

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

AUTHORITY MEMBERS

Orange County

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

Fluvanna County

Sheriff Eric Hess, Chairman
Christopher Fairchild, Member

Greene County

Sheriff Steve Smith, Member
Marie Durrer, Member

Louisa County

Sheriff Donald Lowe, Member
Duane Adams, Member

Madison County

Sheriff Erik Weaver, Vice Chairman
Judson Buchanan, Member

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Central Virginia Regional Jail Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Central Virginia Regional Jail Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of Central Virginia Regional Jail Authority, as of June 30, 2024, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Required Supplementary Information: (Continued)

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of Central Virginia Regional Jail Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Virginia Regional Jail Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Virginia Regional Jail Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates
(Charlottesville, Virginia
December 20, 2024

- Basic Financial Statements -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Net Position
As of June 30, 2024

	Operating Fund	Commissary Fund	Total
ASSETS			
Cash and cash equivalents	\$ 17,750,164	\$ 1,069,192	\$ 18,819,356
Accounts receivable	-	122,232	122,232
Due from other governmental units	2,002,501	-	2,002,501
Net Pension Asset	2,080,672	-	2,080,672
Capital assets (net of accumulated depreciation) (Note 5):			
Land	175,000	-	175,000
Buildings and improvements	18,063,750	-	18,063,750
Vehicles	109,668	-	109,668
Machinery and equipment	714,462	-	714,462
Total assets	<u>\$ 40,896,217</u>	<u>\$ 1,191,424</u>	<u>\$ 42,087,641</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items (Note 3)	\$ 971,571	\$ -	\$ 971,571
OPEB related items (Notes 7 - 10)	<u>417,464</u>	<u>-</u>	<u>417,464</u>
Total deferred outflows of resources	<u>\$ 1,389,035</u>	<u>\$ -</u>	<u>\$ 1,389,035</u>
LIABILITIES			
Accounts payable	\$ 570,437	\$ 14,361	\$ 584,798
Accrued payroll	113,172	-	113,172
Compensated absences - current portion (Note 6)	141,825	-	141,825
Long-term liabilities:			
Compensated absences - long-term portion (Note 6)	1,276,426	-	1,276,426
Net OPEB liabilities (Notes 7 - 10)	<u>2,133,674</u>	<u>-</u>	<u>2,133,674</u>
Total liabilities	<u>\$ 4,235,534</u>	<u>\$ 14,361</u>	<u>\$ 4,249,895</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items (Note 3)	\$ 1,356,632	\$ -	\$ 1,356,632
OPEB related items (Notes 7 - 10)	<u>1,874,487</u>	<u>-</u>	<u>1,874,487</u>
Total deferred inflows of resources	<u>\$ 3,231,119</u>	<u>\$ -</u>	<u>\$ 3,231,119</u>
NET POSITION			
Investment in capital assets	\$ 19,062,880	\$ -	\$ 19,062,880
Restricted for inmates	-	1,177,063	1,177,063
Restricted for employees	4,833	-	4,833
Restricted for net pension asset	2,080,672	-	2,080,672
Unrestricted	<u>13,670,214</u>	<u>-</u>	<u>13,670,214</u>
Total net position	<u>\$ 34,818,599</u>	<u>\$ 1,177,063</u>	<u>\$ 35,995,662</u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

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

	<u>Operating Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
Operating revenues:			
Contributions from participating localities:			
County of Greene	\$ 1,416,509	\$ -	\$ 1,416,509
County of Fluvanna	1,120,689	-	1,120,689
County of Orange	2,418,870	-	2,418,870
County of Madison	624,224	-	624,224
County of Louisa	2,840,735	-	2,840,735
Other jurisdictions per diem	1,893,557	-	1,893,557
Charges for services	262,059	-	262,059
Commissary sales	-	1,202,744	1,202,744
Employee fund receipts	1,378	-	1,378
Donations fund receipts	4,615	-	4,615
Medical fund receipts	43,375	-	43,375
Miscellaneous	39,552	10,635	50,187
Commonwealth of Virginia State Compensation Board:			
State of Virginia	5,765,761	-	5,765,761
Reimbursement for jail inmate days:			
State of Virginia	934,824	-	934,824
Federal inmate days	1,156,145	-	1,156,145
Total operating revenues	<u>\$ 18,522,293</u>	<u>\$ 1,213,379</u>	<u>\$ 19,735,672</u>
Operating expenses:			
Public Safety:			
Personnel costs	\$ 8,606,287	\$ 402,767	\$ 9,009,054
Fringe benefits	2,913,587	-	2,913,587
Contractual services	2,033,957	-	2,033,957
Other charges	2,907,587	767,763	3,675,350
Depreciation expense	1,063,245	-	1,063,245
Capital outlay	163,164	-	163,164
Total operating expenses	<u>\$ 17,687,827</u>	<u>\$ 1,170,530</u>	<u>\$ 18,858,357</u>
Operating income (loss)	<u>\$ 834,466</u>	<u>\$ 42,849</u>	<u>\$ 877,315</u>
Nonoperating revenues (expenses):			
Interest income	\$ 631,545	\$ -	\$ 631,545
Federal bulletproof vest grant	4,066	-	4,066
ARPA	143,500	-	143,500
Net nonoperating revenues (expenses)	<u>\$ 779,111</u>	<u>\$ -</u>	<u>\$ 779,111</u>
Change in net position	\$ 1,613,577	\$ 42,849	\$ 1,656,426
Net position, beginning of year	<u>33,205,022</u>	<u>1,134,214</u>	<u>34,339,236</u>
Net position, end of year	<u>\$ 34,818,599</u>	<u>\$ 1,177,063</u>	<u>\$ 35,995,662</u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Statement of Cash Flows
For the Year Ended June 30, 2024**

	<u>Operating Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 17,528,787	\$ 1,091,147	\$ 18,619,934
Payments to suppliers	(4,770,244)	(765,217)	(5,535,461)
Payments to and on behalf of employees	(11,564,250)	(402,767)	(11,967,017)
Net cash flows provided by (used for) operating activities	<u>\$ 1,194,293</u>	<u>\$ (76,837)</u>	<u>\$ 1,117,456</u>
Cash flows from noncapital and related financing activities:			
Government grants	\$ 147,566	-	\$ 147,566
Net cash flows provided by (used for) noncapital and related financing activities	<u>\$ 147,566</u>	<u>\$ -</u>	<u>\$ 147,566</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	\$ (706,415)	-	\$ (706,415)
Net cash flows provided by (used for) capital and related financing activities	<u>\$ (706,415)</u>	<u>\$ -</u>	<u>\$ (706,415)</u>
Cash flows from investing activities:			
Interest income	\$ 631,545	-	\$ 631,545
Net cash flows provided by (used for) investing activities	<u>\$ 631,545</u>	<u>\$ -</u>	<u>\$ 631,545</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,266,989	\$ (76,837)	\$ 1,190,152
Cash and cash equivalents, beginning of year	<u>16,483,175</u>	<u>1,146,029</u>	<u>17,629,204</u>
Cash and cash equivalents, end of year	<u><u>\$ 17,750,164</u></u>	<u><u>\$ 1,069,192</u></u>	<u><u>\$ 18,819,356</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 834,466	\$ 42,849	\$ 877,315
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,063,245	-	1,063,245
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) / decrease in accounts receivable	-	(122,232)	(122,232)
(Increase) / decrease in due from other governmental units	(993,506)	-	(993,506)
(Increase) / decrease in net pension asset	(1,190,665)	-	(1,190,665)
(Increase) / decrease in deferred outflows - pension related	211,040	-	211,040
(Increase) / decrease in deferred outflows - OPEB related	77,033	-	77,033
Increase / (decrease) in accounts payable	334,464	2,546	337,010
Increase / (decrease) in accrued payroll	51,403	-	51,403
Increase / (decrease) in compensated absences	795,925	-	795,925
Increase / (decrease) in net OPEB liabilities	32,947	-	32,947
Increase / (decrease) in deferred inflows - pension related	126,281	-	126,281
Increase / (decrease) in deferred inflows - OPEB related	(148,340)	-	(148,340)
Cash flows provided by (used for) operating activities	<u><u>\$ 1,194,293</u></u>	<u><u>\$ (76,837)</u></u>	<u><u>\$ 1,117,456</u></u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

As of June 30, 2024

	<u>Custodial Funds</u>		
	<u>Inmate Fund</u>	<u>Work Release Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ <u>121,893</u>	\$ <u>33,777</u>	\$ <u>155,670</u>
Total assets	\$ <u><u>121,893</u></u>	\$ <u><u>33,777</u></u>	\$ <u><u>155,670</u></u>
NET POSITION			
Restricted for inmates	\$ <u>121,893</u>	\$ <u>33,777</u>	\$ <u>155,670</u>
Total net position	\$ <u><u>121,893</u></u>	\$ <u><u>33,777</u></u>	\$ <u><u>155,670</u></u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024**

	Custodial Funds		
	Inmate Fund	Work Release Fund	Total
ADDITIONS			
Inmate deposits	\$ 1,590,748	\$ -	\$ 1,590,748
Work release fees	-	169,641	169,641
Total additions	\$ 1,590,748	\$ 169,641	\$ 1,760,389
DEDUCTIONS			
Medical charges	43,375	-	43,375
Commissary purchases	1,202,744	-	1,202,744
Telephone charges	332,142	-	332,142
Work release charges	-	140,044	140,044
Total deductions	\$ 1,578,261	\$ 140,044	\$ 1,718,305
Net increase (decrease) in fiduciary net position	\$ 12,487	\$ 29,597	\$ 42,084
Net position, beginning of year	109,406	4,180	113,586
Net position, end of year	\$ 121,893	\$ 33,777	\$ 155,670

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. The Financial Reporting Entity:

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

B. Financial Statement Presentation:

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

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

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

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

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

Additionally, the Authority reports the following fund type:

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

D. Capital Assets:

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

The following estimated useful lives are used to depreciate assets:

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

All purchased capital assets are valued at historical cost. Donated capital assets are recorded at acquisition value on the date donated. At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. A lease liability and an intangible right-to-use lease asset (leased asset) is recognized in the financial statements.

E. Accounts Receivable:

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

F. Cash and Cash Equivalents:

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

G. Use of Estimates:

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

H. Investments:

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

I. Budgets and Budgetary Accounting:

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

J. Net Position:

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

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

K. Deferred Outflows/Inflows of Resources:

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

L. Pensions:

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

M. Other Postemployment Benefits (OPEB):

For purposes of measuring the net VRS GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits:

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

Investments:

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

The Authority had one investment at June 30, 2024, in the VACO/VML Virginia Investment Pool (VIP). The VIP investment in the amount of \$9,951,736 had a fair quality rating of AAAM, and an investment maturity (a weighted average maturity in years) of less than one year.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Redemption Restrictions:

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

Fair Value Measurements:

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

NOTE 3 - PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Benefit Structures

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	67
Inactive members:	
Vested inactive members	24
Non-vested inactive members	154
Inactive members active elsewhere in VRS	<u>107</u>
Total inactive members	285
Active members	<u>139</u>
Total covered employees	<u><u>491</u></u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority’s contractually required employer contribution rate for the year ended June 30, 2024 was 12.42% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$883,080 and \$861,245 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Asset

The net pension asset (NPA) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For the Authority, the net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 20,183,950	\$ 21,073,957	\$ (890,007)
Changes for the year:			
Service cost	\$ 1,120,702	\$ -	\$ 1,120,702
Interest	1,409,173	-	1,409,173
Differences between expected and actual experience	(1,139,175)	-	(1,139,175)
Contributions - employer	-	861,216	(861,216)
Contributions - employee	-	341,326	(341,326)
Net investment income	-	1,391,690	(1,391,690)
Benefit payments, including refunds of employee contributions	(856,017)	(856,017)	-
Administrative expenses	-	(13,288)	13,288
Other changes	-	421	(421)
Net changes	\$ 534,683	\$ 1,725,348	\$ (1,190,665)
Balances at June 30, 2023	\$ 20,718,633	\$ 22,799,305	\$ (2,080,672)

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Central Virginia Regional Jail Authority Net Pension Liability (Asset)	\$ 841,945	\$ (2,080,672)	\$ (4,388,182)

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

For the year ended June 30, 2024, the Authority recognized pension expense of \$29,707. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,053,738
Change in assumptions	88,491	-
Net difference between projected and actual earnings on pension plan investments	-	302,894
Employer contributions subsequent to the measurement date	883,080	-
Total	\$ 971,571	\$ 1,356,632

\$883,080 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2025	\$ (814,609)
2026	(760,999)
2027	299,056
2028	8,411
2029	-
Thereafter	-

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS:

Federal inmates	\$	81,984
ARPA reimbursement		66,907
Participating localities		31,945
Other localities		442,962
Commonwealth of Virginia:		
State inmate days		365,450
Compensation Board		1,013,253
Total	\$	<u>2,002,501</u>

NOTE 5 - CAPITAL ASSETS:

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 175,000	\$ -	\$ -	\$ 175,000
Total capital assets not being depreciated	\$ 175,000	\$ -	\$ -	\$ 175,000
Capital assets being depreciated:				
Buildings and improvements	\$ 30,657,602	\$ -	\$ -	\$ 30,657,602
Vehicles	578,345	86,680	-	665,025
Machinery and equipment	856,265	619,735	26,416	1,449,584
Total capital assets being depreciated	\$ 32,092,212	\$ 706,415	\$ 26,416	\$ 32,772,211
Accumulated depreciation				
Buildings and improvements	\$ 11,727,321	\$ 866,531	\$ -	\$ 12,593,852
Vehicles	537,458	44,315	26,416	555,357
Machinery and equipment	582,723	152,399	-	735,122
Total accumulated depreciation	\$ 12,847,502	\$ 1,063,245	\$ 26,416	\$ 13,884,331
Total capital assets being depreciated, net	\$ 19,244,710	\$ (356,830)	\$ -	\$ 18,887,880
Net capital assets	\$ 19,419,710	\$ (356,830)	\$ -	\$ 19,062,880

Depreciation expense for the fiscal year totaled \$1,063,245.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 6 - COMPENSATED ABSENCES:

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

Compensated absences June 30, 2023	\$ 622,326
Increase (decrease) during year	<u>795,925</u>
Compensated absences June 30, 2024	\$ 1,418,251
Less current portion (10%)	<u>(141,825)</u>
Total long-term portion	<u><u>\$ 1,276,426</u></u>

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE:

Plan Description

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

Benefits Provided

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

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

Plan Membership

At July 1, 2023 (the valuation date) the following employees were covered by the benefit terms:

Total active employees with coverage	142
Total retirees with coverage	<u>5</u>
Total	<u><u>147</u></u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

Contributions

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Authority. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2023 was \$15,000.

Total OPEB Liability

The Authority's total OPEB liability was measured as of July 1, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50% per year as of July 1, 2023
Discount Rate	3.86% per year as of July 1, 2023
Healthcare Cost Trend Rates	0.00% for fiscal year end 2023 (to reflect actual experience), then 6.75% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Investment Rate of Return	

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

Discount Rate

The discount rate used to determine the OPEB liability is based on an index rate for 20-year tax exempt General Obligation Municipal Bonds with an average rating of AA/Aa or higher. This rate was 3.86% for the year ended June 30, 2023.

Changes in Total OPEB Liability

		<u>Total OPEB Liability</u>
Balances at July 1, 2023	\$	<u>1,746,000</u>
Changes for the year:		
Service cost	\$	220,000
Interest		72,000
Difference between expected and actual experience		(145,000)
Changes of assumptions		(104,000)
Benefit payments		<u>(15,000)</u>
Net changes	\$	<u>28,000</u>
Balances at June 30, 2024	\$	<u><u>1,774,000</u></u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

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

The following amounts present the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

Rate		
1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 2,002,000	\$ 1,774,000	\$ 1,545,000

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

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

Rates		
1% Decrease (5.75%)	Current Trend Rate (6.75%)	1% Increase (7.75%)
\$ 1,500,000	\$ 1,774,000	\$ 2,114,000

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

For the year ended June 30, 2024, the Authority recognized OPEB expense in the amount of \$10,000. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,379,000
Changes in assumptions	317,000	413,000
Total	\$ 317,000	\$ 1,792,000

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

Employer contributions after the measurement date but prior to fiscal year end will be recognized in OPEB expense in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (292,000)
2026	(291,000)
2027	(290,000)
2028	(280,000)
2029	(188,000)
Thereafter	(134,000)

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

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

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$39,086 and \$38,146 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2024, the entity reported a liability of \$359,674 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was .02999% as compared to .02950% at June 30, 2022.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$18,769. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,923	\$ 10,918
Net difference between projected and actual earnings on GLI OPEB plan investments	-	14,454
Changes of assumptions	7,688	24,920
Changes in proportion	17,767	32,195
Employer contributions subsequent to the measurement date	<u>39,086</u>	<u>-</u>
Total	<u>\$ 100,464</u>	<u>\$ 82,487</u>

\$39,086 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (5,638)
2026	(17,291)
2027	2,817
2028	(5,654)
2029	4,657
Thereafter	-

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

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$ 3,907,502
Plan Fiduciary Net Position	<u>2,707,739</u>
GLI Net OPEB Liability (Asset)	<u>\$ 1,199,763</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.00%	0.14%
Cash	1.00%	7.18%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Authority's proportionate share of the Group Life Insurance			
Plan Net OPEB Liability	\$ 533,149	\$ 359,674	\$ 219,418

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 9 - LINE OF DUTY ACT (LODA)

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

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

The current-year OPEB expense for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Jail Authority’s LODA coverage is fully covered or “insured” through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The Jail Authority’s LODA premium for the year ended June 30, 2024 was \$34,776.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

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

	<u>Net OPEB Liabilities</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
VRS Group Life Insurance Plan	\$ 359,674	\$ 100,464	\$ 82,487	\$ 18,769
Health Insurance	<u>1,774,000</u>	<u>317,000</u>	<u>1,792,000</u>	<u>10,000</u>
Totals	<u>\$ 2,133,674</u>	<u>\$ 417,464</u>	<u>\$ 1,874,487</u>	<u>\$ 28,769</u>

NOTE 11 - RISK MANAGEMENT:

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

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

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

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

NOTE 12 - LITIGATION, CLAIMS AND ASSESSMENTS:

At June 30, 2024, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 13 - UPCOMING PRONOUNCEMENTS:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

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

- Required Supplementary Information -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 1,120,702	\$ 1,049,301	\$ 959,677	\$ 921,913	\$ 804,213
Interest	1,409,173	1,349,083	1,163,053	1,080,719	1,053,220
Differences between expected and actual experience	(1,139,175)	(729,516)	(401,661)	(353)	(605,189)
Changes of assumptions	-	-	787,116	-	499,094
Benefit payments, including refunds of employee contributions	(856,017)	(844,066)	(758,910)	(806,128)	(767,235)
Net change in total pension liability	\$ 534,683	\$ 824,802	\$ 1,749,275	\$ 1,196,151	\$ 984,103
Total pension liability - beginning	20,183,950	19,359,148	17,609,873	16,413,722	15,429,619
Total pension liability - ending (a)	<u>\$ 20,718,633</u>	<u>\$ 20,183,950</u>	<u>\$ 19,359,148</u>	<u>\$ 17,609,873</u>	<u>\$ 16,413,722</u>
Plan fiduciary net position					
Contributions - employer	\$ 861,216	\$ 712,776	\$ 754,178	\$ 777,794	\$ 731,650
Contributions - employee	341,326	311,212	330,140	315,213	298,789
Net investment income	1,391,690	(34,085)	4,499,105	301,305	981,078
Differences between expected and actual experience	(856,017)	(844,066)	(758,910)	(806,128)	(767,235)
Changes of assumptions	(13,288)	(12,861)	(10,572)	(9,753)	(9,128)
Administrative expense	421	495	430	(364)	(621)
Net change in plan fiduciary net position	\$ 1,725,348	\$ 133,471	\$ 4,814,371	\$ 578,067	\$ 1,234,533
Plan fiduciary net position - beginning	21,073,957	20,940,486	16,126,115	15,548,048	14,313,515
Plan fiduciary net position - ending (b)	<u>\$ 22,799,305</u>	<u>\$ 21,073,957</u>	<u>\$ 20,940,486</u>	<u>\$ 16,126,115</u>	<u>\$ 15,548,048</u>
Authority's net pension liability (asset) - ending (a) - (b)	\$ (2,080,672)	\$ (890,007)	\$ (1,581,338)	\$ 1,483,758	\$ 865,674
Plan fiduciary net position as a percentage of the total pension liability	110.04%	104.41%	108.17%	91.57%	94.73%
Covered payroll	\$ 7,023,183	\$ 6,367,862	\$ 6,723,099	\$ 6,429,371	\$ 6,042,510
Authority's net pension liability (asset) as a percentage of covered payroll	-29.63%	-13.98%	-23.52%	23.08%	14.33%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2023 (Continued)

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 865,946	\$ 762,029	\$ 581,496	\$ 575,824	\$ 545,907
Interest	980,638	893,861	844,981	797,368	741,951
Differences between expected and actual experience	(22,461)	441,445	39,555	943	-
Changes of assumptions	-	(67,718)	-	-	-
Benefit payments, including refunds of employee contributions	(807,228)	(772,667)	(762,817)	(625,105)	(367,248)
Net change in total pension liability	\$ 1,016,895	\$ 1,256,950	\$ 703,215	\$ 749,030	\$ 920,610
Total pension liability - beginning	14,412,724	13,155,774	12,452,559	11,703,529	10,782,919
Total pension liability - ending (a)	<u>\$ 15,429,619</u>	<u>\$ 14,412,724</u>	<u>\$ 13,155,774</u>	<u>\$ 12,452,559</u>	<u>\$ 11,703,529</u>
Plan fiduciary net position					
Contributions - employer	\$ 677,651	\$ 656,511	\$ 589,767	\$ 478,419	\$ 552,396
Contributions - employee	291,602	282,792	236,532	192,167	191,799
Net investment income	983,563	1,433,691	202,292	500,151	1,449,183
Differences between expected and actual experience	(807,228)	(772,667)	(762,817)	(625,105)	(367,248)
Changes of assumptions	(8,209)	(7,968)	(6,928)	(6,714)	(7,428)
Administrative expense	(888)	(1,288)	(85)	(107)	76
Other					
Net change in plan fiduciary net position	\$ 1,136,491	\$ 1,591,071	\$ 258,761	\$ 538,811	\$ 1,818,778
Plan fiduciary net position - beginning	13,177,024	11,585,953	11,327,192	10,788,381	8,969,603
Plan fiduciary net position - ending (b)	<u>\$ 14,313,515</u>	<u>\$ 13,177,024</u>	<u>\$ 11,585,953</u>	<u>\$ 11,327,192</u>	<u>\$ 10,788,381</u>
Authority's net pension liability (asset) - ending (a) - (b)	\$ 1,116,104	\$ 1,235,700	\$ 1,569,821	\$ 1,125,367	\$ 915,148
Plan fiduciary net position as a percentage of the total pension liability	92.77%	91.43%	88.07%	90.96%	92.18%
Covered payroll	\$ 5,925,880	\$ 5,735,912	\$ 4,779,876	\$ 3,875,864	\$ 3,818,334
Authority's net pension liability (asset) as a percentage of covered payroll	18.83%	21.54%	32.84%	29.04%	23.97%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Employer Contributions - Pension

For the Years Ended June 30, 2015 through June 30, 2024

<u>Date</u>	<u>Contractually Required Contribution*</u>	<u>Contributions in Relation to Contractually Required Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2024	\$ 883,080	\$ 883,080	\$ -	\$ 7,205,667	12.26%
2023	861,245	861,245	-	7,023,183	12.26%
2022	713,685	713,685	-	6,367,862	11.21%
2021	754,178	754,178	-	6,723,099	11.22%
2020	778,550	778,550	-	6,429,371	12.11%
2019	731,650	731,650	-	6,042,510	12.11%
2018	678,087	678,087	-	5,925,880	11.44%
2017	656,510	656,510	-	5,735,912	11.45%
2016	592,227	592,227	-	4,779,876	12.39%
2015	478,419	478,419	-	3,875,864	12.34%

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information - Pension

For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Total OPEB Liability - Health Insurance
For the Years Ended June 30, 2019 to June 30, 2024

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information - Health Insurance For the Year Ended June 30, 2023

Valuation Date: July 1, 2023

Measurement Date: July 1, 2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.86% as of July 1, 2023.
Healthcare Trend Rates	0.00% for fiscal year end 2023 (to reflect actual experience), then 6.75% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	3.50% as of July 1, 2023.
Mortality Rates	Pre-2012 amount-weighted mortality table with fully generational projection of mortality improvements using projection scale MP-2021

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Authority's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 39,086	\$ 39,086	\$ -	\$ 7,238,096	0.54%
2023	38,146	38,146	-	7,064,011	0.54%
2022	34,599	34,599	-	6,407,279	0.54%
2021	36,489	36,489	-	6,757,303	0.54%
2020	33,709	33,709	-	6,482,480	0.52%
2019	31,558	31,558	-	6,042,510	0.52%
2018	31,010	31,010	-	5,925,880	0.52%
2017	29,000	29,000	-	5,735,912	0.51%
2016	25,444	25,444	-	4,779,876	0.53%
2015	20,530	20,530	-	3,875,864	0.53%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

- Other Supplementary Information -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

**Schedule of Revenues, Expenses and Changes in Net Position
Operating Fund Budget and Actual
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Revenues:				
Revenue from local sources:				
Contributions from participating localities:				
County of Greene	\$ 1,416,509	\$ 1,416,509	\$ 1,416,509	\$ -
County of Fluvanna	1,120,689	1,120,689	1,120,689	-
County of Orange	2,418,870	2,418,870	2,418,870	-
County of Madison	624,224	624,224	624,224	-
County of Louisa	2,840,735	2,840,735	2,840,735	-
Other jurisdictions per diem	350,000	350,000	1,893,557	1,543,557
E-messages commissions	38,000	38,000	223,156	185,156
Charges to prisoners - EIP / Work release	3,000	3,000	38,903	35,903
Employee fund receipts	-	-	1,378	1,378
Donations fund receipts	-	-	4,615	4,615
Medical fund receipts	-	-	43,375	43,375
Miscellaneous income	175,000	175,000	39,552	(135,448)
Total revenue from local sources	\$ 8,987,027	\$ 8,987,027	\$ 10,665,563	\$ 1,678,536
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Reimbursement of salaries and fringes	\$ 5,365,295	\$ 5,365,295	\$ 5,765,761	\$ 400,466
Expenditure refunds	50,000	50,000	-	(50,000)
State inmate days	809,540	809,540	934,824	125,284
Total revenue from the Commonwealth	\$ 6,224,835	\$ 6,224,835	\$ 6,700,585	\$ 475,750
Revenue from Federal Government:				
Inmate reimbursement	\$ 1,000,000	\$ 1,000,000	\$ 1,156,145	\$ 156,145
Total revenue from the Federal Government	\$ 1,000,000	\$ 1,000,000	\$ 1,156,145	\$ 156,145
Total operating revenues	\$ 16,211,862	\$ 16,211,862	\$ 18,522,293	\$ 2,310,431
Operating Expenses:				
Public Safety:				
Salaries	\$ 7,976,135	\$ 7,976,135	\$ 7,608,804	\$ 367,331
Salaries - Education Director	83,500	83,500	84,808	(1,308)
Salaries - Bilingual Interpreter Stipend	75,000	75,000	37,808	37,192
Salaries - Overtime	500,000	500,000	873,565	(373,565)
Salaries - Leave Payout	10,000	10,000	-	10,000
Unemployment	10,000	10,000	1,302	8,698
FICA	655,189	655,189	674,060	(18,871)
VRS	1,016,438	1,016,438	41,373	975,065
Health Insurance	2,319,156	2,319,156	1,911,031	408,125
Retiree Health Insurance Credit	16,250	16,250	11,000	5,250
Group Life Insurance	107,999	107,999	73,684	34,315
Workers' Compensation	165,590	165,590	161,473	4,117
Hybrid Disability Insurance	7,097	7,097	6,190	907
LODA	39,992	39,992	34,776	5,216

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position
Operating Fund Budget and Actual
For the Year Ended June 30, 2024 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
Outside Medical, Dental and Hospital Claims	\$ 840,000	\$ 840,000	\$ 680,528	\$ 159,472
Physician	244,225	244,225	156,291	87,934
Dentist	73,500	73,500	71,430	2,070
Psychologist / RRCSB	89,200	89,200	90,000	(800)
Employee Medical Assessments	4,500	4,500	5,210	(710)
Medical - DOC Responsible Inmates	64,000	64,000	154,085	(90,085)
Laboratory and X-ray Services	55,000	55,000	64,801	(9,801)
Psychiatrist	73,000	73,000	70,525	2,475
Auditor	22,000	22,000	24,850	(2,850)
OPEB Actuarial Valuation	12,000	12,000	5,820	6,180
Medical Health Case Manger	93,450	93,450	102,000	(8,550)
Financial - 5 Year Plan	7,000	7,000	-	7,000
Legal Services	31,500	31,500	27,500	4,000
Litigation	40,000	40,000	7,314	32,686
General Assembly Representation	18,000	18,000	15,462	2,538
Data Processing	25,000	25,000	23,031	1,969
IT Service Contracts	59,710	59,710	71,475	(11,765)
Community Corrections	75,000	75,000	75,000	-
Basic and In-Service Training - RRCJA	70,470	70,470	52,941	17,529
Interpreter Services	2,000	2,000	162	1,838
Repairs & Maintenance - Building and Grounds	45,000	45,000	45,925	(925)
IT Contracts/Equip/Repairs	159,915	159,915	145,054	14,861
Repairs & Maintenance - Vehicles /Equip	18,000	18,000	17,142	858
Maintenance Contracts - Bldg & Grounds	78,650	78,650	56,786	21,864
Maintenance Contracts - Office Equipment	4,300	4,300	2,903	1,397
Extermination Services	5,500	5,500	4,003	1,497
Refuse Collection	19,350	19,350	20,162	(812)
IT Services and Repairs	75,000	75,000	10,355	64,645
Printing and Binding Services	19,500	19,500	14,961	4,539
Advertising	35,000	35,000	18,241	16,759
Electricity/Heating	376,000	376,000	415,329	(39,329)
Water/Sewer	170,000	170,000	176,909	(6,909)
Postage	10,000	10,000	7,541	2,459
Telecommunications	28,000	28,000	23,400	4,600
Internet Services	3,000	3,000	2,496	504
Insurance - Boiler and Machinery	3,400	3,400	3,325	75
Insurance - General and Increased Liability Limits	1,700	1,700	1,539	161
Insurance - Inland Marine	1,200	1,200	940	260
Insurance - Cyber Risk	8,000	8,000	3,500	4,500
Insurance - Vehicles	12,000	12,000	10,794	1,206
Insurance - Public Officials Liability	4,200	4,200	3,942	258
Insurance - General Property	28,000	28,000	20,776	7,224
Insurance - Accident Inmate	5,500	5,500	2,500	3,000
Lease - EIP Equipment	22,800	22,800	117	22,683
Lease - Office Equipment	10,700	10,700	-	10,700
Lease - Dish Machine	-	-	7,437	(7,437)
Tolls	1,200	1,200	371	829
Meals and Lodging	36,510	36,510	20,709	15,801
Conventions and Education	32,400	32,400	15,242	17,158

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses, and Changes in Net Position
Operating Fund Budget and Actual
For the Year Ended June 30, 2024 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
ADA Compliance Training	\$ 10,000	\$ 10,000	\$ 4,105	\$ 5,895
Contributions	1,000	1,000	150	850
Dues and Memberships	4,500	4,500	5,175	(675)
Permit, Fees, and Licenses	3,600	3,600	1,353	2,247
Bank Service Charges	5,800	5,800	4,200	1,600
Contingencies	342,089	342,089	-	342,089
Office Supplies	23,450	23,450	19,468	3,982
EDP Supplies	25,000	25,000	19,084	5,916
Disposable Products	15,000	15,000	13,760	1,240
Pharmaceuticals	540,000	540,000	633,763	(93,763)
Food and Beverages	900,000	900,000	865,077	34,923
Janitorial and Laundry Supplies	85,000	85,000	75,760	9,240
Linen Supplies	51,000	51,000	51,807	(807)
Repairs & Maintenance - Building and Grounds	107,500	107,500	97,469	10,031
Fuel - Vehicles/ Power Equipment	63,500	63,500	39,540	23,960
Supplies - Vehicles / Equip	7,200	7,200	6,163	1,037
Security Supplies	133,300	133,300	102,163	31,137
Uniforms - Staff	73,325	73,325	48,703	24,622
Uniforms - Inmates	55,000	55,000	50,176	4,824
Books and Subscriptions	5,000	5,000	5,072	(72)
Education Supplies - Classroom	30,750	30,750	13,383	17,367
Food Services Prep Supplies	4,500	4,500	4,341	159
Religious / Recovery Programs	16,300	16,300	16,429	(129)
Medical Supplies	151,550	151,550	109,172	42,378
Machinery and Equipment-replace	166,000	166,000	15,154	150,846
Furniture and Fixtures	18,125	18,125	10,139	7,986
Motor Vehicles - Replacement	100,000	100,000	-	100,000
EDP Equipment - Additional	25,000	25,000	23,741	1,259
Food Services Equipment / Dinnerware - Replace	17,800	17,800	13,236	4,564
EDP Equipment new	45,000	45,000	17,773	27,227
Buildings and Grounds Capital Improvements	388,000	388,000	83,121	304,879
Employee fund expenses	-	-	2,381	(2,381)
Donations fund expenses	-	-	2,026	(2,026)
Depreciation	-	-	1,063,245	(1,063,245)
Total operating expenses	\$ 19,511,015	\$ 19,511,015	\$ 17,687,827	\$ 1,823,188
Operating income (loss)	\$ (3,299,153)	\$ (3,299,153)	\$ 834,466	\$ 4,133,619
Nonoperating Revenues (Expenses):				
Interest income	\$ 15,000	\$ 15,000	\$ 631,545	\$ 616,545
Grant - Bulletproof vest program	-	-	4,066	4,066
Grant - ARPA	-	-	143,500	143,500
Total nonoperating revenues (expenses)	\$ 15,000	\$ 15,000	\$ 779,111	\$ 764,111
Change in net position	\$ (3,284,153)	\$ (3,284,153)	\$ 1,613,577	\$ 4,897,730
Net position, beginning of year	-	-	33,205,022	33,205,022
Net position, end of year	\$ (3,284,153)	\$ (3,284,153)	\$ 34,818,599	\$ 38,102,752

- Compliance -



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and aggregate remaining fund information of Central Virginia Regional Jail Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Central Virginia Regional Jail Authority's basic financial statements and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The signature is written in a cursive, flowing style.

Charlottesville, Virginia
December 20, 2024