orange. The construction costs of the Authority are divided among the participating localities. The costs of operation and maintenance for each county shall be on a 3-year average inmate day basis. The Authority is considered a Jointly Governed Organization of the above localities because each locality is equally represented on the Board. Each participating locality contributes annually to the Authority's operations. However, there is no financial benefit or burden between the Authority and the participating localities.

B. Financial Statement Presentation:

Management's Discussion and Analysis - GASB requires the financial statements be accompanied by a narrative introduction and analytical overview of the Authority's financial activities in the form of "management's discussion and analysis" (MD&A). Management has elected to omit the MD&A.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Central Virginia Regional Jail Authority operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

The enterprise funds consist of the operating fund, which accounts for most of the Authority's activity, and the commissary fund, which accounts for the inmate commissary activity.

Operating revenues and expenses are defined as those items that result from providing services and include all transactions and events which are not capital and related financing, noncapital financing or investing activities. Nonoperating revenues are defined as grant, investment, and other income. Nonoperating expenses are defined as capital and noncapital related financing and other expenses.

Additionally, the Authority reports the following fund type:

Fiduciary funds account for assets held by the Authority in a trustee capacity or as custodian of individuals, private organizations, other governmental units or other funds. The inmate fund and work release fund are the Authority's custodial funds. Fiduciary funds are maintained on the accrual basis of accounting, and are not included in the enterprise financial statements.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Capital Assets:

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items). To the extent the Authority's capitalization threshold of \$5,000 is met, capital outlays are recorded as capital assets and depreciated over their estimated useful lives on a straight-line basis. Lease assets are amortized on a straight-line basis over the shorter of the lease term or their estimated useful lives. Construction-in-progress is depreciated upon project completion. The following estimated useful lives are used to depreciate assets:

Buildings and improvements	30-40 years
Vehicles, machinery, and equipment	5-10 years

All purchased capital assets are valued at historical cost. Donated capital assets are recorded at acquisition value on the date donated.

E. Accounts Receivable:

Accounts receivable, if any, are reported at book value utilizing the direct write-off method for uncollectible accounts. Uncollected balances have not been significant and no allowances for uncollectible accounts are recorded.

F. Cash and Cash Equivalents:

The Authority's cash and cash equivalents include cash on hand, demand deposits and short-term investments with an initial maturity of three months or less.

G. Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Investments:

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

I. Budgets and Budgetary Accounting:

A budget is prepared for informational and fiscal planning purposes. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses. The budget is prepared on the same basis of accounting as the actual amounts in the financial statements.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2025 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

J. Net Position:

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

K. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

L. Pensions:

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

M. Other Postemployment Benefits (OPEB):

For purposes of measuring the net VRS GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's fiduciary net 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 are reported at fair value.

N. Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Authority's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The Authority's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the Authority and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits:

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments:

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Authority had one investment at June 30, 2025, in the VACO/VML Virginia Investment Pool (VIP). The VIP investment in the amount of \$10,439,008.85 had a fair quality rating of AAAm, and an investment maturity (a weighted average maturity in years) of less than one year. The Authority has no formal deposit and investment policy.

Custodial Credit Risk (Investments):

The Authority’s investments at June 30, 2025 were held by the Authority or in the Authority’s name by the Authority’s custodial banks.

Authority's Rated Debt Investments	
Rated Debt Investments Value	
	AAAm
VML/VACo Virginia Investment Pool	\$ 10,439,009
Total	\$ 10,439,009

Interest Rate Risk:

The Authority reports investments and the maturities as follows:

Investment Type	Investment Maturity*		
	Valule	Less than 1	1-5 Years
VML/VACo Virginia Investment Pool	\$ 10,439,009	\$ 10,439,009	\$ -
Total Investments	\$ 10,439,009	\$ 10,439,009	\$ -

*Weighted average maturity in years.

Redemption Restrictions:

The Authority is limited to two VACO/VML Virginia Investment Pool withdrawals per month which requires a five day notice.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority has measured the fair value of its VIP investment at the net asset value.

NOTE 3 - PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, and have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Benefit Structures

- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	75
Inactive members:	
Vested inactive members	27
Non-vested inactive members	173
Inactive members active elsewhere in VRS	<u>117</u>
Total inactive members	317
Active members	<u>132</u>
Total covered employees	<u><u>524</u></u>

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 options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority's contractually required employer contribution rate for the year ended June 30, 2025 was 11.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, 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 to the pension plan from the Authority were \$907,264 and \$883,080 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory of this covered payroll, which totaled \$19,499 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$0 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,949,912 for the year ended June 30, 2025.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Net Pension Asset

The net pension asset (NPA) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the Authority, the net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions - General Employees

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

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

Mortality rates:

All Others (Non-10 Largest) Non-Hazardous Duty: 15% of deaths are assumed to be service related

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates: (Continued)

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

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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
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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits: (Continued)

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 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 with a Modified MP-2020 Improvement Scale; 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 with a Modified MP-2020 Improvement Scale; 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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the 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.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 20,718,633	\$ 22,799,305	\$ (2,080,672)
Changes for the year:			
Service cost	\$ 1,110,955	\$ -	\$ 1,110,955
Interest	1,436,589	-	1,436,589
Differences between expected and actual experience	652,769	-	652,769
Contributions - employer	-	883,081	(883,081)
Contributions - employee	-	348,560	(348,560)
Net investment income	-	2,233,073	(2,233,073)
Benefit payments, including refunds of employee contributions	(1,093,577)	(1,093,577)	-
Administrative expenses	-	(13,610)	13,610
Other changes	-	510	(510)
Net changes	<u>\$ 2,106,736</u>	<u>\$ 2,358,037</u>	<u>\$ (251,301)</u>
Balances at June 30, 2024	<u>\$ 22,825,369</u>	<u>\$ 25,157,342</u>	<u>\$ (2,331,973)</u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Central Virginia Regional Jail Authority's Net Pension Liability (Asset)	\$ 671,319	\$ (2,331,973)	\$ (4,768,075)

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

For the year ended June 30, 2025, the Authority recognized pension expense of \$29,707. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 404,568	\$ 380,065
Net difference between projected and actual earnings on pension plan investments	-	625,389
Employer contributions subsequent to the measurement date	907,624	-
Total	\$ 1,312,192	\$ 1,005,454

\$907,624 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2026	\$ (650,778)
2027	317,443
2028	(129,569)
2029	(137,982)
2030	-
Thereafter	-

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS:

Federal inmates	\$	11,858
Participating localities		7,147
Other localities		633,385
Commonwealth of Virginia:		
State inmate days		396,257
Compensation Board		490,586
Total	\$	<u><u>1,539,233</u></u>

NOTE 5 - CAPITAL ASSETS:

The following is a summary of changes in capital assets during the year:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Capital assets not being depreciated:				
Land	\$ 175,000	\$ -	\$ -	\$ 175,000
Total capital assets not being depreciated	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,000</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 30,657,602	\$ -	\$ -	\$ 30,657,602
Vehicles	665,025	99,986	55,199	709,812
Machinery and equipment	1,449,584	477,842	-	1,927,426
Total capital assets being depreciated	<u>\$ 32,772,211</u>	<u>\$ 577,828</u>	<u>\$ 55,199</u>	<u>\$ 33,294,840</u>
Accumulated depreciation				
Buildings and improvements	\$ 12,593,852	\$ 866,531	\$ -	\$ 13,460,383
Vehicles	555,357	77,657	55,199	577,815
Machinery and equipment	735,122	163,490	-	898,612
Total accumulated depreciation	<u>\$ 13,884,331</u>	<u>\$ 1,107,678</u>	<u>\$ 55,199</u>	<u>\$ 14,936,810</u>
Total capital assets being depreciated, net	<u>\$ 18,887,880</u>	<u>\$ (529,850)</u>	<u>\$ -</u>	<u>\$ 18,358,030</u>
Net capital assets	<u>\$ 19,062,880</u>	<u>\$ (529,850)</u>	<u>\$ -</u>	<u>\$ 18,533,030</u>

Depreciation expense for the fiscal year totaled \$1,107,678.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 6 - COMPENSATED ABSENCES:

During the current year, the Authority implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Authority now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. Since the impact of the change in accounting principle was not significant, there was no restatement of beginning balances.

The Authority accrued the liability arising from outstanding compensated absences. The Authority has outstanding accrued vacation, sick and compensation time pay as summarized below:

Compensated absences June 30, 2024	\$	1,418,251
Increase (decrease) during year		<u>136,689</u>
Compensated absences June 30, 2025	\$	1,554,940
Less current portion (10%)		<u>(155,494)</u>
Total long-term portion	\$	<u><u>1,399,446</u></u>

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE:

Plan Description

The Authority administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Authority's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Participants who are eligible to retire from VRS pension plan are allowed access to the plan until they reach age 65. Retirees pay the blended (employees and retirees) published rate, however as they are older than the typical employee (and thus more expensive) there is a cost to this right to purchase insurance at the blended rate. VRS retirement eligibility is age 50 with 10 years of service or age 55 with 5 years of service for employees hired prior to July 1, 2010 who were vested in the plan prior to July 1, 2013. VRS retirement eligibility is the earlier of age 60 with 5 years of service or 90 combined age and service points for other employees. All employees must meet the service requirements (10 years for age 50 or 5 years for age 55) at the Authority in order to elect post-retirement coverage.

Participants who retired prior to July 1, 2018 were grandfathered from the prior plan and are eligible for a postretirement medical subsidy offered by the Authority. They receive up to \$250 per month toward the retiree's single coverage for health insurance. This portion of the benefit is closed to future retirees. The subsidy ceases upon eligibility for Medicare.

Plan Membership

At July 1, 2024 (the valuation date) the following employees were covered by the benefit terms:

Total active employees with coverage		117
Total retirees with coverage		<u>3</u>
Total		<u><u>120</u></u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE: (CONTINUED)

Contributions

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Authority. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2025 was \$11,000.

Total OPEB Liability

The Authority's total OPEB liability was measured as of July 1, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50% per year as of July 1, 2024
Discount Rate	4.09% per year as of July 1, 2024
Healthcare Cost Trend Rates	0.00% for fiscal year end 2024 (to reflect actual experience), then 6.50% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality rates were based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

Discount Rate

The discount rate used to determine the OPEB liability is based on an index rate for 20-year tax exempt General Obligation Municipal Bonds with an average rating of AA/Aa or higher. This rate was 4.09% as of July 1, 2024.

Changes in Total OPEB Liability

		<u>Total OPEB Liability</u>
Balances at July 1, 2024	\$	<u>1,774,000</u>
Changes for the year:		
Service cost	\$	219,000
Interest		77,000
Difference between expected and actual experience		(70,000)
Changes of assumptions		(25,000)
Benefit payments		(11,000)
Net changes	\$	<u>190,000</u>
Balances at June 30, 2025*	\$	<u><u>1,964,000</u></u>

*Measurement date is July 1, 2024

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE: (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

Rate		
1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
\$ 2,211,000	\$ 1,964,000	\$ 1,746,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

Rates		
1% Decrease (5.50%)	Current Trend Rate (6.50%)	1% Increase (7.50%)
\$ 1,673,000	\$ 1,964,000	\$ 2,320,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the Authority recognized OPEB expense in the amount of (\$1,000). At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,147,000
Changes in assumptions	241,000	361,000
Total	\$ 241,000	\$ 1,508,000

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE: (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

\$0 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (302,000)
2027	(301,000)
2028	(291,000)
2029	(199,000)
2030	(106,000)
Thereafter	(68,000)

Additional disclosures on changes in total OPEB liability and related ratios can be found in the required supplementary information following the notes to the financial statements.

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan 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. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan 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 GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI 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.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable 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 \$9,532 as of June 30, 2025.

Contributions

The contribution requirements for the GLI Plan 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 GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$38,106 and \$39,086 for the years ended June 30, 2025 and June 30, 2024, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2025, the entity reported a liability of \$314,578 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was .02819% as compared to .02999% at June 30, 2023.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$858. 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.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 49,616	\$ 7,684
Net difference between projected and actual earnings on GLI OPEB plan investments	-	26,516
Changes of assumptions	1,793	15,590
Changes in proportion	12,253	41,849
Employer contributions subsequent to the measurement date	<u>38,106</u>	<u>-</u>
Total	<u>\$ 101,768</u>	<u>\$ 91,639</u>

\$38,106 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (20,005)
2027	(1,146)
2028	(9,299)
2029	846
2030	1,627
Thereafter	-

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
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 - Non-Largest Ten 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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Ten 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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	<u>3,080,133</u>
GLI Net OPEB Liability (Asset)	<u>\$ 1,115,922</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	 73.41%

The total GLI 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 GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

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 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 ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 8 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the Group Life Insurance Plan Net OPEB Liability	\$ 489,210	\$ 314,578	\$ 173,499

GLI Plan Fiduciary Net Position

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

NOTE 9 - LINE OF DUTY ACT (LODA)

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Jail Authority has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Jail Authority to VACORP. VACORP assumes all liability for the Jail Authority’s LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Jail Authority’s LODA coverage is fully covered or “insured” through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The Jail Authority’s LODA premium for the year ended June 30, 2025 was \$35,640.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 10 - SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND EXPENSES:

	<u>Net OPEB Liabilities</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
VRS Group Life Insurance Plan	\$ 314,578	\$ 101,768	\$ 91,639	\$ 858
Health Insurance	<u>1,964,000</u>	<u>241,000</u>	<u>1,508,000</u>	<u>(1,000)</u>
Totals	<u>\$ 2,278,578</u>	<u>\$ 342,768</u>	<u>\$ 1,599,639</u>	<u>\$ (142)</u>

NOTE 11 - RISK MANAGEMENT:

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries insurance.

The Authority is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The Authority pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The Authority continues to carry commercial insurance for all other risks of losses. For the previous three fiscal years, settled claims from these risks have not exceeded commercial coverage.

NOTE 12 - LITIGATION, CLAIMS AND ASSESSMENTS:

At June 30, 2025, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

NOTE 13 - ADOPTION OF ACCOUNTING PRINCIPLES:

During the current year, the Authority implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Authority now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. Since the impact of the change in accounting principle was not significant, there was no restatement of beginning balances.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2025 (Continued)

NOTE 14 - UPCOMING PRONOUNCEMENTS:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

- Required Supplementary Information -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability					
Service cost	\$ 1,110,955	\$ 1,120,702	\$ 1,049,301	\$ 959,677	\$ 921,913
Interest	1,436,589	1,409,173	1,349,083	1,163,053	1,080,719
Differences between expected and actual experience	652,769	(1,139,175)	(729,516)	(401,661)	(353)
Changes of assumptions	-	-	-	787,116	-
Benefit payments, including refunds of employee contributions	(1,093,577)	(856,017)	(844,066)	(758,910)	(806,128)
Net change in total pension liability	<u>\$ 2,106,736</u>	<u>\$ 534,683</u>	<u>\$ 824,802</u>	<u>\$ 1,749,275</u>	<u>\$ 1,196,151</u>
Total pension liability - beginning	<u>20,718,633</u>	<u>20,183,950</u>	<u>19,359,148</u>	<u>17,609,873</u>	<u>16,413,722</u>
Total pension liability - ending (a)	<u><u>\$ 22,825,369</u></u>	<u><u>\$ 20,718,633</u></u>	<u><u>\$ 20,183,950</u></u>	<u><u>\$ 19,359,148</u></u>	<u><u>\$ 17,609,873</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 883,081	\$ 861,216	\$ 712,776	\$ 754,178	\$ 777,794
Contributions - employee	348,560	341,326	311,212	330,140	315,213
Net investment income	2,233,073	1,391,690	(34,085)	4,499,105	301,305
Differences between expected and actual experience					
Changes of assumptions	(1,093,577)	(856,017)	(844,066)	(758,910)	(806,128)
Administrative expense	(13,610)	(13,288)	(12,861)	(10,572)	(9,753)
Other	510	421	495	430	(364)
Net change in plan fiduciary net position	<u>\$ 2,358,037</u>	<u>\$ 1,725,348</u>	<u>\$ 133,471</u>	<u>\$ 4,814,371</u>	<u>\$ 578,067</u>
Plan fiduciary net position - beginning	<u>22,799,305</u>	<u>21,073,957</u>	<u>20,940,486</u>	<u>16,126,115</u>	<u>15,548,048</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 25,157,342</u></u>	<u><u>\$ 22,799,305</u></u>	<u><u>\$ 21,073,957</u></u>	<u><u>\$ 20,940,486</u></u>	<u><u>\$ 16,126,115</u></u>
Authority's net pension liability (asset) - ending (a) - (b)	\$ (2,331,973)	\$ (2,080,672)	\$ (890,007)	\$ (1,581,338)	\$ 1,483,758
Plan fiduciary net position as a percentage of the total pension liability	110.22%	110.04%	104.41%	108.17%	91.57%
Covered payroll	\$ 7,205,667	\$ 7,023,183	\$ 6,367,862	\$ 6,723,099	\$ 6,429,371
Authority's net pension liability (asset) as a percentage of covered payroll	-32.36%	-29.63%	-13.98%	-23.52%	23.08%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 For the Measurement Dates of June 30, 2015 through June 30, 2024 (Continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 804,213	\$ 865,946	\$ 762,029	\$ 581,496	\$ 575,824
Interest	1,053,220	980,638	893,861	844,981	797,368
Differences between expected and actual experience	(605,189)	(22,461)	441,445	39,555	943
Changes of assumptions	499,094	-	(67,718)	-	-
Benefit payments, including refunds of employee contributions	(767,235)	(807,228)	(772,667)	(762,817)	(625,105)
Net change in total pension liability	<u>\$ 984,103</u>	<u>\$ 1,016,895</u>	<u>\$ 1,256,950</u>	<u>\$ 703,215</u>	<u>\$ 749,030</u>
Total pension liability - beginning	<u>15,429,619</u>	<u>14,412,724</u>	<u>13,155,774</u>	<u>12,452,559</u>	<u>11,703,529</u>
Total pension liability - ending (a)	<u><u>\$ 16,413,722</u></u>	<u><u>\$ 15,429,619</u></u>	<u><u>\$ 14,412,724</u></u>	<u><u>\$ 13,155,774</u></u>	<u><u>\$ 12,452,559</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 731,650	\$ 677,651	\$ 656,511	\$ 589,767	\$ 478,419
Contributions - employee	298,789	291,602	282,792	236,532	192,167
Net investment income	981,078	983,563	1,433,691	202,292	500,151
Differences between expected and actual experience					
Changes of assumptions	(767,235)	(807,228)	(772,667)	(762,817)	(625,105)
Administrative expense	(9,128)	(8,209)	(7,968)	(6,928)	(6,714)
Other	(621)	(888)	(1,288)	(85)	(107)
Net change in plan fiduciary net position	<u>\$ 1,234,533</u>	<u>\$ 1,136,491</u>	<u>\$ 1,591,071</u>	<u>\$ 258,761</u>	<u>\$ 538,811</u>
Plan fiduciary net position - beginning	<u>14,313,515</u>	<u>13,177,024</u>	<u>11,585,953</u>	<u>11,327,192</u>	<u>10,788,381</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 15,548,048</u></u>	<u><u>\$ 14,313,515</u></u>	<u><u>\$ 13,177,024</u></u>	<u><u>\$ 11,585,953</u></u>	<u><u>\$ 11,327,192</u></u>
Authority's net pension liability (asset) - ending (a) - (b)	\$ 865,674	\$ 1,116,104	\$ 1,235,700	\$ 1,569,821	\$ 1,125,367
Plan fiduciary net position as a percentage of the total pension liability	94.73%	92.77%	91.43%	88.07%	90.96%
Covered payroll	\$ 6,042,510	\$ 5,925,880	\$ 5,735,912	\$ 4,779,876	\$ 3,875,864
Authority's net pension liability (asset) as a percentage of covered payroll	14.33%	18.83%	21.54%	32.84%	29.04%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Employer Contributions - Pension
 For the Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution*</u>	<u>Contributions in Relation to Contractually Required Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2025	\$ 907,264	\$ 907,264	\$ -	\$ 8,093,345	11.21%
2024	883,080	883,080	-	7,205,667	12.26%
2023	861,245	861,245	-	7,023,183	12.26%
2022	713,685	713,685	-	6,367,862	11.21%
2021	754,178	754,178	-	6,723,099	11.22%
2020	778,550	778,550	-	6,429,371	12.11%
2019	731,650	731,650	-	6,042,510	12.11%
2018	678,087	678,087	-	5,925,880	11.44%
2017	656,510	656,510	-	5,735,912	11.45%
2016	592,227	592,227	-	4,779,876	12.39%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

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

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

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

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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
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

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Total OPEB Liability - Health Insurance
 For the Years Ended June 30, 2019 to June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability							
Service cost	\$ 219,000	\$ 220,000	\$ 398,000	\$ 343,000	\$ 341,000	\$ 321,000	\$ 310,000
Interest	77,000	72,000	58,000	59,000	87,000	87,000	73,000
Changes in assumptions	(25,000)	(104,000)	(437,000)	299,000	168,000	133,000	(15,000)
Differences between expected and actual experience	(70,000)	(145,000)	(881,000)	(117,000)	(969,000)	(157,000)	-
Benefit payments	(11,000)	(15,000)	(16,000)	(19,000)	(21,000)	(34,000)	(25,000)
Net change in total OPEB liability	<u>\$ 190,000</u>	<u>\$ 28,000</u>	<u>\$ (878,000)</u>	<u>\$ 565,000</u>	<u>\$ (394,000)</u>	<u>\$ 350,000</u>	<u>\$ 343,000</u>
Total OPEB liability - beginning	<u>1,774,000</u>	<u>1,746,000</u>	<u>2,624,000</u>	<u>2,059,000</u>	<u>2,453,000</u>	<u>2,103,000</u>	<u>1,760,000</u>
Total OPEB liability - ending*	<u>\$ 1,964,000</u>	<u>\$ 1,774,000</u>	<u>\$ 1,746,000</u>	<u>\$ 2,624,000</u>	<u>\$ 2,059,000</u>	<u>\$ 2,453,000</u>	<u>\$ 2,103,000</u>
Covered payroll	\$ 6,870,000	\$ 7,283,000	\$ 7,283,000	\$ 6,564,000	\$ 6,564,000	\$ 5,225,000	\$ 5,225,000
Total OPEB liability as a percentage of covered payroll	28.59%	24.36%	23.97%	39.98%	31.37%	46.95%	40.25%

*Measurement date is July 1, 2024

This schedule is intended to show information for 10 years. However, information prior to 2019 is not available. Additional years will be included as they become available.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information - Health Insurance
For the Year Ended June 30, 2025

Valuation Date: July 1, 2024
Measurement Date: July 1, 2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Normal
Discount Rate	4.09% as of July 1, 2024.
Healthcare Trend Rates	0.00% for fiscal year end 2024 (to reflect actual experience), then 6.50% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	3.50% as of July 1, 2024.
Mortality Rates	Pre-2012 amount-weighted mortality table with fully generational projection of mortality improvements using projection scale MP-2021

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Authority's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2024

<u>Date</u>	<u>Employer's Proportionate of the Net GLI OPEB Liability</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u>
2024	0.02819% \$	314,578 \$	7,238,096	4.35%	73.41%
2023	0.02999%	359,674	7,064,011	5.09%	69.30%
2022	0.02950%	354,727	6,407,279	5.54%	67.21%
2021	0.03270%	381,066	6,757,303	5.64%	67.45%
2020	0.03150%	525,684	6,482,480	8.11%	52.64%
2019	0.03100%	503,802	6,042,510	8.34%	52.00%
2018	0.03136%	476,000	5,925,880	8.03%	51.22%
2017	0.03138%	472,000	5,735,912	8.23%	48.86%

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2025	\$ 38,106	\$ 38,106	\$ -	\$ 8,107,613	0.47%
2024	39,086	39,086	-	7,238,096	0.54%
2023	38,146	38,146	-	7,064,011	0.54%
2022	34,599	34,599	-	6,407,279	0.54%
2021	36,489	36,489	-	6,757,303	0.54%
2020	33,709	33,709	-	6,482,480	0.52%
2019	31,558	31,558	-	6,042,510	0.52%
2018	31,010	31,010	-	5,925,880	0.52%
2017	29,000	29,000	-	5,735,912	0.51%
2016	25,444	25,444	-	4,779,876	0.53%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2025

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

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

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

- Other Supplementary Information -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Schedule of Revenues, Expenses and Changes in Net Position
Operating Fund Budget and Actual
For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Revenue from local sources:				
Contributions from participating localities:				
County of Greene	\$ 1,416,509	\$ 1,416,509	\$ 1,010,193	\$ (406,316)
County of Fluvanna	1,120,689	1,120,689	777,583	(343,106)
County of Orange	2,351,993	2,351,993	1,641,923	(710,070)
County of Madison	590,314	590,314	411,505	(178,809)
County of Louisa	2,810,097	2,810,097	1,988,856	(821,241)
Other jurisdictions per diem	600,000	600,000	3,086,789	2,486,789
Charges to prisoners - EIP / Work release	30,000	30,000	-	(30,000)
Donations fund receipts	-	-	7,615	7,615
Medical fund receipts	-	-	48,560	48,560
Miscellaneous income	296,986	296,986	459,208	162,222
Total revenue from local sources	\$ 9,216,588	\$ 9,216,588	\$ 9,432,232	\$ 215,644
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Reimbursement of salaries and fringes	\$ 5,856,872	\$ 5,856,872	\$ 6,573,267	\$ 716,395
Expenditure refunds	50,000	50,000	-	(50,000)
State inmate days	809,540	809,540	1,211,664	402,124
Total revenue from the Commonwealth	\$ 6,716,412	\$ 6,716,412	\$ 7,784,931	\$ 1,068,519
Revenue from Federal Government:				
Inmate reimbursement	\$ 850,000	\$ 850,000	\$ 369,611	\$ (480,389)
Total revenue from the Federal Government	\$ 850,000	\$ 850,000	\$ 369,611	\$ (480,389)
Total operating revenues	\$ 16,783,000	\$ 16,783,000	\$ 17,586,774	\$ 803,774
Operating Expenses:				
Public Safety:				
Salaries	\$ 8,501,440	\$ 8,501,440	\$ 8,034,341	\$ 467,099
Salaries - Commissary Officer	219,545	219,545	204,180	15,365
Salaries - Education Director	85,086	85,086	90,231	(5,145)
Salaries - Bilingual Interpreter Stipend	75,000	75,000	34,933	40,067
Salaries - Overtime	650,000	650,000	1,197,658	(547,658)
Salaries - Leave Payout	10,000	10,000	10,000	-
Unemployment	10,000	10,000	-	10,000
FICA	725,490	725,490	710,885	14,605
VRS	1,204,692	1,204,692	(18,705)	1,223,397
Health Insurance	2,319,156	2,319,156	2,046,649	272,507
Retiree Health Insurance Credit	10,000	10,000	9,000	1,000
Group Life Insurance	132,091	132,091	58,418	73,673
Workers' Compensation	190,000	190,000	164,862	25,138
Hybrid Disability Insurance	8,254	8,254	8,313	(59)
LODA	39,300	39,300	35,640	3,660

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position
 Operating Fund Budget and Actual
 For the Year Ended June 30, 2025 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
Outside Medical, Dental and Hospital Claims	\$ 840,000	\$ 840,000	\$ 989,279	\$ (149,279)
Physician	260,000	260,000	260,000	-
Dentist	75,705	75,705	75,705	-
Psychologist / RRCSCB	89,200	89,200	89,000	200
Employee Medical Assessments	10,000	10,000	5,356	4,644
Medical - DOC Responsible Inmates	75,000	75,000	324,817	(249,817)
Laboratory and X-ray Services	57,000	57,000	55,256	1,744
Psychiatrist	75,190	75,190	75,190	-
Auditor	22,000	22,000	19,800	2,200
PREA Audit	6,000	6,000	2,400	3,600
OPEB Actuarial Valuation	16,000	16,000	9,700	6,300
Medical Health Case Manger	93,450	93,450	103,000	(9,550)
Financial - 5 Year Plan	13,000	13,000	-	13,000
Legal Services	36,000	36,000	38,500	(2,500)
Litigation	40,000	40,000	-	40,000
General Assembly Representation	18,000	18,000	15,646	2,354
Data Processing	25,000	25,000	25,508	(508)
IT Service Contracts	61,010	61,010	58,943	2,067
Community Corrections	75,000	75,000	75,000	-
Basic and In-Service Training - RRCJA	75,000	75,000	47,523	27,477
Interpreter Services	2,000	2,000	870	1,130
Repairs & Maintenance - Building and Grounds	45,000	45,000	21,531	23,469
IT Contracts, Equipment, and Repairs	169,140	169,140	143,333	25,807
Repairs & Maintenance - Vehicles /Equip	29,500	29,500	29,417	83
Maintenance Contracts - Bldg & Grounds	81,700	81,700	56,813	24,887
Maintenance Contracts - Office Equipment	4,300	4,300	3,000	1,300
Extermination Services	4,000	4,000	3,993	7
Refuse Collection	23,800	23,800	26,901	(3,101)
IT Services and Repairs	75,000	75,000	35,406	39,594
Printing and Binding Services	23,800	23,800	9,015	14,785
Advertising	40,000	40,000	19,098	20,902
Electricity and Heating	395,000	395,000	406,510	(11,510)
Water and Sewer	190,000	190,000	177,065	12,935
Postage	10,000	10,000	9,392	608
Telecommunications	28,000	28,000	21,530	6,470
Internet Services	3,000	3,000	2,644	356
Insurance - Boiler and Machinery	3,400	3,400	3,140	260
Insurance - General and Increased Liability Limits	1,700	1,700	1,605	95
Insurance - Inland Marine	1,200	1,200	949	251
Insurance - Cyber Risk	8,000	8,000	3,000	5,000
Insurance - Vehicles	12,500	12,500	12,500	-
Insurance - Public Officials Liability	4,200	4,200	3,942	258
Insurance - General Property	28,000	28,000	20,751	7,249
Insurance - Accident Inmate	5,500	5,500	2,500	3,000
Lease - EIP Equipment	4,000	4,000	-	4,000
Lease - Office Equipment	3,500	3,500	517	2,983
Tolls	1,200	1,200	900	300
Meals and Lodging	47,510	47,510	23,404	24,106
Conventions and Education	41,900	41,900	24,828	17,072

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses, and Changes in Net Position
 Operating Fund Budget and Actual
 For the Year Ended June 30, 2025 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
ADA Compliance Training	\$ 10,000	\$ 10,000	\$ 710	\$ 9,290
Contributions	1,000	1,000	529	471
Dues and Memberships	6,200	6,200	6,200	-
Permit, Fees, and Licenses	3,600	3,600	1,190	2,410
Bank Service Charges	6,100	6,100	4,176	1,924
Contingencies	64,000	64,000	-	64,000
Office Supplies	22,000	22,000	18,156	3,844
EDP Supplies	25,000	25,000	17,859	7,141
Disposable Products	15,000	15,000	14,868	132
Pharmaceuticals	567,000	567,000	614,411	(47,411)
Food and Beverages	965,000	965,000	959,696	5,304
Janitorial and Laundry Supplies	86,000	86,000	87,117	(1,117)
Linen Supplies	60,000	60,000	49,662	10,338
Repairs & Maintenance - Building and Grounds	129,500	129,500	82,141	47,359
Fuel - Vehicles / Power Equipment	67,500	67,500	50,272	17,228
Supplies - Vehicles / Equip	8,000	8,000	7,073	927
Security Supplies	180,800	180,800	153,545	27,255
Uniforms - Staff	92,275	92,275	88,061	4,214
Uniforms - Inmates	103,500	103,500	77,952	25,548
Books and Subscriptions	6,000	6,000	4,658	1,342
Education Supplies - Classroom	11,000	11,000	1,753	9,247
Food Services Prep Supplies	4,500	4,500	3,943	557
Religious / Recovery Programs	32,650	32,650	22,189	10,461
Medical Supplies	152,000	152,000	121,675	30,325
Machinery and Equipment-replace	188,000	188,000	38,310	149,690
Furniture and Fixtures	16,700	16,700	6,210	10,490
Communication Equipment	15,000	15,000	14,252	748
Motor Vehicles - Replacement	100,000	100,000	9,635	90,365
EDP Equipment - Additional	30,000	30,000	9,638	20,362
Food Services Equipment / Dinnerware - Replace	9,100	9,100	9,082	18
EDP Equipment	25,000	25,000	12,312	12,688
Buildings and Grounds Capital Improvements	105,000	105,000	42,999	62,001
Employee fund expenses	-	-	997	(997)
Donations fund expenses	-	-	1,793	(1,793)
Depreciation	-	-	1,107,678	(1,107,678)
Total operating expenses	\$ 20,536,884	\$ 20,536,884	\$ 19,562,324	\$ 974,560
Operating income (loss)	\$ (3,753,884)	\$ (3,753,884)	\$ (1,975,550)	\$ 1,778,334
Nonoperating Revenues (Expenses):				
Interest income	\$ 15,000	\$ 15,000	\$ 551,496	\$ 536,496
Total nonoperating revenues (expenses)	\$ 15,000	\$ 15,000	\$ 551,496	\$ 536,496
Change in net position	\$ (3,738,884)	\$ (3,738,884)	\$ (1,424,054)	\$ 2,314,830
Net position, beginning of year	-	-	34,818,599	34,818,599
Net position, end of year	\$ (3,738,884)	\$ (3,738,884)	\$ 33,394,545	\$ 37,133,429

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

As of June 30, 2025

	Custodial Funds		
	<u>Inmate Fund</u>	<u>Work Release Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ <u>138,302</u>	\$ <u>69,573</u>	\$ <u>207,875</u>
Total assets	\$ <u><u>138,302</u></u>	\$ <u><u>69,573</u></u>	\$ <u><u>207,875</u></u>
NET POSITION			
Restricted for inmates	\$ <u>138,302</u>	\$ <u>69,573</u>	\$ <u>207,875</u>
Total net position	\$ <u><u>138,302</u></u>	\$ <u><u>69,573</u></u>	\$ <u><u>207,875</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025**

	Custodial Funds		
	Inmate Fund	Work Release Fund	Total
ADDITIONS			
Inmate deposits	\$ 1,687,273	\$ -	\$ 1,687,273
Work release fees	-	171,495	171,495
Total additions	<u>\$ 1,687,273</u>	<u>\$ 171,495</u>	<u>\$ 1,858,768</u>
DEDUCTIONS			
Medical charges	\$ 48,560	\$ -	\$ 48,560
Commissary purchases	1,331,784	-	1,331,784
Telephone charges	290,520	-	290,520
Work release charges	-	135,699	135,699
Total deductions	<u>\$ 1,670,864</u>	<u>\$ 135,699</u>	<u>\$ 1,806,563</u>
Net increase (decrease) in fiduciary net position	\$ 16,409	\$ 35,796	\$ 52,205
Net position, beginning of year	<u>121,893</u>	<u>33,777</u>	<u>155,670</u>
Net position, end of year	<u><u>\$ 138,302</u></u>	<u><u>\$ 69,573</u></u>	<u><u>\$ 207,875</u></u>

The accompanying notes to financial statements are an integral part of this statement.

- Compliance -



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Members of
Central Virginia Regional Jail Authority
Orange, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and aggregate remaining fund information of Central Virginia Regional Jail Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Central Virginia Regional Jail Authority's basic financial statements and have issued our report thereon dated December 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Virginia Regional Jail Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Virginia Regional Jail Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Virginia Regional Jail Authority'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Virginia Regional Jail Authority's financial statements are free from 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*.

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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

December 12, 2025