



**Blue Ridge Juvenile  
Detention Commission  
Charlottesville, Virginia**

**Financial Report**

June 30, 2025



# Blue Ridge Juvenile Detention Commission

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# Introductory Section



# **Blue Ridge Juvenile Detention Commission**

## **Commission Members**

### **Albemarle County**

Kaki Dimock, Chief Human Services Officer

### **City of Charlottesville**

Ashley Reynolds Marshall, Deputy City Manager for Social Equity

### **Culpeper County**

Sam McLearn, County Administrator

### **Fluvanna County**

Eric Dahl, County Administrator

### **Greene County**

Cathy Schafrik, County Administrator



# Financial Section



## Independent Auditor's Report

To the Members of  
Blue Ridge Juvenile Detention Commission  
Charlottesville, Virginia

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Blue Ridge Juvenile Detention Commission, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Blue Ridge Juvenile Detention Commission'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 respective financial position of the Blue Ridge Juvenile Detention Commission, as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*


We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Blue Ridge Juvenile Detention Commission 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 opinion.

#### *Change in Accounting Principle*

As described in Note 16 to the financial statements, in 2025, the Commission adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair



presentation of 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 the Blue Ridge Juvenile Detention Commission'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.

### *Auditor's 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 auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the Blue Ridge Juvenile Detention Commission'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 Blue Ridge Juvenile Detention Commission'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 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 opinion on the basic financial statements is not affected by this missing information.

### *Report on Summarized Comparative Information*

We have previously audited the Commission's 2024 financial statements, and our report dated December 19, 2024, expressed an unmodified opinion on those financial statements. The 2024 financial information is provided for comparative purposes only. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent in all material respects, with the audited financial statements from which it has been derived.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Blue Ridge Juvenile Detention Commission's basic financial statements. The accompanying budgetary schedules are presented for the purpose of additional analysis and are 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the Blue Ridge Juvenile Detention Commission'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 Blue Ridge Juvenile Detention Commission'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 Blue Ridge Juvenile Detention Commission's internal control over financial reporting and compliance.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
December 29, 2025

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# **Basic Financial Statements**



# Blue Ridge Juvenile Detention Commission

## Statement of Net Position

June 30, 2025

(With Comparative Amounts for 2024)

|  | 2025         | 2024         |
|--|--------------|--------------|
| <b>ASSETS</b>  |              |              |
| <b>CURRENT ASSETS</b>  |              |              |
| Cash and cash equivalents (Note 4)                                 | \$ 2,395,936 | \$ 2,217,755 |
| Accounts receivable  | -            | 4,623        |
| Due from other governments (Note 5)                                | 95,074       | 13,844       |
| Prepaid items  | 7,303        | 22,973       |
| Total current assets   | 2,498,313    | 2,259,195    |
| <b>NONCURRENT ASSETS</b>   |              |              |
| Net pension asset (Note 8)   | -            | 117,911      |
| Capital assets, net of accumulated depreciation (Note 6)           | 5,270,124    | 5,477,107    |
| Total noncurrent assets  | 5,270,124    | 5,595,018    |
| Total assets   | 7,768,437    | 7,854,213    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              |              |              |
| OPEB-related items (Notes 9, 10, 11)                               | 119,088      | 145,043      |
| Pension-related items (Note 8)                                     | 275,605      | 106,083      |
| Total deferred outflows of resources                               | 394,693      | 251,126      |
| Total assets and deferred outflows of resources                    | \$ 8,163,130 | \$ 8,105,339 |
| <b>LIABILITIES</b>   |              |              |
| <b>CURRENT LIABILITIES</b>   |              |              |
| Accounts payable and accrued liabilities                           | \$ 151,016   | \$ 128,418   |
| Compensation payable   | 130,319      | 112,236      |
| Compensated absences - current portion (Note 7)                    | 242,610      | 42,430       |
| Subscription liability due within one year (Note 7)                | 4,150        | -            |
| Total current liabilities  | 528,095      | 283,084      |
| <b>NONCURRENT LIABILITIES</b>                                      |              |              |
| Net Pension liability (Note 8)                                     | \$ 24,612    | \$ -         |
| Net OPEB liability (Notes 10, 11)                                  | 102,218      | 104,580      |
| Total OPEB liability (Note 9)                                      | 301,961      | 279,405      |
| Compensated absences - net of current portion (Note 7)             | 192,993      | 381,867      |
| Subscription liability due in more than one year (Note 7)          | 13,760       | -            |
| Total noncurrent liabilities                                       | 635,544      | 765,852      |
| Total liabilities  | 1,163,639    | 1,048,936    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |              |              |
| OPEB-related items (Note 9, 10, 11)                                | 166,180      | 215,436      |
| Pension-related items (Note 8)                                     | 136,713      | 120,509      |
| Total deferred inflows of resources                                | 302,893      | 335,945      |
| <b>NET POSITION</b>  |              |              |
| Investment in capital assets                                       | 5,252,214    | 5,477,107    |
| Restricted - net pension asset                                     | -            | 117,911      |
| Unrestricted   | 1,444,384    | 1,125,440    |
| Total net position   | 6,696,598    | 6,720,458    |
| Total liabilities, deferred inflows of resources, and net position | \$ 8,163,130 | \$ 8,105,339 |

# Blue Ridge Juvenile Detention Commission

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

For the Year Ended June 30, 2025  
(With Comparative Amounts for 2024)

|  | 2025         | 2024         |
|--|--------------|--------------|
| <b>OPERATING REVENUES</b>                              |              |              |
| FROM LOCAL SOURCES                                     |              |              |
| Charges for services                                   | \$ 3,534,244 | \$ 3,611,689 |
| Miscellaneous  | 14,056       | 16,105       |
| Recovered costs  | 64,951       | 42,700       |
| INTERGOVERNMENTAL                                      |              |              |
| State  | 1,124,955    | 1,105,927    |
| Federal  | 46,640       | 54,463       |
| Total operating revenues                               | 4,784,846    | 4,830,884    |
| <b>OPERATING EXPENSES</b>                              |              |              |
| Compensation and related items                         | 3,564,274    | 3,226,978    |
| Contractual  | 434,261      | 395,050      |
| Other charges  | 576,570      | 502,808      |
| Depreciation and amortization                          | 351,998      | 305,032      |
| Total operating expenses                               | 4,927,103    | 4,429,868    |
| Total operating income (loss)                          | (142,257)    | 401,016      |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>               |              |              |
| Interest income  | 119,143      | 120,975      |
| Interest expense                                       | (746)        | -            |
| Loss on disposal of assets                             | -            | (20,050)     |
| Total nonoperating revenues                            | 118,397      | 100,925      |
| Change in net position                                 | (23,860)     | 501,941      |
| NET POSITION, Beginning of year, as restated (Note 16) | 6,720,458    | 6,218,517    |
| NET POSITION, End of year                              | \$ 6,696,598 | \$ 6,720,458 |

# Blue Ridge Juvenile Detention Commission

## Statement of Cash Flows

Year ended June 30, 2025

(With Comparative Amounts for 2024)

|  | 2025                | 2024                |
|--|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>  |                     |                     |
| Receipts from customers  | \$ 4,708,239        | \$ 4,880,910        |
| Payments to suppliers  | (972,563)           | (838,569)           |
| Payments to and for employees  | (3,548,786)         | (3,428,997)         |
| Net cash flows provided by operating activities  | 186,890             | 613,344             |
| <b>INVESTING ACTIVITIES</b>  |                     |                     |
| Interest income  | 119,143             | 120,975             |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                     |                     |
| Purchase of capital assets   | (122,884)           | (294,216)           |
| Interest payments  | (746)               | -                   |
| Principal payments   | (4,222)             | -                   |
| Net cash flows used in capital and related financing activities                                | (127,852)           | (294,216)           |
| Net change in cash and cash equivalents  | 178,181             | 440,103             |
| <b>CASH AND CASH EQUIVALENTS, Beginning of year</b>  | 2,217,755           | 1,777,652           |
| <b>CASH AND CASH EQUIVALENTS, End of year</b>  | <b>\$ 2,395,936</b> | <b>\$ 2,217,755</b> |
| Reconciliation of operating income (loss) to net cash provided by operating activities:        |                     |                     |
| Operating income (loss)  | \$ (142,257)        | \$ 401,016          |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |                     |                     |
| Depreciation and amortization  | 351,998             | 305,032             |
| Excess of employer contributions over pension expense  | (10,795)            | (149,898)           |
| Excess of employer contributions over other postemployment benefits expense                    | (3,107)             | (34,465)            |
| Non-cash impact of implementation of GASB Statement 101  | -                   | (97,845)            |
| Changes in operating assets and deferred outflows of resources:                                |                     |                     |
| Prepaid items  | 15,670              | (17,896)            |
| Due from other governments   | (42,019)            | 52,548              |
| Accounts receivable  | (34,587)            | (2,523)             |
| Changes in operating liabilities and deferred inflows of resources:                            |                     |                     |
| Accounts payable and accrued liabilities   | 22,598              | 77,186              |
| Compensation payable   | 18,083              | 6,525               |
| Compensated absences   | 11,306              | (11,079)            |
| Net cash provided by operating activities  | <b>\$ 186,890</b>   | <b>\$ 528,601</b>   |
| <b>NONCASH CAPITAL ACTIVITY</b>  |                     |                     |
| Subscription assets acquired through subscription liability                                    | <b>\$ 22,131</b>    | <b>\$ -</b>         |

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

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### Note 1 – Financial Reporting Entity

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Blue Ridge Juvenile Detention Commission (the “Commission”) was created in October 1998 by the City of Charlottesville and the Counties of Albemarle, Fluvanna and Greene to finance, construct, equip, maintain, and operate a regional juvenile detention facility. The Commission is a jointly governed organization of the member jurisdictions. The Commission commenced operations on July 14, 2002. In fiscal year 2008, the County of Culpeper joined the Commission.

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### Note 2 – Operating Activities

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The detention facility consists of 40 detention beds. The members are assessed a pro-rata share of the operating expenses in proportion to their respective use of the facility for each detainee they commit to the Commission’s custody. The operating charges are to be collected in advance at the beginning of each quarter of each fiscal year based on the operating member percentages established by the member’s respective usage during the preceding three fiscal years. Member jurisdictions may be entitled to an adjustment at year-end based on actual performance. In FY24 and FY25, the Commission decided not to refund positive budget-based performance to member jurisdictions, but instead for this to be retained by the Commission to build reserves in accordance with the Commission’s financial policies. Charges to nonmember jurisdictions will be based upon an established per diem charge as the Commission may deem advisable for the care, maintenance, and subsistence of their detainees. The Commonwealth of Virginia may provide capital and/or operating expense reimbursement grants to the Commission. These funds are subject to the provisions of any bond indenture or financing documents requiring specific application of such funds.

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### Note 3 – Summary of Signification Accounting Policies

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#### *Basis of Accounting*

The Commission 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.

#### *Cash and Cash Equivalents*

The Commission’s cash and cash equivalents consist of demand deposits, certificates of deposit, overnight repurchase agreements and short-term U.S. Governmental obligations, with an original maturity of three months or less, all of which are readily convertible to known amounts of cash.

#### *Capital Assets*

Capital assets are capitalized at cost in the year the expenditure is incurred. The Commission’s policy is to capitalize assets whose cost equals or exceeds \$5,000 and have an estimated useful life greater than one year. Donated capital assets are valued at their acquisition value on the date donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

|                            |          |
|----------------------------|----------|
| Buildings and improvements | 40 years |
| Equipment and vehicles     | 5 years  |

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *Subscriptions*

Right-to-use subscription assets are amortized over the shorter of the contract term or useful life of the underlying asset. In contracts where a purchase option is reasonably certain of being exercised, the asset is amortized over the useful life, unless the underlying asset is nondepreciable in which the asset is not amortized.

### *Operating and Non-operating Revenues and Expenses*

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. Non-operating revenues are defined as grants, investment, and other income. Non-operating expenses are defined as capital and noncapital-related financing and other expenses.

### *Compensated Absences*

The Commission recognizes a liability for compensated absences for leave time that (1) has been earned for service 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 during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – annual leave and compensatory time and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Annual Leave and compensatory time – Employees of the Commission are granted annual leave in varying amounts based on years of service. In the event of termination, an employee is reimbursed for accumulated annual and compensatory leave in full.

Sick Leave – Employees of the Commission are granted sick leave, which accumulates but is not paid out upon an employee's separation of employment. The amount of sick leave that can be accumulated and carried to future years for employees is capped based on their classification as a Plan 1, Plan 2, or Hybrid employee in Virginia Retirement System (VRS). The Commission uses a three-year look-back period to estimate the amount of sick leave that has been earned and will be used as sick leave over the employee's service period.

### *Net Position*

Net Position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related 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 also included in this component of net position.

### *Net Position Flow Assumption*

Sometimes the Commission 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 Commission's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *Pensions and Other Postemployment Benefits (OPEB)*

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

### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has several items that qualify for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability (asset) and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has several items that qualify for reporting in this category. Certain items related to the measurement of the net pension liability (asset) and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

### *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 these estimates.

### *Comparative Amounts*

Comparative amounts are presented for informational purposes only.

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## **Note 4 – Deposits and Investments**

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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% excess deposits. Accordingly, all deposits are considered fully collateralized.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

The Commission’s cash and cash equivalents are a part of the pooled cash and investments of the County of Albemarle, Virginia, the fiscal agent for the Commission. At year-end, all of the County’s deposits with banks were covered by depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Deposits covered by the Act are considered insured since the State Treasury Board is authorized to make assessments against other member institutions that hold public deposits. At year-end the County investments were only of the type of securities authorized by the laws of the Commonwealth of Virginia.

### Note 5 – Due From Other Governments

Amounts due from other governments are as follows:

|                             |                         |
|-----------------------------|-------------------------|
| Due from other governments: |                         |
| Commonwealth of Virginia    | \$ 37,200               |
| Member localities           | 57,874                  |
| Total                       | <u><u>\$ 95,074</u></u> |

### Note 6 – Capital Assets

Changes in capital assets are summarized below:

|   | Beginning<br>Balances | Increases           | Decreases   | Ending<br>Balances  |
|---|-----------------------|---------------------|-------------|---------------------|
| Capital assets not being depreciated:             |                       |                     |             |                     |
| Land  | \$ 417,115            | \$ -                | \$ -        | \$ 417,115          |
| Total capital assets not being depreciated        | 417,115               | -                   | -           | 417,115             |
| Capital assets being depreciated/amortized:       |                       |                     |             |                     |
| Building and improvements                         | 10,470,076            | 66,709              | -           | 10,536,785          |
| Equipment   | 918,274               | 56,175              | 371,749     | 602,700             |
| Vehicles  | 168,640               | -                   | 70,801      | 97,839              |
| Subscription asset                                | -                     | 22,131              | -           | 22,131              |
| Total capital assets being depreciated/amortized: | 11,556,990            | 145,015             | 442,550     | 11,259,455          |
| Accumulated depreciation/amortization:            |                       |                     |             |                     |
| Buildings and improvements                        | 5,683,098             | 282,131             | -           | 5,965,229           |
| Equipment   | 645,260               | 65,441              | 371,749     | 338,952             |
| Vehicles  | 168,640               | -                   | 70,801      | 97,839              |
| Subscription asset                                | -                     | 4,426               | -           | 4,426               |
| Total accumulated depreciation/amortization       | 6,496,998             | 351,998             | 442,550     | 6,406,446           |
| Capital assets being depreciated/amortized, net   | 5,059,992             | (206,983)           | -           | 4,853,009           |
| Net capital assets                                | <b>\$ 5,477,107</b>   | <b>\$ (206,983)</b> | <b>\$ -</b> | <b>\$ 5,270,124</b> |

Depreciation and amortization expense was \$351,998 for 2025.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### Note 7 – Long-Term Obligations

The following is a summary of long-term obligations transactions of the Commission for the year ended June 30, 2025:

|                        | Beginning<br>Balance* | Increases/<br>Issuances | Decreases/<br>Retirements | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|------------------------|-----------------------|-------------------------|---------------------------|-------------------|-----------------------------------|
| Compensated absences** | \$ 424,297            | \$ 11,306               | \$ -                      | \$ 435,603        | \$ 242,610                        |
| Subscription liability | -                     | 22,131                  | 4,221                     | 17,910            | 4,150                             |
| Total                  | <u>\$ 424,297</u>     | <u>\$ 33,437</u>        | <u>\$ 4,221</u>           | <u>\$ 453,513</u> | <u>\$ 246,760</u>                 |

\*The beginning balance of compensated absences was restated as a result of GASB 101. See Note 16.

\*\*The change in compensated absences above is a net change for the year.

#### *Subscriptions*

Annual requirements to amortize subscription liabilities and related interest are as follows:

| Years Ending<br>June 30, | Subscription Liabilities |                 |
|--------------------------|--------------------------|-----------------|
|                          | Principal                | Interest        |
| 2026                     | \$ 4,150                 | \$ 819          |
| 2027                     | 4,361                    | 607             |
| 2028                     | 4,583                    | 385             |
| 2029                     | 4,816                    | 152             |
|                          | <u>\$ 17,910</u>         | <u>\$ 1,963</u> |

In July 2024, the Commission entered into a 60-month subscription for the use of OMNIA Master Contract. An initial subscription liability was recorded in the amount of \$22,131. As of June 30, 2025, the value of the subscription liability is \$17,910, and the value of the short-term subscription liability is \$4,150. The Commission is required to make quarterly fixed payments of \$1,242. The subscription has an interest rate of 5.0%. The estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$22,131 with accumulated amortization of \$4,426.

### Note 8 – Defined Benefit Pension Plan

#### *Plan Description*

All full-time, salaried permanent employees of the Blue Ridge Juvenile Detention Commission, (the “Political Subdivision”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer cost-sharing plan is 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.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

### *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:

|  | <b>Number</b> |
|--|---------------|
| Inactive members or their beneficiaries currently receiving benefits | 12            |
| Inactive members:  |               |
| Vested inactive members  | 10            |
| Non-vested inactive members  | 42            |
| Inactive members active elsewhere in VRS                             | 26            |
| Total inactive members   | 78            |
| Active members   | 44            |
| Total covered employees  | <b>134</b>    |

### *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 political subdivision's contractually required contribution rate for the year ended June 30, 2025, was 4.02% 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 political subdivision were \$98,892 and \$106,083 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$12,576 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 \$9,305 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,699,048 for the year ended June 30, 2025.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *Net Pension Liability*

The net pension liability 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 political subdivisions, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

### *Actuarial Assumptions*

The total pension liability for General Employees and Public safety employees with Hazardous Duty Benefits in the Political Subdivision'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%  |
| General Employees – Salary increases, including inflation                                    | 3.50 – 5.35%   |
| Public Safety Employees with hazardous duty benefits – Salary increases, including inflation | 3.50% - 4.75%  |
| Investment rate of return  | 6.75%, net of pension plan investment expense, including inflation |

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service-related. Public Safety Employees – 45% to 70% of deaths are assumed to be service-related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various setbacks or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates to better-fit experience; adjusted withdrawal rates to better-fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better-fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### Long-Term Expected Rate of Return

| Asset Class (Strategy)               | Target 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 Partnership | 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%           |  | <b>7.07%</b>                                       |
|                                      |                   |  | <b>7.07%</b>                                       |

\*Expected arithmetic nominal return

- \* The above allocation provides for a one-year 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. Insetting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The 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 6.75%, which is roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, Political Subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the alternate rate was 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.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *Changes in Net Pension Liability (Asset)*

|  | Increase (Decrease)                  |  |  |
|--|--------------------------------------|--|--|
|  | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a) – (b) |
| Balances at June 30, 2023  | \$ 4,599,754                         | \$ 4,717,665                             | \$ (117,911)                                     |
| Changes for the year:  |                                      |  |  |
| Services cost  | 173,981                              | -  | 173,981  |
| Interest   | 316,475                              | -  | 316,475  |
| Difference between expected and actual<br>experience             | 313,700                              | -  | 313,700  |
| Contributions – employer   | -                                    | 98,545                                   | (98,545)   |
| Contributions - employee   | -                                    | 103,660                                  | (103,660)  |
| Net investment income  | -                                    | 462,087                                  | (462,087)  |
| Benefit payments, including refunds of<br>employee contributions | (170,430)                            | (170,430)                                | -  |
| Administrative expenses  | -                                    | (2,767)                                  | 2,767  |
| Other changes  | -                                    | 108                                      | (108)  |
| Net Changes  | 633,726                              | 491,203                                  | 142,523  |
| Balances at June 30, 2024  | <u>\$ 5,233,480</u>                  | <u>\$ 5,208,868</u>                      | <u>\$ 24,612</u>                                 |

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

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

|   | 1.00%<br>Decrease<br>(5.75%) | Current<br>Discount<br>Rate (6.75%) | 1.00%<br>Increase<br>(7.75%) |
|---|------------------------------|-------------------------------------|------------------------------|
| Political subdivision's net pension liability (asset) | <u>\$ 802,403</u>            | <u>\$ 24,612</u>                    | <u>\$ (596,829)</u>          |

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

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

For the year ended June 30, 2025, the political subdivision recognized pension expense of \$80,559. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience                    | \$ 176,713                                    | \$ 7,370                                     |
| Net difference between projected earnings on pension plan investments | -   | 129,343                                      |
| Employer contributions subsequent to the measurement date             | 98,892  | -  |
| Total   | <u>\$ 275,605</u>                             | <u>\$ 136,713</u>                            |

The \$98,892 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Asset 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 as follows:

| <b>Year Ending<br/>June 30,</b> | <b>Effect on<br/>Pension<br/>Expense</b> |
|---------------------------------|--|
| 2026                            | \$ 20,826                                |
| 2027                            | 74,242                                   |
| 2028                            | (26,534)                                 |
| 2029                            | (28,534)                                 |
| 2030                            | -  |
| Thereafter                      | -  |

### *Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plans 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 or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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## **Note 9 – Other Postemployment Benefits Liability – Local Plan**

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### *Plan Description*

Commission employees are eligible for the Albemarle County Voluntary Early Retirement Incentive Program (VERIP), a single-employer defined benefit plan. VERIP benefits are paid monthly for a period of five years or until age 65, whichever comes first. In addition to the monthly stipend, the Commission will pay an amount equivalent to its annual contribution toward medical insurance. Participants may accept it as a cash payment or apply it toward the cost of the continuation of the Commission's medical/dental benefits. To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the Commission in a

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

benefits-eligible position for 10 of the last 13 years prior to retirement. Benefits are provided by the Commission through the Plan, which is administered via participation in the County administered VERIP plan. Assets in this plan are not administered through a trust.

The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis, meaning contributions are not tied to covered payroll or salaries. The funding requirements are established and may be amended by the County Board of Supervisors.

### *Benefits Provided*

Postemployment benefits provided to eligible retirees include medical, dental, and life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

### *Employees Covered by Benefit Terms*

Information regarding covered employees is available in the County's separately issued 2025 Annual Comprehensive Financial Report (ACFR).

### *Summary of Significant Accounting Policies*

The Commission does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The 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 County Board of Supervisors.

Investment policies, contribution policies, actuarial assumptions, rates of return, discount rates and other information regarding the plan is provided in the County's 2025 Annual Comprehensive Financial Report.

### *Net OPEB Liability*

At June 30, 2025, the Commission reported a liability of \$301,961 for its proportionate share of the collective net VERIP OPEB liability. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025. The Commission's proportion of the collective net OPEB liability was based on a projection of the Commission's long-term share of contributions of the OPEB plan relative to the projected contributions of all participating employers. At June 30, 2025, the Commission's proportionate share of the County's OPEB plan was 1.05%.

### *Actuarial Assumptions and Other Inputs*

Information regarding actuarial assumptions and the discount rate is available in the separately issued County's 2025 Annual Comprehensive Financial Report (ACFR).

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

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

The following presents the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

|                      | <b>1.00%<br/>Decrease<br/>(2.97%)</b> | <b>Current<br/>Discount<br/>Rate (3.97%)</b> | <b>1.00%<br/>Increase<br/>(4.97%)</b> |
|----------------------|---------------------------------------|--|---------------------------------------|
| Total OPEB liability | \$ 322,078                            | \$ 301,961                                   | \$ 282,938                            |

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

The following presents the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage point lower (3.04%) or one percentage point higher (5.04%) than the current healthcare cost trend rates:

|                      | <b>1.00%<br/>Decrease<br/>(3.04%)</b> | <b>Current<br/>Healthcare<br/>Cost Trend<br/>Rates (4.04%)</b> | <b>1.00%<br/>Increase<br/>(5.04%)</b> |
|----------------------|---------------------------------------|--|---------------------------------------|
| Total OPEB liability | \$ 271,536                            | \$ 301,961   | \$ 337,057                            |

### *OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2025, the Commission recognized OPEB expense of \$21,886. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience | \$ 8,599                                      | \$ 87,603                                    |
| Change in assumptions                              | 6,012   | 51,850                                       |
| Change in proportion                               | 68,113  | -  |
| Total  | \$ 82,724                                     | \$ 139,453                                   |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending | Effect on OPEB<br>Expense |
|-------------|---------------------------|
| 2026        | \$ (11,948)               |
| 2027        | (6,711)                   |
| 2028        | (23,053)                  |
| 2029        | (15,020)                  |
| 2030        | 3                         |
| Thereafter  | -                         |

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan is available in the separately issued County Annual Comprehensive Financial Report (ACFR).

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### **Note 10 – Other Postemployment Benefits Liability – Virginia Retirement System Plans**

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In addition to their participation in the pension plans offered through the VRS, the Commission also participates in one cost-sharing other postemployment benefit plan, described as follows.

#### *Plan Description*

##### Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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 Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/benefits-and-programs/benefits/life-insurance/>.

The GLI is administered by the VRS along with pensions and other OPEB plans for public employer groups in the Commonwealth of Virginia. It is considered a multiple-employer, cost-sharing plan.

#### *Contributions*

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI which was also

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

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combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

### Group Life Insurance Program

|                            |   |
|----------------------------|---|
| Governed by:               | <i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly. |
| Total rate:                | 1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.             |
| June 30, 2025 Contribution | \$11,562  |
| June 30, 2024 Contribution | \$12,696  |

### *OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB*

The net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the net OPEB liabilities 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 OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers.

### Group Life Insurance Program

|   |           |
|---|-----------|
| June 30, 2025, proportionate share of liability | \$102,218 |
| June 30, 2024, proportion                       | 0.0092%   |
| June 30, 2023, proportion                       | 0.0087%   |
| June 30, 2025, benefit                          | (\$469)   |

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense was related to deferred amount from changes in proportion.

At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### Group Life Insurance Program

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience                            | \$ 16,122                                     | \$ 2,497                                     |
| Change in assumptions   | 583   | 5,066  |
| Net difference between projected and actual earnings on OPEB plan investments | -   | 8,616  |
| Change in proportion  | 8,097   | 10,548                                       |
| Employer contributions subsequent to the measurement date                     | 11,562  | -  |
| Total   | <b>\$ 36,364</b>                              | <b>\$ 26,727</b>                             |

The deferred outflows of resources related to OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net 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 OPEB will be recognized in OPEB expense in future reporting periods as follows:

### Group Life Insurance Program

| <b>Year Ending</b> | <b>Effect on OPEB<br/>Expense</b> |
|--------------------|-----------------------------------|
| 2026               | \$ (7,664)                        |
| 2027               | 215                               |
| 2028               | 219                               |
| 2029               | 2,923                             |
| 2030               | 2,382                             |
| Thereafter         | -                                 |

### *Actuarial Assumptions and Other Inputs*

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, 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:                             |              |
| • Locality – general employees                                     | 3.50 – 5.35% |
| • Locality – hazardous duty employees                              | 3.50 – 4.75% |
| Investment rate of return, net of expenses,<br>Including inflation | 6.75%        |

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 8.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *Net OPEB Liabilities*

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

|  | <b>Group Life<br/>Insurance<br/>Program</b> |
|--|---|
| Total OPEB liability   | \$ 4,196,055                                |
| Plan fiduciary net position  | 3,080,133                                   |
| Employers' net OPEB liability  | 1,115,922                                   |
| Plan fiduciary net position as a<br>percentage of total OPEB liability | 73.41%                                      |

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

### *Long-Term Expected Rate of Return*

#### Group Life Insurance Program

The long-term expected rate of return on VRS 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 OPEB 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 Note 8.

### *Discount Rate*

The discount rate used to measure the GLI OPEB liabilities 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 Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities 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 for GLI. From July 1, 2024 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liabilities of the Blue Ridge Juvenile Detention Commission, as well as what the net OPEB liabilities would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

|                        | 1.00%<br>Decrease<br>(5.75%) | Current<br>Discount<br>Rate<br>(6.75%) | 1.00%<br>Increase<br>(7.75%) |
|------------------------|------------------------------|--|------------------------------|
| GLI Net OPEB liability | \$ 158,963                   | \$ 102,218                             | \$ 56,376                    |

### *OPEB Plan Fiduciary Net Position*

Information about the various VRS OPEB plan 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 <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 11 – Summary of the Net OPEB Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources**

|                              | OPEB Plans           |                     |                       |                              |
|------------------------------|----------------------|---------------------|-----------------------|------------------------------|
|                              | Deferred<br>Outflows | Deferred<br>Inflows | Net OPEB<br>Liability | OPEB<br>Expense<br>(Benefit) |
| Group Life Insurance Program | \$ 36,364            | \$ 26,727           | \$ 102,218            | \$ (469)                     |
| Local Plan                   | 82,724               | 139,453             | 301,961               | 21,886                       |
|                              | <b>\$ 119,088</b>    | <b>\$ 166,180</b>   | <b>\$ 404,179</b>     | <b>\$ 21,417</b>             |

### **Note 12 – Risk Management**

The Commission insures for the risk of loss through the purchase of insurance through commercial insurance carriers and through participation in public interest risk pools.

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

### **Note 13 – Fiscal Agent**

The County of Albemarle serves as fiscal agent for the Commission. As a part of the fiscal agent agreement, the County provides treasury, accounting, purchasing and personnel services for the Commission.

# Blue Ridge Juvenile Detention Commission

## Notes to Financial Statements

June 30, 2025

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### Note 14 – Litigation

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

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### Note 15 – Detainee Cost Per Diem

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The Commission's detainee days totaled 6,499 for the year ended June 30, 2025. Costs incurred in the operation of the Commission are as follows:

|   |                     |
|---|---------------------|
| Total operating expenditures per budgetary basis      | \$ 4,700,584        |
| Less:   |                     |
| Charges to others for detainee care and other sources | (989,286)           |
| Reimbursed expenditures from the Commonwealth         | (1,124,955)         |
| Net cost to participant localities                    | <u>\$ 2,586,343</u> |
| <br>  |                     |
| Total detainee days for participant localities        | <u>6,499</u>        |
| <br>  |                     |
| Actual local cost per diem                            | <u>\$ 397.96</u>    |

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### Note 16 – Restatement of Beginning Net Position

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For the year ended June 30, 2025, the Commission adopted GASB Statement No. 101, *Compensated Absences*, which requires liabilities for compensated absence to be recognized when leave has been earned and may be paid in future reporting periods. Implementation of the statement requires a restatement of net position in the earliest year presented. The Commission's restatement of net position is summarized below.

|  |                     |
|--|---------------------|
| Net Position, July 1, 2023, as previously reported | \$ 6,537,411        |
| Effects on adopting GASB 101                       | (318,894)           |
| Net position, July 1, 2023, as restated            | <u>\$ 6,218,517</u> |
| <br>   |                     |
| Net Position, July 1, 2024, as previously reported | \$ 7,026,250        |
| Effects on adopting GASB 101                       | (305,792)           |
| Net position, July 1, 2024, as restated            | <u>\$ 6,720,458</u> |

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### Note 17 – New Accounting Standards

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In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement 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 as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be

# **Blue Ridge Juvenile Detention Commission**

## **Notes to Financial Statements**

**June 30, 2025**

disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

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# **Required Supplementary Information**

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## Blue Ridge Juvenile Detention Commission

### Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

For the Measurement Dates of June 30, 2015 through June 30, 2024

|   | Plan Year           |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| <b>TOTAL PENSION LIABILITY</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service Cost  | \$ 173,981          | \$ 144,035          | \$ 127,908          | \$ 171,717          | \$ 180,117          | \$ 189,110          | \$ 172,652          | \$ 166,421          | \$ 184,344          | \$ 177,119          |
| Interest  | 316,475             | 299,766             | 293,891             | 265,811             | 231,305             | 208,240             | 187,199             | 167,047             | 161,204             | 152,459             |
| Differences between expected and actual experience                            | 313,700             | (41,650)            | (164,638)           | (111,700)           | 242,220             | 59,398              | 45,276              | 136,044             | (47,090)            | (22,146)            |
| Changes in assumptions  | -                   | -                   | -                   | 116,516             | -                   | 126,316             | (96,834)            | (60,722)            | -                   | -                   |
| Benefit payments, including refunds of employee contributions                 | (170,430)           | (198,687)           | (173,798)           | (134,726)           | (150,136)           | (87,289)            | -                   | (144,984)           | (284,987)           | (80,025)            |
| Refund of contributions   | -                   | -                   | -                   | -                   | -                   | (24,950)            | -                   | -                   | -                   | -                   |
| Net change in total pension liability   | \$ 633,726          | \$ 203,464          | \$ 83,363           | \$ 307,618          | \$ 503,506          | \$ 470,825          | \$ 308,293          | \$ 263,806          | \$ 13,471           | \$ 227,407          |
| Total pension liability - beginning   | 4,599,754           | 4,396,290           | 4,312,927           | 4,005,309           | 3,501,803           | 3,030,978           | 2,722,685           | 2,458,879           | 2,445,408           | 2,218,001           |
| Total pension liability - ending (a)  | <b>\$ 5,233,480</b> | <b>\$ 4,599,754</b> | <b>\$ 4,396,290</b> | <b>\$ 4,312,927</b> | <b>\$ 4,005,309</b> | <b>\$ 3,501,803</b> | <b>\$ 3,030,978</b> | <b>\$ 2,722,685</b> | <b>\$ 2,458,879</b> | <b>\$ 2,445,408</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - employer  | \$ 98,545           | \$ 106,893          | \$ 98,894           | \$ 102,842          | \$ 83,172           | \$ 86,711           | \$ 88,764           | \$ 81,943           | \$ 107,724          | \$ 112,081          |
| Contributions - employee  | 103,660             | 103,207             | 82,507              | 87,283              | 93,005              | 95,649              | 95,918              | 87,889              | 82,927              | 86,383              |
| Net investment income (loss)  | 462,087             | 288,680             | (6,623)             | 949,153             | 63,706              | 208,898             | 207,143             | 297,908             | 36,471              | 108,003             |
| Benefit payments, including refunds of employee contributions                 | (170,430)           | (198,687)           | (173,798)           | (134,726)           | (150,136)           | (87,289)            | (96,834)            | (144,984)           | (284,987)           | (80,025)            |
| Refund of contributions   | -                   | -                   | -                   | -                   | -                   | (24,950)            | -                   | -                   | -                   | -                   |
| Administrative expense  | (2,767)             | (2,800)             | (2,715)             | (2,242)             | (2,091)             | (1,928)             | (1,679)             | (1,653)             | (1,546)             | (1,335)             |
| Other   | 108                 | 117                 | 104                 | 91                  | (77)                | (133)               | (190)               | (270)               | (18)                | (23)                |
| Net change in plan fiduciary net position                                     | \$ 491,203          | \$ 297,410          | \$ (1,631)          | \$ 1,002,401        | \$ 87,579           | \$ 276,958          | \$ 293,122          | \$ 320,833          | \$ (59,429)         | \$ 225,084          |
| Plan fiduciary net position - beginning                                       | 4,717,665           | 4,420,255           | 4,421,886           | 3,419,485           | 3,331,906           | 3,054,948           | 2,761,826           | 2,440,993           | 2,500,422           | 2,275,338           |
| Plan fiduciary net position - ending (b)                                      | <b>\$ 5,208,868</b> | <b>\$ 4,717,665</b> | <b>\$ 4,420,255</b> | <b>\$ 4,421,886</b> | <b>\$ 3,419,485</b> | <b>\$ 3,331,906</b> | <b>\$ 3,054,948</b> | <b>\$ 2,761,826</b> | <b>\$ 2,440,993</b> | <b>\$ 2,500,422</b> |
| Commission's net pension liability (asset) - ending (a) - (b)                 | \$ 24,612           | \$ (117,911)        | \$ (23,965)         | \$ (108,959)        | \$ 585,824          | \$ 169,897          | \$ (23,970)         | \$ (39,141)         | \$ 17,886           | \$ (55,014)         |
| Plan fiduciary net position as a percentage of the total pension liability    | 99.53%              | 102.56%             | 100.55%             | 102.53%             | 85.37%              | 95.15%              | 100.79%             | 101.44%             | 99.27%              | 102.25%             |
| Covered payroll   | \$ 2,347,386        | \$ 2,053,448        | \$ 1,804,585        | \$ 1,882,878        | \$ 1,978,222        | \$ 2,018,447        | \$ 2,007,385        | \$ 1,819,607        | \$ 1,733,722        | \$ 1,744,886        |
| Commission's net pension liability (asset) as a percentage of covered payroll | 1.05%               | -5.74%              | -1.33%              | -5.79%              | 29.61%              | 8.42%               | -1.19%              | -2.15%              | 1.03%               | -3.15%              |

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2015 information was presented in the entity's fiscal year 2016 financial report.

## Blue Ridge Juvenile Detention Commission

### Schedule of Pension Contributions

June 30, 2025

| Entity Fiscal<br>Year Ended<br>June 30 | Contractually<br>Required<br>Contribution | Contributions<br>in Relation to<br>Contractually<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Employer's<br>Covered Payroll | Contributions as a<br>Percentage of<br>Covered Payroll |
|--|---|--|--|-------------------------------|--|
| 2025                                   | \$ 98,892                                 | \$ 98,892  | -                                      | \$ 2,460,010                  | 4.02%  |
| 2024                                   | 106,083                                   | 106,083  | -                                      | 2,347,386                     | 4.52%  |
| 2023                                   | 90,448                                    | 90,448   | -                                      | 2,053,448                     | 4.40%  |
| 2022                                   | 99,714                                    | 99,714   | -                                      | 1,804,585                     | 5.53%  |
| 2021                                   | 103,464                                   | 103,464  | -                                      | 1,882,878                     | 5.49%  |
| 2020                                   | 83,876                                    | 83,876   | -                                      | 1,978,222                     | 4.24%  |
| 2019                                   | 86,890                                    | 86,890   | -                                      | 2,018,447                     | 4.30%  |
| 2018                                   | 95,150                                    | 95,150   | -                                      | 2,007,385                     | 4.74%  |
| 2017                                   | 86,249                                    | 86,249   | -                                      | 1,819,607                     | 4.74%  |
| 2016                                   | 112,692                                   | 112,692  | -                                      | 1,733,722                     | 6.50%  |

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

The covered payroll amounts above are for the Commission's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

## Blue Ridge Juvenile Detention Commission

### Schedule of Commission's Share of Total/Net OPEB Liability

June 30, 2025

| Plan Fiscal<br>Year Ended<br>June 30                     | Employer's<br>Proportion of<br>the Total/Net OPEB<br>Liability | Employer's<br>Proportionate<br>Share of the<br>Total/Net OPEB<br>Liability | Employer's<br>Covered<br>Payroll | Employer's<br>Proportionate Share of<br>the Total/Net OPEB<br>Liability as a<br>Percentage of its<br>Covered Payroll | Plan Fiduciary Net<br>Position as a<br>Percentage of the<br>Total/Net OPEB<br>Liability |
|--|--|--|----------------------------------|--|---|
| <b>Virginia Retirement System - Group Life Insurance</b> |  |  |                                  |  |   |
| 2024   | 0.0092%  | \$ 102,218   | \$ 2,351,059                     | 4.35%  | 73.41%  |
| 2023   | 0.0087%  | 104,580  | 2,053,448                        | 5.09%  | 69.30%  |
| 2022   | 0.0083%  | 99,940   | 1,804,585                        | 5.54%  | 67.21%  |
| 2021   | 0.0091%  | 106,182  | 1,882,878                        | 5.64%  | 67.45%  |
| 2020   | 0.0096%  | 160,375  | 1,978,269                        | 8.11%  | 52.64%  |
| 2019   | 0.0103%  | 167,609  | 2,018,447                        | 8.30%  | 52.00%  |
| 2018   | 0.0106%  | 161,000  | 2,007,385                        | 8.02%  | 51.22%  |
| 2017   | 0.0987%  | 148,000  | 1,819,607                        | 8.13%  | 48.86%  |
| <b>County of Albemarle Local Plan</b>                    |  |  |                                  |  |   |
| 2024   | 1.0500%  | \$ 301,961   | N/A                              | N/A  | 1.05%   |
| 2023   | 1.0500%  | 279,405  | N/A                              | N/A  | 1.05%   |
| 2022   | 0.9900%  | 381,021  | N/A                              | N/A  | 0.99%   |
| 2021   | 0.9400%  | 416,749  | N/A                              | N/A  | 0.94%   |
| 2020   | 0.7100%  | 330,013  | N/A                              | N/A  | 0.71%   |
| 2019   | 0.7100%  | 302,480  | N/A                              | N/A  | 0.71%   |
| 2018   | 0.7500%  | 324,350  | N/A                              | N/A  | 0.75%   |
| 2017   | 0.7500%  | 308,518  | N/A                              | N/A  | 0.75%   |

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

## Blue Ridge Juvenile Detention Commission

### Schedule of OPEB Contributions

June 30, 2025

| Entity Fiscal<br>Year Ended<br>June 30                   | Contractually<br>Required<br>Contribution | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Employer's<br>Covered<br>Payroll | Contributions as a<br>Percentage of<br>Covered Payroll |
|--|---|--|--|----------------------------------|--|
| <b>Virginia Retirement System - Group Life Insurance</b> |   |  |  |                                  |  |
| 2025   | \$ 11,562                                 | \$ 11,562  | \$ -                                   | \$ 2,460,010                     | 0.47%  |
| 2024   | 12,696                                    | 12,696   | -                                      | 2,351,059                        | 0.54%  |
| 2023   | 11,089                                    | 11,089   | -                                      | 2,053,448                        | 0.54%  |
| 2022   | 9,745                                     | 9,745  | -                                      | 1,804,585                        | 0.54%  |
| 2021   | 10,168                                    | 10,168   | -                                      | 1,882,878                        | 0.54%  |
| 2020   | 10,287                                    | 10,287   | -                                      | 1,978,269                        | 0.52%  |
| 2019   | 10,496                                    | 10,496   | -                                      | 2,018,447                        | 0.52%  |
| 2018   | 10,519                                    | 10,519   | -                                      | 2,007,385                        | 0.52%  |
| 2017   | 9,462                                     | 9,462  | -                                      | 1,819,607                        | 0.52%  |
| 2016   | 8,322                                     | 8,322  | -                                      | 1,733,722                        | 0.48%  |

#### County of Albemarle Local Plan

Data is not disclosed for the Commission's proportion of the Local Plan because the plan is funded on a pay-as-you-go basis. As such, this plan does not have contractual contribution requirements.

# Blue Ridge Juvenile Detention Commission

## Notes to Required Supplementary Information

June 30, 2025

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### Note 1 – Changes of Benefit Terms

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#### *Pension*

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

#### *Other Postemployment Benefits (OPEB)*

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

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### Note 2 – Changes of Assumptions

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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:

#### Largest 10 - Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

#### Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.

# Blue Ridge Juvenile Detention Commission

## Notes to Required Supplementary Information

June 30, 2025

- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal 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.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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# **Other Supplementary Information**

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# Blue Ridge Juvenile Detention Commission

## Schedule of Revenues and Expenditures - Operating Fund

### Budgetary Basis

For the Year Ended June 30, 2025

|                                      | Original<br>Budget | Amended<br>Budget | Actual     | Variance<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|-------------------|------------|------------------------------------|
| <b>REVENUES</b>                      |                    |                   |            |                                    |
| Charges for services:                |                    |                   |            |                                    |
| Care of detainees:                   |                    |                   |            |                                    |
| County of Albemarle                  | \$ 580,250         | \$ 580,250        | \$ 580,250 | \$ -                               |
| City of Charlottesville              | 1,165,591          | 1,165,591         | 1,165,591  | -                                  |
| County of Greene                     | 254,496            | 254,496           | 254,496    | -                                  |
| County of Fluvanna                   | 223,956            | 223,956           | 223,956    | -                                  |
| County of Culpeper                   | 320,665            | 320,665           | 320,665    | -                                  |
| Community Placement Program          | 950,000            | 963,836           | 989,286    | 25,450                             |
| Total charges for services           | 3,494,958          | 3,508,794         | 3,534,244  | 25,450                             |
| Miscellaneous:                       |                    |                   |            |                                    |
| Other                                | 9,000              | 9,000             | 14,056     | 5,056                              |
| Recovered costs:                     |                    |                   |            |                                    |
| Region Ten                           | 8,000              | 8,000             | 25,200     | 17,200                             |
| Other                                | 30,000             | 30,000            | 39,751     | 9,751                              |
| Total recovered costs                | 38,000             | 38,000            | 64,951     | 26,951                             |
| Intergovernmental:                   |                    |                   |            |                                    |
| Commonwealth of Virginia:            |                    |                   |            |                                    |
| Other                                | 947,772            | 1,118,119         | 1,124,955  | 6,836                              |
| Total Commonwealth of Virginia       | 947,772            | 1,118,119         | 1,124,955  | 6,836                              |
| Federal government:                  |                    |                   |            |                                    |
| USDA                                 | 40,000             | 40,000            | 46,640     | 6,640                              |
| Total intergovernmental              | 987,772            | 1,158,119         | 1,171,595  | 13,476                             |
| Total revenues                       | 4,529,730          | 4,713,913         | 4,784,846  | 70,933                             |
| <b>EXPENDITURES</b>                  |                    |                   |            |                                    |
| Compensation and related items:      |                    |                   |            |                                    |
| Salaries and wages                   | 2,691,097          | 2,691,097         | 2,701,820  | (10,723)                           |
| Fringes:                             |                    |                   |            |                                    |
| Social Security and Medicare taxes   | 212,678            | 212,678           | 200,292    | 12,386                             |
| Retirement                           | 144,855            | 144,855           | 128,856    | 15,999                             |
| Health insurance                     | 482,232            | 482,232           | 433,261    | 48,971                             |
| Dental insurance                     | 10,560             | 10,560            | 9,080      | 1,480                              |
| Life insurance                       | 35,509             | 35,509            | 29,028     | 6,481                              |
| Workers' compensation                | 35,000             | 35,000            | 34,986     | 14                                 |
| Other expenditures                   | 32,718             | 32,718            | 29,546     | 3,172                              |
| Total Compensation and related items | 3,644,649          | 3,644,649         | 3,566,869  | 77,780                             |

# Blue Ridge Juvenile Detention Commission

## Schedule of Revenues and Expenditures - Operating Fund Budgetary Basis For the Year Ended June 30, 2025

|                                   | Original<br>Budget | Amended<br>Budget | Actual  | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|-------------------|---------|------------------------------------|
| <b>EXPENDITURES:</b>              |                    |                   |         |                                    |
| Contractual:                      |                    |                   |         |                                    |
| Legal                             | 36,000             | 36,000            | 30,000  | 6,000                              |
| Professional services             | 30,000             | 30,000            | 23,861  | 6,139                              |
| Health services                   | 15,000             | 15,000            | 7,334   | 7,666                              |
| Audit                             | 7,000              | 7,000             | 6,200   | 800                                |
| Repairs and maintenance           | 45,000             | 45,000            | 71,226  | (26,226)                           |
| Maintenance contracts             | 153,000            | 153,000           | 151,338 | 1,662                              |
| Printing and binding              | 1,000              | 1,000             | 91      | 909                                |
| Advertising                       | 2,000              | 2,000             | 467     | 1,533                              |
| Refuse collection                 | 4,000              | 4,000             | 4,200   | (200)                              |
| Administration fees               | 133,681            | 133,681           | 133,681 | -                                  |
| Other contractual                 | 7,000              | 7,000             | 5,863   | 1,137                              |
| Total contractual                 | 433,681            | 433,681           | 434,261 | (580)                              |
| Other charges:                    |                    |                   |         |                                    |
| Data processing                   | 35,000             | 35,000            | 28,688  | 6,312                              |
| Electrical                        | 65,000             | 65,000            | 68,789  | (3,789)                            |
| Heating                           | 16,000             | 16,000            | 18,200  | (2,200)                            |
| Water and sewer                   | 15,000             | 15,000            | 31,428  | (16,428)                           |
| Postal services                   | 1,000              | 1,000             | 15      | 985                                |
| Telecommunications                | 27,000             | 27,000            | 21,620  | 5,380                              |
| Fire insurance                    | 36,000             | 36,000            | 37,391  | (1,391)                            |
| Training - Academy                | 5,500              | 5,500             | 3,629   | 1,871                              |
| Travel - subsistence              | 5,000              | 5,000             | 8,593   | (3,593)                            |
| Miscellaneous                     | 7,300              | 7,300             | 2,264   | 5,036                              |
| Dues and memberships              | 1,500              | 1,500             | 1,809   | (309)                              |
| Materials and supplies            | 3,500              | 3,500             | 3,929   | (429)                              |
| Office supplies                   | 8,500              | 8,500             | 10,017  | (1,517)                            |
| Food supplies                     | 137,500            | 137,500           | 179,060 | (41,560)                           |
| Medical and lab supplies          | 15,000             | 15,000            | 18,935  | (3,935)                            |
| Laundry and janitorial supplies   | 20,000             | 20,000            | 17,303  | 2,697                              |
| Linen supplies                    | 2,000              | 2,000             | -       | 2,000                              |
| Uniforms - residents              | 6,000              | 6,000             | 3,423   | 2,577                              |
| Repair and maintenance supplies   | 12,000             | 12,000            | 11,946  | 54                                 |
| Vehicle and equipment fuel        | 3,000              | 3,000             | 1,777   | 1,223                              |
| Vehicle and equipment repairs     | 3,000              | 3,000             | 4,354   | (1,354)                            |
| Lease/rent equipment              | 7,000              | 7,000             | 3,061   | 3,939                              |
| Police supplies                   | 3,000              | 3,000             | 4,436   | (1,436)                            |
| Uniforms and apparel              | 7,000              | 7,000             | 5,648   | 1,352                              |
| Books and subscriptions           | 1,000              | 1,000             | 254     | 746                                |
| Education and recreation supplies | 15,000             | 15,000            | 10,064  | 4,936                              |
| Recreation supplies               | 5,000              | 5,000             | 3,389   | 1,611                              |
| Copy expense                      | 600                | 600               | 413.00  | 187                                |
| Regional jail                     | 18,000             | 18,000            | 18,900  | (900)                              |
| Curry school                      | 5,000              | 5,000             | -       | 5,000                              |
| Total other charges               | 486,400            | 486,400           | 519,335 | (32,935)                           |

# Blue Ridge Juvenile Detention Commission

## Schedule of Revenues and Expenditures - Operating Fund

### Budgetary Basis

For the Year Ended June 30, 2025

|   | <u>Original<br/>Budget</u> | <u>Amended<br/>Budget</u> | <u>Actual</u>            | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------------|--------------------------|---|
| <b>EXPENDITURES: (Continued)</b>          |                            |                           |                          |   |
| Capital outlay:                           |                            |                           |                          |   |
| Machinery and equipment                   | 15,000                     | 150,463                   | 121,569                  | 28,894                                      |
| Furniture and fixtures                    | <u>10,000</u>              | <u>67,922</u>             | <u>58,552</u>            | <u>9,370</u>                                |
| Total capital outlay                      | <u>25,000</u>              | <u>218,385</u>            | <u>180,121</u>           | <u>38,264</u>                               |
| Total expenditures                        | 4,589,730                  | 4,783,115                 | 4,700,586                | 82,529                                      |
| <b>NET OPERATING INCOME (LOSS)</b>        | <u>(60,000)</u>            | <u>(69,202)</u>           | <u>84,260</u>            | <u>153,462</u>                              |
| <b>NON-OPERATING REVENUES (EXPENSES):</b> |                            |                           |                          |   |
| Interest income                           | 60,000                     | 60,000                    | 119,143                  | 59,143                                      |
| Interest expense                          | <u>-</u>                   | <u>-</u>                  | <u>(746)</u>             | <u>(746)</u>                                |
| Total non-operating revenue (expenses)    | <u>60,000</u>              | <u>60,000</u>             | <u>118,397</u>           | <u>58,397</u>                               |
| Excess of revenues over expenditures      | <u><u>\$ -</u></u>         | <u><u>\$ (9,202)</u></u>  | <u><u>\$ 202,657</u></u> | <u><u>\$ 211,859</u></u>                    |

# Blue Ridge Juvenile Detention Commission

## Reconciliation of the Schedule of Revenues and Expenditures - Operating Fund Budgetary Basis to the Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2025

|  |                    |
|--|--------------------|
| Reconciliation of excess revenues over expenditures to changes in net position per the Statement of Revenues, Expenses, and Changes in Net Position: | \$ 202,657         |
| Excess of revenues over expenses per budgetary basis schedule  |                    |
| Additions to capital assets  | 122,884            |
| Depreciation and amortization expense  | (351,998)          |
| Change in compensated absences   | (11,306)           |
| Change in pension-related items  | 10,794             |
| Change in OPEB-related items   | <u>3,107</u>       |
| Changes in net position, per statement of revenues, expenses, and changes in net position  | <u>\$ (23,862)</u> |



# Compliance Section





# Independent Auditor's 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 the  
Blue Ridge Juvenile Detention Commission  
Charlottesville, 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 Blue Ridge Juvenile Detention Commission (the "Commission") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 29, 2025.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Blue Ridge Juvenile Detention Commission's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. **We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as Item 2025-001, that we consider to be a material weakness.**



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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*.

## Commission's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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.

*Brown, Edwards & Company, S. L. P.*

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
December 29, 2025

# Blue Ridge Juvenile Detention Commission

## Summary of Compliance Matters

June 30, 2025

As more fully described in the Independent Auditor's 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*, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants shown below.

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### State Compliance Matters

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#### *Code of Virginia:*

Cash and Investment Laws

Conflict of Interest Act

Local Retirement Systems

Procurement Laws

Uniform Disposition of Unclaimed Property Act

# Blue Ridge Juvenile Detention Commission

## Schedule of Findings and Responses

June 30, 2025

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### A – Financial Statement Audit

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2025-001: *Material Audit Adjustment (Material Weakness)*

#### Condition

Accounts payable did not include a transaction for fiscal year 2025, the year the services were provided and the year the liability should have been accrued.

#### Criteria

Accounts payable reporting is a key accounting function with substantial impacts on the annual reporting of the Commission. Liabilities should be documented appropriately in accordance with cutoff. Additionally, controls should be in place to properly identify and record accounts payable in the correct fiscal year.

#### Cause

Turnover in key personnel and those tasked with overseeing the financial reporting of the Commission created additional work to accurately record information.

#### Effect

A material audit adjustment was made to correct accounts payable and expenses for the fiscal year 2025.

#### Recommendation

We recommend implementing procedures to ensure that proper cutoff of accounts payable is evaluated at year end.

#### Views of Responsible Officials and Planned Corrective Action

We are reviewing invoices after year end more closely, so they are appropriately presented in future fiscal years.

# Blue Ridge Juvenile Detention Commission

## Summary Schedule of Prior Year Audit Findings

June 30, 2024

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### A – Financial Statement Audit

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#### 2024-001: *Capital Asset Reporting (Material Weakness)*

##### Condition

Capital asset listings and information needed to populate year-end entries were not effectively retained and recorded as a part of the audit process. We identified unrecorded capital assets that were material to the financial statements as a result of our audit procedures. Additionally, capital asset listings had to be used to adjust and make entries for accuracy in the current year and to clean up balances.

##### Recommendation

We recommend reviewing the roles and responsibilities that are present between the Commission and its fiscal agent in order to effectively provide a control system that aids in addressing the reporting of government-wide activity that exists. In doing so, the County and Commission can better adhere to existing procedures and effectively combine resources so that these balances are reported each year.

##### Current Status

No longer applicable in 2025.

#### 2023-001: *Capital Asset Reporting (Significant Deficiency)*

##### Condition

Capital asset listings and information needed to populate year-end entries were not effectively retained and recorded as a part of the audit process. Additionally, the process of tracking and recording right-of-use assets and liabilities for leases and subscription-based information technology agreements could be improved so that the accounting ledger and financial reporting process accurately and materially reflect GASB Statements No. 87 and 96.

##### Recommendation

We recommend reviewing the roles and responsibilities that are present between the Commission and its fiscal agent in order to effectively provide a control system that aids in addressing the reporting of government-wide activity that exists. In doing so, the County and Commission can better adhere to existing procedures and effectively combine resources so that these balances are reported each year.

##### Current Status

No longer applicable in 2025.