

# **WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**Fiscal Year Ended June 30, 2023**

**Roanoke, Virginia**

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**

**ROANOKE, VIRGINIA**

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

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**Prepared by:**

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Roanoke County Department of Finance and Management Services

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## WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2023

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## WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

### Annual Comprehensive Financial Report For the Year Ended June 30, 2023

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## Introductory Section

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# WESTERN VIRGINIA REGIONAL JAIL

*Serving the City of Salem and the Counties of  
Franklin, Montgomery, and Roanoke*

**Colonel David F. Cox**  
*Superintendent*

**Major Chad A. Keller**  
*Services Division Commander*



**Lt. Colonel Christopher A. Hayes**  
*Deputy Superintendent*

**Major Derek R. Stokes**  
*Security Division Commander*

September 5, 2023

To the Citizen's of the Participating Jurisdictions and the Board of Directors  
Western Virginia Regional Jail Authority,

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Western Virginia Regional Jail Authority (Jail Authority) for the fiscal year ended June 30, 2023. The report was prepared by the Superintendent and Finance Manager, who assume full responsibility for the accuracy of information, and the completeness and fairness of presentation. We believe the financial information as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations as measured by the financial activity of the Jail Authority's Enterprise Fund.

The Jail Authority is required to undergo an annual audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. This report was prepared in accordance with generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). In the performance of this audit, consideration is given to the adequacy of the Jail Authority's internal accounting control structure. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of an internal control structure should not exceed the benefits likely to be derived, and therefore, management must continuously evaluate the benefits of various controls given the related costs of implementation. We believe that the Jail Authority's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

The certified public accounting firm of Robinson, Farmer, Cox Associates has audited the June 30, 2023 financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Jail Authority for the fiscal year ended June 30, 2023, are free of material misstatement.



**NATIONALLY ACCREDITED SINCE 2011**

5885 West River Road ★ Salem, VA 24153 ★ Phone: (540) 378-3700 ★ Fax: (540) 380-3143 ★ Website: [www.wvarj.org](http://www.wvarj.org)

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Jail Authority's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented in the financial section of this report.

Governmental Accounting Standards Board (GASB) pronouncements require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Jail Authority's MD&A can be found immediately following the auditor's report in the financial section.

## **PROFILE OF THE ORGANIZATION**

The Western Virginia Regional Jail is now in its fourteenth full year of operation serving the counties of Franklin, Montgomery, Roanoke and the City of Salem. The Western Virginia Regional Jail Authority, a political subdivision of the Commonwealth of Virginia, was created under the provisions of Section 53.1-95.2 of the Code of Virginia 1950, as amended. The Jail Authority is governed by a twelve member board, comprised of three members from each participating jurisdiction.

The Western Virginia Regional Jail, which was designed to accommodate the current and future inmate populations of its four member jurisdictions, housed an average daily inmate population of 599 this year (FY23) and is ACA Accredited, Virginia Board of Local and Regional Jails Certified, and LEED® Certified.

## **ECONOMIC CONDITIONS**

The financial condition of the Jail Authority is primarily dependent upon the inmate population at the facility. The overall inmate population is indirectly related to the populations of Franklin County, Montgomery County, Roanoke County and the City of Salem. As the member localities experience growth and increases in development, the number of inmates housed at the facility from those jurisdictions would also expect to increase. However, a combination of factors including a global pandemic, lower arrest rates due to legislation and personnel shortages have caused inmate population numbers to trend downward. We anticipate these numbers to rebound over the coming years.

In fiscal year 2023, the average daily population (ADP) of inmates was 599. This ADP represents a 21.5% decrease from the fiscal year 2022 average of 763. For the past five years, the ADP has ranged between 599 and 883.

For the past several fiscal years, significant jail population from non-member jurisdictions have significantly contributed to the strong financial condition of the Jail Authority. Inmates held for the U.S. Marshals Service provided significant population levels during the fiscal year.

## **MAJOR ACCOMPLISHMENTS AND INITIATIVES**

Each year, numerous accomplishments, program implementations and community involvements by jail staff demonstrate the continued high quality of the jail's operations.

The Jail Authority continues to place importance in community involvement.

Jail Authority employees participated in various community events during the past fiscal year which include multiple events for Special Olympics, Carilion Children's Miracle Network Toy Collection, New River Valley's Touch a Truck, a National Night Out Community event, and the Boys and Girls Club Charity Golf Tournament.

The Jail Authority continually seeks rehabilitation and educational opportunities for inmates.

The Jail's GED and Special Education programs continue to provide inmates with this certification and educational opportunities inside the jail setting.

The Residential Substance Abuse Treatment (RSAT) grant, awarded by the Virginia Department of Criminal Justice Services, continues to provide resources to provide substance abuse treatment to applicable inmates. Evidence-based Medication Assisted Treatment (MAT) was implemented within this program during 2019 and continued during 2023. This program enhances the likelihood of participants living alcohol and drug free in the community after release.

Provision of mental health services to inmates through a Virginia Department of Criminal Justice Services grant continued during 2023. The Jail Authority is one of six jails in Virginia selected to participate in this program whose objective is to help inmates understand and address their mental illness and make the long-term changes necessary to become healthy and productive citizens after their release.

The birth certificates program where certificates are ordered by Jail staff from state agencies and provided to inmates upon request continues to be popular.

Through a Smart tablet program introduced during 2019, inmates are able to purchase music and books as well as receive jail communications.

Staff driven initiatives continue to be a focus of the agency.

Mental health first aid training continued to be provided to all staff. This training provided staff with the skills and knowledge to address situations with our mentally ill inmates.

Our employee recognition program continues to evolve with the selection of four Employee of the Quarter recognitions and recognition of our Employee of the Year.

A career development program continues whereby officers who exhibit certain skills and abilities and who regularly participate in community activities are given the designation of Master Officer I or Master Officer II.

A Health and Wellness center continues to provide employees with a no cost option for medical treatment of minor illnesses. This center also is an excellent resource for various wellness programs.

Jail management continually monitors and evaluates new technological opportunities that can improve operational efficiency.



A body scanner installed in 2019 in the intake area continues to enhance the ability to detect contraband and prevent it from being brought into the Jail. As a further limitation to unauthorized articles entering the Jail, the receipt of inmate mail continues to be handled by an offsite location. A third party vendor opens the mail and produces an electronic document that is then provided to inmates for viewing.

An inmate imaging system installed in 2019 provides better quality pictures of inmates during the booking process. Capabilities of the Jail's Offender Management Systems were utilized during the year with the electronic replacement of paper incident reports and Duty Post logs.

SMART kiosks implemented in 2018 continue to allow inmates to send and receive electronic messages to their friends and family. In addition, through the kiosks family visitation is available as well as electronic inmate requests.

An agreement with the Roanoke Valley Broadband Authority provides the Jail with network expansion, internet redundancy and off site data backup capabilities.

The creation of a Disaster Recovery Site allows data to be sent to an external site to replicate the facility's mission critical production applications. Having data stored off-site provides the ability to access and restore functionality to its operations in the event of damage, destruction or loss to on site software or hardware systems.

## **FINANCIAL PLANNING**

As part of the annual budget process, estimated revenues and justification of those revenues are forecasted for future trends. The process focuses on operating revenues and expenses as well as debt service and investment income.

## **FINANCIAL INFORMATION AND CONTROLS**

Budgetary controls are established to ensure compliance with annual operating budgets approved by the Jail Authority's Board. Monthly reports containing comparisons between actual and budgeted amounts are prepared and presented to the Jail Authority's management and the Board.

The Jail Authority usually initiates its annual operating budget preparations in November of each fiscal year with a final budget approval occurring by April.

## **AWARDS AND ACKNOWLEDGMENTS**

The Western Virginia Regional Jail Authority received its tenth consecutive Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its fiscal year ended June 30, 2022 Annual Comprehensive Financial Report (ACFR). In order to be awarded this prestigious honor, the Authority must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

The Jail Authority continues to demonstrate excellence in its processes and procedures. The jail is in full compliance with all standards as set forth by the Virginia Board of Local and Regional Jails following their inspection in 2023. The Jail continues to operate under procedures which were 100% certified during the most recent Prison Rape Elimination Act (PREA) audit in 2017. In addition, an audit of inmate data records by the Virginia Compensation Board resulted in a 100% compliance rating.

In 2021, the Jail Authority was re-accredited by the American Correctional Association (ACA) with a score of 100%. This was the fourth audit since the jail opened in 2009 with each one achieving this highest level of certification. The Jail Authority is one of over 1,500 correctional organizations currently involved in the accreditation process across the nation and represents one of only a few of the state's 68 jails to be certified by ACA.

Appreciation is extended to members of the Western Virginia Regional Jail Authority Board and Staff for their continued interest, dedication and support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David F. Cox", written in a cursive style.

Colonel David F. Cox, Superintendent

A handwritten signature in black ink, appearing to read "Deborah K Parks", written in a cursive style.

Deborah Parks, CPA Finance Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Western Virginia Regional Jail Authority**

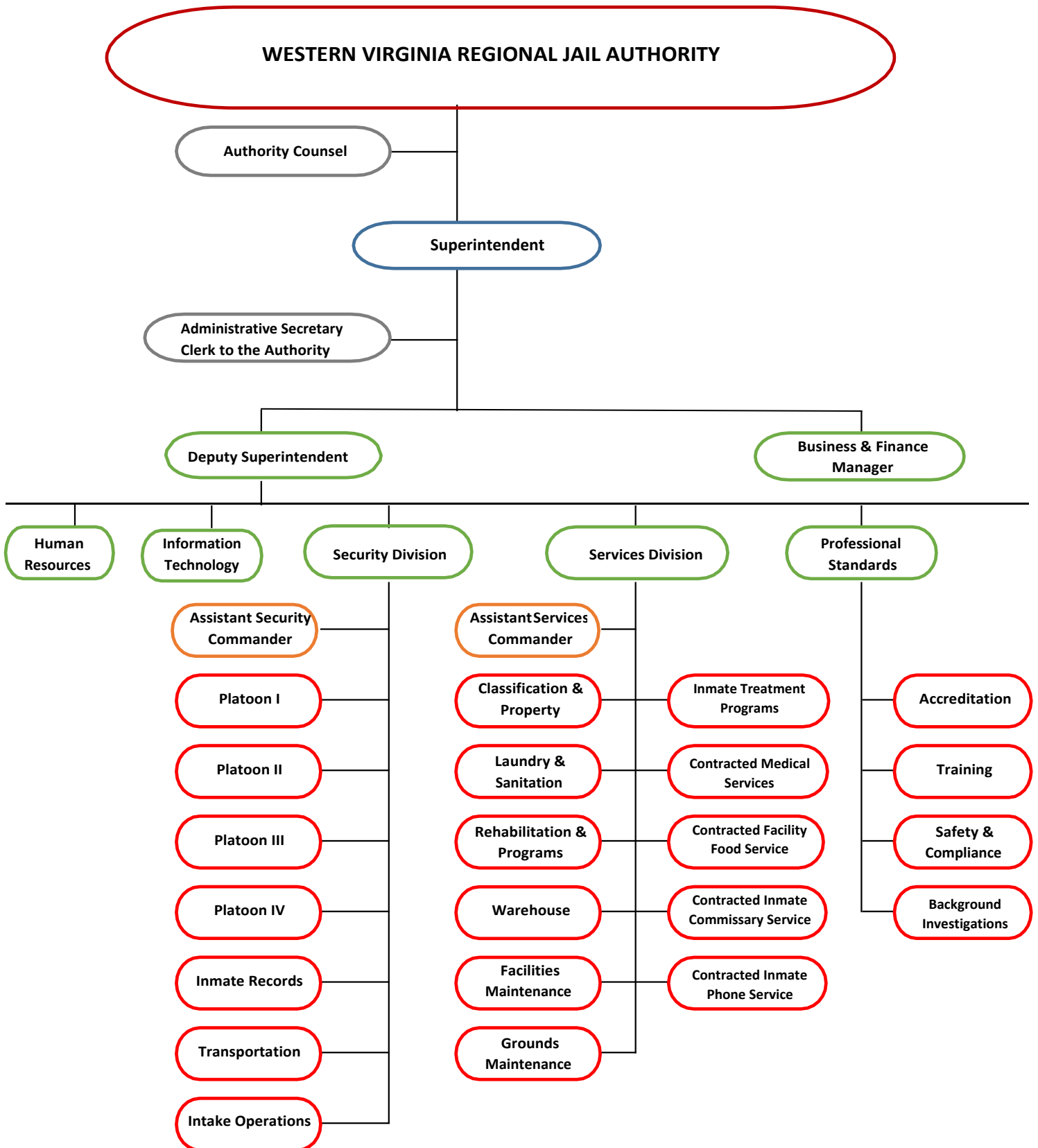
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

**WESTERN VIRGINIA REGIONAL JAIL**  
**Organization Chart**



**Western Virginia Regional Jail Authority  
List of Appointed Officials  
As of June 30, 2023**

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**Board Members**

<b><u>Locality/Title</u></b>	<b><u>Primary</u></b>	<b><u>Alternate</u></b>
<b>City of Salem</b>		
Sheriff	April Staton	Steven Garber
Administrator or Designee	James E. Taliaferro, Chair	Rosie Jordan
Council Member	Bill Jones	Randy Foley
<b>County of Franklin</b>		
Sheriff	Bill Overton	Duane Amos
Administrator or Designee	Christopher L. Whitlow, Vice Chair	Brian Carter
Board Member	Ron Thompson	Timothy Tatum
<b>County of Montgomery</b>		
Sheriff	C.H. Partin	Jason Cochran
Administrator or Designee	Angela Hill, Secretary	F. Craig Meadows
Board Member	Steve Fijalkowski	Mary Biggs
<b>County of Roanoke</b>		
Sheriff	Eric Orange	Steve Turner
Administrator or Designee	Rebecca Owens, Treasurer	Laurie Gearheart
Board Member	Paul Mahoney	Martha Hooker

**Officials**

David F. Cox.....	Superintendent
Christopher Hayes.....	Deputy Superintendent
Derek Stokes .....	Security Division Commander
Chad Keller .....	Services Division Commander
James Hollingsworth.....	Professional Standards Unit
Kim Thompson .....	Human Resources Manager
Deborah Parks.....	Finance Manager
Debbie Clark .....	I.T. Manager
Sarah Fox .....	Clerk to the Authority

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## Financial Section

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# ROBINSON, FARMER, COX ASSOCIATES, PLLC

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*Certified Public Accountants*

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## Independent Auditors' Report

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**To the Honorable Members of  
Western Virginia Regional Jail Authority  
Roanoke, Virginia**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and aggregate remaining fund information of the Western Virginia Regional Jail Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 aggregate remaining fund information of Western Virginia Regional Jail Authority, as of June 30, 2023, 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 Western 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 Western 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 the Western 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 the Western 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 management's discussion and analysis and 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.



### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2023, on our consideration of the Western 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 the Western 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 the Western Virginia Regional Jail Authority's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Blacksburg, Virginia  
September 5, 2023

## **Western Virginia Regional Jail Authority**

### **Management's Discussion and Analysis**

The following discussion and analysis of the Western Virginia Regional Jail Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter, at the introductory section of this report, and the basic financial statements, which follow this section.

#### **Financial Highlights**

- The total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of June 30, 2023 by \$34,193,891 (net position). Of this amount, \$14,331,807 (unrestricted net position) may be used to meet the Authority's future obligations to members and creditors.
- Operating revenues decreased by \$220,930 or 1.4% from 2022. This decrease resulted primarily from lower net housing revenues from the member jurisdictions reflective of state wide arrest rates and the loss of non-member jurisdictions.
- Operating expenses increased by \$146,728, a 0.7% increase from 2022. This increase is mainly attributable to increased personnel costs and inflation.

#### **Using This Annual Report**

The Financial Section of the Annual Comprehensive Financial Report consists of Management's Discussion and Analysis and the basic financial statements, including notes to the financial statements that explain in more detail some of the information in the financial statements. This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements as well as management's examination and analysis of financial condition and performance.

The Authority's financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer both short and long-range financial information about its activities. The Statement of Net Position includes the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority.

The Statement of Revenues, Expenses and Changes in Net Position contains all of the current year's revenue and expenses. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its per diem charges and other revenues, profitability, and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the cash receipts and cash payments made by the Authority during the fiscal year. The statement reports cash receipts and cash payments and net changes in cash and cash equivalents resulting from operations, investing, and capital, and non-capital financing activities, without consideration of the earnings event, when an obligation arises or depreciation of capital assets.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the financial statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

## Financial Analysis

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help to determine its financial health. These two statements report the net position of the Authority and changes to it. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, net position, is one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, population and service area growth, and new or changed legislation.

The Authority's total net position increased from last year by \$748,273. Our analysis of the condensed Statement of Net Position below focuses on the changes in assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position as compared to prior year:

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets	\$ 21,390,799	\$ 20,997,048
Noncurrent assets and investments	7,513,450	7,934,303
Capital assets, net	61,026,771	63,474,196
Total assets	<u>\$ 89,931,020</u>	<u>\$ 92,405,547</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 4,965,500</u>	<u>\$ 5,474,829</u>
<b>LIABILITIES</b>		
Other liabilities	\$ 4,805,347	\$ 4,227,721
Long term liabilities	53,467,909	56,224,371
Total liabilities	<u>\$ 58,273,256</u>	<u>\$ 60,452,092</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 2,429,373</u>	<u>\$ 3,982,666</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 8,914,186	\$ 8,962,600
Restricted	10,947,898	11,139,248
Unrestricted	14,331,807	13,343,770
Total net position	<u>\$ 34,193,891</u>	<u>\$ 33,445,618</u>

Net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$34,193,891 at the close of fiscal year 2023. This is an increase compared to last year's Net position of \$33,445,618.

A portion of the Authority's net position, 26.1%, reflects its investment in capital assets (e.g. land, buildings, and equipment); less any related debt used to acquire those assets that are outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. The Authority's investment in capital assets is reported net of related debt, if applicable, and it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Authority's net position, 41.9%, represents resources that are not subject to restrictions on how they may be used. This unrestricted remaining balance of net position may be used to meet the Authority's ongoing obligations to customers and creditors.

The changes in the Authority's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position:

	<u>2023</u>	<u>2022</u>
<b>REVENUES:</b>		
<b>OPERATING REVENUES</b>		
Charges for services - member jurisdictions	\$ 11,001,398	\$ 9,917,822
Charges for services - nonmember jurisdictions	127,681	612,806
Charges for services - U.S. Marshal Service	2,606,539	2,802,282
Commonwealth of Virginia - per diem charges	333,736	648,394
Payphone commissions	470,468	485,723
Commissary revenue	538,084	730,726
Other operating revenue	229,609	330,692
Total operating revenues	<u>\$ 15,307,515</u>	<u>\$ 15,528,445</u>
<b>NONOPERATING REVENUES</b>		
Commonwealth of Virginia - Compensation Board	8,834,162	7,653,128
State and federal grant revenue	434,575	1,074,359
Interest income	330,502	27,261
Total revenues	<u>\$ 24,906,754</u>	<u>\$ 24,283,193</u>
<b>EXPENSES:</b>		
<b>OPERATING EXPENSES</b>		
Salaries, wages and fringe benefits	\$ 11,937,845	\$ 11,597,289
Medical services	4,019,866	4,212,762
Food services	921,868	978,509
Contractual services	574,808	556,424
Repairs and maintenance	294,704	281,965
Utilities	856,107	785,249
Materials and supplies	481,289	569,716
Other operating expenses	600,864	555,907
Depreciation	2,668,016	2,670,818
Total operating expenses	<u>\$ 22,355,367</u>	<u>\$ 22,208,639</u>
<b>NONOPERATING EXPENSES</b>		
Loss on disposal of assets	-	10,610
Interest expense	1,923,283	1,967,526
Total expenses	<u>\$ 24,278,650</u>	<u>\$ 24,186,775</u>
<b>CAPITAL CONTRIBUTIONS</b>		
	<u>\$ 120,169</u>	<u>\$ -</u>
Change in net position	<u>\$ 748,273</u>	<u>\$ 96,418</u>
Total net position, beginning of year	<u>\$ 33,445,618</u>	<u>\$ 33,349,200</u>
Total net position, end of year	<u>\$ 34,193,891</u>	<u>\$ 33,445,618</u>

- Operating revenues decreased by \$220,930 or 1.4% from 2022. This decrease resulted primarily from lower net housing revenues from the member jurisdictions reflective of state wide arrest rates and the loss of non-member jurisdictions.
- Operating expenses increased by \$146,728, a 0.7% increase from 2022. This increase is mainly attributable to increased personnel costs and inflation.

## Capital Assets and Debt Administration

### Capital Assets

As of June 30, 2023, the Authority had invested \$61,026,771 net of accumulated depreciation, in a variety of capital assets including land, buildings, machinery, equipment and vehicles. The decrease in capital assets from the prior year is primarily attributed to the current year depreciation expense of \$2,668,016.

Additional information on the Authority's capital assets can be found in Note 5 in the notes to the basic financial statements. Capital assets net of accumulated depreciation are illustrated in the following table:

	2023	2022
Capital Assets		
Land	\$ 2,351,807	\$ 2,351,807
Land Improvements	86,826	86,826
Buildings	89,770,295	89,770,295
Machinery, equipment and vehicles	5,566,449	5,358,793
Less: accumulated depreciation	(36,748,606)	(34,093,525)
Total capital assets	<u>\$ 61,026,771</u>	<u>\$ 63,474,196</u>

### Debt

At June 30, 2023, the Authority had \$52,610,000 in revenue bonds outstanding, a decrease of \$2,285,000 from June 30, 2022.

On January 1, 2007, the Authority issued \$75,850,000 in revenue bonds to finance the construction and equipping of the regional jail facility. On May 19, 2015, the Authority issued \$30,605,000 of refunding bonds to advance refund \$34,270,000 of the 2007 revenue bonds. Another bond refunding occurred on July 21, 2016 when the Authority issued \$28,075,000 to advance refund the remaining \$30,605,000 of the 2007 revenue bonds. On December 5, 2019, the Authority issued \$24,640,000 in revenue refunding bonds to advance refund \$20,435,000 of the Authority's 2015 and 2016 refunding revenue bonds.

Additional information on the bonds is contained in Note 4 to the financial statements.

### Requests for Information

This financial report is designed to provide our citizens, members, potential investors and creditors with a general overview of the Authority's finances and to demonstrate accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Finance Manager, Western Virginia Regional Jail Authority, 5885 W River Rd , Salem, VA 24153, telephone (540) 378-3700, or visit the Authority's web site at [www.wvarj.org](http://www.wvarj.org).

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## Basic Financial Statements

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**Western Virginia Regional Jail Authority**  
**Statement of Net Position**  
**June 30, 2023**

**ASSETS****Current Assets:**

Cash and cash equivalents	\$ 19,070,235
Interest receivable	14,008
Accounts receivable	839,939
Due from the Commonwealth	853,054
Due from the Federal Government	501,677
Inventories	111,886
Total current assets	<u>\$ 21,390,799</u>

**Noncurrent Assets:**

Cash and cash equivalents - restricted	\$ 16,017
Net pension asset	7,497,433
Capital assets:	
Land	2,351,807
Land improvements	86,826
Buildings	89,770,295
Equipment	5,566,449
Accumulated depreciation	(36,748,606)
Net capital assets	<u>\$ 61,026,771</u>
Total noncurrent assets	<u>\$ 68,540,221</u>
Total assets	<u>\$ 89,931,020</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charge on refunding	\$ 3,104,770
Pension related items	1,755,987
OPEB related items	104,743
Total deferred outflows of resources	<u>\$ 4,965,500</u>

**LIABILITIES****Current liabilities:**

Accounts payable	\$ 607,390
Capital asset payables	69,263
Accrued payroll and withholdings	722,153
Accrued interest payable	172,373
Compensated absences - current portion	463,128
Revenue bonds payable - current portion	2,771,040
Total current liabilities	<u>\$ 4,805,347</u>

**Noncurrent liabilities:**

Compensated absences - net of current portion	\$ 636,792
Revenue bonds payable - net of current portion	52,377,052
Net OPEB liability	454,065
Total noncurrent liabilities	<u>\$ 53,467,909</u>
Total liabilities	<u>\$ 58,273,256</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related items	\$ 2,277,261
OPEB related items	152,112
Total deferred inflows of resources	<u>\$ 2,429,373</u>

**NET POSITION**

Net investment in capital assets	\$ 8,914,186
Restricted - net pension asset	7,497,433
Restricted - jail fees	1,904,884
Restricted - commissary revenue	1,545,581
Unrestricted	14,331,807
Total net position	<u>\$ 34,193,891</u>

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

## Exhibit 2

**Western Virginia Regional Jail Authority**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2023**

**OPERATING REVENUES**

Charges for services - member jurisdictions	\$ 11,001,398
Charges for services - nonmember jurisdictions	127,681
Charges for services - U.S. Marshal Service	2,606,539
Commonwealth of Virginia - per diem charges	333,736
Payphone commissions	470,468
Commissary revenue	538,084
Miscellaneous income	66,839
Miscellaneous fees	162,770
Total operating revenues	<u>\$ 15,307,515</u>

**OPERATING EXPENSES**

Salaries and wages	\$ 9,989,574
Fringe benefits	1,948,271
Medical services	4,019,866
Food services	921,868
Contractual services	574,808
Repairs and maintenance	294,704
Utilities	856,107
Materials and supplies	481,289
Other	600,864
Depreciation	2,668,016
Total operating expenses	<u>\$ 22,355,367</u>

Operating income (loss)	<u>\$ (7,047,852)</u>
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**NONOPERATING REVENUES (EXPENSES)**

Commonwealth of Virginia - Compensation Board	\$ 8,834,162
Federal grant revenue	125,763
State grant revenue	308,812
Interest income	330,502
Interest expense	(1,923,283)
Total nonoperating revenues (expenses)	<u>\$ 7,675,956</u>

Capital contributions	<u>\$ 120,169</u>
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Change in net position	\$ 748,273
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Total net position, beginning of year	<u>33,445,618</u>
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Total net position, end of year	<u><u>\$ 34,193,891</u></u>
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The notes to financial statements are an integral part of this statement.



**Western Virginia Regional Jail Authority**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 15,121,097
Payments to suppliers	(7,495,682)
Payments to employees	(12,587,446)
Net cash provided by (used for) operating activities	\$ (4,962,031)
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating grants	\$ 9,122,791
Net cash provided by (used for) noncapital financing activities	\$ 9,122,791
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase and construction of capital assets	\$ (151,328)
Capital contributions	120,169
Principal paid on revenue bonds	(2,285,000)
Interest expense	(2,114,174)
Net cash provided by (used for) capital and related financing activities	\$ (4,430,333)
<b>Cash Flows from Investing Activities</b>	
Interest income	\$ 319,441
Net cash provided by (used for) investing activities	\$ 319,441
Net increase (decrease) in cash and cash equivalents	\$ 49,868
Cash and cash equivalents at the beginning of the year (includes restricted of \$560)	19,036,384
Cash and cash equivalents at the end of the year (includes restricted of \$16,017)	\$ 19,086,252
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ (7,047,852)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	2,668,016
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	(186,418)
Inventories	(15,915)
Net pension asset	436,310
Deferred outflows of resources related to pension and OPEB plans	259,648
Accounts payable (operating)	269,739
Accrued payroll and withholdings	111,544
Compensated absences	129,256
Net OPEB liability	(33,066)
Deferred inflows of resources related to pension and OPEB plans	(1,553,293)
Net cash provided by (used for) operating activities	\$ (4,962,031)
<b>Schedule of non-cash capital and related financing activities:</b>	
Purchase of capital assets included in accounts payable	\$ 69,263

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

Western Virginia Regional Jail Authority  
Statement of Fiduciary Net Position  
June 30, 2023

		<u>Custodial Fund</u> <u>Inmate Account</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	<u>124,622</u>
Total assets	\$	<u>124,622</u>
<b>LIABILITIES</b>		
Accounts payable	\$	<u>97,232</u>
Total liabilities	\$	<u>97,232</u>
<b>NET POSITION</b>		
Restricted - held for inmates	\$	<u>27,390</u>
Total net position	\$	<u><u>27,390</u></u>

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

**Western Virginia Regional Jail Authority**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2023**

	<u>Custodial Fund</u> <u>Inmate Account</u>
<b>ADDITIONS</b>	
Inmate deposits	\$ 1,769,185
Miscellaneous	261
Total additions	\$ <u>1,769,446</u>
<b>DEDUCTIONS</b>	
Vendor payments for the benefit of inmates	\$ 682,758
Phone charges	217,879
Inmate refunds	154,010
Payments to the commissary account	720,355
Miscellaneous	3,555
Total deductions	\$ <u>1,778,557</u>
Net increase (decrease) in fiduciary net position	\$ <u>(9,111)</u>
Total net position, beginning of year	\$ <u>36,501</u>
Total net position, end of year	\$ <u><u>27,390</u></u>

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

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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**Note 1-Summary of Significant Accounting Policies:**

The financial statements of Western Virginia Regional Jail Authority (the Authority) have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

**A. Financial Reporting Entity**

The Authority was created by concurrent resolutions of the City of Salem and Counties of Franklin, Montgomery, and Roanoke. The Authority was created under the provisions of Section 53.1-95.2 of the *Code of Virginia 1950*, as amended. The Authority was created to construct and operate a jail facility for the participating jurisdictions.

The Authority does not have any component units. In addition, the Authority is not considered a component unit of any of the participating jurisdictions.

**B. Basis of Accounting**

The Authority operates as an enterprise fund and is reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for inmate housing. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds account for assets held by the Authority in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which consist of the inmate funds. Fiduciary funds are not included in the enterprise fund financial statements.

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 1-Summary of Significant Accounting Policies: (continued)**

**C. Basic Financial Statements**

For the Authority, the basic financial statements and required supplementary information consist of:

- Management's Discussion and Analysis
- Enterprise fund financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to the Financial Statements
- Fiduciary fund financial statements
  - Statement of Fiduciary Net Position
  - Statement of Changes in Fiduciary Net Position
- Required Supplementary Information
  - OPEB and Pension Schedules including notes thereto

**D. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources expenditure until then. The Authority has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items are 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. This separate financial statement element, deferred inflows of resources, represents 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 two types of items that qualify for reporting in this category. 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.

Western Virginia Regional Jail Authority  
Notes to the Financial Statements  
June 30, 2023 (continued)

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**Note 1-Summary of Significant Accounting Policies: (continued)**

E. 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 Western Virginia Regional Jail Authority's Retirement Plan and the additions to/deductions from the Western Virginia Regional Jail Authority's Retirement Plan's net fiduciary 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 the benefit terms. Investments are reported at fair value.

F. Other Postemployment Benefits (OPEB)

*Group Life Insurance*

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

G. Capital Assets

Capital assets are stated at cost or historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Maintenance, repairs and minor renewals are charged to expense as incurred, while major renewals and replacements are capitalized. Upon the sale or retirement of a capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the related accounts, and any resulting gain or loss is included in income.

The Authority defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life of at least one year. Assets are depreciated over their estimated useful lives as presented below.

<u>Assets</u>	<u>Years</u>
Land improvements	10
Buildings	10-40
Machinery and equipment	3-10

H. Interest on Indebtedness

Interest costs of the Authority are treated as nonoperating expenses.

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 1-Summary of Significant Accounting Policies: (continued)**

I. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. As of June 30, 2023, short-term investments reported as cash and cash equivalents totaled \$16,017.

J. 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.

K. Budgets and Budgetary Accounting

A budget is prepared for information, fiscal planning purposes, and to provide the basis for setting per diem rates. 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.

L. Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Primary customers consist of the Counties of Franklin, Montgomery and Roanoke, the City of Salem and the U.S. Marshal Service. Management does not feel that an allowance of balances is necessary so the direct write-off method of accounting for uncollectible accounts is used.

M. Inventories and Prepaid Items

Inventory is recorded using the first-in, first-out method (FIFO) and is valued at cost. Inventory consists of parts and supplies utilized in the daily operation of the jail.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

N. Use of Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

O. Restricted Cash and Investments

Restricted cash and cash equivalents consist of funds totaling \$16,017 restricted for the payment of bonds.

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 1-Summary of Significant Accounting Policies: (continued)**

P. Long-Term Obligations

Long-term obligations are reported as liabilities in the statement of net position at face value, net of any applicable premiums and discounts.

Q. Compensated Absences

The liability for compensated absences consists of unpaid accumulated vacation leave balances. The liability is based on vacation leave accumulated at June 30. Limited vacation leave may be accumulated until retirement or termination. Accumulated vacation is paid at the employee's current wage upon retirement or termination.

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

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

**Note 2-Deposits and Investments:**

*Deposits* -Deposits with banks are covered by Federal depository insurance and collateralized in accordance with the Virginia Security for Public Deposits 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.



**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 2-Deposits and Investments: (continued)**

*Investments* - Statutes authorize the Authority 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 Investor’s Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), bankers’ acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

**Custodial Credit Risk (Investments)**

The Authority’s investment policy provides that securities purchased for the Authority shall be held by the Authority Treasurer or by the Treasurer’s custodian. If held by a custodian, the securities must be in the Authority’s name or in the custodian’s name and identifiable on the custodian’s books as belonging to the Authority. Further, if held by a custodian, the custodian must be a third party, not a counterparty (buyer or seller) to the transaction. At June 30, 2023, all of the Authority’s investments were held in accordance with this policy.

**Credit Risk of Debt Securities**

The Authority’s investment policy for credit risk is consistent with the investments allowed by statute as previously detailed.

The Authority’s rated debt investments as of June 30, 2023 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

<b>Rated Debt Investments' Values</b>		
<b><u>Rated Debt Investments</u></b>		<b><u>Fair Quality Ratings</u></b>
		<b><u>AAAm</u></b>
Money Market Funds	\$	16,017
Total	\$	16,017

**Interest Rate Risk**

The Authority’s policy with regard to interest rate risk requires that all investments mature within five years of their purchase date. The policy further requires maturity scheduling be timed to anticipated need and scheduled to coincide with projected cash flow needs.

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 3-Fair Value Measurement:**

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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Authority maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2 - Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3 - Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Authority has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Measurement	
	Using Level 1 -	
	Quoted Prices in Active	
	Markets for Identical Assets	
Money Market Funds	\$	16,017
Total	\$	16,017

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 4-Long-Term Obligations:**

Changes in long-term obligations for the year are as follows:

	Balance July 1, 2022	Issuances/ Additions	Retirements/ Reductions	Balance June 30, 2023	Amount Due Within One Year
Revenue Bonds	\$ 54,895,000	\$ -	\$ (2,285,000)	\$ 52,610,000	\$ 2,390,000
Unamortized Premiums	3,025,377	-	(436,585)	2,588,792	384,670
Original Issuance Discount	(54,330)	-	3,630	(50,700)	(3,630)
Compensated Absences	970,664	489,654	(360,398)	1,099,920	463,128
Net OPEB Liability (GLI)	487,131	263,005	(296,071)	454,065	-
Total	\$ 59,323,842	\$ 752,659	\$ (3,374,424)	\$ 56,702,077	\$ 3,234,168

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2024	\$ 2,390,000	\$ 2,008,724
2025	2,510,000	1,886,224
2026	2,640,000	1,757,474
2027	2,775,000	1,640,044
2028	2,885,000	1,533,660
2029-2033	15,900,000	6,181,732
2034-2038	19,180,000	2,905,161
2039	4,330,000	88,903
Totals	\$ 52,610,000	\$ 18,001,922

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 4-Long-Term Obligations:** (continued)

Details of long-term indebtedness:

	<u>Total Amount</u>
Revenue Bonds:	
\$30,605,000 refunding revenue bond issued on May 19, 2015 for a partial refunding of the Authority's 2007 revenue bonds. Interest payments began on December 1, 2015 and continue semi-annually until December 1, 2032, with interest accruing at rates between 3.00% and 5.00%. Principal payments varying from \$485,000 to \$2,640,000 began on December 1, 2020 and continue until December 1, 2032.	\$ 13,935,000
\$28,075,000 refunding revenue bond issued on July 21, 2016 for a partial refunding of the Authority's 2007 revenue bonds. Interest payments began on December 1, 2016 and continue semi-annually until December 1, 2038, with interest accruing at rates between 4.00% and 5.00%. Principal payments varying from \$815,000 to \$1,985,000 begin on December 1, 2029 and continue until December 1, 2038.	14,035,000
\$24,640,000 refunding revenue bond issued on December 5, 2019 for a partial refunding of the Authority's 2015 and 2016 refunding revenue bonds. Interest payments began on June 1, 2020 and continue semi-annually until December 1, 2038, with interest accruing at rates between 2.418% and 3.350%. Principal payments varying from \$1,390,000 to \$2,345,000 begin on December 1, 2026 and continue until December 1, 2038.	24,640,000
Plus: Unamortized Premium	2,588,792
Less: Original Issuance Discount	<u>(50,700)</u>
Total Revenue Bonds	\$ 55,148,092
Other Liabilities:	
Compensated Absences	1,099,920
Net OPEB Liability (GLI)	<u>454,065</u>
Total Long-term Obligations	<u>\$ 56,702,077</u>

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 5-Capital Assets:**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,351,807	\$ -	\$ -	\$ 2,351,807
Total capital assets not being depreciated	\$ 2,351,807	\$ -	\$ -	\$ 2,351,807
Capital assets, being depreciated:				
Land improvements	\$ 86,826	\$ -	\$ -	\$ 86,826
Buildings	89,770,295	-	-	89,770,295
Machinery and equipment	5,358,793	220,591	(12,935)	5,566,449
Total capital assets being depreciated	\$ 95,215,914	\$ 220,591	\$ (12,935)	\$ 95,423,570
Accumulated depreciation:				
Land improvements	\$ (28,023)	\$ (8,683)	\$ -	\$ (36,706)
Buildings	(29,735,492)	(2,311,775)	-	(32,047,267)
Machinery and equipment	(4,330,010)	(347,558)	12,935	(4,664,633)
Total accumulated depreciation	\$ (34,093,525)	\$ (2,668,016)	\$ 12,935	\$ (36,748,606)
Capital assets being depreciated, net	\$ 61,122,389	\$ (2,447,425)	\$ -	\$ 58,674,964
Capital assets, net of depreciation	\$ 63,474,196	\$ (2,447,425)	\$ -	\$ 61,026,771

**Note 6-Pension Plan:**

***Plan Description***

All full-time, salaried permanent employees of the Western Virginia Regional Jail 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.

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***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, that 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.
- 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.

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***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.

***Employees Covered by Benefit Terms***

As of the June 30, 2021 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	<u>27</u>
Inactive members:	
Vested inactive members	39
Non-vested inactive members	123
Active elsewhere in VRS	<u>120</u>
Total inactive members	<u>282</u>
Active members	<u>183</u>
Total covered employees	<u>492</u>

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***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 Western Virginia Regional Jail Authority's contractually required employer contribution rate for the year ended June 30, 2023 was 10.17% 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 Western Virginia Regional Jail Authority were \$872,974 and \$732,050 for the years ended June 30, 2023 and June 30, 2022, respectively.

***Net Pension Liability (Asset)***

The net pension liability (asset) is calculated separately for each employer and represents that particulate employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the Western Virginia Regional Jail Authority, the net pension liability (asset) was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the Western Virginia Regional Jail Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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



**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***Actuarial Assumptions - General Employees (continued)***

**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

The actuarial assumptions used in the June 30, 2021 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, 2019. 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

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Western Virginia Regional Jail Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

**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

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (continued)***

The actuarial assumptions used in the June 30, 2021 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, 2019. 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

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 6-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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

\* The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was is roughly at the 40th 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%.

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 6-Pension Plan: (continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Western Virginia Regional Jail 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, 2021 actuarial valuations, whichever was greater. From July 1, 2022 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 Asset***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2021	\$ 19,047,210	\$ 26,980,953	\$ (7,933,743)
Changes for the year:			
Service cost	\$ 1,522,806	\$ -	\$ 1,522,806
Interest	1,375,222	-	1,375,222
Differences between expected and actual experience	(1,409,198)	-	(1,409,198)
Contributions - employer	-	732,050	(732,050)
Contributions - employee	-	394,772	(394,772)
Net investment income	-	(58,603)	58,603
Benefit payments, including refunds of employee contributions	(392,719)	(392,719)	-
Administrative expenses	-	(16,349)	16,349
Other changes	-	650	(650)
Net changes	\$ 1,096,111	\$ 659,801	\$ 436,310
Balances at June 30, 2022	\$ 20,143,321	\$ 27,640,754	\$ (7,497,433)

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 6-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 Western Virginia Regional Jail Authority using the discount rate of 6.75%, as well as what the Western Virginia Regional Jail 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability (Asset)	\$ (3,718,783)	\$ (7,497,433)	\$ (10,487,873)

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

For the year ended June 30, 2023, the Western Virginia Regional Jail Authority recognized pension expense of \$(39,398). At June 30, 2023, the Western Virginia Regional Jail 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	\$ -	\$ 1,570,135
Changes of assumptions	883,013	-
Net difference between projected and actual earnings on pension plan investments	-	707,126
Employer contributions subsequent to the measurement date	872,974	-
Total	\$ 1,755,987	\$ 2,277,261

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 6-Pension Plan:** (continued)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

\$872,974 reported as deferred outflows of resources related to pensions resulting from the Western Virginia Regional Jail Authority's contributions subsequent to the measurement date will be recognized as an addition to the Net Pension Asset in the fiscal year ending June 30, 2024. 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:

<u>Year ended June 30</u>	
2024	\$ (470,781)
2025	(498,347)
2026	(660,753)
2027	235,633

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Note 7-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.

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)**

***Plan Description (continued)***

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.

***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 \$8,984 as of June 30, 2023.

***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% ( $1.34\% \times 60\%$ ) and the employer component was 0.54% ( $1.34\% \times 40\%$ ). 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 \$48,089 and \$44,292 for the years ended June 30, 2023 and June 30, 2022, 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.



Western Virginia Regional Jail Authority  
Notes to the Financial Statements  
June 30, 2023 (continued)

**Note 7-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***

At June 30, 2023, the entity reported a liability of \$454,065 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.03771% as compared to 0.04184% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$2,743. 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, 2023, 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	\$ 35,956	\$ 18,216
Net difference between projected and actual earnings on GLI OPEB program investments	-	28,372
Change in assumptions	16,936	44,228
Changes in proportionate share	3,762	61,296
Employer contributions subsequent to the measurement date	<u>48,089</u>	<u>-</u>
Total	\$ <u>104,743</u>	\$ <u>152,112</u>

Western Virginia Regional Jail Authority  
Notes to the Financial Statements  
June 30, 2023 (continued)

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**Note 7-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)***

\$48,089 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

**Year Ended June 30**

2024	\$ (18,976)
2025	(18,841)
2026	(35,264)
2027	(9,417)
2028	(12,960)

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. The assumptions include several employer groups as noted below. 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

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)**

***Actuarial Assumptions (continued)***

**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

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)**

***Actuarial Assumptions (continued)***

**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

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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

Western Virginia Regional Jail Authority  
Notes to the Financial Statements  
June 30, 2023 (continued)

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Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

**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 is as follows (amounts expressed in thousands):

		GLI OPEB Plan
		<hr/>
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	\$	<hr/> <hr/> 1,204,096
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

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.

*Remainder of page left blank intentionally.*

Western Virginia Regional Jail Authority  
Notes to the Financial Statements  
June 30, 2023 (continued)

**Note 7-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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

\*The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40<sup>th</sup> 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%.

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

**Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)**

***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 the 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, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 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.

***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 GLI Plan Net OPEB Liability	\$ 660,717	\$ 454,065	\$ 287,061

***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 8-Line of Duty Act (LODA) (OPEB Benefits):**

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.

**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**Note 8-Line of Duty Act (LODA) (OPEB Benefits): (continued)**

The Authority has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Authority to VACORP. VACORP assumes all liability for the 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/expenditure 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 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 Authority's LODA premium for the year ended June 30, 2023 was \$232,210.

**Note 9-Due from the Commonwealth and Federal Government:**

Amounts reported as due from the Commonwealth and Federal Government at year end are as follows:

Due from Commonwealth	
Compensation Board Reimbursements	\$ 758,171
Department of Corrections	1,216
Mental Health Grant Reimbursement	93,667
Total	<u>\$ 853,054</u>
Due from Federal Government	
ARPA	\$ 120,169
RSAT Grant Reimbursement	29,779
US Marshal	351,729
Total	<u>\$ 501,677</u>

**Note 10-Arbitrage Rebate Liability:**

The Internal Revenue Code of 1986 (the Code) establishes rules and regulations for arbitrage rebates which are applicable to the Authority. At present, the Authority has no arbitrage rebate liability. This estimated arbitrage rebate liability is subject to change based on future investment earnings of the Authority.

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**Western Virginia Regional Jail Authority**  
**Notes to the Financial Statements**  
**June 30, 2023 (continued)**

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**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. The Authority participates with other organizations in the Virginia Association of Counties public entity risk pool. Each member of the risk pool jointly and severally agrees to assume, pay and discharge any liability. The Authority pays the risk pool contributions and assessments based upon classifications and rates into designated cash reserve funds out of which expenses of the pools, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available funds and/or excess insurance, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Authority carries insurance coverage for all other risk of loss. Settled claims have not exceeded coverage in the current or prior two fiscal years.

**Note 12-Upcoming Pronouncements:**

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

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.

Implementation Guide No. 2021-1, *Implementation Guidance Update-2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update-2023*, effective for fiscal years beginning after June 15, 2023.

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

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### Required Supplementary Information

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Western Virginia Regional Jail Authority  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plan  
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 1,522,806	\$ 1,547,418	\$ 1,476,898	\$ 1,373,897	\$ 1,389,630	\$ 1,361,538	\$ 1,359,306	\$ 1,292,320	\$ 1,263,991
Interest	1,375,222	1,070,217	941,362	809,013	721,204	644,883	532,601	455,486	348,082
Changes of assumptions	-	1,300,950	-	565,223	-	(128,173)	-	-	-
Differences between expected and actual experience	(1,409,198)	(578,222)	(273,899)	(202,658)	(705,293)	(656,756)	(170,538)	(543,492)	-
Benefit payments	(392,719)	(296,434)	(174,353)	(139,067)	(163,170)	(99,226)	(135,448)	(69,890)	(85,572)
<b>Net change in total pension liability</b>	<b>\$ 1,096,111</b>	<b>\$ 3,043,929</b>	<b>\$ 1,970,008</b>	<b>\$ 2,406,408</b>	<b>\$ 1,242,371</b>	<b>\$ 1,122,266</b>	<b>\$ 1,585,921</b>	<b>\$ 1,134,424</b>	<b>\$ 1,526,501</b>
<b>Total pension liability - beginning</b>	<b>19,047,210</b>	<b>16,003,281</b>	<b>14,033,273</b>	<b>11,626,865</b>	<b>10,384,494</b>	<b>9,262,228</b>	<b>7,676,307</b>	<b>6,541,883</b>	<b>5,015,382</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 20,143,321</b>	<b>\$ 19,047,210</b>	<b>\$ 16,003,281</b>	<b>\$ 14,033,273</b>	<b>\$ 11,626,865</b>	<b>\$ 10,384,494</b>	<b>\$ 9,262,228</b>	<b>\$ 7,676,307</b>	<b>\$ 6,541,883</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 732,050	\$ 779,941	\$ 804,847	\$ 767,926	\$ 778,934	\$ 742,395	\$ 883,707	\$ 869,478	\$ 1,048,423
Contributions - employee	394,772	420,480	436,161	415,969	405,105	384,203	381,831	375,680	354,596
Net investment income	(58,603)	5,757,282	369,706	1,176,879	1,107,497	1,541,333	225,981	449,948	1,148,916
Benefit payments	(392,719)	(296,434)	(174,353)	(139,067)	(163,170)	(99,226)	(135,448)	(69,890)	(85,572)
Administrator charges	(16,349)	(13,079)	(11,440)	(10,186)	(8,533)	(7,730)	(5,919)	(4,878)	(5,043)
Other	650	554	(458)	(754)	(1,036)	(1,425)	(87)	(99)	60
<b>Net change in plan fiduciary net position</b>	<b>\$ 659,801</b>	<b>\$ 6,648,744</b>	<b>\$ 1,424,463</b>	<b>\$ 2,210,767</b>	<b>\$ 2,118,797</b>	<b>\$ 2,559,550</b>	<b>\$ 1,350,065</b>	<b>\$ 1,620,239</b>	<b>\$ 2,461,380</b>
<b>Plan fiduciary net position - beginning</b>	<b>26,980,953</b>	<b>20,332,209</b>	<b>18,907,746</b>	<b>16,696,979</b>	<b>14,578,182</b>	<b>12,018,632</b>	<b>10,668,567</b>	<b>9,048,328</b>	<b>6,586,948</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 27,640,754</b>	<b>\$ 26,980,953</b>	<b>\$ 20,332,209</b>	<b>\$ 18,907,746</b>	<b>\$ 16,696,979</b>	<b>\$ 14,578,182</b>	<b>\$ 12,018,632</b>	<b>\$ 10,668,567</b>	<b>\$ 9,048,328</b>
<b>Authority's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (7,497,433)</b>	<b>\$ (7,933,743)</b>	<b>\$ (4,328,928)</b>	<b>\$ (4,874,473)</b>	<b>\$ (5,070,114)</b>	<b>\$ (4,193,688)</b>	<b>\$ (2,756,404)</b>	<b>\$ (2,992,260)</b>	<b>\$ (2,506,445)</b>
<b>Plan fiduciary net position as a percentage of the total pension asset</b>	<b>137.22%</b>	<b>141.65%</b>	<b>127.05%</b>	<b>134.74%</b>	<b>143.61%</b>	<b>140.38%</b>	<b>129.76%</b>	<b>138.98%</b>	<b>138.31%</b>
<b>Covered payroll</b>	<b>\$ 8,008,144</b>	<b>\$ 8,500,460</b>	<b>\$ 8,808,953</b>	<b>\$ 8,377,749</b>	<b>\$ 8,079,335</b>	<b>\$ 7,674,184</b>	<b>\$ 7,649,867</b>	<b>\$ 7,523,787</b>	<b>\$ 7,214,192</b>
<b>Authority's net pension asset as a percentage of covered payroll</b>	<b>93.62%</b>	<b>93.33%</b>	<b>49.14%</b>	<b>58.18%</b>	<b>62.75%</b>	<b>54.65%</b>	<b>36.03%</b>	<b>39.77%</b>	<b>34.74%</b>

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Western Virginia Regional Jail Authority  
Schedule of Employer Contributions - Pension Plan  
For the Years Ended June 30, 2014 through June 30, 2023

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution*	Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll
	(1)	(2)	(3)	(4)	(5)
2023	\$ 872,974	\$ 872,974	\$ -	\$ 8,746,646	9.98%
2022	732,050	732,050	-	8,008,144	9.14%
2021	779,941	779,941	-	8,500,460	9.18%
2020	804,847	804,847	-	8,808,953	9.14%
2019	767,926	767,926	-	8,377,749	9.17%
2018	778,934	778,934	-	8,079,335	9.64%
2017	737,898	737,898	-	7,674,184	9.62%
2016	883,707	883,707	-	7,649,867	11.55%
2015	869,478	869,478	-	7,523,787	11.56%
2014	1,048,423	1,048,423	-	7,214,192	14.53%

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

**Western Virginia Regional Jail Authority**  
**Notes to Required Supplementary Information - Pension Plan**  
**For the Year Ended June 30, 2023**

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**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, 2021 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, 2019. 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

**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

**Western 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, 2022**

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2022	0.03771%	\$ 454,065	\$ 8,202,195	5.10%	67.21%
2021	0.04184%	487,131	8,500,460	5.73%	67.45%
2020	0.04306%	718,601	8,808,953	8.16%	52.64%
2019	0.04300%	699,725	8,377,749	8.35%	52.00%
2018	0.04270%	648,000	8,079,335	8.02%	51.22%
2017	0.04228%	636,000	7,674,184	8.29%	48.86%

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

**Western Virginia Regional Jail Authority**  
**Schedule of Employer Contributions**  
**Group Life Insurance (GLI) Plan**  
**For the Years Ended June 30, 2014 through June 30, 2023**

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		Contributions in			Contributions
	Contractually	Relation to	Contribution	Employer's	as a % of
	Required	Contractually	Deficiency	Covered	Covered
	Contribution	Required	(Excess)	Payroll	Payroll
Date	(1)	(2)	(3)	(4)	(5)
2023	\$ 48,089	\$ 48,089	\$ -	\$ 8,905,419	0.54%
2022	44,292	44,292	-	8,202,195	0.54%
2021	46,646	46,646	-	8,500,460	0.55%
2020	46,075	46,075	-	8,808,953	0.52%
2019	48,835	48,835	-	8,377,749	0.58%
2018	42,221	42,221	-	8,079,335	0.52%
2017	40,552	40,552	-	7,674,184	0.53%
2016	36,668	36,668	-	7,649,867	0.48%
2015	36,296	36,296	-	7,523,787	0.48%
2014	34,004	34,004	-	7,214,192	0.47%

**Western Virginia Regional Jail Authority**  
**Notes to Required Supplementary Information**  
**Group Life Insurance (GLI) Plan**  
**For the Year Ended June 30, 2023**

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**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, 2021 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, 2019. 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. 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



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## Statistical Section

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# Statistical Section

This part of Western Virginia Regional Jail Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

## Contents

### **Financial Trends**

#### **Page**

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time. 57-58

### **Revenue Capacity**

These schedules contain information to help the reader assess factors affecting the Authority's operating revenue. 59-60

### **Debt Capacity**

These schedules contain information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future. 61-62

### **Operating Information**

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs. 63-65

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time and with other authorities. 66-67

Table 1

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY  
Net Position By Component  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018 (2)	2017	2016	2015 (1)	2014
Net investment in capital assets	\$ 8,914,186	\$ 8,962,600	\$ 9,100,633	\$ 9,083,393	\$ 9,329,764	\$ 8,782,199	\$ 10,283,788	\$ 11,268,790	\$ 13,029,929	\$ 15,536,059
Restricted	10,947,898	11,139,248	7,129,305	2,130,471	2,268,173	2,094,556	2,237,792	1,704,780	1,152,705	913,713
Unrestricted	14,331,807	13,343,770	17,119,262	22,594,386	22,037,388	22,749,835	21,085,410	19,844,362	18,795,101	15,299,651
Total Net Position	\$ 34,193,891	\$ 33,445,618	\$ 33,349,200	\$ 33,808,250	\$ 33,635,325	\$ 33,626,590	\$ 33,606,990	\$ 32,817,932	\$ 32,977,735	\$ 31,749,423

(1) The Authority implemented provisions of GASB Statement 68 during the 2015 fiscal year and restated beginning net position accordingly. Information relative to GASB Statement 68 was not available for prior fiscal years and therefore provisions of this statement were not applied retroactively in this table.

(2) The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year and restated beginning net position accordingly. Information relative to GASB Statement 75 was not available for prior fiscal years and therefore provisions of this statement were not applied retroactively in this table.

Source: Financial Statements

Table 2

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018 (2)	2017	2016	2015 (1)	2014
<b>OPERATING REVENUES</b>										
Charges for services - member jurisdictions	\$ 11,001,398	\$ 9,917,822	\$ 11,010,223	\$ 11,480,980	\$ 10,222,549	\$ 9,949,801	\$ 11,066,808	\$ 10,527,638	\$ 9,688,094	\$ 11,050,624
Charges for services - nonmember jurisdictions	127,681	612,806	387,756	379,891	766,137	1,002,858	280,765	214,411	235,477	147,277
Charges for services - U.S. Marshal Service	2,606,539	2,802,282	2,645,060	3,018,138	2,630,977	1,949,666	1,874,784	1,866,586	1,426,201	1,923,142
Commonwealth of Virginia - per diem charges	333,736	648,394	991,999	721,103	743,376	1,091,476	1,368,079	1,363,398	1,444,158	1,371,214
Payphone commissions	470,468	485,723	691,053	360,989	344,629	339,525	335,936	323,440	301,128	314,530
Commissary sales	538,084	730,726	832,917	682,353	658,071	578,509	561,670	515,740	340,326	345,247
Miscellaneous income	66,839	117,366	104,430	97,247	117,614	141,480	88,400	73,773	66,920	53,964
Miscellaneous fees	162,770	213,326	231,470	193,454	205,051	159,132	190,999	163,200	150,317	156,844
Total operating revenues	\$ 15,307,515	\$ 15,528,445	\$ 16,894,908	\$ 16,934,155	\$ 15,688,404	\$ 15,212,447	\$ 15,767,441	\$ 15,048,186	\$ 13,652,621	\$ 15,362,842
<b>OPERATING EXPENSES</b>										
Salaries and wages	\$ 9,989,574	\$ 9,504,812	\$ 9,720,783	\$ 9,798,424	\$ 9,231,567	\$ 8,732,154	\$ 8,483,616	\$ 8,213,176	\$ 8,009,082	\$ 7,670,454
Fringe benefits	1,948,271	2,092,477	3,010,577	2,295,437	2,161,006	2,446,859	2,636,700	3,366,800	2,092,789	2,684,337
Medical services	4,019,866	4,212,762	4,270,833	4,166,860	3,647,240	2,621,543	2,429,664	2,357,869	2,288,041	2,259,643
Food services	921,868	978,509	918,643	963,083	949,480	883,814	916,869	868,241	820,193	853,970
Contractual services	574,808	556,424	546,061	483,737	676,406	782,839	569,217	473,696	484,453	464,319
Repairs and maintenance	294,704	281,965	287,943	310,835	305,184	323,899	324,399	343,591	306,443	405,736
Utilities	856,107	785,249	752,463	755,078	795,360	742,261	762,705	728,303	788,695	804,359
Materials and supplies	481,289	569,716	646,528	597,222	611,434	463,717	696,235	564,684	593,876	761,685
Other	600,864	555,907	564,036	620,346	557,909	569,858	396,763	327,814	301,569	334,105
Depreciation	2,668,016	2,670,818	2,633,892	2,652,149	2,651,023	2,537,231	2,509,691	2,556,593	2,544,982	2,586,446
Total operating expenses	\$ 22,355,367	\$ 22,208,639	\$ 23,351,759	\$ 22,643,171	\$ 21,586,609	\$ 20,104,175	\$ 19,725,859	\$ 19,800,767	\$ 18,230,123	\$ 18,825,054
Operating income (loss)	\$ (7,047,852)	\$ (6,680,194)	\$ (6,456,851)	\$ (5,709,016)	\$ (5,898,205)	\$ (4,891,728)	\$ (3,958,418)	\$ (4,752,581)	\$ (4,577,502)	\$ (3,462,212)
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Commonwealth of Virginia - Compensation Board	\$ 8,834,162	\$ 7,653,128	\$ 7,367,645	\$ 7,285,284	\$ 7,028,478	\$ 6,999,033	\$ 6,780,508	\$ 6,840,359	\$ 6,484,186	\$ 6,647,957
Federal grant revenue	125,763	759,441	207,563	190,857	133,280	50,379	76,607	69,024	23,707	24,703
State grant revenue	308,812	314,918	401,084	423,485	383,571	355,284	89,181	-	-	-
Gain (loss) on disposal of assets	-	(10,610)	-	2,279	-	-	-	-	-	17,083
Bond issuance costs	-	-	-	(353,956)	-	-	(252,849)	-	(272,088)	-
Interest income	330,502	27,261	30,998	325,229	374,710	240,852	123,277	110,762	85,017	74,433
Interest expense	(1,923,283)	(1,967,526)	(2,009,489)	(1,991,237)	(2,013,099)	(2,027,772)	(2,069,248)	(2,427,367)	(3,134,997)	(3,180,461)
Total nonoperating revenues (expenses)	\$ 7,675,956	\$ 6,776,612	\$ 5,997,801	\$ 5,881,941	\$ 5,906,940	\$ 5,617,776	\$ 4,747,476	\$ 4,592,778	\$ 3,185,825	\$ 3,583,715
Capital contributions	\$ 120,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in net position	\$ 748,273	\$ 96,418	\$ (459,050)	\$ 172,925	\$ 8,735	\$ 726,048	\$ 789,058	\$ (159,803)	\$ (1,391,677)	\$ 121,503
Total net position, beginning of year	\$ 33,445,618	\$ 33,349,200	\$ 33,808,250	\$ 33,635,325	\$ 33,626,590	\$ 32,900,542	\$ 32,817,932	\$ 32,977,735	\$ 34,369,412	\$ 31,627,920
Total net position, end of year	\$ 34,193,891	\$ 33,445,618	\$ 33,349,200	\$ 33,808,250	\$ 33,635,325	\$ 33,626,590	\$ 33,606,990	\$ 32,817,932	\$ 32,977,735	\$ 31,749,423

(1) The Authority implemented provisions of GASB Statement 68 during the 2015 fiscal year, resulting in a restatement of beginning net position for the 2015 fiscal year. Information prior to 2015 was not available and therefore changes as a result of the implementation of this standard have not been applied retroactively.

(2) The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year, resulting in a restatement of beginning net position for the 2018 fiscal year. Information prior to 2018 was not available and therefore changes as a result of the implementation of this standard have not been applied retroactively.

Source: Financial Statements

Table 3

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Revenues & Billed Inmate Days - By Major Customer**  
**Last Ten Fiscal Years**

Fiscal Year	Franklin County							Montgomery County						
	Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)	Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)
2023	\$ 3,424,806	\$ 2,559,430	\$ 44.57	57,425	\$ 865,376	\$ 16.06	148	\$ 2,993,988	\$ 2,097,642	\$ 44.57	47,064	\$ 896,346	\$ 16.06	153
2022	2,775,785	2,248,223	34.90	64,419	527,562	10.05	144	2,843,257	2,162,753	34.90	61,970	680,504	10.05	186
2021	3,004,931	2,497,000	34.14	73,140	507,931	9.61	145	3,186,624	2,565,655	34.14	75,151	620,969	9.61	177
2020	2,724,252	2,110,471	34.14	61,818	613,781	9.88	170	3,439,081	2,851,310	34.14	83,518	587,771	9.88	163
2019	2,147,644	1,651,347	32.19	51,300	496,297	8.52	160	3,010,631	2,380,708	32.19	73,958	629,923	8.52	203
2018	2,309,049	1,774,828	32.19	55,136	534,221	10.28	142	2,909,338	2,041,071	32.19	63,407	868,267	10.28	231
2017	2,589,506	1,964,813	32.19	61,038	624,693	11.97	143	3,610,552	2,645,117	32.19	82,172	965,435	11.97	221
2016	2,189,895	1,514,539	32.19	47,050	675,356	13.31	139	3,613,256	2,588,076	32.19	80,400	1,025,180	13.31	211
2015	2,036,314	1,391,358	32.19	43,223	644,956	14.37	123	3,408,033	2,439,726	32.19	75,791	968,307	14.37	185
2014	2,577,914	1,893,866	32.19	58,834	684,048	15.45	121	3,916,445	2,969,302	32.19	92,243	947,143	15.45	168

Fiscal Year	Roanoke County							City of Salem						
	Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)	Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)
2023	\$ 3,568,766	\$ 2,653,920	\$ 44.57	59,545	\$ 914,846	\$ 16.06	156	\$ 1,013,838	\$ 776,231	\$ 44.57	17,416	\$ 237,607	\$ 16.06	41
2022	3,357,887	2,583,054	34.90	74,013	774,833	10.05	211	940,893	706,341	34.90	20,239	234,552	10.05	64
2021	3,571,608	2,649,571	34.14	77,609	922,037	9.61	263	1,247,060	878,900	34.14	25,744	368,160	9.61	105
2020	3,776,931	2,838,809	34.14	83,152	938,122	9.88	260	1,540,716	1,103,233	34.14	32,315	437,483	9.88	121
2019	3,485,397	2,855,350	32.19	88,703	630,047	8.52	203	1,578,877	1,195,858	32.19	37,150	383,019	8.52	123
2018	3,217,626	2,547,034	32.19	79,125	670,592	10.28	179	1,513,788	1,173,487	32.19	36,455	340,301	10.28	91
2017	3,123,464	2,358,980	32.19	73,283	764,484	11.97	175	1,743,286	1,354,491	32.19	42,078	388,795	11.97	89
2016	3,168,886	2,276,509	32.19	70,721	892,377	13.31	184	1,555,601	1,111,842	32.19	34,540	443,759	13.31	91
2015	2,748,160	1,732,661	32.19	53,826	1,015,499	14.37	194	1,495,587	1,014,929	32.19	31,529	480,658	14.37	92
2014	3,062,304	1,983,613	32.19	61,622	1,078,691	15.45	191	1,493,962	1,035,424	32.19	32,166	458,538	15.45	81

Fiscal Year	Commonwealth of Virginia					Inmate Days Billed
	Total Revenue	Debt Service	Billed Inmate Days	Per Diem Rate		
2023	\$ 333,736	N/A	\$ 333,736	Various	N/A	
2022	648,394	N/A	648,394	Various	N/A	
2021	991,999	N/A	991,999	Various	N/A	
2020	721,103	N/A	721,103	Various	N/A	
2019	743,376	N/A	743,376	Various	N/A	
2018	1,091,476	N/A	1,091,476	Various	N/A	
2017	1,368,079	N/A	1,368,079	Various	N/A	
2016	1,363,398	N/A	1,363,398	Various	N/A	
2015	1,444,158	N/A	1,444,158	Various	N/A	
2014	1,371,214	N/A	1,371,214	Various	N/A	

U.S. Marshal Service				
Total Revenue	Inmate Transportation	Billed Inmate Days	Per Diem Rate	Inmate Days Billed
\$ 2,606,539	\$ 138,069	\$ 2,468,470	\$ 68.00	36,301
2,802,282	108,938	2,693,344	68.00	39,608
2,645,060	103,628	2,541,432	68.00	37,374
3,018,138	152,362	2,865,776	56.59	50,641
2,630,977	137,622	2,493,355	56.59	44,060
1,949,666	102,625	1,847,041	56.59	32,639
1,874,784	136,849	1,737,935	56.59	30,711
1,866,586	105,109	1,761,477	56.59	31,127
1,426,201	111,049	1,315,152	56.59	23,240
1,923,142	121,393	1,801,749	56.59	31,839

(1) Debt service billings are based on each jurisdictions average daily population on a rolling basis that takes into account three years of historical data.

Source: Billing records of the Authority.

Table 4

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Largest Revenue Sources**  
**Current Year and Nine Years Ago**

Inmate Operating and Debt Per Diem Fees	Fiscal Year 2023		Fiscal Year 2014	
	Amount	%	Amount	%
County of Franklin	\$ 3,424,806	24.34%	\$ 2,202,465	14.34%
County of Montgomery	2,993,988	21.28%	4,280,293	27.86%
County of Roanoke	3,568,766	25.37%	2,884,071	18.77%
City of Salem	1,013,838	7.21%	1,683,795	10.96%
Commonwealth of Virginia	333,736	2.37%	1,371,214	8.93%
U.S. Marshals Service	2,606,539	18.53%	1,923,142	12.52%
Subtotal	\$ 13,941,673	99.09%	\$ 14,344,980	93.37%
Balance from other sources	\$ 127,681	0.91%	\$ 1,017,862	6.63%
Grand Total	\$ 14,069,354	100.00%	\$ 15,362,842	100.00%

Source: Billing reports

Table 5

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Revenue Bonds</b>	<b>Annual Total Personal Income (1)</b>	<b>Outstanding Debt to Personal Income</b>	<b>Total Population</b>	<b>Per Capita Personal Income</b>	<b>Outstanding Debt Per Capita</b>
2023	\$ 55,148,092	\$ 13,707,069	0.402%	277,745	\$ 49,351	\$ 198.56
2022	57,866,047	13,247,414	0.437%	277,732	47,699	208.35
2021	60,538,449	12,936,997	0.468%	276,473	46,793	218.97
2020	63,172,599	12,288,393	0.514%	275,023	44,681	229.70
2019	64,763,186	11,774,350	0.550%	274,936	42,826	235.56
2018	67,299,901	11,761,003	0.572%	274,583	42,832	245.10
2017	68,151,692	11,635,240	0.586%	274,207	42,432	248.54
2016	68,275,276	9,713,699	0.703%	273,701	35,490	249.45
2015	68,767,515	10,077,840	0.682%	272,052	37,044	252.77
2014	69,880,574	10,028,550	0.697%	270,825	37,030	258.03

(1) Amount reported in thousands (000 omitted).

Sources: Financial Statements and Annual Comprehensive Financial Reports of the Counties of Franklin, Montgomery and Roanoke and the City of Salem  
U.S. Census Bureau

Table 6

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY  
Revenue Bond Coverage  
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses (Excl. Depr.)	Other Available Revenues	Excess Reserves Balances	Net Revenue Available for Debt Service	Principal (P)	Interest (I)	Total (P)(I)	Bond Coverage
2023	\$ 15,307,515	\$ (19,687,351)	\$ 9,599,239	\$ 6,993,080	\$ 12,212,483	\$ 2,285,000	\$ 1,923,283	\$ 4,208,283	2.90
2022	15,528,445	(19,537,821)	8,754,748	8,138,862	12,884,234	2,185,000	1,967,526	4,152,526	3.10
2021	16,894,908	(20,717,867)	8,007,290	8,999,419	13,183,750	2,090,000	2,009,489	4,099,489	3.22
2020 (3)	16,934,155	(19,991,022)	8,224,855	10,184,426	15,352,414	2,015,000	1,991,237	4,006,237	3.83
2019	15,688,404	(18,935,586)	7,920,039	11,185,388	15,858,245	1,700,000	2,013,099	3,713,099	4.27
2018	15,212,447	(17,566,944)	7,645,548	11,808,282	17,099,333	-	2,027,772	2,027,772	8.43
2017 (2)	15,767,441	(17,216,168)	7,069,573	9,536,958	15,157,804	-	2,069,248	2,069,248	7.33
2016	15,048,186	(17,244,174)	7,020,145	8,278,957	13,103,114	-	2,427,367	2,427,367	5.40
2015 (1)	13,652,621	(15,685,141)	6,592,910	8,668,715	13,229,105	1,530,000	3,134,997	4,664,997	2.84
2014	15,362,842	(16,238,608)	6,764,176	11,108,650	16,997,060	1,475,000	3,180,461	4,655,461	3.65

(1) In 2015, the Authority refunded approximately 34 million dollars of bonds. The above amounts represent normal principal and interest payments.

(2) In 2017, the Authority refunded approximately 30 million dollars of bonds. The above amounts represent normal principal and interest payments.

(3) In 2020, the Authority refunded approximately 20 million dollars of bonds. The above amounts represent normal principal and interest payments.

Net revenue of the Authority is pledged for the Authority's revenue bonds. Net revenue is defined as all revenue (plus excess reserves) of the Authority less operating expenses, excluding depreciation.

Source: Financial Statements



Table 7

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY  
Number of Employees by Identifiable Activity  
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Civilian	25	24	23	15	16	10	8	8	9	8
Sworn	<u>143</u>	<u>143</u>	<u>171</u>	<u>182</u>	<u>184</u>	<u>188</u>	<u>182</u>	<u>183</u>	<u>183</u>	<u>183</u>
Total Employees	<u>168</u>	<u>167</u>	<u>194</u>	<u>197</u>	<u>200</u>	<u>198</u>	<u>190</u>	<u>191</u>	<u>192</u>	<u>191</u>

Source: WVRJA Human Resources

Table 8

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Inmate Booking Statistics**  
**Last Ten Fiscal Years**

County of Franklin			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2023	157	54	76
2022	176	75	53
2021	200	91	55
2020	169	81	50
2019	140	61	52
2018	151	73	48
2017	168	80	52
2016	129	72	44
2015	137	71	46
2014	161	77	51

County of Montgomery			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2023	130	58	55
2022	171	77	52
2021	206	95	49
2020	229	86	59
2019	203	83	62
2018	174	78	53
2017	225	96	51
2016	220	98	51
2015	221	102	47
2014	253	96	63

County of Roanoke			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2023	163	64	62
2022	203	74	61
2021	212	82	63
2020	228	78	59
2019	243	64	85
2018	217	67	80
2017	201	70	69
2016	194	70	67
2015	173	66	64
2014	169	62	67

City of Salem			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2023	47	46	12
2022	55	52	27
2021	71	78	22
2020	94	69	33
2019	102	63	36
2018	100	61	39
2017	115	68	43
2016	95	63	39
2015	89	62	35
2014	88	56	41

Other			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2023	97	38	68
2022	155	63	64
2021	131	85	35
2020	157	58	68
2019	195	53	94
2018	189	49	102
2017	147	70	75
2016	169	69	61
2015	134	60	55
2014	145	53	70

Source: Daily Population Counts.

Table 9

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY  
Capital Asset Statistics  
Last Ten Fiscal Years

Function/Program/Asset	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety:										
Jail:										
Buildings	1	1	1	1	1	1	1	1	1	1
Machinery & Equipment	71	67	66	60	54	50	52	44	46	45
Vehicles	28	26	26	26	25	21	20	19	19	20
Total	100	94	93	87	80	72	73	64	66	66

Source: Capital Asset Listings

Table 10

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Demographic Statistics for Member Jurisdictions**  
**Last Ten Fiscal Years**

Fiscal Year	County of Franklin		County of Montgomery		County of Roanoke		City of Salem	
	Population	Unemployment rate	Population	Unemployment rate	Population	Unemployment rate	Population	Unemployment rate
2023	54,155	2.90	102,061	2.80	96,605	2.60	24,924	2.90
2022	54,188	3.50	101,938	3.00	96,546	2.60	25,060	3.60
2021	54,477	5.50	99,721	4.80	96,929	5.10	25,346	5.80
2020	55,782	7.00	100,073	6.60	93,805	6.80	25,363	7.70
2019	56,127	2.90	99,433	3.10	93,672	2.70	25,704	3.00
2018	56,427	3.40	98,559	3.50	93,735	3.10	25,862	3.40
2017	56,205	4.10	98,602	4.20	93,924	3.60	25,476	4.10
2016	56,373	4.20	98,121	4.50	93,775	3.50	25,432	4.00
2015	56,793	5.20	96,207	5.50	93,569	4.50	25,483	5.20
2014	56,616	5.20	96,207	5.50	92,703	5.20	25,299	5.20

Sources: Financial statements and Comprehensive Annual Financial Reports of the Counties of Franklin, Montgomery and Roanoke and the City of Salem  
Weldon Cooper Center for Public Service Demographics Research Group  
U. S. Bureau of Labor Statistics

Table 11

**WESTERN VIRGINIA REGIONAL JAIL AUTHORITY**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Type of Business	2023		2014	
		Number of Employees	Rank	Number of Employees	Rank
Virginia Polytechnic Institute and State University	State University	5,000 +	1	5,000 +	1
Veterans Administration Medical Center	Federal Hospital	2,000 +	2	1,000 +	2
Roanoke County Schools	Local Government	2,000 +	3	1,000 +	4
Wells Fargo Operations Center	Private	2,000 +	4	1,000 +	5
Ply Gem Windows	Private	1,000 +	5	500 +	10
Lewis-Gale Hospital-HCA	Private	1,000 +	6	1,000 +	3
County of Roanoke	Local Government	1,000 +	7	1,000 +	6
Franklin County Schools	Local Government	1,000 +	8	1,000 +	8
Moog, Inc.	Private	1,000 +	9	-	
Montgomery County School Board	Private	1,000 +	10	1,000 +	7
Virginia Tech Corporate Research Center	Private	-	-	1,000 +	9

Sources: Financial statements and Annual Comprehensive Financial Reports of the Counties of Franklin, Montgomery and Roanoke and the City of Salem  
Montgomery County Economic Development Department  
Franklin County Economic Development Department, Individual Companies  
Roanoke County Economic Development Department  
City of Salem Planning and Economic Development Department

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## Compliance Section

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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***

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**To the Honorable Members of  
Western Virginia Regional Jail Authority  
Roanoke, 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 the aggregate remaining fund information of the Western Virginia Regional Jail Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Western Virginia Regional Jail Authority's basic financial statements and have issued our report thereon dated September 5, 2023.

**Report on Internal Control over Financial Reporting**

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

### Purpose of This Report

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

*Robinson, Farmer, Cox Associates*

Blacksburg, Virginia  
September 5, 2023