PAMUNKEY REGIONAL JAIL AUTHORITY

HANOVER COUNTY, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

COLONEL JAMES C. WILLETT, CJM
SUPERINTENDENT

LT. COLONEL NATHAN J. WEBEL, CJM
DEPUTY SUPERINTENDENT

MR. F. KEITH SPICER, CPA, CGMA
DIRECTOR OF FINANCE

PAMUNKEY REGIONAL JAIL AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT

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PAMUNKEY REGIONAL JAIL AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION
(unaudited)

Serving the following Localities:
Hanover County
Caroline County
Town of Ashland

James C. Willett, CJM
Superintendent

7240 Courtland Farm Rd.
Hanover, VA 23069
(804) 537-6400
(804) 537-6418 Fax

PAMUNKEY REGIONAL JAIL

December 2, 2021

The Honorable Members of the
Pamunkey Regional Jail Authority Board
Hanover, VA 23069

Dear Jail Authority Board Members:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Pamunkey Regional Jail Authority (Jail Authority) for the fiscal year ended June 30, 2021. The report was prepared by the Superintendent and the Director of Finance, who assume full responsibility for the accuracy of information, and the completeness and fairness of preparation. We believe the financial information, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations as measured by the financial activity of the Jail Authority. This letter should be read in conjunction with the *Management's Discussion and Analysis*, which can be found in the Financial Section of the ACFR.

FINANCIAL REPORTING ENTITY

The Jail Authority is required to undergo an annual audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

The Jail Authority, a political subdivision of the Commonwealth of Virginia, was authorized by Chapter 726 of the 1990 Acts of the General Assembly of Virginia and formed on December 30, 1992. The participating jurisdictions of the Jail Authority are the Counties of Caroline and Hanover and the Town of Ashland. The Jail Authority is governed by a five-member board comprised of two members each from the Counties of Caroline and Hanover and one from the Town of Ashland. In an agreement between the County of Hanover, Virginia (the "County") and the Jail Authority, the County serves as fiscal agent for the Jail Authority for which the Jail Authority reimburses the County for services provided in the areas of purchasing, finance, personnel, and data processing; however, the Jail Authority formulates and approves its own budget.

The general purpose of the Jail Authority is to maintain and operate a regional jail facility to meet the needs of the participating jurisdictions. The facility has 519-beds, consisting of 451 general-purpose beds, a 24-bed work release center, a 6-bed medical housing unit, and 38 special management cells. The Pamunkey Regional Jail's core services such as the infirmary, kitchen, and laundry services are designed for future expansion to accommodate a total inmate population of 665.

The legislation that created the Jail Authority requires there be a service agreement between the Jail Authority and its participating jurisdictions. The service agreement is a long-term contract regulating usage of the Jail Authority and establishing payment terms applicable to participating jurisdictions. It guarantees that the facility will be used and provides a basis for the issuance of revenue bonds to fund the final design and construction of the Jail. The board members of the Jail Authority signed the Service Agreement on April 7, 1995.

The payments by the participating jurisdictions are subject to the appropriation of funds for such purpose by the governing bodies of the participating jurisdictions.

ECONOMIC CONDITIONS

Serving the member jurisdictions as the Jail Authority does, the overall inmate population is indirectly related to the populations of these localities. Caroline County, Hanover County, and the Town of Ashland are all areas that are continually experiencing growth and increased development. This, in turn, serves as an indicator for the number of persons likely to be incarcerated from those jurisdictions.

Hanover County's population growth rate is expected to be approximately 5.7%, with a total population of 115,428 estimated for 2021. These figures include the Town of Ashland. Caroline County's population growth rate is expected to be .1%, with a total population of 30,318 estimated for 2021.

The local inmate population, which is made up of Ashland, Hanover and Caroline, for the past year was 288. Projections for the upcoming 2022 fiscal year are 290 and by the 2023 fiscal year, we anticipate an inmate population of approximately 262.

MAJOR ACCOMPLISHMENTS AND INITIATIVES

Over the past year, many accomplishments were realized within the Jail Authority. The Jail received 100% compliance for the twentieth consecutive year by the Board of Corrections.

Once again, the staff of the Jail Authority continues to give back to the community. Over the course of the past year, the charitable and community-based outreach activities have continued to make the facility shine amongst the citizens of our user jurisdictions. Several members of our Emergency Response Team participated in the Law Enforcement Torch Run. These dedicated staff members toughed out the heat and extreme humidity to represent our facility in this worthy cause. We also continued our support of the Special Olympics of Virginia by having several staff members volunteer at their annual fundraising event at the North Richmond Harley Davidson dealership located just outside of Ashland, with all proceeds donated to the Special Olympics.

The facility also continues to give back to the community through a partnership with the Hanover County and Caroline County Departments of Social Services. During the holiday season, the staff of the Jail Authority participates in the "Adopt-a-Family" program that benefits local families in need of assistance. We have found this program to be a great success which allows us to give back to the citizens of our user jurisdictions and shed a positive light on our organization. We strive to maintain a high level of professionalism with the Law Enforcement Community. Senior Public Safety Staff Meetings and User Group Meetings with our localities have broadened the presence of our facility in the Law Enforcement Community and increased cooperation with the Sheriff's Offices, Courts, and Magistrates of the jurisdictions in which we serve.

FINANCIAL INFORMATION AND CONTROLS

The Jail Authority's management is responsible for establishing and maintaining internal controls sufficient to ensure safeguarding of assets. In developing and evaluating the Jail Authority's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and the benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Jail Authority's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions in all material respects.

In addition to the internal controls described above, budgetary controls are also established to ensure compliance with annual operating budgets approved by the Jail Authority Board. Monthly reports containing comparisons between actual and budget and current and prior year amounts are prepared and presented to the Jail Authority management and the Board.

The Jail Authority usually initiates its annual operating budget preparations in September of each fiscal year (July 1 through June 30). The Director of Finance, with input from other departments, prepares a draft budget for the Jail Authority to review. After the initial review, a final budget is submitted to the Jail Authority by January 1 of each year.

INVESTMENT MANAGEMENT

The County Treasurer is responsible for investing the Jail Authority's funds. Investments and deposits during the year consisted of a variety of securities, durations, and increments as allowable by the *Code of Virginia* and further restricted by the County's investment policy. The allowable investments include savings accounts, certificates of deposit, U.S. government agency securities, corporate notes, banker's acceptances, commercial paper, money market accounts, mutual funds, state bonds, local bonds, mortgage-backed securities, and repurchase agreements. The County Treasurer and Board of Supervisors have a jointly adopted investment policy that seeks to safeguard principal, meet liquidity objectives, and seek fair value rates of returns. The Jail Authority's funds are managed in accordance with this policy.

Investment income earned for the fiscal year for the Jail Authority's operating funds was ($346) representing an decrease of $139,391 from fiscal year 2020.

INDEPENDENT AUDIT

The certified public accounting firm of Cherry Bekaert LLP audited the Jail Authority's June 30, 2021 financial statements. Their opinion on the financial statements is presented in the Financial Section of this ACFR.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Jail Authority for its ACFR for the fiscal year ended June 30, 2020. This was the nineteenth consecutive year that the Jail has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Jail Authority published an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded a *Distinguished Budget Presentation Award* to the Jail Authority for its annual budget for the fiscal year ended June 30, 2021. This was the fourth consecutive year that the Jail has achieved this prestigious award. In order to receive this budget award, the Jail Authority had to satisfy nationally recognized guidelines for effective budget presentation.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the employees of the Jail Authority.

Further appreciation is extended to each member of the Jail Authority for their continued interest, dedication, and support.

Respectfully submitted,

James C. Willett

James C. Willett, CJM
Superintendent

F. Keith Spicer

F. Keith Spicer, CPA, CGMA
Director of Finance

Pamunkey Regional Jail Authority
Fiscal Year 2021

Members of the Board and Legal Counsel

Chairman	Josh Farrar

Ashland Town Manager

Vice Chairman	Dave Hines

Colonel, Hanover County Sheriff

Other Members

Alan Partin
Caroline County Assistant Administrator

Jim Taylor
Hanover County Assistant Administrator

Tony Lippa
Caroline County Sheriff

Legal Counsel

William H. Hefty, Esq.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pamunkey Regional Jail
Virginia

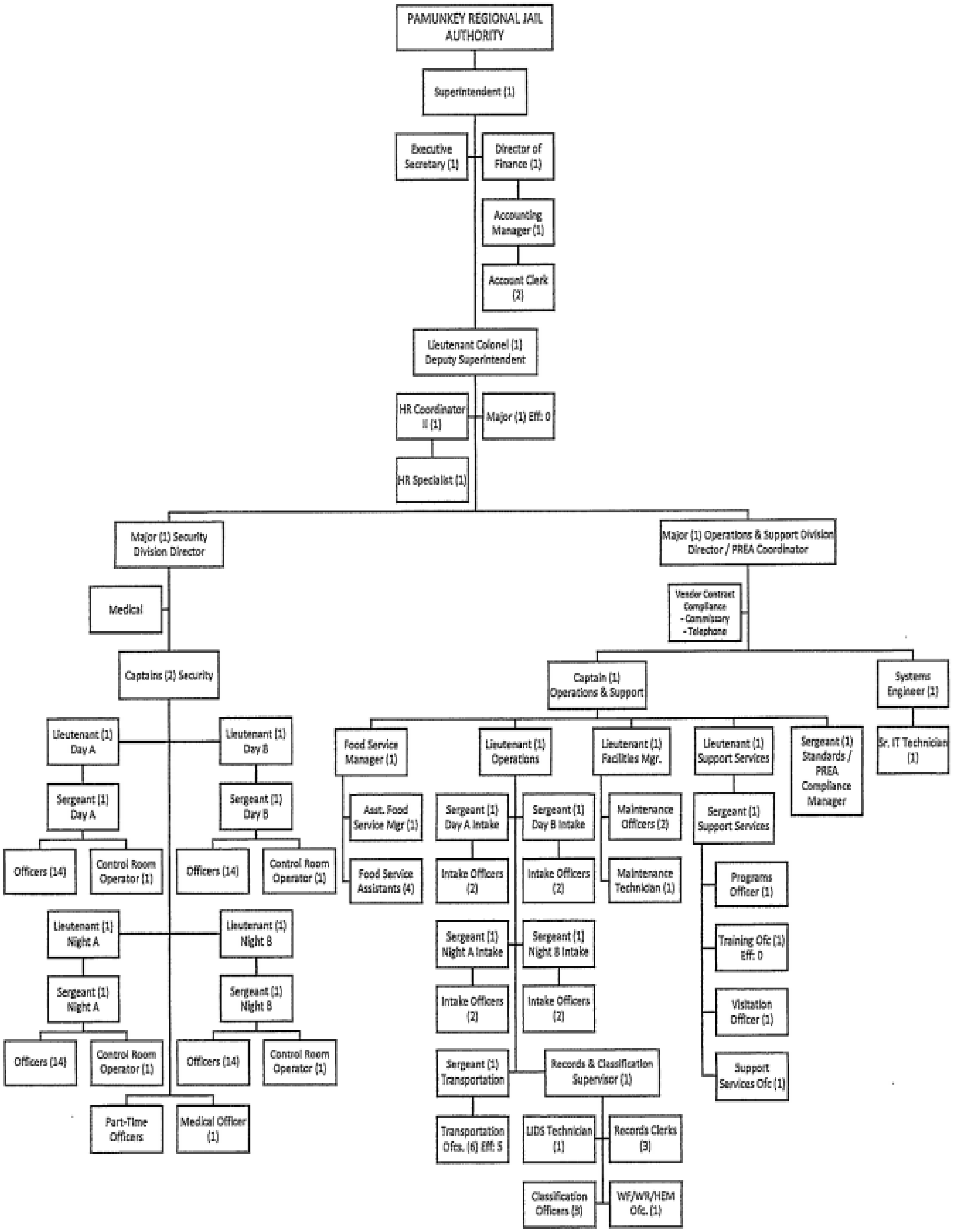
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Pamunkey Regional Jail
Organizational Structure 7/1/2021



FINANCIAL SECTION

Cherry Bekaert LLP
CPAs & Advisors

Independent Auditor's Report

The Honorable Members of
the Pamunkey Regional Jail
Authority Board

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of the Pamunkey Regional Jail Authority (the "Jail Authority"), as of and for the year ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Jail Authority's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-activities and remaining fund information of the Pamunkey Regional Jail Authority, as of June 30, 2021 and 2020, and the changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 S to the basic financial statements, the Jail Authority adopted the provisions of Governmental Accounting Standards Board 84, *Fiduciary Activities,* effective July 1, 2019. As a result, related net position has been restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Jail Authority's basic financial statements. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021, on our consideration of the Jail Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jail Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jail Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Richmond, Virginia
December 2, 2021

PAMUNKEY REGIONAL JAIL AUTHORITY
Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

The financial statements of the Pamunkey Regional Jail Authority (Jail Authority) include all business activities and include notes to the financial statements that explain and provide detail data on information in the financial statements.

The following is management's discussion and analysis of the Jail Authority's financial performance for the years ended June 30, 2021, 2020 and 2019. It should be read in conjunction with the Letter of Transmittal in the Introductory Section, the Jail Authority's financial statements and financial performance in the Statistical Section.

FINANCIAL HIGHLIGHTS

Fiscal Year 2021:

- The Jail Authority's net position decreased $879,851 in fiscal year 2021. This is primarily due to the increase in fringe benefit expenses. There was a significant market decrease in Virginia Retirement System held investments for the state's pension trust related assets.
- The total revenues of the Jail Authority increased $1,964,241, or 15.1%, from fiscal year 2020. This is primarily due to the increase in US Marshals bed rental revenues.
- Total expenses in fiscal year 2021 increased by $1,876,564, or 13.4%, primarily from personal services and fringe benefits.

Fiscal Year 2020:

- The Jail Authority's net position decreased $967,528 in fiscal year 2020. This is primarily due to the decrease in member jurisdiction revenues because of the COVID-19 global pandemic and the increase in personnel expenses.
- The total revenues of the Jail Authority decreased $231,748, or 1.8%, from fiscal year 2019. This is primarily due to the decrease in member jurisdiction revenues because of the COVID-19 global pandemic.
- Total expenses in fiscal year 2020 increased by $821,187, or 6.2%, primarily from personal services and fringe benefits.

The Jail Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on the accrual basis, recognizing revenue when earned and expenses when incurred, and include all of the business activities of the Jail Authority. The Jail also classifies all inflows and outflows for its fiduciary activities fund as additions and deductions related to deposits and disbursements for the Jail's custodial account for the inmate population. Assets are designated as restricted in accordance with debt and other agreements. See notes to financial statements for a summary of significant accounting policies.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Jail Authority's financial statements. The Jail Authority's financial statements consist of the Statement of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for the Jail's Enterprise Fund. The first two statements report the net position and how they have changed during the year. Net position is the difference between the total assets and deferred outflows of resources and total liabilities and deferred inflows of resources of the Jail Authority. Measuring net position is one way to gauge the Jail Authority's financial condition. The Jail also has two separate financial statements for its Fiduciary fund that represent the custodial account the Jail has for the inmate population. These statements are the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

CURRENT ACCOUNTING PRONOUNCEMENTS

In January 2017, GASB issues Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Jail adopted this Statement retroactively as of July 1, 2019 for its custodial account for the Inmate Trust Fund.

The Jail is the fiduciary for the Jail's custodial inmate trust fund. It is responsible for ensuring that the assets reported in this fund is used for their intended purposes. The Jail's fiduciary activity is reported in a separate Statement of Fiduciary Net Position, since they are excluded from the Jail's Enterprise financial statements and cannot be used to finance its operations. The Jail's custodial fund is used to provide accountability of inmate monies for which the Jail is custodian. Also, the Jail has included the inmate canteen fund that is used for the benefit of the entire inmate population. Per purposes of GASB 84 the canteen fund doesn't meet the definition of fiduciary activities and therefore is included in the Jail's enterprise fund financial statements.

In October 2021, GASB issues Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement established the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. The Jail early implemented this standard.

FUTURE ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Jail will analyze the impact on the reporting entity's financial statements and disclosures and will adopt this Statement for the fiscal year ending June 30, 2022.

FINANCIAL ANALYSIS OF JAIL FUNDS

The financial statements are prepared on the accrual basis, recognizing revenues when earned and expenses when incurred, and include all of the business activities of the Jail Authority. Assets are designated as restricted in accordance with debt and other agreements.

Jail Authority operations ended fiscal year 2021 with $879,851 decrease in total net position. Net position decreased $967,528 in fiscal year 2020. The decrease in fiscal year 2021 is primarily due to the increase in personnel salaries and fringe benefits due to the valuation of pension related liability expenses. As of June 30, 2021, the Jail Authority's unrestricted cash position was $2,137,934 in unrestricted funds.

The following table summarizes the net position of the Jail Authority at June 30, 2021, 2020, 2019:

	2021	2020	2019
Assets			
Pooled cash, cash equivalents and investments with fiscal agent	$ 2,137,934	$ 1,654,097	$ 1,877,923
Receivables	1,305,659	782,331	848,765
Total Current Assets	3,443,593	2,436,428	2,726,688
Noncurrent Assets			
Restricted: Pooled cash, cash equivalents and investments with fiscal agent	3,523,615	3,519,713	3,350,147
Net pension and OPEB asset	1,924	21,493	509,508
Capital assets, net	12,418,475	13,248,914	14,236,054
Total Noncurrent Assets	15,944,014	16,790,120	18,095,709
Total Assets	19,387,607	19,226,548	20,822,397
Deferred Outflows of Resources			
Differences between expected and actual experience - pension	-	-	79,014
Changes of assumptions - pension	946,654	422,287	-
Pension contributions after measurement date	741,114	700,336	563,566
OPEB contributions after measurement date	44,211	31,789	29,550
Differences between expected and actual experience - OPEB	146,048	31,377	23,000
Changes of assumptions - OPEB	25,719	31,183	-
Changes of proportionate share - OPEB	35,278	26,846	31,321
Total Deferred Outflows of Resources	1,939,024	1,243,818	726,451
Total Assets and Deferred Outflows of Resources	$ 21,326,631	$ 20,470,366	$ 21,548,848
Liabilities			
Current Liabilities			
Accounts payable	$ 489,041	$ 270,594	$ 256,586
Accrued liabilities	392,826	402,615	303,141
Current portion of compensated absences	142,668	76,109	64,440
Current portion of unearned revenues	214,286	257,506	214,286
Current portion of revenue bonds	141,315	139,885	138,469
Total Current Liabilities	1,380,136	1,146,709	976,922
Long-Term Liabilities			
Revenue bonds	1,495,083	1,636,398	1,776,283
Unearned revenues	-	214,286	428,571
Net Pension and OPEB liability	2,835,464	647,321	461,000
Compensated absences	762,874	823,696	818,476
Total Long-Term Liabilities	5,093,421	3,321,701	3,484,330
Total Liabilities	6,473,557	4,468,410	4,461,252
Deferred Inflows of Resources			
Differences between expected and actual experience - pension	9,311	78,556	142,861
Changes of assumptions - pension	-	-	60,850
Difference between projected and actual earnings on pension plan investments	-	179,686	175,727
Differences between expected and actual experience - OPEB	8,431	6,422	9,353
Difference between projected and actual earnings on pension plan investments	1,525	12,658	16,949
Changes of assumptions - OPEB	10,349	14,225	19,000
Changes of proportionate share - OPEB	23,981	31,081	16,000
Total Deferred Inflows of Resources	53,597	322,628	440,740
Total Liabilities and Deferred Inflows of Resources	6,527,154	4,791,038	4,901,992
Net Position			
Net investment in capital assets	10,782,077	11,472,631	12,321,302
Restricted	3,525,539	3,541,206	3,859,655
Unrestricted	491,862	665,491	465,899
Total Net Position, as restated	$ 14,799,477	$ 15,679,328	$ 16,646,856

REVENUES

Operating and non-operating revenues for the Jail Authority totaled $14,960,999 for the year ended June 30, 2021, which equates to a $1,964,241 increase over fiscal year 2020. Of this total, per diem billings to member jurisdictions totaled $6,763,895 or 45.2% of total revenues. Per diem billings to non-member jurisdictions totaled $2,866,166 and accounted for 19.2% of total revenues. Other revenues totaled $5,330,938, or 35.6% of total revenues.

Operating and non-operating revenues for the Jail Authority totaled $12,996,758 for the year ended June 30, 2020, which equates to a $231,748 decrease over fiscal year 2019. Of this total, per diem billings to member jurisdictions totaled $6,317,598 or 48.5% of total revenues. Per diem billings to non-member jurisdictions totaled $1,367,884 and accounted for 10.6% of total revenues. Other revenues totaled $5,311,276, or 40.9% of total revenues.

A summary of revenues for the years ended June 30, 2021, 2020 and 2019 is provided in the following tabulation:

Revenue Classification	2021	2020	2019
Operating Revenues			
Hanover County	$ 4,625,773	$ 4,407,770	$ 4,824,917
Town of Ashland	476,328	546,271	499,168
Caroline County	1,661,794	1,363,557	1,564,336
Subtotal	6,763,895	6,317,598	6,888,421
United States Marshals' Service	3,200,949	931,723	640,103
Other Local and Regional Jails	132,450	3,390	7,581
Subtotal	3,333,399	935,113	647,684
Work Release	3,706	17,490	21,669
Miscellaneous Income	999,768	954,694	860,913
Subtotal	1,003,474	972,184	882,582
Total Operating Revenues	11,100,768	8,224,896	8,418,687
Nonoperating Revenues			
Compensation Board	4,221,464	4,200,047	4,098,139
Commonwealth of Virginia	(467,233)	432,771	563,920
Federal Grant Revenues	106,345	-	5,320
Interest income	(346)	139,045	142,440
Total Nonoperating Revenues	3,860,230	4,771,863	4,809,819
Total Revenues	$ 14,960,998	$ 12,996,758	$ 13,228,506

EXPENSES

Operating and nonoperating expenses totaled $15,840,850 for the year ended June 30, 2021, which represents a $1,876,564 increase over fiscal year 2020. Of this amount, salaries and employee benefits totaled $10,225,557, medical services and supplies totaled $2,198,403, food service and supplies totaled $435,081, and interest expense on debt totaled $16,617.

Operating and nonoperating expenses totaled $13,964,286 for the year ended June 30, 2020, which represents a $821,187 increase over fiscal year 2019. Of this amount, salaries and employee benefits totaled $8,957,561, medical services and supplies totaled $1,940,539, food service and supplies totaled $354,865, and interest expense on debt totaled $18,331.

Summary expense data for the years ended June 30, 2021, 2020 and 2019 is presented in the following tabulation:

Expense Classification	**2021**	**2020**	**2019**
Operating Expenses			
Personnel services	$ 6,545,543	$ 6,515,763	$ 6,114,823
Fringe benefits	3,680,014	2,441,798	1,800,172
Contractual services	662,383	641,029	641,182
Materials and supplies	525,239	345,862	409,202
Medical services and supplies	2,198,403	1,940,539	2,065,713
Food services and supplies	435,081	354,865	381,032
Utilities	375,670	373,586	381,395
Canteen fund	312,078	254,914	228,302
Depreciation	1,089,822	1,077,599	1,101,381
Total Operating Expenses	15,824,234	13,945,956	13,123,203
Nonoperating Expenses			
Interest expense	16,617	18,331	19,896
Total Expenses	15,840,850	13,964,286	13,143,099
Total (deficiency) excess of revenues (under) over expenses	(879,851)	(967,528)	85,407
Total net position, beginning of year, as restated	15,679,328	16,646,856	16,561,449
Total net position, end of year	$ 14,799,477	$ 15,679,328	$ 16,646,856

DEBT ADMINISTRATION

The Jail Authority had total bonded debt outstanding $1,636,398, $1,776,283 and $1,914,752 at June 30, 2021, 2020 and 2019, respectively. Those amounts are comprised of 2016 Energy Conservation Note.

The 2016 Energy Conservation Note was issued to fund an energy conservation project to upgrade energy equipment and systems throughout the jail. The intent is to make the overall facility more energy efficient. The Note is funded through the Virginia Saves program in which the Jail Authority receives an IRS tax subsidy and the debt is paid for entirely through energy cost savings over the 15 year period of the note. The energy cost savings are guaranteed by the project vendor, Siemens, of the energy conservation project. For more detailed information on long-term debt activity, refer to Note 5 of the notes to the financial statements.

CAPITAL ASSETS

Capital assets with a cost of $5,000 or more and an economic useful life greater than one year are capitalized and depreciated over their useful lives using the straight-line method. As of June 30, 2021, capital assets, accumulated depreciation, and depreciation expense totaled $32,934,440, $20,515,966, and $1,089,822, respectively. As of June 30, 2020, capital assets, accumulated depreciation, and depreciation expense totaled $32,698,831, $19,449,917, and $1,077,599, respectively. As of June 30, 2019, capital assets, accumulated depreciation, and depreciation expense totaled $32,608,373, $18,372,318, and $1,101,381, respectively.

For more detailed information on capital assets activity, refer to Note 3 of the notes to the financial statements.

JAIL AUTHORITY'S PER DIEM RATES

Operational per diem rates are set for the localities through the annual budget process. The operational per diem rate is calculated by the total operational per diem due from the localities divided by the total number of inmates projected for the year divided by 365 days. The operational per diem rates were $66.12, $52.15 and $55.50 for 2021, 2020 and 2019, respectively. The per diem rate that has been set for all federal inmates increased from $48.00 to $75.00 on January 1, 2019. The per diem rate set for other agencies housed by the Jail is $50.00.

REQUEST FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the Jail Authority's finances. Should you have any questions about this report or need additional information, please contact the Director of Finance, 7240 Courtland Farm Road, Hanover, VA 23069.

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Pooled cash, cash equivalents and investments with fiscal agent	$ 2,137,934	$ 1,654,097
Receivables:		
Due from Federal Government	576,975	121,279
Due from Commonwealth of Virginia	329,804	385,828
Accounts receivable - member jurisdictions	398,880	275,224
Total current assets	3,443,593	2,436,428
Noncurrent assets:		
Restricted: Pooled cash, cash equivalents and investments with fiscal agent	3,523,615	3,519,713
Net OPEB asset	1,924	21,493
Capital assets:		
Nondepreciable assets	70,825	124,418
Depreciable assets, net of accumulated depreciation of $20,515,966 as of June 30, 2021 and of $19,449,917 as of June 30, 2020	12,347,649	13,124,496
Total noncurrent assets	15,944,013	16,790,120
Total assets	19,387,607	19,226,548
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	946,654	422,287
Pension contributions after measurement date	741,114	700,336
OPEB contributions after measurement date	44,211	31,789
Differences between expected and actual experience - OPEB	146,048	31,377
Changes of assumptions - OPEB	25,719	31,183
Changes of proportionate share - OPEB	35,278	26,846
Total deferred outflows of resources	1,939,024	1,243,818
Total assets and deferred outflows of resources	$ 21,326,631	$ 20,470,366

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Net Position
June 30, 2021 and 2020

LIABILITIES	2021	2020
Current liabilities:		
Accounts payable	$ 489,041	$ 270,594
Accrued liabilities	392,826	402,615
Current portion of compensated absences	142,668	76,109
Current portion of unearned revenues	214,286	257,506
Current portion of revenue note	141,315	139,885
Total current liabilities	1,380,136	1,146,709
Long-term liabilities:		
Revenue note	1,495,083	1,636,398
Unearned revenues	-	214,286
Net pension liability	2,234,825	175,577
Net OPEB liability	600,639	471,744
Compensated absences	762,874	823,696
Total long-term liabilities	5,093,421	3,321,701
Total liabilities	6,473,557	4,468,410
DEFERRED INFLOWS OF RESOURCES		
Differences between expected and actual experience - pension	9,311	78,556
Net difference between projected and actual earnings on pension plan investments - pension	-	179,686
Differences between expected and actual experience - OPEB	8,431	6,422
Net difference between projected and actual earnings on OPEB plan investments	1,525	12,658
Changes of assumptions - OPEB	10,349	14,225
Changes of proportionate share - OPEB	23,981	31,081
Total deferred inflows of resources	53,597	322,628
Total liabilities and deferred inflows of resources	6,527,154	4,791,038
NET POSITION		
Net investment in capital assets	10,782,077	11,472,631
Restricted:		
Operating reserve - per jail service agreement	3,475,840	3,475,840
Pension and OPEB	1,924	21,493
Canteen Fund for Inmate Population	47,775	43,873
Unrestricted	491,862	665,491
Total net position - as restated	$ 14,799,477	$ 15,679,328

See accompanying notes to financial statements (continued)

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for services:		
County of Hanover	$ 4,625,773	$ 4,407,770
Town of Ashland	476,328	546,271
County of Caroline	1,661,794	1,363,557
Charges to other governments	3,333,399	935,113
Other	1,003,474	972,184
Total operating revenues	11,100,768	8,224,896
OPERATING EXPENSES		
Personal services	6,545,543	6,515,763
Fringe benefits	3,680,014	2,441,798
Contractual services	662,383	641,029
Other operating expenses and supplies	3,846,471	3,269,766
Depreciation	1,089,822	1,077,599
Total operating expenses	15,824,233	13,945,956
Operating loss	(4,723,465)	(5,721,060)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental:		
Revenue from the Commonwealth of Virginia:		
Categorical aid: shared expenses and fees	3,754,231	4,632,818
Federal grant revenues	106,345	-
Interest income	(346)	139,045
Interest expense	(16,617)	(18,331)
Net nonoperating revenues	3,843,614	4,753,532
Change in net position	(879,851)	(967,528)
Total net position, beginning of year, as restated	15,679,328	16,646,856
Total net position, end of year	$ 14,799,477	$ 15,679,328

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges to governments for inmates	$ 9,517,942	$ 7,251,294
Other revenues	745,968	801,118
Payments to suppliers	(4,289,850)	(3,896,788)
Payments to employees	(8,986,691)	(8,802,341)
Net cash used in operating activities	(3,012,631)	(4,646,716)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental revenue received	3,916,601	4,700,670
Net cash provided by noncapital financing activities	3,916,601	4,700,670
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital asset additions	(259,383)	(90,459)
Principal payments on long-term debt	(139,885)	(138,469)
Interest paid on long-term debt	(16,617)	(18,331)
Net cash used in capital and related financing activities	(415,885)	(247,259)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on Pooled cash, cash equivalents and investments with fiscal agent	(346)	139,045
Net cash (provided by) investing activities	(346)	139,045
Net increase (decrease) in Pooled cash, cash equivalents and investments with fiscal agent	487,739	(54,260)
Total Pooled cash, cash equivalents and investments with fiscal agent at beg. of year, as restated	5,173,810	5,228,070
Total Pooled cash, cash equivalents and investments with fiscal agent at end of year	$ 5,661,549	$ 5,173,810

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Cash Flow
Years Ended June 30, 2021 and 2020

	2021	2020
Operating loss	$ (4,723,465)	$ (5,721,060)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,089,822	1,077,599
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts and accrued interest receivable - member jurisdictions	(123,657)	(10,208)
Due from Federal Government	(455,696)	8,791
OPEB contributions after measurement date	(12,422)	(2,239)
OPEB liability	148,464	10,676
Pension contributions after measurement date	(40,778)	(136,770)
Pension liability	2,059,248	663,660
Increase (decrease) in:		
Accounts payable	219,004	14,008
Accrued liabilities	(10,346)	99,473
Unearned revenues	(257,506)	(171,066)
Compensated absences	5,737	16,890
Net OPEB deferred flow of resources	(99,441)	4,094
Net difference between projected and actual earnings on OPEB plan investments	(38,298)	(36,095)
Net pension deferred flows of resources	(773,298)	(464,469)
Net cash used in operating activities	$ (3,012,631)	$ (4,646,716)

RECONCILIATION OF TOTAL POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS WITH FISCAL AGENT:

	2021	2020
Pooled cash, cash equivalents and investments with fiscal agent-current	$ 2,137,934	$ 1,654,097
Restricted cash and cash equivalents with fiscal agent-noncurrent	3,523,615	3,519,713
Total Pooled cash, cash equivalents and investments with fiscal agent	$ 5,661,549	$ 5,173,810

See accompanying notes to financial statements (continued)

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Fiduciary Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 164,902	$ 77,057
Total assets	$ 164,902	$ 77,057
FIDUCIARY NET POSITION		
Restricted:		
Custodial Accounts for Inmate Population	164,902	77,057
Total fiduciary net position	$ 164,902	$ 77,057

PAMUNKEY REGIONAL JAIL AUTHORITY
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Custodial Funds collected on behalf of Inmate Population	$ 1,499,582	$ 847,015
Total additions	1,499,582	847,015
DEDUCTIONS		
Custodial Funds disbursed on behalf of Inmate Population	1,411,737	870,154
Total deductions	1,411,737	870,154
Increase (Decrease) in fiduciary net position	87,845	(23,139)
Fiduciary net position - beginning - as restated	77,057	100,196
Fiduciary net position - ending	$ 164,902	$ 77,057

PAMUNKEY REGIONAL JAIL AUTHORITY
Notes to Financial Statements
June 30, 2021 and 2020

Note 1 – Summary of significant account policies

A. **Reporting Entity** – The Pamunkey Regional Jail Authority ("Jail Authority"), a political subdivision of the Commonwealth of Virginia, was authorized by Chapter 726 of the 1990 Acts of the General Assembly of Virginia and formed on December 30, 1992. The participating jurisdictions of the Jail Authority are the Counties of Caroline and Hanover and the Town of Ashland. The Jail Authority is governed by a five-member board comprised of two members each from the Counties of Caroline and Hanover and one from the Town of Ashland. In an agreement between the County of Hanover, Virginia, (the "County") and the Jail Authority, the County serves as fiscal agent for the Jail Authority for which the Jail Authority reimburses the County for services provided in the areas of purchasing, finance, personnel, and data processing. The Jail Authority formulates and approves its own budget and is not a component unit of the County and is therefore not reported in the County's Annual Comprehensive Financial Report (ACFR) as a component unit.

B. **Financial Statement Presentation** – The financial statements of the Jail Authority are prepared in accordance with accounting principles generally accepted in the United States of America, (" GAAP") for an enterprise fund, which account for operations that are financed and operated in a manner similar to private business enterprises. The Jail Authority also has a fiduciary custodial account for the inmate population in which it prepares fiduciary financial statements. The intent of the Jail Authority is that the cost of providing services to the participating jurisdictions be financed or recovered through user charges to participating jurisdictions.

C. **Basis of Accounting –** The financial statements are presented on the accrual basis of accounting, wherein revenues/additions are recognized when earned and expenses/deductions are recognized when incurred.

D. **Pooled Cash, Cash Equivalents and Investments with fiscal agent** – Pooled cash, cash equivalents and investments held by the County Treasurer on behalf of the Jail Authority. Investments are reported at fair value, based on quoted market prices at year end. As of June 30, 2021 and 2020, the pooled cash and investments attributed to the Jail Authority have been allocated to the Jail Authority based upon their respective ownership percentage. Investment earnings and losses and fees are allocated to the Jail Authority based upon their respective average monthly equity balance in the pooled account. The Jail also has two separate accounts from the fiscal agent: Inmate canteen fund which is used for the benefit of the overall inmate population and Inmate custodial account which the Jail is a fiduciary for individual inmate account balances.

E. **Restricted Assets –** The Jail Authority's restricted assets consists of pension/OPEB and operating reserves, which, at June 30, 2021 and 2020 were as follows:

	2021	2020
Operating reserve	$3,475,840	$3,475,840
Canteen for Inmate Population	47,775	43,873
Pension and OPEB	1,924	21,493
	$3,525,539	$3,541,206

It is the Jail Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1 – Summary of **significant account policies (continued)**

F. **Allowances for Uncollectibles** – In accordance with the Jail Authority's relationship with member jurisdictions and factoring in their credit worthiness, and ability to pay their billings even in light of a novel strain of coronavirus ("COVID-19") pandemic, no allowance has been established for uncollectible accounts.

G. **Capital Assets** – All property, plant, and equipment is recorded at cost. The capitalization threshold is $5,000 with a useful life of greater than one year. Depreciation for operating facilities vehicles and equipment is computed over useful lives of 5 to 35 years using the straight-line method and half-year convention.

The estimated useful lives of the Jail Authority's depreciable capital assets are as follows:

Buildings	35 years
Improvements other than buildings	10-20 years
Vehicles and Equipment	5-15 years

H. **Vacation, Sick, and Holiday Leave** – Jail Authority employees earn vacation and sick leave in varying amounts on a semi-monthly basis, based upon length of service. Annual carry over limitations apply to vacation hours but not to sick leave. Employees are compensated for unused vacation and sick leave upon separation, retirement, or death based upon years of service and limited to a maximum dollar amount. Holidays earned by an employee, classified as essential personnel, will be those days specified by the Jail Authority to be taken. All non-essential personnel, as designated by the Jail Superintendent, will take the twelve scheduled holidays granted per year unless ordered otherwise.

I. **Operating and non-operating revenues/additions, expenses/deductions** – The Jail Authority reports as operating revenues charges for bed rentals for inmates of member jurisdictions, as well as bed rentals of federal prisoners from the U.S. Department of Homeland Security and the United States Marshals. The Jail Authority reports categorical aid from the Commonwealth of Virginia as non-operating revenues. The Jail Authority reports as operating expenses those costs such as salaries for personnel to operate the Jail, contractual services for outside contractors and depreciation expense. The Jail Authority reports as non-operating revenue and expense amounts arising from interest earned on cash held and interest incurred on the outstanding debt.

Additions are included in the Fiduciary financial statements for the custodial inmate account, which are deposits collected on behalf of the inmate population. Deductions are also included for disbursements made on behalf of the inmate population.

J. **Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. **Budget** – The Jail Superintendent must annually submit a balanced budget to the Jail Authority Board in October. The budget denotes per diem rates charged to member jurisdictions and line item revenues and expenses. The Jail Authority must adopt a final annual budget on or before January 1.

Note 1 – Summary of significant account policies (continued)

The Jail Authority designates, in accordance with its bond covenants, an operating reserve fund in each of its annual budgets in an amount equal to not less than 90 days of its projected annual budget for each year less debt service. This operating reserve amounted to $3,475,840 as of both June 30, 2021 and 2020.

L. **Risk Management** – The Jail Authority's risk management program involves maintaining comprehensive insurance coverage and identifying and monitoring loss exposure. The Jail Authority's comprehensive property, boiler and machinery, automobile, business interruption, inland marine, and workers' compensation insurance is provided through the Virginia Association of Counties (VACo).

General liability and faithful performance of duty bond coverages provided by the Commonwealth of Virginia, Department of General Services, and Division of Risk Management. There was no reductions in insurance coverage for the last three fiscal years.

M. **Federal Grant Revenue –** In Fiscal Year 2021 the Jail received $91,881 as a sub-recipient from Hanover County for the Coronavirus Aid, Relief and Economic Securities Act (CARES Act) funding through the State of Virginia. The CARES Act cites that the Jail must use the funds as directed for COVID-19 preventative and recovery measures through December 30, 2020. The Jail used the funds to purchase additional Fingerprinting machines, video arraignment equipment, wireless access points for medical screening to be done in inmate housing units as opposed to inmates being transferred throughout the Jail as well as funding inmate COVID-19 testing.

The Jail also received $14,464 in COVID-19 funding as a sub-recipient from Virginia Department of Emergency Management (VDEM) through the Federal Emergency Management Agency (FEMA) as part of the Disaster Agreement. The Jail mainly used these funds to purchase personal protective equipment (PPE).

N. **Deferred Outflows/Inflows of Resources** – The Statement of Net Position reports a separate section for deferred outflows of resources, in addition to assets, for deferred charges on refunding and amounts related to pensions and other postemployment benefits. Deferred outflows for pension result from actual economic experience that is less than estimated and pension contributions made subsequent to the measurement date. Changes in actuarial assumptions are deferred and amortized over the remaining service life of all participants and investment experience amounts are deferred and amortized over a closed five-year period. Contributions made subsequent to the measurement date are recognized the following year.

The Statement of Net Position reports a separate section for deferred inflows of resources, in addition to liabilities, related to pensions and other post-employment benefit plans. Actuarial losses resulting from a difference in expected and actual experience, changes in actuarial assumptions and changes in proportionate share are deferred and amortized over the remaining service life of all participants. Deferred inflows resulting from pension and other post employment benefit returns lower than projected earnings are also deferred and amortized over a closed five-year period.

O. **Pension Plan –** The Jail Authority is consistent with Virginia Retirement System (VRS) guidance in respect to its pension reporting, including their measurement of retirement plan net pension liabilities, deferred outflows of resources and deferred inflows of resources, pension expense, information about the fiduciary net position of the VRS multiple-employer (VRS Local Plans).

Note 1 – Summary of significant account policies (continued)

GAAP requires the liability of employers for defined benefit pensions to be measured as the portion of the present value of projected benefits payments to be provided through pension plan to current active and inactive employees that is attributed to those employees' past period.

For purposes of measuring the net pension asset, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense information about the fiduciary net position of the VRS agent multiple-employer and the additions to/deductions from the VRS agent multiple-employer plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. **Retiree Medical Benefits Plan and Trust –** The Jail Authority's fiscal agent, Hanover County, has established the Hanover County Retiree Medical Benefits Plan a multiple-employer defined benefit plan and related Trust to provide health insurance benefits to the employees and retired employees of the County and other participating employers including the Jail Authority. The Hanover County Finance Board was established pursuant to Virginia Code § 15.2-1547 is responsible for the oversight of the Hanover Retiree Medical Benefits Trust, established pursuant to Virginia § Code 15.2-1544, which provides its authority under which benefit terms are established or may be amended. The related Medical Trust OPEB asset, deferred outflows or resources and deferred inflows of resources related to the Medical Trust OPEB Plan, and Medical Trust OPEB expense have been measured and reported in accordance with GAAP as prepared by

The County's external actuary. Additionally, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. **Group Life Insurance** – The Jail Authority participates in the VRS Group Life Insurance (GLI) program. The VRS GLI Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to § 51.1-500 et seq. of the Code, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition benefits payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. **Health Insurance Credit program –** The Jail Authority participates in the VRS Health Insurance Credit (HIC) program.

The Political Subdivision HIC Program is an agent multiple-employer defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision HIC Program was established pursuant to §51.1-508 of the Code, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC Program OPEB; and the Political

Note 1 – Summary of significant account policies (continued)

Subdivision HIC Program OPEB expense, information about the fiduciary net position of the VRS Political Subdivision HIC Program; and the additions to/deductions from the VRS Political Subdivision HIC's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. **Adoption of New Accounting Standards –** GASB Statement No. 84, *Fiduciary Activities* - In January 2017, GASB issues statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This statement also provides recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The Jail adopted Statement No. 84 in its financial statements and accompanying notes to the financial statements as of July 1, 2019. As result of implementation, the Jail analyzed various activities to determine if they meet the criterion of fiduciary activities as defined in Statement No. 84. Changes are reflected in the Jail's Enterprise Fund to reflect the Canteen Fund and Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position have been added to present the Inmate Trust Fund, a custodial fund. As a result of the change in accounting requirements, the fiscal year 2019 net position and fund balances related to these activities differ from items presented in the previously issued fiscal year 2020 and 2019 financial statements. To facilitate the implementation of this change in accounting requirements, 2019 ending balances are adjusted as follows:

Total net position at June 30, 2019 – as previously reported	$16,572,325
Net change in accounting principle	74,531
Total net position at June 30, 2019 – as restated	$16,646,856
Inmate custodial balance at June 30, 2019	$ -
Inmate custodial July 1, 2019 balance	77,057
Total Fiduciary net position at June 30, 2020 – as restated	$ 77,057

GASB Statement No. 98, *The Annual Comprehensive Financial Report* – The Jail early implemented GASB No. 98 – The Annual Comprehensive Financial Report in the fiscal year ended June 30, 2021. This Statement established the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by

Note 1 – Summary of significant account policies (concluded)

stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The Jail is early implementing this pronouncement in order to align with the Jail's core values of respect – to treat all individuals with consideration and thoughtfulness.

Note 2 – Pooled Cash, Cash Equivalents and Investments with Fiscal Agent

The County acts as a fiscal agent for the Jail Authority. Accordingly, the Jail Authority follows the deposit and investment guidelines of the County. As of June 30, 2021 and 2020 the Jail Authority's carrying value of deposits and investments as part of the County pooled cash and investments was $5,661,549 and $5,173,810, respectively.

All cash of the Jail Authority's enterprise funds, except for cash of the Canteen Fund for the Inmate population are maintained by the County in accounts 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 Federal Deposit Insurance Corporation must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon the choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

All cash and cash equivalents of the Jail Authority's custodial fund and the Canteen Fund for Inmate population are maintained by the Jail Authority in one financial institution. This account is restricted and solely used for the inmate population. The cash funds are only represented in the Jail's checking account for the custodial inmate account. These balances are insured by the Federal Deposit Insurance Corporation ('FDIC") up to $250,000. The balances as of June 30, 2021 and 2020 respectively, were $164,902 and $77,057 and there were no amounts in excess of the FDIC limit at June 30, 2021 and 2020.

Pooled Investments in accordance with Section 2.2-4500 of the *Code of Virginia* and other applicable law and regulations, the County's investment policy (the "Policy") permits investments in obligations of the United States or agencies thereof; held directly, by collateralized repurchase agreement, or in mutual funds registered under the Investment Company Act of 1940, whose portfolios are restricted to U.S. and U.S. agency obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (the World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper, certain corporate notes, bankers' acceptances, and repurchase agreements, savings accounts or time deposits in approved banks or savings institutions within the Commonwealth, and the Commonwealth of Virginia Treasurer's Local Government Investment Pool, (the LGIP, a 2a-7 like pool). The County Policy establishes limitations on the holding of non-US Government obligations by type of instrument. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each type of security is as follows:

Note 2 – Pooled Cash and Cash Equivalents with Fiscal Agent (continued)

Money Market mutual funds	75% maximum
Repurchase agreements	50% maximum
Negotiable certificates of deposits/bank notes	25% maximum
Corporate notes	25% maximum
Banker's acceptance	25% maximum
Commercial paper	25% maximum
State bonds, notes and other evidences of indebtedness	20% maximum
County, town, city, district, authority or other public body bonds, notes and other evidences of indebtedness	20% maximum

The following tables present the credit rating for the pooled cash and cash equivalents and investments with fiscal agent at fair value at June 30, 2021 and 2020:

Assets:	Fair Value June 30, 2021	AAA/AAAm	AA	A	N/A
Cash & Equivalents	$ 862,229	$ -	$ -	$ -	$ 862,229
Money Market Fund	3,915	3,915	-	-	-
US Treasury Securities	967,909	-	967,909	-	-
Notes/Bonds	615,404	-	615,404	-	-
Supranational	161,738	161,738	-	-	-
Corporate Notes/Bonds	126,032	9,101	29,003	87,928	-
Commercial Paper	26,135	-	-	26,135	-
Certificates of Deposit	215,258	-	-	215,258	-
LGIP	2,355,524	2,355,524	-	-	-
LGIP EM	327,406	327,406	-	-	-
Total	$ 5,661,549	$ 2,857,683	$ 1,612,316	$329,321	$ 862,229

Assets:	Fair Value June 30, 2020	AAA/AAAm	AA	A	N/A
Cash & Equivalents	$ 1,190,313	$ -	$ -	$ -	$1,190,313
Money Market Fund	2,137	2,137	-	-	-
US Treasury Securities	993,726	-	993,726	-	-
Notes/Bonds	673,400	-	673,400	-	-
Supranational	75,327	75,327	-	-	-
Corporate Notes/Bonds	291,122	-	291,122	-	-
Commercial Paper	21,730	-	-	21,730	-
Certificates of Deposit	138,706	-	43,280	79,085	16,341
LGIP	1,398,546	1,398,546	-	-	-
LGIP EM	388,804	388,804	-	-	-
Total	$ 5,173,810	$ 1,864,814	$ 2,001,528	$100,814	$ 1,206,654

Note 2 – Pooled Cash and Cash Equivalents with Fiscal Agent (continued)

The following tables present pooled cash and cash equivalents and investments with fiscal agent at fair value at June 30, 2021 and 2020:

Assets:	**Balance June 30, 2021**	**Quoted prices in active market (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Investments by fair value level:				
Cash and cash equivalents in pooled funds	$ 862,229	$ 862,229	$ -	$ -
Investments in pooled funds	1,897,217	967,909	929,308	-
	2,759,447	$ 1,830,139	$ 929,308	$ -
Cash equivalents and short-term investments measured at the amortized costs:				
Money Market Fund	3,915			
Certificates of Deposit	215,258			
LGIP	2,355,524			
LGIP EM	327,406			
	2,902,103			
Total	$ 5,661,549			

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Note 2 – Pooled Cash, Cash Equivalents and Investments with Fiscal Agent (continued)

Assets:	Balance June 30, 2020	Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:				
Cash and cash equivalents in pooled funds	$ 1,190,313	$ 1,190,313	$ -	$ -
Investments in pooled funds	2,055,305	993,726	1,061,579	-
	3,245,618	$ 2,184,039	$ 1,061,579	$ -
Cash equivalents and short-term investments measured at the amortized costs:				
Money Market Fund	2,137			
Certificates of Deposit	138,706			
LGIP	1,398,546			
LGIP EM	388,804			
	1,928,193			
Total	$ 5,173,810			

Interest Rate Risk: As a means of limiting exposure to fair value losses arising from interest rates, both the reporting entity's pooled investment portfolio and the County manage maturity of fixed-income accounts to precede or coincide with the expected need of funds. The County's policy also limits the investment of operating funds to investments with a stated maturity of no more than five years from the date of purchase, except proceeds from the sale of bonds, which must be invested in compliance with the specific requirement of bond covenants, and may be invested in securities with longer maturities. The Trust Policy has established a fixed-income investment objective based on five-year rolling market cycle investment horizon, to minimize principle fluctuations and limit the potential for and duration of fixed-income investment losses over that investment horizon due to interest rate fluctuations. The Trust Policy also encourages active fixed income investment management and requires quarterly reporting of fixed-income investment types in the pooled investment portfolio and the Trust portfolio are presented below using the segmented time distribution reporting method, by maturity in years.

Credit Risk: As required by the State statute, the County's Policy requires that commercial paper have a short-term debt rating of no less than A-1 (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's and Fitch Ratings, and that its maturity may not exceed 270 days and the issuing corporation, or its guarantor must have a net worth of at least $50 million and the issuer's net income must average $3 million for the five previous years.

Corporate notes must have a rating of at least "AA" by Standard & Poor's and "Aa" by Moody's Investor Service. The final maturity shall not exceed a period of 5 years from the time of purchase. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investor Service. Negotiable Certificates of Deposit and Bank Deposit Notes maturing in less than one year must have a short-term

Note 2 – Pooled Cash, Cash Equivalents and Investments with Fiscal Agent (concluded)

debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investor Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investor Service. The County's pooled debt investments as of June 30, 2021 were rated by Standard & Poor's and/or an equivalent nationally recognized statistical rating organization. Deposits and investments not exposed to credit quality risk, as defined by GAAP, are designated as not applicable (N/A) in the credit rating column, and those that are not rated are designated as N/R.

The Trust Policy requires that the Trust's fixed income investments shall not exceed 5% of the total bond portfolio at the time of purchase. The 5% limitation does not apply to the issues of the US Treasury or other Federal Agencies. The overall rating of fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization.

Concentration of Credit Risk: The County Policy limitations on the pooled investment portfolio composition by issuer in order to control concentration of credit risk. No more than five percent of the pooled investment portfolio will be invested in the securities of any single issuer with the following exceptions:

US Treasury	100% maximum
LGIP	100% maximum
Money Market mutual funds	50% maximum
Each Federal agency	35% maximum
Each repurchase agreement counterparty	25% maximum

Custodial Credit Risk - Deposits: For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. The County's deposits at June 30, 2020 were fully insured under the Virginia Security for Public Deposits Act and are therefore not considered to be subject to custodial credit risk.

Custodial Credit Risk – Investments: For investments, custodial risk is the risk that, in the event of the failure of the counterparty, the reporting entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy requires that all investment securities purchased for the County be held by the County or by the County's designated custodian. If held by a custodian, the securities must be in the County's or the custodian's nominee name and identifiable on the custodian's books as belonging to the County and the custodian must be a third-party, not a counterparty to the investment transaction.

As of June 30, 2021 and 2020, all of the County's pooled investments were held by the trust department of the County's custodial bank in the County's name.

Note 3 – Capital Assets

The following schedule denote the changes in capital assets for the year ended June 30, 2021 and 2020:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	$ 70,825	$ -	$ -	$ -	$ 70,825
Construction in progress	53,593	-	-	(53,593)	-
Total non depreciable assets	124,418	-	-	(53,593)	70,825
Capital assets being depreciated:					
Buildings	27,833,635	-	-	-	27,833,635
Improvements other than buildings	3,349,440	104,973	-	-	3,454,413
Vehicles and equipment	1,391,338	154,409	23,773	53,593	1,575,567
Total capital assets being depreciated	32,574,413	259,383	23,773	53,593	32,863,615
Accumulated depreciation:					
Buildings	17,529,451	812,676	-	-	18,342,126
Improvements other than buildings	888,327	201,488	-	-	1,089,816
Vehicles and equipment	1,032,139	75,658	23,773	-	1,084,024
Total accumulated deprecation	19,449,917	1,089,822	23,773	-	20,515,966
Total capital assets being depreciated (net)	13,124,496	(830,439)	-	53,593	12,347,649
Total capital assets, net	$ 13,248,914	$ (830,439)	$ -	$ -	$ 12,418,474

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Note 3 – Capital Assets (continued)

	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Land	$ 70,825	$ -	$ -	$ -	$ 70,825
Construction in progress	-	53,593	-	-	53,593
Total non depreciable assets	70,825	53,593	-	-	124,418
Capital assets being depreciated:					
Buildings	27,833,635	-	-	-	27,833,635
Improvements other than buildings	3,349,440	-	-	-	3,349,440
Vehicles and equipment	1,354,473	36,866	-	-	1,391,338
Total capital assets being depreciated	32,537,548	36,866	-	-	32,574,413
Accumulated depreciation:					
Buildings	16,716,775	812,676	-	-	17,529,451
Improvements other than buildings	690,231	198,096	-	-	888,327
Vehicles and equipment	965,312	66,827	-	-	1,032,139
Total accumulated deprecation	18,372,318	1,077,599	-	-	19,449,917
Total capital assets being depreciated (net)	14,165,229	(1,040,733)	-	-	13,124,496
Total capital assets, net	$ 14,236,055	$ (987,140)	$ -	$ -	$ 13,248,914

Note 4 – Interest Payable

The Jail Authority had no accrued bond interest payable as of June 30, 2021 and 2020.

Note 5 – Revenue Bonds Payable

Series 2016 Jail Energy Conservation Note. On September 29, 2016, the Jail Authority issued $2,187,501 of Series 2016 jail energy conservation note with an interest rate of 3.40% to fund an Energy Conservation project to help make the Jail facility more energy efficient and to save on energy related costs. The issuance costs were $136,751. The 15 year note has semi-annual debt payments on April and October of each year and will mature on October 1, 2031. The note is funded through the Virginia Saves program in which the Jail Authority receives an IRS tax subsidy and the debt is paid for entirely through energy cost savings over the 15 year period of the note.

The energy cost savings are guaranteed by the project vendor, Siemens, of the energy conservation project, which was completed in June 2017.

Note 5 – Revenue Bonds Payable (continued)

The following schedule reflects changes in long-term liabilities for the years ended June 30, 2021 and 2020:

	Balance June 30, 2020	Increase	Decrease	Balance June 30, 2021
Series 2016				
Energy Conservation revenue note	$ 1,776,283	$ -	$ 139,885	$ 1,636,398
Total revenue note	1,776,283	-	139,885	1,636,398
Compensated absences	899,805	147,501	141,764	905,542
Unearned revenues	471,791	-	257,506	214,286
Less amounts due within one year:				
Compensated absences	(76,109)	(66,559)	-	(142,668)
Unearned revenues	(257,506)	43,220	-	(214,286)
Revenue note	(139,885)	(1,430)	-	(141,315)
Total current portion long-term liabilities	(473,500)	(24,769)	-	(498,269)
Total long-term liabilities	$ 2,674,380	$ 122,732	$ 539,155	$ 2,257,957

	Balance June 30, 2019	Increase	Decrease	Balance June 30, 2020
Series 2016				
Energy Conservation revenue note	$ 1,914,752	$ -	$ 138,469	$ 1,776,283
Total revenue note	1,914,752	-	138,469	1,776,283
Compensated absences	882,916	91,570	74,681	899,805
Unearned revenues	642,857	43,220	214,286	471,792
Less amounts due within one year:				
Compensated absences	(64,440)	(11,669)	-	(76,109)
Unearned revenues	(214,286)	-	43,220	(257,506)
Revenue note	(138,469)	(1,416)	-	(139,885)
Total current portion long-term liabilities	(417,195)	(13,085)	43,220	(473,500)
Total long-term liabilities	$ 3,023,330	$ 121,705	$ 470,656	$ 2,674,379

Note 5 – Revenue Bonds Payable (concluded)

Debt Service Requirements on outstanding long-term liabilities were composed of the following at June 30, 2021:

Year ending June 30,	Revenue Debt Principal	Revenue Debt Interest	Total Payment
2022	$ 141,315	$ 15,924	$ 157,239
2023	142,759	14,480	157,239
2024	144,218	13,020	157,238
2025	145,693	11,546	157,239
2026	147,182	10,057	157,239
2027-2031	758,788	27,405	786,193
2032	156,443	796	157,239
Total	$ 1,636,398	$ 93,228	$ 1,729,626

Details of the revenue bonds of the Jail Authority at June 30, 2021 are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Amount Due Within One Year
Series 2016 Energy Conservation revenue notes	3.40%	9/29/2016	2031	$ 2,187,501	$ 141,315

Note 6 – Compensated Absences

Jail Authority employees are granted vacation and sick leave in varying amounts. In addition, certain employees accrue compensation time for overtime hours worked. In the event of termination, employees are reimbursed for their unused accumulated vacation, compensation time, and a percentage of accumulated sick leave, depending on their length of service and the maximum leave accrual payouts. The Jail Authority has accrued $905,542 and $889,805 at June 30, 2021 and 2020, respectively, as the liability arising from compensated absences. The compensated absences liability for the Jail Authority is accounted for using the last in-first out basis, which is under the assumption that the employees are taking time as it is earned; therefore, the current portion to report as of June 30, 2021 and 2020 was $142,668 and $76,109, respectively.

Note 7 – Commitments and Contingent Liabilities

Contingent Liabilities – Various claims and lawsuits are pending against the Jail Authority. In the opinion of Jail management and legal counsel, resolution of these cases would not involve a substantial liability for the Jail Authority.

Certain expenses of grant funding are subject to audit by the grantor, and the Jail Authority is contingently liable to refund amounts received in excess of allowable expenses. In the opinion of the management of the Jail Authority, no material refunds will be required as a result of expenditures disallowed by the grantors.

Note 7 – Commitments and Contingent Liabilities (continued)

During 2020, an outbreak of COVID-19 emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the Jail Authority's revenue and operations for an indeterminable time period. Other financial impacts could occur that are unknown at this time. In relation to COVID-19, the Commonwealth of Virginia via the Virginia State Supreme Court, put in measures that allowed for the early releases of an eligible portion of the Jail's inmate population. This early release of inmates resulted in the large decrease in the Jail's member jurisdictions' revenues for FY20. The Jail continues to monitor the effects of the coronavirus on future inmate population information.

Lease Commitments – The Jail leases various types of equipment under operating lease agreements. The lease agreements are contingent on the Jail Authority Board appropriating funds for each year's payments. Rent expense for operating leases for the fiscal year ended June 30, 2021 was $133,170 for the Jail. As of June 30, 2021, future operating lease payments for the Jail were as follows:

Fiscal Year		Future Operating Lease Payments
2022	$	92,089
2023		70,726
2024		59,866
2025		54,657
Total	$	277,338

Note 8 – Defined Benefit Pension Plan

Pensions – Jail employees participate in the VRS Political Subdivision Retirement Plan which is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision Retirement Plan and the additions to/deductions from the Political Subdivision Retirement Plan's 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.

Plan Description – All full-time, salaried permanent employees of the Political Subdivision are automatically covered a VRS Retirement Plan upon employment. This 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 the VRS. Members are eligible to purchase prior public 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 duty military service, certain periods of leave and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table that follows:

Note 8 – Defined Benefit Pension Plan (continued)

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

Note 8 – Defined Benefit Pension Plan (continued)

Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. **Hybrid Opt-In Election** VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (the "ORP") and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. **Hybrid Opt-In Election** Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an ORP and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 *Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees Those employees eligible for an ORP must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.

Note 8 – Defined Benefit Pension Plan (continued)

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

Note 8 – Defined Benefit Pension Plan (continued)

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

Note 8 – Defined Benefit Pension Plan (continued)

Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **Defined Benefit Component:** See definition under Plan 1 **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	**Service Retirement Multiplier** Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. Sheriffs and regional jail superintendents same as Plan 1.	**Service Retirement Multiplier** The retirement multiplier is 1.0%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. Sheriffs and regional jail superintendents: not applicable.
Normal Retirement Age Age 65.	**Normal Retirement Age** Normal Social Security retirement age.	**Normal Retirement Age** **Defined Benefit Component:** Same as Plan 2. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 8 – Defined Benefit Pension Plan (continued)

Earliest Unreduced Retirement Eligibility Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	**Earliest Unreduced Retirement Eligibility** Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service equal 90. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	**Earliest Reduced Retirement Eligibility** Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (the "COLA") in Retirement The COLA matches the first 3% increase in the Consumer Price Index for all Urban Consumers (the "CPI-U") and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment in Retirement** The COLA Adjustment matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	**Cost-of-Living Adjustment in Retirement** **Defined Benefit Component:** Same as VRS Plan 2. **Defined Contribution Component:** Not applicable.

Note 8 – Defined Benefit Pension Plan (continued)

Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	**Eligibility:** Same as Plan 1.	**Eligibility:** Same as Plan 1 and Plan 2.
Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (the "VSDP"). • The member Is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**Exceptions to COLA Effective Dates:** Same as Plan 1	**Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.

Note 8 – Defined Benefit Pension Plan (continued)

Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Eligible political subdivision and school division (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (the "VLDP") unless their local governing body provides and employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

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Note 8 – Defined Benefit Pension Plan (continued)

Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** **Defined Benefit Component:** Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for posted services. **Defined Contribution Component:** Not applicable.

VRS issues a publicly available ACFR that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at https://www.varetire.org/pdf/publications/2020-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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Note 8 – Defined Benefit Pension Plan (continued)

Employees Covered by Benefit Terms - As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive members or their beneficiaries currently receiving benefits	56
Inactive members:	
Vested	39
Non-vested	112
Active elsewhere in VRS	122
Total inactive members	273
Active members	119
Total covered employees	448

Contributions – The contribution requirement for active employees is governed by Title 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions bye the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement. The Jail Authority's contractually required employer contribution rate for the year ended June 30, 2021 was 13.09% and 2020 was 10.41% of annual covered employee payroll. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and 2018 respectively. 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 Jail Authority were $741,114, $700,336 for the year ended June 30, 2021, and 2020, respectively.

Net Pension Asset/Liability – The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GAAP, less that employer's fiduciary net positon. For the Jail Authority, the net pension liability was measured as of June 30, 2020. At June 30, 2021 and 2020, the Jail Authority reported a net pension liability of $2,234,825 and $175,577, respectively. The net pension liability as of June 30, 2021 and 2020 were measured as of June 30, 2020 and 2019, respectively. The total pension liability used to calculate the net pension asset/liability was determined by actuarial valuations performed as of June 30, 2019 and 2018, respectively, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement dates of June 30, 2020 and 2019, respectively.

Actuarial Assumptions – The total pension asset/liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2019 and 2018, 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, 2020 and 2019, respectively:

• Inflation	2.50%
• Salary increases	3.50% - 5.35%
• Investment rate of return (net of pension plan investment expense, including inflation)	6.75% for 6/30/19 & 7.00% for 6/30/18 *

Note 8 – Defined Benefit Pension Plan (continued)

• Mortality Rates	15% of deaths are assumed to be service related
• Pre-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.
• Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.
• Post-Disablement	RP-2014 Disabled Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; Females 125% of rates.

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

The actuarial assumptions used in the June 30, 2019 valuations were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability Discount Rate	Increased rate from 14 to 15% Decreased rate from 7.00% to 6.75%

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Note 8 – Defined Benefit Pension Plan (continued)

Long-term Expected Rate of Return – The long-term expected rate of return on the pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 estimates of arithmetic real rates of return for each major asset class as summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
Multi-Asset Public Strategies	6.00%	3.04%	0.18%
Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.14%

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

Discount Rate – The discount rate used to measure the total pension liability was 6.75% for 2021 and 2020. 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, 2020, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit

Note 8 – Defined Benefit Pension Plan (continued)

payments of current active and inactive members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2019	$ 20,691,338	$ 20,515,761	$ 175,577
Service cost	949,244	-	949,244
Interest	1,378,330	-	1,378,330
Difference between expected and actual experience	272,602	-	272,602
Changes in benefit terms	845,849		845,849
Contributions-employer	-	700,336	(700,336)
Contributions-employee	-	301,770	(301,770)
Net investment income	-	397,995	(397,995)
Benefit payments, including refunds of employee contributions	(543,255)	(543,255)	-
Administrative expenses	-	(12,842)	12,842
Other changes	-	(482)	482
Net changes	2,902,770	843,522	2,059,248
Balances at June 30, 2020	$ 23,594,108	$ 21,359,283	$2,234,825

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2018	$ 18,399,204	$ 18,887,287	$ (488,083)
Service cost	866,776	-	866,776
Interest	1,270,635	-	1,270,635
Difference between expected and actual experience	(41,981)	-	(41,981)
Changes in assumptions	691,260	-	691,260
Contributions-employer	-	563,566	(563,566)
Contributions-employee	-	280,983	(280,983)
Net investment income	-	1,291,332	(1,291,332)
Benefit payments, including refunds of employee contributions	(494,556)	(494,556)	-
Administrative expenses	-	(12,032)	12,032
Other changes	-	(819)	819
Net changes	2,292,134	1,628,474	663,660
Balances at June 30, 2019	$ 20,691,338	$ 20,515,761	$ 175,577

Note 8 – Defined Benefit Pension Plan (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the Jail Authority at June 30, 2021 using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	$ 5,642,562	$2,234,825	($552,323)

The following presents the net pension liability (asset) of the Jail Authority at June 30, 2020.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	$ 3,226,470	$175,577	($2,232,564)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended June 30, 2021, the Jail Authority recognized pension expense of $1,986,286. At June 30, 2021, the Jail Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 154,592	$ 9,311
Changes of assumptions	153,314	-
Difference between projected and actual earnings on pension plan investments	638,748	-
Employer contributions subsequent to the measurement date	741,114	-
Total	$ 1,687,768	$ 9,311

Deferred outflows of resources related to pensions resulting from the Jail Authority's contributions subsequent to the measurement date in the amount of $741,114 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ending June 30,	Amount
2022	$ 296,299
2023	231,787
2024	208,885
2025	200,372
2026	-
	$ 937,343

Note 8 – Defined Benefit Pension Plan (concluded)

For the year ended June 30, 2020, the Jail Authority recognized pension expense of $762,757. At June 30, 2020, the Jail Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 78,556
Changes of assumptions	422,287	-
Difference between projected and actual earnings on pension plan investments	-	179,686
Employer contributions subsequent to the measurement date	700,336	-
Total	$ 1,122,623	$ 258,242

Note 9 – Postemployment Healthcare Plan and Other Postemployment Benefits (OPEB) Trust

The Jail Authority provides for optional participation by eligible retirees and their eligible spouses and dependents in the medical and prescription drug healthcare benefit program available to employees. The County has established the County Retiree Medical Benefits Plan (Plan), an agent multiple-employer defined benefit healthcare plan, and the Retiree Medical Benefits Trust Agreement (Trust), which are administered as one plan for the County and its affiliates (collectively, Employers). The Jail Authority accounts for and reports its participation in the Plan by applying the requirements for a cost-sharing multiple-employer plan. The Plan covers eligible retirees of the Jail. The Trust provides the funding mechanism for the postemployment healthcare benefits established by the Plan. The *Code of Virginia* assigns the authority to administer the Plan, and to establish and amend the benefit provisions of the Plan, to the Hanover County Board of Supervisors (Board). The Plan provides for biennial reviews of benefit provisions based on actuarial analysis, but does not require any automatic or ad hoc benefit increases, although the Board may amend or terminate the Plan at any time. The Trust's accumulated assets may legally be used to pay all plan benefits provided to any of the plan's members or beneficiaries.

The Trust is considered part of the County's financial reporting entity and is included in County's financial statements as an Other Postemployment Benefits Trust Fund. The Jail Authority is required to make periodic contributions to fund its share of the plan based on periodic actuarial analysis of its future obligations. A copy of Hanover County's FY2021 ACFR may be downloaded from the following website, https://www.hanovercounty.gov/283/Annual-Comprehensive-Financial-Report.

The Plan provides that the employers will provide certain subsidies toward the cost of the health benefit coverage of eligible retirees, spouses and dependents. In order to participate in the Plan, retirees must be enrolled in the health insurance program available to County employees at date of separation. In addition, participants must meet the VRS retirement age and service retirement requirements and, if hired after September 30, 2007, must have five years of service with an Employer, or retire pursuant to the disability requirements of Social Security or the VRS. The amount of monthly subsidy provided by the Plan is based on years of service and, as of June 30, 2015, ranged from $100 per month for employees with 10 but less than 15 years of service to $200 per month for 20 or more years of service. The subsidy for a retiree's spouse and dependents is equal to that of the retiree, with a limit of three subsidies per retiree. Effective for those who retire July 1, 2015 or later, there shall not be a subsidy for their spouses or dependents. Retirees hired prior to October 1, 2007 have no years of service requirement, but must meet all other requirements for participation. In addition, retirees hired prior to October 1, 2007 who have

Note 9 - Postemployment Healthcare Plan and Other Postemployment Benefits (OPEB) Trust (continued)

at least 10 years of service with an Employer, and whose age and years of service equal at least 60 (grandfathered employees), will receive an initial subsidy of $251 per month. For employees retiring after September 30, 2008, subsidies will end with Medicare eligibility. Any plan participants currently in the Plan over age 65 must be enrolled in Medicare as primary insurer effective July 1, 2015. Additionally, any grandfathered retirees who are not yet age 65 must enroll in Medicare as primary insurer once they have met the Medicare eligibility requirements.

Retirees under the Plan may select from the health care plans offered to active employees and pay the health insurance premium rate established annually based on biennial actuarial analysis of the claims cost of the retiree group, net of the applicable subsidy established by the Plan. Depending upon the health care plan selected, the net retiree premium amounts range from $471 to $1,272 per month and, for those electing retiree and family coverage, from $1,333 to $3,815 per month. Costs of administering the Plan will be borne by the Trust or by the Employers.

Investments – The OPEB Board has determined that to achieve the greatest likelihood of meeting the applicable investment objectives, the Trust should allocate assets in two broad classes: Investment assets to be invested to achieve the annual rate of return equal to the Trust’s actuarial discount rate with target allocations comprised of 42% in Domestic Equity, 23% in International Equity, and 35% in Fixed Income Investments. Liquidity Assets to be held solely in cash equivalent investments and used to pay for benefits and expenses of the Trust.

Rate of Return – For years ended June 30, 2021 and 2020, the annual money-weighted rate of return on investments, net of investment expense, was 28.25% and 5.89%, respectively. The return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The June 30, 2018 actuarial valuation used the Entry Age Normal actuarial funding method was used. The actuarial assumptions include a 7.0% annual investment rate of return (net of administrative expenses) and payroll increase assumption of 2.5%. The liability is being amortized as a level percentage of projected payroll on a closed basis over eighteen years. Mortality rates were based on the RP-2000 Fully Generational Combined table.

In the June 30, 2020 actuarial valuation, the Entry Age Normal actuarial funding method was used. The actuarial assumptions include a 6.5% annual investment rate of return (net of administrative expenses) and payroll increase assumption of 2.5%. The liability is being amortized as a level percentage of projected payroll on a closed basis over sixteen years. Mortality rates were based on the RP-2000 Fully Generational Combined table.

The assumed inflation rate is 2.5%. The long-term expected rate of return of OPEB plan investments net of inflation is 4.90% on Equities (including US and international), 2.40% on Core Fixed, 3.30% on Investment Grade Corporate Debt, 4.00% on Emerging Market Debt, and 3.90% on High Yield investments.

The discount rate used to measure the total OPEB liability was 6.50%. This is the expected rate of return on trust assets. During its February 2020 meeting, the OPEB Trust Board established 6.50% (not adjusted for inflation)

Note 9 - Postemployment Healthcare Plan and Other Postemployment Benefits (OPEB) Trust (continued)

as the long-term target rate for the Plan over a rolling five year period. Previously the discount rate was 7.0%, unchanged since the Plan's inception. The OPEB Trust Board reviews annual feasibility studies performed by the Plan's investment consultant to consider the ongoing appropriateness of the target rate and whether a change should be considered. No changes were made to the 6.5% rate in the year ended June 30, 2021.

Long-term Medical Trend – As Plan funding is used subsidize premium rates, the OPEB Plan liability is not affected by changes in the Long-Term Medical Trend.

The total OPEB liability is based on January 1, 2020 valuation data rolled forward to June 30, 2020. The actuarial information is separated between the County, Schools, Library, and Jail. This allocation is based on January 1, 2020 valuation data. Disclosures for each group entity are provided using the proportionate share method as approved by the GAAP. The discount rate was lowered to 6.50%.

The Plan is a cost sharing plan. GAAP requires cost sharing plans allocate liabilities and assets between employers based on "the employer's projected long-term contribution effort to the OPEB plan as compared to the total projected long-term contribution effort all employers and all non-employer contributing entities to determine the employer's proportion.

Benefits provided – The Plan funds subsidy amounts from participating eligible retirees and their dependents. The amounts vary based on retirement date and years of service as outlined.

Contributions - The Code permits the Board to make appropriations to fund the Trust and to enter into agreement with its School Component Unit and its Affiliates to participate in and contribute to the Trust. Contributions to the Trust are irrevocable; however, continued participation in the Plan is voluntary, and any Employer may individually terminate future participation in the Plan. Retiree medical activity is processed through the self-insurance fund on a pay-go basis. Each year the Trust Board determines whether there should be any withdrawals or contributions made to the Trust. There were no cash contributions or withdrawals during the year ended June 30, 2021 and 2020 and, therefore, no subsequent activity to disclose.

Funding Policy – The Board has adopted a resolution under which the Employers will contribute funds to the Trust periodically, as determined appropriate, based on periodic actuarial analysis of the future obligations of the Employers.

Net Postemployment Healthcare Plan and Other Postemployment Benefits (OPEB) Asset – At June 30, 2021 and 2020, the Jail Authority reported a net OPEB asset of $1,924 and $21,493, respectively. The net OPEB asset was measured as of June 30, 2020 and 2019. The total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation performed as of January 1, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled back to the measurement date of June 30, 2019.

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Note 9 - Postemployment Healthcare Plan and Other Postemployment Benefits (OPEB) Trust (continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability (asset) of the Jail Authority at June 30, 2021 and 2020, using the discount rate of 6.5%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1% point lower (5.5%) or 1% point higher (7.5%) than the current rate:

	1% Decrease (5.50%)	6.50% Discount Rate	1% Increase (7.50%)
Net OPEB Liability (Asset)	$ 1,443	($ 1,924)	($ 5,086)

The following presents the net OPEB asset of the Jail Authority at June 30, 2020.

	1% Decrease (5.50%)	6.50% Discount Rate	1% Increase (7.50%)
Net OPEB Asset	($ 25,112)	($ 21,493)	($ 21,240)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the Jail Authority recognized OPEB expense of $22,816. At June 30, 2021, the Jail Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3	$ 3,979
Changes of assumptions	931	-
Difference between projected and actual earnings on OPEB plan investments	162	1,525
Change in Proportion	26,218	-
Total	$ 27,314	$ 5,504

The differences between expected and actual experience and net difference between projected and actual earnings on OPEB plan investments will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2022	$ 3,862
2023	4,207
2024	4,326
2025	4,642
2026	4,596
Thereafter	177
	$ 21,810

Note 9 - Postemployment Healthcare Plan and Other Postemployment Benefits (OPEB) Trust (concluded)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the Jail Authority recognized OPEB expense of $4,228. At June 30, 2020, the Jail Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experience	$ 3	$ 303
Changes of assumptions	1,400	-
Difference between projected and actual earnings on OPEB plan investments	-	2,968
Change in Proportion	26,846	-
Total	$ 28,249	$ 3,271

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust

Group Life Insurance

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the GLI Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of the Jail Authority are automatically covered by the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OBEB plans, for public employer groups in the Commonwealth of Virginia.

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

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.
Benefit Amounts The benefits payable under the GLI Program have several components. • *Natural Death Benefit:* The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • *Accidental Death Benefit:* The accidental death benefit is double the natural death benefit. • *Other Benefit Provisions:* In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: ◦ Accidental dismemberment benefit ◦ Safety belt benefit ◦ Repatriation benefit ◦ Felonious assault benefit ◦ Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,616 as of June 30, 2021.

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI as June 30, 2021 and 2020, respectively was 1.34% and 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, which the Jail does; however, the employer must pay all of the employer contribution.

Each employer's contractually required employer contribution rate for the year ended June 30, 2021 and 2020 was 0.54% and 0.52% respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and June 30, 2017, respectively. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. The Jail Authority has elected to pay the entire rate for the years ended June 30, 2021 and 2020. The employer component of contributions to the GLI Program were $31,041 and $31,789 for the years ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021 and 2020, the Jail Authority reported a liability of $495,645 and $471,744, respectively for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and 2018 and rolled forward to the measurement date of June 30, 2020 and 2019, respectively. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2020 and 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.02970% as compared to 0.02899% at June 30, 2019.

For the year ended June 30, 2021 and 2020, the Jail Authority recognized GLI OPEB expense of $13,986 and $4,252 respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,791	$ 4,452
Net difference between projected and actual earnings on GLI OPEB program investments	14,889	-
Change in assumptions	24,788	10,349
Changes in proportion	9,060	23,981
Employer contributions subsequent to the measurement date	31,041	-
Total	$ 111,569	$ 38,782

$31,041 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods.

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

Year ending June 30,	Amount
2022	$ 2,615
2023	6,820
2024	12,637
2025	14,424
2026	4,568
Thereafter	682
	$ 41,746

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,374	$ 6,119
Net difference between projected and actual earnings on GLI OPEB program investments	-	9,690
Change in assumptions	29,783	14,225
Changes in proportion	-	31,081
Employer contributions subsequent to the measurement date	31,789	-
Total	$ 92,946	$ 61,115

$31,789 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods.

Actuarial Assumptions

The June 30, 2020 total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.5 percent
Salary increases, including inflation –	
General state employees	3.5 percent – 5.35 percent
Teachers	3.5 percent – 5.95 percent
SPORS employees	3.5 percent – 4.75 percent
VaLORS employees	3.5 percent – 4.75 percent
JRS employees	4.5 percent
Locality – General employees	3.5 percent – 5.35 percent
Locality – Hazardous Duty employees	3.5 percent – 4.75 percent
Investment rate of return	6.75 Percent, net of investment expenses, including inflation for 2020 & 2019*

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates – Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 115% of rates; 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. The discount rate was lowered to 6.75% effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability Discount Rate	Decreased rate from 60% to 45% Decreased rate from 7.00% to 6.75%

Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from 70 to 90; females set forward 3 years.

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% males.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. The discount rate was lowered to 6.75% effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year.
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability Discount Rate	Increased rate from 14 to 15% Decreased rate from 7.00% to 6.75%

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the system's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NO amounts for the GLI Program are as follows (amounts expressed in thousands)**:**

GLI OPEB PROGRAM

	2021	2020
Total GLI OPEB Liability	$3,523,937	$3,390,238
Plan Fiduciary Net Position	(1,855,102)	(1,762,972)
Employer's Net GLI OPEB Liability	$1,668,835	$1,627,266
Plan Fiduciary Net Position as a % of the Total GLI OPEB Liability	52.64%	52.00%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
Multi-Asset Public Strategies	6.00%	3.04%	0.18%
Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.14%

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability. The Plan is not affected by changes in the long-term medical trend.

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

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

Note 10 - Postemployment Group Life Insurance Plan and Other Postemployment Benefits (OPEB) Trust (concluded)

	1 % Lower (5.75%)	Discount Rate (6.75%)	1% Higher (7.75%)
Employer's proportionate share of the Group Life Insurance Program Net OPEB Liability 2021	$ 651,563	$ 495,645	$ 369,024

	1 % Lower (5.75%)	Discount Rate (6.75%)	1% Higher (7.75%)
Employer's proportionate share of the Group Life Insurance Program Net OPEB Liability 2020	$ 619,741	$ 471,744	$ 351,723

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2020 Annual Report. A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 11 – Health Insurance Credit program – Virginia Retirement System

As of July 1, 2019, the Jail now participates in the VRS Political Subdivision HIC Program, which is an agent multiple-employer defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. Due to the fact that the VRS measurement date for the HIC program has a one-year lag, VRS provided the HIC valuation report to the Jail for the first time for fiscal year and June 30, 2021 reporting.

The Political Subdivision HIC Program is an agent multiple-employer defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision HIC Program was established pursuant to §51.1-508 of the Code, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC Program OPEB; and the Political Subdivision HIC Program OPEB expense, information about the fiduciary net position of the VRS Political Subdivision HIC Program; and the additions to/deductions from the VRS Political Subdivision HIC's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against

Note 11 – Health Insurance Credit program – Virginia Retirement System (continued)

qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit: Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS Pension plan.
Benefit Amounts The Political Subdivision Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • *At Retirement*: For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. • *Disability Retirement*: For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.
Health Insurance Credit Program Notes: • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.

Note 11 – Health Insurance Credit program – Virginia Retirement System (continued)

Employees Covered by Benefit Terms - As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive members or their beneficiaries currently receiving benefits	2
Total inactive members	2
Active members	119
Total covered employees	121

Contributions – The contribution requirement for active employees is governed by Title 51.1-1402(E) 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. The Jail Authority's contractually required employer contribution rate for the year ended June 30, 2021 was .23% of covered employee compensation. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Political Subdivision HIC program from the Jail Authority were $13,447, for the year ended June 30, 2021.

Net HIC OPEB Liability – At June 30, 2021, the Jail Authority reported a net HIC OPEB liability of $104,994. The net pension liability as of June 30, 2021 were measured as of June 30, 2020. The total HIC OPEB liability used to calculate the net pension asset was determined by actuarial valuations performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement dates of June 30, 2020.

Actuarial Assumptions – The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019 using the entry age normal actuarial cost method, the level percent closed amortization method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

• Inflation	2.50%
• Salary increases, including inflation- General employees	3.50% - 5.35%
• Salary increases, including inflation- Hazardous Duty employees	3.50% - 4.75%
• Investment rate of return (net of pension plan investment expense, including inflation)	6.75% for 6/30/20

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Note 11 – Health Insurance Credit program – Virginia Retirement System (continued)

• Pre-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.
• Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.
• Post-Disablement	RP-2014 Disabled Mortality Rates projected with scale BB to 2020; males set forward 2 years, unisex using 100% male.

The actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which are based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability Discount Rate	Increased rate from 14% to 20% Decreased rate from 7.00% to 6.75%

Long-Term Expected Rate of Return

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

Note 11 – Health Insurance Credit program – Virginia Retirement System (continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
Multi-Asset Public Strategies	6.00%	3.04%	0.18%
Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.14%

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75% for fiscal year ended June 30, 2021. The projection of cash flows used to determine the discount rate assumed that 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, 2020, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Note 11 – Health Insurance Credit program – Virginia Retirement System (continued)

Changes in Net HIC OPEB Liability

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a)-(b)
Balances at June 30, 2019	$ -	$ -	$ -
Service cost	6,283	-	6,283
Interest	(21)	-	(21)
Difference between expected and actual experience	112,248	-	112,248
Contributions-employer	-	13,447	(13,447)
Net investment income	-	95	(95)
Benefit payments, including refunds of employee contributions	(634)	(634)	-
Administrative expenses	-	(26)	26
Net changes	117,876	12,882	104,994
Balances at June 30, 2020	$ 117,876	$ 12,882	$ 104,994

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate – The following presents the net Political Subdivision HIC Program net HIC OPEB liability of the Jail Authority at June 30, 2021, using the discount rate of 6.75%, as well as what the Political Subdivision's net HIC OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current 6.75% Discount Rate	1% Increase (7.75%)
Net HIC OPEB Liability	$ 121,462	$ 104,994	$ 91,268

HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIC Insurance Program OPEB

For the year ended June 30, 2021, the Jail Authority recognized HIC Program OPEB expense of $14,050 and none for the year ended June 30, 2020. Since there was a change in proportionate share between measurement dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

Note 11 – Health Insurance Credit program – Virginia Retirement System (concluded)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 98,933	$ -
Net difference between projected and actual earnings on HIC OPEB program investments	270	-
Employer contributions subsequent to the measurement date	13,170	-
Total	$ 112,373	$ -

$13,170 reported as deferred outflows of resources related to the HIC OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods.

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

Year ending June 30,	Amount
2022	$ 13,382
2023	13,382
2024	13,382
2025	13,384
2026	13,315
Thereafter	32,358
	$ 99,203

Health Insurance Credit Program Plan Data

Detailed information about the HIC Program's Fiduciary Net Position is available in the separately issued VRS 2020 Annual Report. A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12 – Related Party Transactions

The County provides certain general government administrative and accounting services such as payroll, finance, information technology, and purchasing for the Jail Authority. The Jail Authority paid the County $400,000 and $444,000 respectively, related to such services for the year ended June 30, 2021 and 2020.

Note 13 – Vendor Agreement

In May 2015, the Jail Authority entered into a contractual agreement with a new telecommunications vendor whereby the new vendor will provide inmate telephones and telephone service to the Jail Authority's inmates for a period of seven years, commencing on July 1, 2015. In consideration, the agreement required the vendor to pay the Jail Authority an upfront signing bonus of $1,500,000 within 5 days after the date that the contract was executed. The $1,500,000 signing bonus was received during the fiscal year ended June 30, 2015 and has been reported as unearned revenue in the accompanying Statements of Net Position since June 30, 2015. The $1,500,000 signing bonus amount will be recognized as operating revenue on a straight-line basis in the annual amount of $214,286 for each of the seven years ending June 30, 2016 through 2022. The amount of revenues recognized during the fiscal year ended June 30, 2021 and 2020 was $214,286 and the remaining balance of unearned revenue related to the signing bonus was $214,286 and $428,571, respectively for June 30, 2021 and 2020.

PAMUNKEY REGIONAL JAIL AUTHORITY
Required Supplementary Information
June 30, 2021 and 2020

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (unaudited):

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	$ 949,244	$ 866,776	$ 810,882	$ 822,851	$ 854,913	$ 821,307	$ 825,135
Interest on total pension liability	1,378,330	1,270,635	1,180,501	1,096,012	958,226	897,941	807,387
Changes in assumptions	-	691,260	-	(199,146)	-	-	-
Changes in benefit terms	845,849	-	-	-	-	-	-
Difference between expected and actual experienc	272,602	(41,981)	(204,078)	(47,017)	572,862	(434,884)	-
Benefit payments	(543,255)	(494,556)	(504,807)	(426,629)	(408,610)	(437,691)	(240,113)
Net change in total pension liability	2,902,770	2,292,134	1,282,498	1,246,071	1,977,391	846,673	1,392,409
Total pension liability-beginning	20,691,338	18,399,204	17,116,706	15,870,635	13,893,244	13,046,571	11,654,162
Total pension liability-ending (a)	23,594,108	20,691,338	18,399,204	17,116,706	15,870,635	13,893,244	13,046,571
Total fiduciary net position							
Contributions-employer	700,336	563,566	577,132	563,871	649,554	643,459	675,696
Contributions-employee	301,770	280,983	286,770	281,610	306,806	284,674	265,409
Net investment income	397,995	1,291,332	1,288,187	1,867,264	265,319	614,739	1,735,732
Benefit payments	(543,255)	(494,556)	(504,807)	(426,629)	(408,610)	(437,691)	(240,113)
Administrative expense	(12,842)	(12,032)	(10,613)	(10,187)	(8,374)	(7,790)	(8,681)
Other	(482)	(819)	(1,172)	(1,686)	(109)	(133)	92
Net change in plan fiduciary net position	843,522	1,628,474	1,635,497	2,274,243	804,586	1,097,258	2,428,135
Plan fiduciary net position-beginning	20,515,761	18,887,287	17,251,790	14,977,547	14,172,961	13,075,703	10,647,568
Plan fiduciary net position-ending (b)	21,359,283	20,515,761	18,887,287	17,251,790	14,977,547	14,172,961	13,075,703
Net pension liability (asset) ending (a)-(b	$2,234,825	$ 175,577	$ (488,083)	$ (135,084)	$ 893,088	$ (279,717)	$ (29,132)
Plan fiduciary net position as a % of total pension liability (asset)	-0.956%	-11.685%	3.870%	12.771%	1.677%	5.067%	44.884%
Covered payroll	$6,113,336	$5,667,031	$5,768,450	$5,631,567	$5,702,794	$5,640,264	$5,263,254
Net pension liability (asset) as a % covered payroll	-36.56%	-3.10%	8.46%	2.40%	15.66%	4.96%	0.55%

* Schedule is intended to show information for 10 years. Since 2015 is the first fiscal year for presentation, no earlier data are available. The amounts presented have a measurement date of the previous fiscal year end.

See accompanying report of independent auditor.

PAMUNKEY REGIONAL JAIL AUTHORITY
Required Supplementary Information
June 30, 2021 and 2020

Schedule of Employer Contributions - Pension (unaudited):

Date	Contractually Required Contribution of Employer (1)	Contribution Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$741,114	$741,114	$ -	$5,726,897	12.94%
2020	700,336	700,336	-	6,113,336	11.46%
2019	563,566	563,566	-	5,667,031	9.94%
2018	577,132	577,132	-	5,768,450	10.00%
2017	563,871	563,871	-	5,631,567	10.02%
2016	649,554	649,554	-	5,702,794	11.39%
2015	643,459	643,459	-	5,640,264	11.41%

* Note: Schedule is intended to show information for 10 years. Since 2015 is the first fiscal year for presentation, no earlier data are available.

See accompanying report of independent auditor.

PAMUNKEY REGIONAL JAIL AUTHORITY
Required Supplementary Information
June 30, 2021 and 2020

Schedule of Employer's Share of Net OPEB Asset
Healthcare Program
For the Year Ended June 30 *

	2021	2020	2019	2018
Employer's Proportion of the Net Healthcare OPEB Asset	0.99%	1.28%	1.28%	3.72%
Employer's Proportionate Share of the Net Healthcare OPEB Asset	$ (1,924)	$ (21,493)	$ (21,425)	$ (59,689)
Employer's Covered Payroll	6,113,336	5,667,031	5,768,450	5,631,567
Employer's Proportionate Share of the Net Healthcare OPEB Asset as a Percentage of its Covered Payroll	(0.03%)	(0.38%)	(0.37%)	(1.06%)
Plan Fiduciary Net Position as a Percentage of the Total Healthcare OPEB Asset	103.49%	142.06%	145.48%	144.81%

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

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

See accompanying report of independent auditor.

PAMUNKEY REGIONAL JAIL AUTHORITY
Required Supplementary Information
June 30, 2021 and 2020

Schedule of Employer Contributions – OPEB – Healthcare Plan (unaudited):

Date	Contractually Required Contribution of Employer (1)	Contribution Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ -	$ -	-	$5,726,897	0.99%
2020	-	-	-	6,113,336	1.28%
2019	-	-	-	5,667,031	0.04%
2018	-	536	(536)	5,768,450	0.12%

* Note: Schedule is intended to show information for 10 years. Since 2018 is the first fiscal year for presentation, no earlier data are available.

See accompanying report of independent auditor.

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program
For the Year Ended June 30 *

	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability	0.29700%	0.02899%	0.03039%	0.03053%
Employer's Proportionate Share of the Net GLI OPEB Liability	$ 495,645	$ 471,744	$ 461,000	$ 459,000
Employer's Covered Payroll	$ 6,113,336	$ 5,667,031	$ 5,768,450	$5,631,567
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	8.11%	8.32%	7.99%	8.15%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	54.00%	52.00%	51.22%	48.86%

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

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

See accompanying report of independent auditor.

PAMUNKEY REGIONAL JAIL AUTHORITY
Required Supplementary Information
June 30, 2021 and 2020

Schedule of Employer Contributions – OPEB – Group Life Insurance Plan (unaudited):

Date	Contractually Required Contribution of Employer (1)	Contribution Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$31,041	$31,041	$ -	$5,726,897	0.54%
2020	31,789	31,789	-	6,113,336	0.52%
2019	29,550	29,550	-	5,667,031	0.52%
2018	30,000	30,000	-	5,768,450	0.52%

*Note: Schedule is intended to show information for 10 years. Since 2018 is the first fiscal year for presentation, no earlier data are available.

See accompanying report of independent auditor.

PAMUNKEY REGIONAL JAIL AUTHORITY
Required Supplementary Information
June 30, 2021 and 2020

Schedule of Changes in the Net HIC OPEB Liability and Related Ratios (unaudited):

	2021
Total HIC OPEB liability	
Service cost	$ 6,283
Interest on total HIC OPEB liability	(21)
Difference between expected and actual experience	112,248
Benefit payments	(634)
Net change in total pension liability	117,876
Total HIC OPEB liability-beginning	-
Total HIC OPEB liability-ending (a)	117,876
Total fiduciary net position	
Contributions-employer	13,447
Net investment income	95
Benefit payments	(634)
Administrative expense	(26)
Net change in plan fiduciary net position	12,882
Plan fiduciary net position-beginning	-
Plan fiduciary net position-ending (b)	12,882
Net pension liability ending (a)-(b	$ 104,994
Plan fiduciary net position as a % of total HIC OPEB liability	-0.012%
Covered payroll	$6,113,336
Net pension liability as a % covered payroll	-1.72%

* Schedule is intended to show information for 10 years. Since 2021 is the first fiscal year for presentation, no earlier are available. The amounts presented have a measurement date of the previous fiscal year end.

See accompanying report of independent auditor.

Schedule of Employer Contributions – OPEB – Health Insurance Credit Plan (unaudited):

Date	Contractually Required Contribution of Employer (1)	Contribution Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$13,170	$13,170	$ -	$5,726,897	0.54%

*Note: Schedule is intended to show information for 10 years. Since 2021 is the first fiscal year for presentation, no earlier data are available.

STATISTICAL INFORMATION
(unaudited)

Narrative on Statistical Section

The statistical section is a required part of the Annual Comprehensive Financial Report (ACFR), which presents detailed information in ten-year trends, and assists users in utilizing the basic financial statements, notes to the basic financial statements, and required supplementary information to assess the economic condition of the Jail Authority.

The statistical section is broken down into five categories: financial trend data, revenue capacity data, debt capacity data, demographic and economic information, and operating information.

The financial trend data is comprised of tables that show net position by components, changes in net position, operating expenses, operating/nonoperating revenues, and expenses. The revenue capacity data looks at such things as operating revenues by source, revenues and billed inmate days by customer and largest revenue source. The debt capacity data shows outstanding debt by type and revenues bond coverage ratios. The demographic and economic information is comprised of number of inmates by jurisdiction. The operating information contains tables for number of employees by activities and a listing of insurance coverage.

TABLE 1
PAMUNKEY REGIONAL JAIL AUTHORITY
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2018 (3)	2020	2019	2018 (2)	2017	2016	2015 (1)	2014	2013	2012
Net investment in capital assets	$ 10,782,077	$ 11,472,631	$ 12,321,302	$ 11,327,299	$ 10,168,590	$ 9,368,527	$ 8,124,017	$ 7,556,326	$ 6,803,713	$ 6,369,529
Restricted	3,525,539	3,541,206	3,859,655	5,034,548	4,661,649	4,661,649	4,528,474	4,416,426	4,416,426	4,416,426
Unrestricted	491,862	665,491	465,899	126,677	1,508,729	2,045,096	2,487,835	2,695,117	3,276,789	2,902,885
Total Net Position	$ 14,799,477	$ 15,679,328	$ 16,646,856	$ 16,488,524	$ 16,338,968	$ 16,075,273	$ 15,140,326	$ 14,667,868	$ 14,496,928	$ 13,688,840

Notes: (1) The Jail Authority adopted GASB Statements 68 and 71 in fiscal year 2015. Prior years have not been adjusted for the effect of Statements on Net Position.

Notes: (2) The Jail Authority adopted GASB Statement 75 in fiscal year 2018. Prior years have not been adjusted for the effect of this Statement on Net Position.

Notes: (3) The Jail Authority adopted GASB Statements 84 and in fiscal year 2021. Prior years have not been adjusted for the effect of Statements on Net Position.

TABLE 2
PAMUNKEY REGIONAL JAIL AUTHORITY
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Loss	Nonoperating Revenues/ (Expenses)	Change In Net Position
2021 (3)	$ 11,100,768	$ 15,824,233	$ (4,723,465)	$ 3,843,614	$ (879,851)
2020	$ 8,224,896	$ 13,945,956	$ (5,721,060)	$ 4,753,532	$ (967,528)
2019	8,418,687	13,123,202	(4,704,515)	4,788,317	83,801
2018 (2)	8,919,456	13,126,057	(4,206,601)	4,829,584	622,983
2017	8,054,805	12,774,564	(4,719,759)	4,983,453	263,694
2016	7,805,171	11,494,515	(3,689,344)	4,624,291	934,947
2015 (1)	7,889,414	11,517,897	(3,628,483)	4,100,941	472,458
2014	8,285,222	11,616,482	(3,331,260)	3,833,097	501,837
2013	8,470,423	11,202,688	(2,732,265)	3,540,353	808,088
2012	8,506,851	11,260,414	(2,753,563)	3,243,355	489,792

Notes: (1) The Jail Authority adopted GASB Statements 68 and 71 in fiscal year 2015. Prior years have not been adjusted for the effect of these Statements on Net Position.

Notes: (2) The Jail Authority adopted GASB Statement 75 in fiscal year 2018. Prior years have not been adjusted for the effect of this Statement on Net Position.

Notes: (3) The Jail Authority adopted GASB Statements 84 and in fiscal year 2021. Prior years have not been adjusted for the effect of Statements on Net Position.

TABLE 3
PAMUNKEY REGIONAL JAIL AUTHORITY
Operating Revenues by Source
Last Ten Fiscal Years

Fiscal Year	County of Hanover	Town of Ashland	County of Caroline	Other Governments	Other	Total
2021 (1)	$ 4,625,773	$ 476,328	$ 1,661,794	$ 3,333,399	$ 1,003,474	$ 11,100,768
2020	4,407,770	546,271	1,363,557	935,113	972,184	8,224,896
2019	4,824,917	499,168	1,564,336	647,684	882,582	8,418,687
2018	5,662,664	384,435	1,907,916	333,092	631,349	8,919,456
2017	5,096,174	433,466	1,764,222	245,892	515,051	8,054,805
2016	4,996,639	436,980	1,504,844	310,444	556,264	7,805,171
2015	4,928,094	418,052	1,636,364	347,526	559,378	7,889,414
2014	4,433,152	281,436	1,915,529	1,035,679	619,426	8,285,222
2013	4,419,103	225,856	2,045,711	1,119,647	660,106	8,470,423
2012	4,552,497	255,231	1,703,726	1,467,338	528,059	8,506,851

Notes: (1) The Jail Authority adopted GASB Statements 84 and in fiscal year 2021. Prior years have not been adjusted for the effect of Statements on Net Position

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TABLE 4
PAMUNKEY REGIONAL JAIL AUTHORITY
Operating Expenses
Last Ten Fiscal Years

Fiscal Year	Personal Services	Fringe Benefits	Contractual Services	Other Operating Expenses and Supplies	Depreciation	Total Operating Expenses
2021 (3)	$ 6,545,543	$ 3,680,014	$ 662,383	$ 3,846,471	$ 1,089,822	$ 15,824,233
2020	6,515,763	2,441,798	641,029	3,269,766	1,077,599	13,945,956
2019	6,114,823	1,800,172	641,182	3,465,644	1,101,381	13,123,203
2018 (2)	6,224,437	1,966,444	589,918	3,271,894	1,073,364	13,126,057
2017	6,145,268	2,077,577	543,369	3,052,817	955,532	12,774,563
2016	6,047,294	1,741,633	586,745	2,215,128	903,715	11,494,515
2015 (1)	5,858,260	1,865,017	649,897	2,248,474	896,249	11,517,897
2014	5,499,924	2,155,713	643,699	2,461,825	855,321	11,616,482
2013	5,482,688	2,110,543	640,253	2,124,296	844,908	11,202,688
2012	5,311,451	2,232,219	619,295	2,249,051	848,398	11,260,414

Notes: (1) The Jail Authority adopted GASB Statements 68 and 71 in fiscal year 2015. Prior years have not been adjusted for the effect of these Statements on Net Position.

Notes: (2) The Jail Authority adopted GASB Statement 75 in fiscal year 2018. Prior years have not been adjusted for the effect of this Statement on Net Position.

Notes: (3) The Jail Authority adopted GASB Statements 84 and in fiscal year 2021. Prior years have not been adjusted for the effect of Statements on Net Position

TABLE 5
PAMUNKEY REGIONAL JAIL AUTHORITY
Nonoperating Revenues and Expenses
Last Ten Fiscal Years

Fiscal Year	Interest Income	Interest Expense	Intergovernmental Revenues	Net Nonoperating Revenues
2021	$ (346)	$ (16,617)	$ 3,860,576	$ 3,843,614
2020	139,045	(18,331)	4,632,818	4,753,532
2019	142,440	(19,896)	4,667,379	4,789,923
2018	78,397	(91,181)	4,842,368	4,829,584
2017	69,805	(148,510)	5,062,158	4,983,453
2016	116,574	(201,618)	4,709,335	4,624,291
2015	88,757	(263,718)	4,275,902	4,100,941
2014	94,035	(323,334)	4,062,396	3,833,097
2013	78,129	(384,129)	3,846,353	3,540,353
2012	125,822	(417,209)	3,534,742	3,243,355

TABLE 6
PAMUNKEY REGIONAL JAIL AUTHORITY
Revenues and Expenses – Operating Fund
Last Ten Fiscal Years

	FY21 (3)	FY20	FY19	FY18 (2)	FY17	FY16	FY15 (1)	FY14	FY13	FY12
Revenues:										
Charges for services -										
inmate housing	$ 10,097,294	$ 7,252,712	$ 7,536,105	$ 8,288,107	$ 7,539,754	$ 7,248,906	$ 7,330,036	$ 7,665,796	$ 7,810,317	$ 7,978,792
State Compensation Board	3,754,231	4,632,818	4,662,059	4,840,437	4,769,550	4,704,712	4,244,402	4,062,396	3,846,353	3,534,742
Federal Grant revenue	106,345	-	-	-	-	-	-	-	-	-
Interest income	(346)	139,045	142,440	78,397	69,805	116,574	88,757	94,035	78,129	125,822
Work release	3,706	17,490	21,669	19,253	10,110	10,800	9,431	5,328	6,526	3,089
Telephone commission	469,286	470,286	394,286	394,286	295,161	296,840	326,105	387,193	387,000	282,025
Miscellaneous	530,482	484,408	471,947	219,741	502,388	253,247	255,342	226,905	266,581	242,945
Total revenues	14,960,999	12,996,758	13,228,506	13,840,221	13,186,768	12,631,079	12,254,073	12,441,653	12,394,906	12,167,415
Expenses:										
Salaries and benefits	10,225,557	8,957,561	7,914,995	8,190,881	8,222,845	7,788,927	7,723,277	7,655,637	7,593,231	7,543,670
Contractual services	662,383	641,029	641,182	589,918	543,369	586,745	649,897	643,699	640,253	619,294
Materials and supplies	525,240	345,863	409,202	438,038	578,806	435,877	437,662	412,848	403,458	504,617
Medical services and supplies	2,198,403	1,940,539	2,065,713	2,030,683	1,610,755	952,708	1,032,539	1,164,813	889,904	914,671
Food service and supplies	435,081	354,865	381,032	433,526	424,826	459,897	419,004	444,301	435,373	403,344
Utilities	375,670	373,585	381,395	369,647	438,430	366,646	359,269	439,862	395,561	426,420
Canteen	312,078	254,914	228,302	-	-	-	-	-	-	-
Depreciation	1,089,822	1,077,599	1,101,381	1,073,364	955,532	903,715	896,249	855,321	844,908	848,398
Interest expense/bond discount										
Debt refunding	16,617	18,331	19,896	91,181	148,510	201,618	263,718	323,334	384,129	417,209
Total expenses	15,840,850	13,964,286	13,143,099	13,217,238	12,923,073	11,696,133	11,781,615	11,939,816	11,586,818	11,677,623
Increase in net position	$ (879,851)	$ (967,528)	$ 85,407	$ 622,983	$ 263,695	$ 934,947	$ 472,458	$ 501,837	$ 808,088	$ 489,792

Notes: (1) The Jail Authority adopted GASB Statements 68 and 71 in fiscal year 2015. Prior years have not been adjusted for the effect of these Statements on Net Position.

Notes: (2) The Jail Authority adopted GASB Statement 75 in fiscal year 2018. Prior years have not been adjusted for the effect of this Statement on Net Position.

Notes: (3) The Jail Authority adopted GASB Statements 84 and in fiscal year 2021. Prior years have not been adjusted for the effect of Statements on Net Position

TABLE 7
PAMUNKEY REGIONAL JAIL AUTHORITY
Revenues and Billed Inmate Days - by Customer
Last Ten Fiscal Years

	Hanover County			Town of Ashland			Caroline County			Federal Inmates		
Fiscal Year	Revenue	Per Diem	Inmate Days Billed	Revenue	Per Diem	Inmate Days Billed	Revenue	Per Diem	Inmate Days Billed	Revenue	Per Diem	Inmate Days Billed
2021	$4,625,773	$66.12	69,960	$476,328	$66.12	7,204	$1,661,794	$66.12	25,130	$3,200,949	$75.00	42,679
2020	$4,407,770	$52.15	84,521	$546,271	$52.15	10,475	$1,363,557	$52.15	26,144	$931,724	$75.00	12,423
2019 (1)	$4,824,917	$50.99	94,625	$499,168	$50.99	9,790	$1,564,336	$50.99	30,679	$640,103	$61.50	10,408
2018	$4,762,725	$42.39	112,355	$384,435	$42.39	9,069	$1,502,324	$42.39	35,441	266,256	48.00	5,547
2017	$3,806,428	$38.04	100,064	$433,466	$38.04	11,395	$1,356,934	$38.04	35,671	206,064	48.00	4,293
2016	3,703,409	37.32	99,234	436,980	37.32	11,709	1,096,456	37.32	29,380	257,040	48.00	5,355
2015	3,714,627	37.18	99,909	418,052	37.18	11,244	1,116,306	37.18	30,024	267,744	48.00	5,578
2014	3,155,322	34.87	90,488	281,436	34.87	8,071	1,466,562	34.87	42,058	1,035,085	48.00	21,564
2013	3,438,860	35.93	95,710	225,856	35.93	6,286	1,614,012	35.93	44,921	1,086,017	54.00	20,111
2012	3,385,928	37.26	90,873	255,231	37.26	6,850	1,283,495	37.26	34,447	1,405,625	54.00	26,030

Notes: (1) In fiscal year 2019, the Jail Authority adopted a new Per Diem rate for Hanover, Ashland and Caroline County on January 1, 2019. It went from $46.47 per day to $55.50 per day. The $50.99 rate represents the two rates blended for fiscal year 2019. Also in fiscal year 2019, the Federal Inmates rate increased from $48.00 to $75.00 per day on January, 1, 2019. The $61.50 rate represents the two rates blended for fiscal year 2019.

TABLE 8
PAMUNKEY REGIONAL JAIL AUTHORITY
Largest Revenue Source
Current Year and Ten Years Ago

	Fiscal Year 2021	
	Amount	%
County of Hanover/Town of Ashland	$ 5,102,101	34.10%
Intergovernmental Shared Expenses	3,754,231	25.10%
Subtotal	8,856,332	59.20%
Balance from other revenue sources	6,104,667	40.80%
Grand Totals	$ 14,960,999	100.00%

	Fiscal Year 2012	
	Amount	%
County of Hanover/Town of Ashland	$ 4,807,728	39.51%
Intergovernmental Shared Expenses	3,534,742	29.04%
Subtotal	8,342,470	68.56%
Balance from other revenue sources	3,824,945	31.44%
Grand Totals	$ 12,167,415	100.00%

Note: The table includes the largest revenue sources required to reach 50% percent of the revenue base.

TABLE 9
PAMUNKEY REGIONAL JAIL AUTHORITY
Outstanding Debt by Type
Last Ten Fiscal Years

		Caroline		Hanover	
Fiscal Year	Revenue Bonds/Notes	Annual Total Personal Income	Annual Per Capita Personal Income	Annual Total Personal Income	Annual Per Capita Personal Income
2021	$ 1,636,398	NA	NA	$ 7,126,478	$ 61,740
2020	1,776,283	NA	NA	6,743,754	61,740
2019	1,914,752	NA	NA	6,663,431	61,740
2018	3,741,820	NA	NA	6,433,347	59,925
2017	5,497,501	NA	NA	6,197,972	58,265
2016	4,870,000	NA	NA	5,954,461	56,596
2015	6,370,000	1,140,455	38,035	5,698,253	54,784
2014	7,810,000	1,119,643	37,978	5,303,083	51,630
2013 (1)	9,185,000	1,110,966	37,920	4,961,925	48,789
2012 (1)	10,485,000	1,086,741	37,510	4,885,375	48,214

(1) Fiscal years 2013 and 2012 were restated for the adoption of GASB statement No. 65. For statistical reporting purposes, amounts for fiscal years prior to June 30, 2012 were not restated.

Caroline figures are taken from the FY2020 Caroline County ACFR which lists info as NA.
Hanover figures are taken from Demographic statistics schedule in Hanover County ACFR.

TABLE 10
PAMUNKEY REGIONAL JAIL AUTHORITY
Revenues Bond Coverage - Operating Fund
Last Ten Fiscal Years

Fiscal Year	Operating Revenues (1)	Operating and Capital Expenses (2)	Available Unrestricted Net Position (4)	Net Revenue Available for Debt Service	Principal (5)	Interest (3)	Payments to Reserves	Total	Bond Coverage
2021	$ 14,961,345	$ 14,734,411	$ 491,862	$ 718,795	$ -	$ 16,963	$ -	$ 16,963	4237%
2020	12,857,713	12,868,357	665,491	654,847	-	(120,714)	-	(120,714)	-542%
2019*	13,080,746	12,021,822	465,899	1,524,823	-	(122,544)	-	(122,544)	-1244%
2018	13,759,893	12,052,692	186,367	1,893,568	1,690,000	12,787	-	1,702,787	111%
2017	12,824,354	11,819,032	1,508,729	2,514,051	1,620,000	78,705	-	1,698,705	148%
2016	12,509,882	10,590,799	2,045,097	3,964,180	1,560,000	85,044	-	1,645,044	241%
2015	12,133,816	10,621,648	2,487,835	4,000,003	1,500,000	174,961	-	1,674,961	239%
2014	12,347,619	10,761,162	2,695,117	4,281,574	1,440,000	229,299	-	1,669,299	256%
2013	12,316,776	10,357,780	3,276,789	5,235,785	1,375,000	306,000	-	1,681,000	311%
2012	12,041,593	10,412,016	2,902,885	4,532,462	1,300,000	278,630	-	1,578,630	287%

(1) Nonoperating Revenues from the Commonwealth of Virginia has been reclassified to Operating Revenues for presentation of the statistical table.
(2) Greater of budgeted or actual operating expenses exclusive of depreciation
(3) Less amortization expense
(4) During fiscal year 2004, the Jail Authority received an interpretation from its bond counsel that allows unrestricted net position from the prior year to be included as operating revenues for the purposes of the bond coverage calculation. The calculations for previous years have been revised accordingly.

* The Revenue Bonds were paid off in Fiscal Year 2019, therefore, the bond coverage covenants are no longer applicable as of 6/30/19.

TABLE 11
PAMUNKEY REGIONAL JAIL AUTHORITY
Number of Employees by Identifiable Activity
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Civilian	19	19	19	19	18	28	27	27	27	25
Sworn	113	113	113	113	114	114	112	112	112	112
Total Employees	132	132	132	132	132	142	139	139	139	137

* In FY2017, the civilian medical staff was contracted out to a third-party medical contractor
Employee information pulled from Jail's adopted budget

TABLE 12
PAMUNKEY REGIONAL JAIL AUTHORITY
Inmate Booking Statistics
Last Ten Fiscal Years

Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings
Hanover	2012	247	21	349
	2013	259	23	364
	2014	270	18	370
	2015	276	20	324
	2016	282	20	322
	2017	281	21	302
	2018	285	25	324
	2019	262	23	308
	2020	232	27	199
	2021	198	26	218

Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings
Ashland	2012	18	19	38
	2013	17	17	39
	2014	22	17	36
	2015	31	25	35
	2016	32	25	34
	2017	31	32	24
	2018	25	35	20
	2019	27	36	19
	2020	29	50	14
	2021	20	47	11

Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings
Caroline	2012	94	27	96
	2013	123	34	101
	2014	115	30	87
	2015	86	25	82
	2016	95	26	87
	2017	102	26	87
	2018	98	30	89
	2019	85	25	87
	2020	72	31	56
	2021	70	43	46

Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings
Other	2012	82	43	50
	2013	66	42	38
	2014	55	40	37
	2015	15	25	17
	2016	15	31	14
	2017	12	25	13
	2018	15	34	13
	2019	24	31	20
	2020	30	46	18
	2021	112	53	60

*Information obtained by Jail Tracker -Jail Management System reports.

TABLE 13
PAMUNKEY REGIONAL JAIL AUTHORITY
Principal Employers List
Most Recent Available Year and Period Nine Years Ago

		2020			2011		
Employer	Type of Business	Employees	Rank	Percentage of Total County Employment (2)	Employees	Rank	Percentage of Total County Employment (2)
Hanover County Schools	Educational Services	2,523	1	4.4%	2,544	1	4.6%
Amazon Fulfillment Services Inc.	Administrative and Support Services	1,000 and over	2	3.5%		n/a	
Bon Secours Richmond Health System	Management of Companies Enterprises	1,000 and over	3	3.5%	1,000 and over	2	3.6%
County of Hanover	Executive, Legislative and Other General Government Support	1,233	4	2.1%	1,107	3	2.0%
Tyson Farms	Food Manufacturing	500-999	5	1.3%	500-999	6	1.4%
Wal-Mart Stores	General Merchandise Stores	500-999	6	1.3%	250-499	9	0.7%
Owens & Minor Medical Inc	Management of Companies Enterprises	500-999	7	1.3%		n/a	
Supervalu Distribution Center (2020)/Richfood(2011)	Merchant Wholesalers, Nondurable Goods	250-499	8	0.6%	500-999	7	1.4%
FedEx Ground	Couriers and Messengers	250-499	9	0.6%		n/a	
Food Lion	Food and Beverage Stores	250-499	10	0.6%		n/a	
New Caps LLC	Motion Picture and Sound Recording Industries		n/a		500-999	4	1.4%
Randolph-Macon College	Educational Services		n/a		500-999	5	1.4%
Kings Dominion	Amusement, Gambling and Recreation Industries		n/a		500-999	8	1.4%
Sales Mark	Wholesale Electronic Markets and Agents and Brokers		n/a		250-499	10	0.7%
Totals				**19.2%**			**18.5%**
Total County Employment (3)		**57,934**			**54,872**		

Notes:

(1) Sources: County and Schools employment levels provided by the Hanover County Department of Finance and Management Services, Budget Division. Other data provided by the Virginia Employment Commission (VEC). Employment levels represent full-time equivalents. The most recent year for which this data is available is 2020.

(2) Employment ranges for the private sector are as published by the VEC to ensure confidentiality. Percentages are based on the midpoint of the employment range.

(3) VEC Annual not Seasonally Adjusted Labor Force

(4) Due to the conversion over to a new human resource system and additional corrections by the schools, FTEs restated for FY17 for Schools Operating Fund and Food Services Fund will not match the totals listed in prior years.

(5) Due to the Amended FTE being used instead of the Adopted FTE, the FY18 Primary Government amount has been revised from the 6/30/18 CAFR reporting. In mid-FY18, the Board added 9 Public Safety (SAFER) and 4 Human Services.

TABLE 14
PAMUNKEY REGIONAL JAIL AUTHORITY
Demographic Statistics for Member Jurisdictions
Last Ten Fiscal Years

	Caroline		Hanover	
Fiscal Year	**Population**	**Unemployment Rate**	**Population**	**Unemployment Rate**
2021	30,318	8.8%	115,428	3.6%
2020	30,318	8.8%	109,229	4.8%
2019	30,318	3.6%	107,928	2.3%
2018	30,292	3.6%	107,357	2.6%
2017	30,178	4.3%	106,375	3.3%
2016	29,792	4.2%	105,210	3.4%
2015	29,727	5.5%	104,013	3.8%
2014	29,481	5.9%	102,714	4.5%
2013	29,298	6.9%	101,702	4.9%
2012	28,972	6.7%	101,327	5.4%

*Information obtained from Hanover County and Caroline County Annual Comprehensive Financial Reports.

TABLE 15
PAMUNKEY REGIONAL JAIL AUTHORITY
Schedule of Insurance in Force
As of June 30, 2021

Insurance Coverage	Insurance Company	Expiration Date	Coverage Limit	Deductible
Building and Personal Property	VACo	7/1/2021	As scheduled	$ 1,000
Electronic Data Processing Equipment	VACo	7/1/2021	As scheduled	$ 1,000
Earthquake/Flood	VACo	7/1/2021	$ 5,000,000	$ 25,000
Business Auto	VACo	7/1/2021	$ 5,000,000	N/A
Schedule Equipment	VACo	7/1/2021	As scheduled	$ 1,000
Boiler and Machinery	VACo	7/1/2021	As scheduled	$ 1,000
Business Interruption and Extra Expense	VACo		Included in blanket	
Workers' Compensation	VACGSIA	7/1/2021	$ 1,000,000	N/A
Faithful Performance of Duty	Commonwealth of Virginia -	7/1/2021	$ 1,000,000	N/A
Bond *1	Division of Risk Management			
Constitutional Officer *1	Commonwealth of Virginia -	7/1/2021	$ 1,000,000	$ 1,000
	Division of Risk Management			
General Liability		7/1/2021	$ 2,000,000	N/A
Excess General Liability (Auto Also)		7/1/2021	$ 3,000,000	N/A

NA – Not Applicable

*1 – Provided by the Commonwealth of Virginia
Insurance pulled from Certificate of Insurance from VACORP