

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended June 30, 2025

Roanoke, Virginia

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

ROANOKE, VIRGINIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

Prepared by:

Roanoke County Department of Finance and Management Services

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

<u>Introductory Section</u>	Page
Letter of Transmittal	1-5
GFOA Certificate of Achievement	6
Organization Chart	7
List of Appointed Officials	8
<u>Financial Section</u>	
Independent Auditors' Report	9-11
Management's Discussion and Analysis	12-15
<u>Basic Financial Statements</u>	
Exhibit 1 Statement of Net Position	16
Exhibit 2 Statement of Revenues, Expenses, and Changes in Net Position	17
Exhibit 3 Statement of Cash Flows	18
Exhibit 4 Statement of Fiduciary Net Position	19
Exhibit 5 Statement of Changes in Fiduciary Net Position	20
Notes to the Financial Statements	21-50
<u>Required Supplementary Information</u>	
Exhibit 6 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	51
Exhibit 7 Schedule of Employer Contributions - Pension Plan	52
Exhibit 8 Notes to Required Supplementary Information - Pension Plan	53
Exhibit 9 Schedule of Authority's Share of Net OPEB Liability - Group Life Insurance Plan	54
Exhibit 10 Schedule of Employer Contributions - Group Life Insurance Plan	55
Exhibit 11 Notes to Required Supplementary Information - Group Life Insurance Plan	56

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

<u>Statistical Section</u>	Page
Table 1 Net Position by Component - Last Ten Fiscal Years	57
Table 2 Changes in Net Position - Last Ten Fiscal Years	58
Table 3 Revenues and Billed Inmate Days - By Major Customer - Last Ten Fiscal Years	59
Table 4 Largest Revenue Sources - Current Year and Nine Years Ago	60
Table 5 Outstanding Debt by Type - Last Ten Fiscal Years	61
Table 6 Revenue Bond Coverage - Last Ten Fiscal Years	62
Table 7 Number of Employees by Identifiable Activity - Last Ten Fiscal Years	63
Table 8 Inmate Booking Statistics - Last Ten Fiscal Years	64
Table 9 Capital Asset Statistics - Last Ten Fiscal Years	65
Table 10 Demographic Statistics for Member Jurisdictions - Last Ten Fiscal Years	66
Table 11 Principal Employers - Current Year and Nine Years Ago	67
 <u>Compliance Section</u>	
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 <i>Government Auditing Standards</i>	68-69

Introductory Section

WESTERN VIRGINIA REGIONAL JAIL

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

Colonel David F. Cox
Superintendent

Major Scott A. Booher
Security Division Commander



Lt. Colonel Christopher A. Hayes
Deputy Superintendent

Major Rick A. Hiner
Services Division Commander

September 15, 2025

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, 2025. 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, 2025 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, 2025, are free of material misstatement.

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, 2025, 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 sixteenth 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 635 this year (FY25) and is 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 2025, the average daily population (ADP) of inmates was 635. This ADP represents an 2.5% decrease from the fiscal year 2024 average of 651. For the past five years, the ADP has ranged between 599 and 828.

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, Carillion Children's Miracle Network Toy Collection, New River Valley's Touch a Truck and a National Night Out Community event.

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 2025. 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 2025. 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 an updated tablet program established in 2024, 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.

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 twelfth 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, 2024 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.

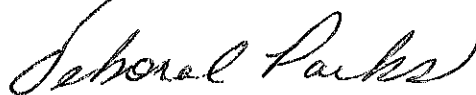
The Jail Authority continues to demonstrate excellence in its processes and procedures. The jail is in full compliance with all standards as set forth by the Virginia Board of Local and Regional Jails following their inspection in 2025. The Jail continues to operate under procedures which were 100% certified 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 in 2024 resulted in a 100% compliance rating.

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". The signature is written in a cursive style with a large initial "D".

Colonel David F. Cox, Superintendent

A handwritten signature in black ink, appearing to read "Deborah Parks". The signature is written in a cursive style with a large initial "D".

Deborah Parks, CPA Finance Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Western Virginia Regional Jail Authority

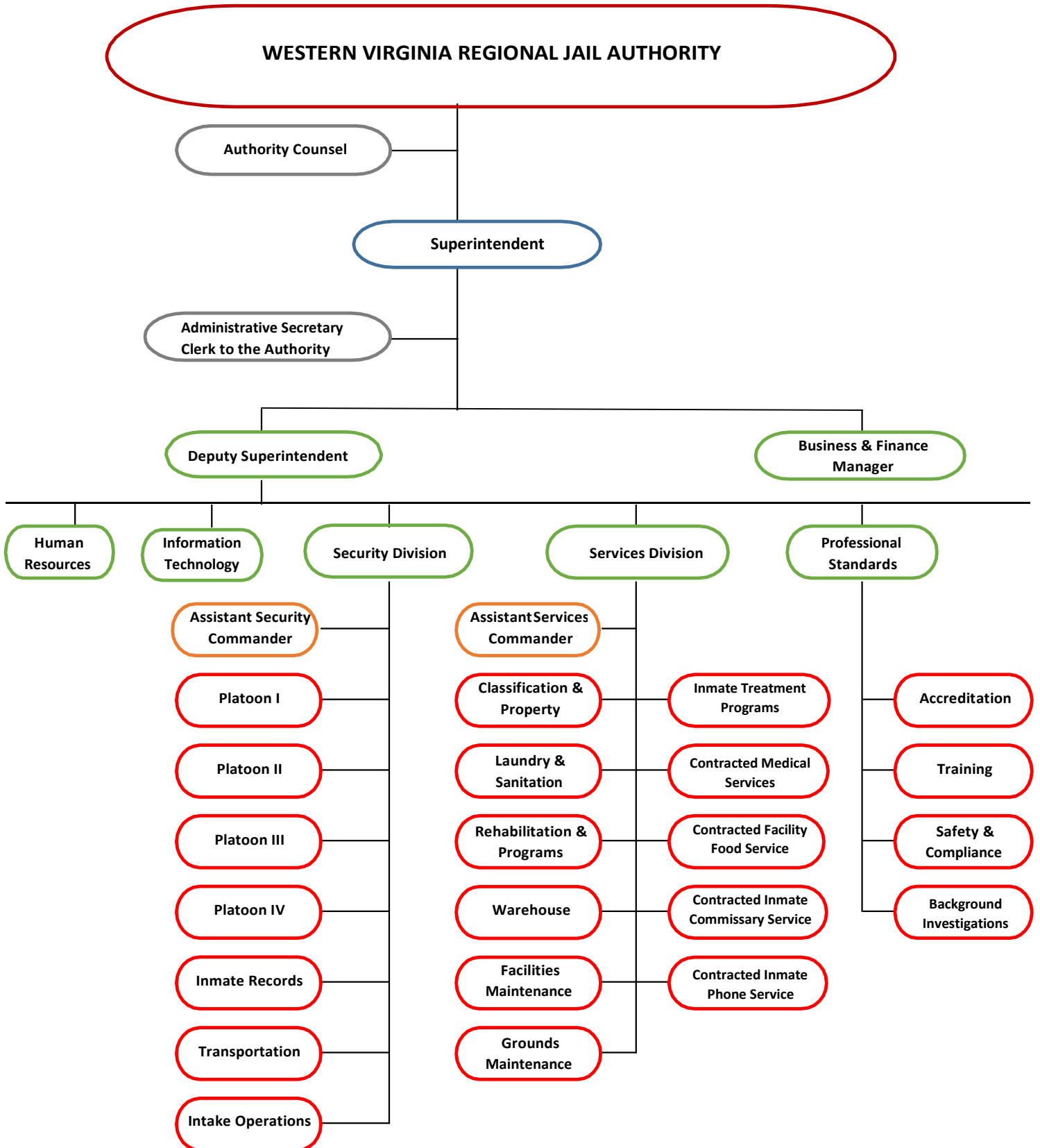
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

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, 2025**

Board Members

<u>Locality/Title</u>	<u>Primary</u>	<u>Alternate</u>
City of Salem		
Sheriff	Chris Shelor	Steven Garber
Administrator or Designee	Rosie Jordan	Chris Dorsey
Council Member	Randy Foley	Hunter Holliday
County of Franklin		
Sheriff	Bill Overton	Duane Amos
Administrator or Designee	Christopher L. Whitlow, Chair	Brian Carter
Board Member	Ron Thompson	Timothy Tatum
County of Montgomery		
Sheriff	C.H. Partin	Jason Cochran
Administrator or Designee	Angela Hill, Secretary	Terri Mitchell
Board Member	Steve Fijalkowski	Mary Biggs
County of Roanoke		
Sheriff	Eric Orange	Chad Beheler/Brent Hudson
Administrator or Designee	Rebecca Owens, Treasurer	Laurie Gearheart
Board Member	Paul Mahoney, Vice Chair	Martha Hooker

Officials

David F. Cox.....	Superintendent
Christopher Hayes	Deputy Superintendent
Scott Booher	Security Division Commander
Frederick Hiner.....	Services Division Commander
Kristopher Johnston	Professional Standards Unit
Phaedra Ginger	Human Resources Manager
Deborah Parks	Finance Manager
Andrew Bono.....	I.T. Manager
Sarah Fox.....	Clerk to the Authority

Financial Section



Independent Auditors' Report

**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, 2025, 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 the Western Virginia Regional Jail Authority, as of June 30, 2025, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Change in Accounting Principle

As described in Note 12 to the financial statements, in 2025, the Western Virginia Regional Jail Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balance

As described in Note 12 to the financial statements, in 2025, the Western Virginia Regional Jail Authority restated beginning balances to include additional vacation leave as part of compensated absences, as defined by GASB 101.

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 the 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 do 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 15, 2025, 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 15, 2025

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, 2025. 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, 2025 by \$40,080,636 (net position). Of this amount, \$19,882,090 (unrestricted net position) may be used to meet the Authority's future obligations to members and creditors.
- Operating revenues increased slightly by \$260,093 or 1.4% from 2024, due to a steady inmate population with no increase in per diem rate.
- Operating expenses increased by \$2,630,442, a 10.7% increase from 2024. 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, as restated, by \$2,164,020. 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:

	2025	2024
ASSETS		
Current assets	\$ 25,199,078	\$ 24,380,085
Noncurrent assets and investments	7,688,888	8,137,722
Capital assets, net	57,823,948	58,806,128
Total assets	\$ 90,711,914	\$ 91,323,935
DEFERRED OUTFLOWS OF RESOURCES	\$ 5,163,834	\$ 4,428,190
LIABILITIES		
Current liabilities	\$ 6,019,601	\$ 5,256,794
Long term liabilities	47,981,408	50,529,866
Total liabilities	\$ 54,001,009	\$ 55,786,660
DEFERRED INFLOWS OF RESOURCES	\$ 1,794,103	\$ 1,949,869
NET POSITION		
Net investment in capital assets	\$ 10,883,133	\$ 9,284,165
Restricted	9,315,413	9,972,966
Unrestricted	19,882,090	18,758,465
Total net position	\$ 40,080,636	\$ 38,015,596

Beginning net position was restated during the fiscal year 2025 due to the implementation of GASB Statement No. 101.

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 \$40,080,636 at the close of fiscal year 2025. This is an increase compared to last year's net position of \$38,015,596.

A portion of the Authority's net position, 27.2%, reflects its investment in capital assets (e.g. land, land improvements, 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, 49.6%, 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>2025</u>	<u>2024</u>
REVENUES:		
OPERATING REVENUES		
Charges for services - member jurisdictions	\$ 15,125,020	\$ 14,294,383
Charges for services - nonmember jurisdictions	58,725	39,240
Charges for services - U.S. Marshal Service	2,068,659	2,966,896
Commonwealth of Virginia - per diem charges	687,934	481,114
Payphone commissions	671,615	522,126
Commissary revenue	516,490	565,385
Other operating revenue	236,952	236,158
Total operating revenues	<u>\$ 19,365,395</u>	<u>\$ 19,105,302</u>
NONOPERATING REVENUES		
Commonwealth of Virginia - Compensation Board	10,323,615	9,741,018
State and federal grant revenue	580,383	688,800
Interest income	879,077	764,041
Gain on disposal of assets	61,810	1,151
Total nonoperating revenues	<u>\$ 11,844,885</u>	<u>\$ 11,195,010</u>
Total revenues	<u>\$ 31,210,280</u>	<u>\$ 30,300,312</u>
EXPENSES:		
OPERATING EXPENSES		
Salaries, wages and fringe benefits	\$ 15,339,861	\$ 13,557,001
Medical services	5,158,958	4,207,414
Food services	1,115,075	1,033,218
Contractual services	586,599	579,323
Repairs and maintenance	293,977	277,980
Utilities	974,930	946,549
Materials and supplies	501,550	600,155
Other operating expenses	536,233	699,637
Depreciation	2,734,459	2,709,923
Total operating expenses	<u>\$ 27,241,642</u>	<u>\$ 24,611,200</u>
NONOPERATING EXPENSES		
Interest expense	\$ 1,804,618	\$ 1,867,407
Total expenses	<u>\$ 29,046,260</u>	<u>\$ 26,478,607</u>
Change in net position	<u>\$ 2,164,020</u>	<u>\$ 3,821,705</u>
Total net position, beginning of year	\$ 38,015,596	\$ 34,193,891
Restatement (see note below)*	(98,980)	-
Total net position, beginning of year, as restated	<u>\$ 37,916,616</u>	<u>\$ 34,193,891</u>
Total net position, end of year	<u>\$ 40,179,616</u>	<u>\$ 38,015,596</u>

*Beginning net position was restated, as a result of the Jail implementing GASB Statement No. 101 in fiscal year 2025.

- Operating revenues increased slightly by \$260,093 or 1.4% from 2024, due to a steady inmate population with no increase in per diem rate.
- Operating expenses increased by \$2,630,442, a 10.7% increase from 2024. This increase is mainly attributable to increased personnel costs and inflation.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the Authority had invested \$57,823,948 net of accumulated depreciation, in a variety of capital assets including land, land improvements, buildings, machinery, equipment and vehicles. The decrease in capital assets from the prior year is primarily attributed to the current year depreciation expense of \$2,734,459, offset by two projects continuing to fiscal year 2026 for security cameras and a jail tracker software system.

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:

	2025	2024
Capital Assets		
Land	\$ 2,351,807	\$ 2,351,807
Construction in progress	1,218,679	-
Land improvements	94,826	86,826
Buildings	89,770,295	89,770,295
Machinery, equipment and vehicles	6,521,680	6,032,193
Less: accumulated depreciation	(42,133,339)	(39,434,993)
Total capital assets	\$ 57,823,948	\$ 58,806,128

Debt

At June 30, 2025, the Authority had \$47,710,000 in revenue bonds outstanding, a decrease of \$2,510,000 from June 30, 2024.

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.

Basic Financial Statements

Western Virginia Regional Jail Authority
Statement of Net Position
June 30, 2025

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 22,134,970
Interest receivable	8,537
Accounts receivable	1,482,663
Due from the Commonwealth	1,176,486
Due from the Federal Government	196,141
Inventories	200,281
Total current assets	<u>\$ 25,199,078</u>
Noncurrent Assets:	
Cash and cash equivalents - restricted	\$ 17,802
Net pension asset	7,671,086
Capital assets:	
Land	2,351,807
Construction in progress	1,218,679
Land improvements	94,826
Buildings	89,770,295
Equipment	6,521,680
Accumulated depreciation	<u>(42,133,339)</u>
Net capital assets	<u>\$ 57,823,948</u>
Total noncurrent assets	<u>\$ 65,512,836</u>
Total assets	<u>\$ 90,711,914</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	\$ 2,605,407
Pension related items	2,440,685
OPEB related items	117,742
Total deferred outflows of resources	<u>\$ 5,163,834</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,556,929
Accrued payroll and withholdings	933,398
Accrued interest payable	151,956
Unearned revenue	24,761
Compensated absences - current portion	450,027
Revenue bonds payable - current portion	2,902,530
Total current liabilities	<u>\$ 6,019,601</u>
Noncurrent liabilities:	
Compensated absences - net of current portion	\$ 928,731
Revenue bonds payable - net of current portion	46,643,692
Net OPEB liability	408,985
Total noncurrent liabilities	<u>\$ 47,981,408</u>
Total liabilities	<u>\$ 54,001,009</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 1,682,216
OPEB related items	111,887
Total deferred inflows of resources	<u>\$ 1,794,103</u>
NET POSITION	
Net investment in capital assets	\$ 10,883,133
Restricted - net pension asset	7,671,086
Restricted - jail fees	1,059,723
Restricted - commissary revenue	584,604
Unrestricted	19,882,090
Total net position	<u>\$ 40,080,636</u>

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

Western Virginia Regional Jail Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

OPERATING REVENUES	
Charges for services - member jurisdictions	\$ 15,125,020
Charges for services - nonmember jurisdictions	58,725
Charges for services - U.S. Marshals Service	2,068,659
Commonwealth of Virginia - per diem charges	687,934
Payphone commissions	671,615
Commissary revenue	516,490
Miscellaneous income	82,136
Miscellaneous fees	154,816
Total operating revenues	<u>\$ 19,365,395</u>
OPERATING EXPENSES	
Salaries and wages	\$ 11,618,341
Fringe benefits	3,721,520
Medical services	5,158,958
Food services	1,115,075
Contractual services	586,599
Repairs and maintenance	293,977
Utilities	974,930
Materials and supplies	501,550
Other	536,233
Depreciation	2,734,459
Total operating expenses	<u>\$ 27,241,642</u>
Operating income (loss)	<u>\$ (7,876,247)</u>
NONOPERATING REVENUES (EXPENSES)	
Commonwealth of Virginia - Compensation Board	\$ 10,323,615
Federal grant revenue	185,383
State grant revenue	395,000
Gain (loss) on disposal of assets	61,810
Interest income	879,077
Interest expense	(1,804,618)
Total nonoperating revenues (expenses)	<u>\$ 10,040,267</u>
Change in net position	<u>\$ 2,164,020</u>
Total net position, beginning, as previously reported	\$ 38,015,596
Restatement due to adoption of a new accounting principle (note 12)	(98,980)
Total net position, beginning, as restated	<u>\$ 37,916,616</u>
Total net position, end of year	<u><u>\$ 40,080,636</u></u>

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, 2025

Cash Flows from Operating Activities	
Receipts from customers	\$ 19,051,338
Payments to suppliers	(8,498,071)
Payments to employees	(15,800,529)
Net cash provided by (used for) operating activities	\$ <u>(5,247,262)</u>
Cash Flows from Noncapital Financing Activities	
Operating grants	\$ 11,876,902
Net cash provided by (used for) noncapital financing activities	\$ <u>11,876,902</u>
Cash Flows from Capital and Related Financing Activities	
Purchase and construction of capital assets	\$ (1,752,279)
Proceeds from sales of capital assets	61,810
Principal paid on revenue bonds	(2,510,000)
Interest expense	(1,886,225)
Net cash provided by (used for) capital and related financing activities	\$ <u>(6,086,694)</u>
Cash Flows from Investing Activities	
Interest income	\$ 887,822
Net cash provided by (used for) investing activities	\$ <u>887,822</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,430,768
Cash and cash equivalents at the beginning of the year (includes restricted of \$33,108)	<u>20,722,004</u>
Cash and cash equivalents at the end of the year (includes restricted of \$17,802)	\$ <u><u>22,152,772</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (7,876,247)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	2,734,459
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	(338,818)
Inventories	(15,750)
Net pension asset	433,528
Deferred outflows of resources related to pension and OPEB plans	(985,325)
Accounts payable (operating)	685,001
Accrued payroll and withholdings	85,988
Unearned revenue	24,761
Compensated absences	205,382
Net OPEB liability	(44,475)
Deferred inflows of resources related to pension and OPEB plans	(155,766)
Net cash provided by (used for) operating activities	\$ <u><u>(5,247,262)</u></u>

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

Western Virginia Regional Jail Authority
 Statement of Fiduciary Net Position
 June 30, 2025

		Custodial Fund Inmate Account
ASSETS		
Cash and cash equivalents	\$	138,169
Total assets	\$	138,169
LIABILITIES		
Accounts payable	\$	104,610
Total liabilities	\$	104,610
NET POSITION		
Restricted - held for inmates	\$	33,559
Total net position	\$	33,559

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, 2025

		<u>Custodial Fund</u> <u>Inmate Account</u>
ADDITIONS		
Inmate deposits	\$	2,070,003
Miscellaneous		2,335
Total additions	\$	<u>2,072,338</u>
DEDUCTIONS		
Vendor payments for the benefit of inmates	\$	691,587
Phone charges		500,224
Inmate refunds		168,521
Payments to the commissary account		689,775
Miscellaneous		5,094
Total deductions	\$	<u>2,055,201</u>
Net increase (decrease) in fiduciary net position	\$	<u>17,137</u>
Total net position, beginning of year	\$	<u>16,422</u>
Total net position, end of year	\$	<u><u>33,559</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, 2025

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, 2025 (continued)

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. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources 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. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has 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.

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.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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.

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, 2025, short-term investments reported as cash and cash equivalents totaled \$17,802.

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.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

K. Budgets and Budgetary Accounting

A budget is prepared for informational, 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. Marshals Service. Management does not feel that an allowance of outstanding 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 are recorded as 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 \$17,802 restricted for the payment of bonds.

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 Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, one type of leave qualifies for liability recognition for compensated absences - vacation leave. The liability for compensated absences is reported as incurred in the financial statements. Limited vacation leave may be accumulated until retirement or termination. Accumulated vacation is paid at the employee's current wage upon retirement or termination. The liability for compensated absences includes salary-related benefits, where applicable.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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.

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).

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 2-Deposits and Investments: (continued)

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, 2025, 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, 2025 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale.

<u>Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Money Market Mutual Funds	\$ 17,802
Total	\$ <u>17,802</u>

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.

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.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 3-Fair Value Measurement: (continued)

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, 2025:

	Fair Value Measurement Using Level 1 - Quoted Prices in Active Markets for Identical Assets
Money Market Mutual Funds	\$ 17,802
Total	\$ 17,802

Note 4-Long-Term Obligations:

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

	Balance July 1, 2024, as restated	Issuances/ Additions	Retirements/ Reductions	Balance June 30, 2025	Amount Due Within One Year
Revenue Bonds	\$ 50,220,000	\$ -	\$ (2,510,000)	\$ 47,710,000	\$ 2,640,000
Unamortized Premiums	2,204,122	-	(324,458)	1,879,664	266,159
Original Issuance Discount	(47,071)	-	3,629	(43,442)	(3,629)
Compensated Absences*	1,173,376	205,382	-	1,378,758	450,027
Net OPEB Liability (GLI)	453,460	176,042	(220,517)	408,985	-
Total	\$ 54,003,887	\$ 381,424	\$ (3,051,346)	\$ 51,333,965	\$ 3,352,557

*The change in the compensated absences liability represents a net change for the year.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 4-Long-Term Obligations: (continued)

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

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2026	\$ 2,640,000	\$ 1,757,474
2027	2,775,000	1,640,044
2028	2,885,000	1,533,661
2029	2,980,000	1,436,270
2030	3,070,000	1,345,706
2031-2035	17,060,000	5,022,867
2036-2039	16,300,000	1,370,956
Totals	\$ <u>47,710,000</u>	\$ <u>14,106,978</u>

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Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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.	\$ 9,035,000
\$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	1,879,664
Less: Original Issuance Discount	<u>(43,442)</u>
Total Revenue Bonds	\$ 49,546,222
Other Liabilities:	
Compensated Absences	1,378,758
Net OPEB Liability (GLI)	<u>408,985</u>
Total Long-term Obligations	<u>\$ 51,333,965</u>

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Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 5-Capital Assets:

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,351,807	\$ -	\$ -	\$ 2,351,807
Construction in progress	-	1,218,679	-	1,218,679
Total capital assets not being depreciated	<u>\$ 2,351,807</u>	<u>\$ 1,218,679</u>	<u>\$ -</u>	<u>\$ 3,570,486</u>
Capital assets, being depreciated:				
Land improvements	\$ 86,826	\$ 8,000	\$ -	\$ 94,826
Buildings	89,770,295	-	-	89,770,295
Machinery and equipment	6,032,193	525,600	(36,113)	6,521,680
Total capital assets being depreciated	<u>\$ 95,889,314</u>	<u>\$ 533,600</u>	<u>\$ (36,113)</u>	<u>\$ 96,386,801</u>
Accumulated depreciation:				
Land improvements	\$ (45,389)	\$ (8,983)	\$ -	\$ (54,372)
Buildings	(34,359,042)	(2,311,397)	-	(36,670,439)
Machinery and equipment	(5,030,562)	(414,079)	36,113	(5,408,528)
Total accumulated depreciation	<u>\$ (39,434,993)</u>	<u>\$ (2,734,459)</u>	<u>\$ 36,113</u>	<u>\$ (42,133,339)</u>
Capital assets being depreciated, net	<u>\$ 56,454,321</u>	<u>\$ (2,200,859)</u>	<u>\$ -</u>	<u>\$ 54,253,462</u>
Capital assets, net of depreciation	<u>\$ 58,806,128</u>	<u>\$ (982,180)</u>	<u>\$ -</u>	<u>\$ 57,823,948</u>

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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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, 2025 (continued)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	32
Inactive members:	
Vested inactive members	38
Non-vested inactive members	150
Active elsewhere in VRS	150
Total inactive members	<u>338</u>
Active members	<u>161</u>
Total covered employees	<u><u>531</u></u>

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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, 2025 was 11.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Western Virginia Regional Jail Authority were \$1,156,436 and \$925,805 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$11,281 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$14,756 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,128,056 for the year ended June 30, 2025.

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

Actuarial Assumptions - General Employees

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

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% of 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, 2025 (continued)

Note 6-Pension Plan: (continued)

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

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

All Others (Non 10 Largest) - 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, 2025 (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:

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

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2023	\$ 22,249,557	\$ 30,354,171	\$ (8,104,614)
Changes for the year:			
Service cost	\$ 1,806,944	\$ -	\$ 1,806,944
Interest	1,607,152	-	1,607,152
Differences between expected and actual experience	1,393,236	-	1,393,236
Contributions - employer	-	925,805	(925,805)
Contributions - employee	-	457,136	(457,136)
Net investment income	-	3,007,281	(3,007,281)
Benefit payments, including refunds of employee contributions	(493,676)	(493,676)	-
Administrative expenses	-	(17,151)	17,151
Other changes	-	733	(733)
Net changes	\$ 4,313,656	\$ 3,880,128	\$ 433,528
Balances at June 30, 2024	\$ 26,563,213	\$ 34,234,299	\$ (7,671,086)

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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)	\$ (3,301,165)	\$ (7,671,086)	\$ (11,164,131)

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

For the year ended June 30, 2025, the Western Virginia Regional Jail Authority recognized pension expense of \$457,491. At June 30, 2025, 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	\$ 999,667	\$ 862,394
Changes of assumptions	284,582	-
Net difference between projected and actual earnings on pension plan investments	-	819,822
Employer contributions subsequent to the measurement date	1,156,436	-
Total	\$ 2,440,685	\$ 1,682,216

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Western Virginia Regional Jail Authority
 Notes to the Financial Statements
 June 30, 2025 (continued)

Note 6-Pension Plan: (continued)

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

\$1,156,436 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2026	\$ (599,928)
2027	350,119
2028	37,625
2029	(185,783)

Pension Plan Data

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

Note 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.

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 \$9,532 as of June 30, 2025.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$49,610 and \$50,804 for the years ended June 30, 2025 and June 30, 2024, respectively.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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, 2025, the entity reported a liability of \$408,985 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.03665% as compared to 0.03781% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense / (benefit) of \$(3,476). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 64,506	\$ 9,990
Net difference between projected and actual earnings on GLI OPEB program investments	-	34,473
Change in assumptions	2,331	20,268
Changes in proportionate share	1,295	47,156
Employer contributions subsequent to the measurement date	<u>49,610</u>	<u>-</u>
Total	<u>\$ 117,742</u>	<u>\$ 111,887</u>

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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 (continued)

\$49,610 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (32,399)
2027	(7,288)
2028	(10,644)
2029	2,324
2030	4,252

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups 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, 2025 (continued)**

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience 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, 2025 (continued)

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, 2024, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

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

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

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Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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:

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

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (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, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	\$ 636,025	\$ 408,985	\$ 225,567

GLI Plan Fiduciary Net Position

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

Note 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, 2025 (continued)

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 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, 2025 was \$52,355.

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	\$ 990,187
Department of Corrections	2,587
Mental Health Grant Reimbursement	183,712
Total	<u>\$ 1,176,486</u>
Due from Federal Government	
RSAT Grant Reimbursement	\$ 12,668
Opioid Grant Reimbursement	3,758
Immigration and Customs Enforcement	5,382
US Marshal	174,333
Total	<u>\$ 196,141</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, 2025 (continued)

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-Adoption of Accounting Principle:

The Authority implemented provisions of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Beginning net position for the Authority was restated to include additional types of vacation leave in compensated absences as part of implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

	<u>Net Position</u>
Beginning balance, as previously reported	\$ 38,015,596
Increase in compensated absences	(98,980)
Beginning balance, as restated	<u>\$ 37,916,616</u>

Note 13-Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

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, 2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability	\$ 1,806,944	\$ 1,641,783	\$ 1,522,806	\$ 1,547,418	\$ 1,476,898	\$ 1,373,897	\$ 1,389,630	\$ 1,361,538	\$ 1,359,306	\$ 1,292,320
Service cost	1,607,152	1,456,510	1,375,222	1,070,217	941,362	809,013	721,204	644,883	532,601	455,486
Interest	-	-	-	1,300,950	-	565,223	-	(128,173)	-	-
Assumption changes	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,393,236	(577,701)	(1,409,198)	(578,222)	(273,899)	(202,658)	(705,293)	(656,756)	(170,538)	(543,492)
Benefit payments	(493,676)	(414,356)	(392,719)	(296,434)	(174,353)	(139,067)	(163,170)	(99,226)	(135,448)	(69,890)
Net change in total pension liability	\$ 4,313,656	\$ 2,106,236	\$ 1,096,111	\$ 3,043,929	\$ 1,970,008	\$ 2,406,408	\$ 1,242,371	\$ 1,122,266	\$ 1,585,921	\$ 1,134,424
Total pension liability - beginning	\$ 22,249,557	\$ 20,143,321	\$ 19,047,210	\$ 16,003,281	\$ 14,033,273	\$ 11,626,865	\$ 10,384,494	\$ 9,262,228	\$ 7,676,307	\$ 6,541,883
Total pension liability - ending (a)	\$ 26,563,213	\$ 22,249,557	\$ 20,143,321	\$ 19,047,210	\$ 16,003,281	\$ 14,033,273	\$ 11,626,865	\$ 10,384,494	\$ 9,262,228	\$ 7,676,307
Plan fiduciary net position	\$ 925,805	\$ 872,936	\$ 732,050	\$ 779,941	\$ 804,847	\$ 767,926	\$ 778,934	\$ 742,395	\$ 883,707	\$ 869,478
Contributions - employer	457,136	430,517	394,772	420,480	436,161	415,969	405,105	384,203	381,831	375,680
Contributions - employee	3,007,281	1,840,799	(58,603)	5,757,282	369,706	1,176,879	1,107,497	1,541,333	225,981	449,948
Net investment income	(493,676)	(414,356)	(392,719)	(296,434)	(174,353)	(139,067)	(163,170)	(99,226)	(135,448)	(69,890)
Benefit payments	(17,151)	(17,231)	(16,349)	(13,079)	(11,440)	(10,186)	(8,533)	(7,730)	(5,919)	(4,878)
Administrator charges	733	752	650	554	(458)	(754)	(1,056)	(1,425)	(87)	(99)
Other	3,880,128	2,713,417	659,801	6,648,744	1,424,463	2,210,767	2,118,797	2,559,550	1,350,065	1,620,239
Net change in plan fiduciary net position	\$ 30,354,171	\$ 27,640,754	\$ 26,980,953	\$ 20,332,209	\$ 18,907,746	\$ 16,696,979	\$ 14,578,182	\$ 12,018,632	\$ 10,668,567	\$ 9,048,328
Plan fiduciary net position - beginning	\$ 34,234,299	\$ 30,354,171	\$ 27,640,754	\$ 26,980,953	\$ 20,332,209	\$ 18,907,746	\$ 16,696,979	\$ 14,578,182	\$ 12,018,632	\$ 10,668,567
Plan fiduciary net position - ending (b)	\$ (7,671,086)	\$ (8,104,614)	\$ (7,497,433)	\$ (7,933,743)	\$ (4,328,928)	\$ (4,874,473)	\$ (5,070,114)	\$ (4,193,688)	\$ (2,756,404)	\$ (2,992,260)
Authority's net pension liability (asset) - ending (a) - (b)	\$ 128,888	\$ 136,433	\$ 137,228	\$ 141,655	\$ 127,055	\$ 134,746	\$ 143,616	\$ 140,388	\$ 129,706	\$ 138,988
Plan fiduciary net position as a percentage of the total pension liability	\$ 9,342,874	\$ 8,746,646	\$ 8,008,144	\$ 8,500,460	\$ 8,808,953	\$ 8,377,749	\$ 8,079,335	\$ 7,674,184	\$ 7,649,867	\$ 7,523,787
Covered payroll	82.11%	92.66%	93.62%	93.33%	49.14%	58.18%	62.75%	54.65%	36.03%	39.77%
Authority's net pension asset as a percentage of covered payroll										

Western Virginia Regional Jail Authority
 Schedule of Employer Contributions - Pension Plan
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution* (1)	Contributions in Relation to Contractually Required Contribution* (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 1,156,436	\$ 1,156,436	\$ -	\$ 10,440,205	11.08%
2024	925,805	925,805	-	9,342,874	9.91%
2023	872,936	872,936	-	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%

* 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, 2025

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each 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, 2024

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)
2024	0.03665% \$	408,985 \$	9,409,316	4.35%	73.41%
2023	0.03781%	453,460	8,905,419	5.09%	69.30%
2022	0.03771%	454,065	8,202,195	5.54%	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, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 49,610	\$ 49,610	\$ -	\$ 10,555,146	0.47%
2024	50,804	50,804	-	9,409,316	0.54%
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%

**Western Virginia Regional Jail Authority
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2025**

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. 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

Statistical Section

Statistical Section

This part of Western Virginia Regional Jail Authority's annual comprehensive 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

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

	2025 (2)	2024	2023	2022	2021	2020	2019	2018 (1)	2017	2016
Net investment in capital assets	\$ 10,883,133	\$ 9,284,165	\$ 8,914,186	\$ 8,962,600	\$ 9,100,633	\$ 9,083,393	\$ 9,329,764	\$ 8,782,199	\$ 10,283,788	\$ 11,268,790
Restricted	9,315,413	9,972,966	10,947,898	11,139,248	7,129,305	2,130,471	2,268,173	2,094,556	2,237,792	1,704,780
Unrestricted	19,882,090	18,758,465	14,331,807	13,343,770	17,119,262	22,594,386	22,037,388	22,749,835	21,085,410	19,844,362
Total Net Position	\$ 40,080,636	\$ 38,015,596	\$ 34,193,891	\$ 33,445,618	\$ 33,349,200	\$ 33,808,250	\$ 33,635,325	\$ 33,626,590	\$ 33,606,990	\$ 32,817,932

(1) The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year and restated beginning net position accordingly.

(2) The Authority implemented provisions of GASB Statement 101 during the 2025 fiscal year, resulting in a restatement of beginning net position for the 2025 fiscal year of \$98,980.

Source: Financial Statements

Table 2

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

	2025 (2)	2024	2023	2022	2021	2020	2019	2018 (1)	2017	2016
OPERATING REVENUES										
Charges for services - member jurisdictions	\$ 15,125,020	\$ 14,294,383	\$ 11,001,398	\$ 9,917,822	\$ 11,010,223	\$ 11,480,980	\$ 10,222,549	\$ 9,949,801	\$ 11,066,808	\$ 10,527,638
Charges for services - nonmember jurisdictions	58,725	39,240	127,681	612,806	387,756	379,891	766,137	1,002,858	280,765	214,411
Charges for services - U.S. Marshals Service	2,068,659	2,966,896	2,606,539	2,802,282	2,645,060	3,018,138	2,630,977	1,949,666	1,874,784	1,866,586
Commonwealth of Virginia - per diem charges	687,934	481,114	333,736	648,394	991,999	721,103	743,376	1,091,476	1,368,079	1,363,398
Payphone commissions	671,615	522,126	470,468	485,723	360,989	360,989	344,629	339,525	335,936	323,440
Commissary sales	516,490	585,385	538,084	730,726	832,917	682,353	658,071	578,509	561,670	515,740
Miscellaneous income	82,136	83,989	66,839	117,366	104,430	97,247	117,614	141,480	88,400	73,773
Miscellaneous fees	154,816	152,169	162,770	213,326	231,470	193,454	205,051	159,132	190,999	163,200
Total operating revenues	\$ 19,365,395	\$ 19,105,302	\$ 15,307,515	\$ 15,528,445	\$ 16,894,908	\$ 16,934,155	\$ 15,688,404	\$ 15,212,447	\$ 15,767,441	\$ 15,048,186
OPERATING EXPENSES										
Salaries and wages	\$ 11,618,341	\$ 10,535,538	\$ 9,989,574	\$ 9,504,812	\$ 9,720,783	\$ 9,798,424	\$ 9,231,567	\$ 8,732,154	\$ 8,483,616	\$ 8,213,176
Fringe benefits	3,721,520	3,021,463	1,948,271	2,092,477	3,010,577	2,295,437	2,161,006	2,446,859	2,636,700	3,366,800
Medical services	5,158,958	4,207,414	4,019,866	4,212,762	4,270,833	4,166,860	3,647,240	2,621,543	2,429,664	2,357,869
Food services	1,115,075	1,033,218	921,868	978,509	918,643	963,083	949,480	883,814	916,869	868,241
Contractual services	586,599	579,323	574,808	556,424	546,061	483,737	676,406	782,839	569,217	473,696
Repairs and maintenance	293,977	277,980	294,704	281,965	287,943	310,835	305,184	323,899	324,399	343,591
Utilities	974,930	946,549	856,107	785,249	752,463	795,078	795,360	742,261	762,705	728,303
Materials and supplies	501,550	600,155	481,289	569,716	646,528	597,222	611,434	463,717	696,235	564,684
Other	536,233	699,637	600,864	555,907	564,036	620,346	557,909	569,858	396,763	327,814
Depreciation	2,734,459	2,709,923	2,668,016	2,670,818	2,633,892	2,652,149	2,651,023	2,537,231	2,509,691	2,556,593
Total operating expenses	\$ 27,241,642	\$ 24,611,200	\$ 22,355,367	\$ 22,208,639	\$ 23,351,759	\$ 22,643,171	\$ 21,586,609	\$ 20,104,175	\$ 19,725,859	\$ 19,800,767
Operating income (loss)	\$ (7,876,247)	\$ (5,505,898)	\$ (7,047,852)	\$ (6,680,194)	\$ (6,456,851)	\$ (5,709,016)	\$ (5,898,205)	\$ (4,891,728)	\$ (3,958,418)	\$ (4,752,581)
NONOPERATING REVENUES (EXPENSES)										
Commonwealth of Virginia - Compensation Board	\$ 10,323,615	\$ 9,741,018	\$ 8,834,162	\$ 7,653,128	\$ 7,367,645	\$ 7,285,284	\$ 7,028,478	\$ 6,999,033	\$ 6,780,508	\$ 6,840,359
Federal grant revenue	185,383	277,468	125,763	759,441	207,563	190,857	133,280	50,379	76,607	69,024
State grant revenue	395,000	411,332	308,812	314,918	401,084	423,485	383,571	355,284	89,181	-
Gain (loss) on disposal of assets	61,810	1,151	-	(10,610)	-	2,279	-	-	-	-
Bond issuance costs	-	-	-	-	-	(353,956)	-	-	(252,849)	-
Interest income	879,077	764,041	330,502	27,261	30,998	325,229	374,710	240,852	123,277	110,762
Interest expense	(1,804,618)	(1,867,407)	(1,923,283)	(1,967,526)	(2,009,489)	(1,991,237)	(2,013,099)	(2,027,772)	(2,069,248)	(2,427,367)
Total nonoperating revenues (expenses)	\$ 10,040,267	\$ 9,327,603	\$ 7,675,956	\$ 6,776,612	\$ 5,997,801	\$ 5,881,941	\$ 5,906,940	\$ 5,617,776	\$ 4,747,476	\$ 4,592,778
Capital contributions	\$ -	\$ -	\$ 120,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in net position	\$ 2,164,020	\$ 3,821,705	\$ 748,273	\$ 96,418	\$ (459,050)	\$ 172,925	\$ 8,735	\$ 726,048	\$ 789,058	\$ (159,803)
Total net position, beginning of year	\$ 37,916,616	\$ 34,193,891	\$ 33,445,618	\$ 33,349,200	\$ 33,808,250	\$ 33,635,325	\$ 33,626,590	\$ 32,900,542	\$ 32,817,932	\$ 32,977,735
Total net position, end of year	\$ 40,080,636	\$ 38,015,596	\$ 34,193,891	\$ 33,445,618	\$ 33,349,200	\$ 33,808,250	\$ 33,635,325	\$ 33,626,590	\$ 33,606,990	\$ 32,817,932

(1) 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.

(2) The Authority implemented provisions of GASB Statement 101 during the 2025 fiscal year, resulting in a restatement of beginning net position for the 2025 fiscal year of \$98,980.

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)
2025	\$ 4,188,185	2,713,314	\$ 52.92	51,272	\$ 1,474,871	20.64	196	\$ 4,867,910	3,792,406	\$ 52.92	71,663	\$ 1,075,504	20.64	143
2024	4,039,616	2,945,580	52.92	55,661	1,094,036	17.87	168	4,452,385	3,420,273	52.92	64,631	1,032,112	17.87	158
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	2,174,252	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

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)
2025	\$ 4,665,424	3,292,471	\$ 52.92	62,216	\$ 1,372,953	20.64	182	\$ 1,403,501	1,082,796	\$ 52.92	20,461	\$ 320,705	20.64	43
2024	4,378,537	3,257,067	52.92	61,547	1,121,470	17.87	172	1,423,845	1,062,739	52.92	20,082	361,106	17.87	55
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

Fiscal Year	Commonwealth of Virginia						U.S. Marshals Service					
	Total Revenue	Debt Service	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Total Revenue	Inmate Transportation	Billed Inmate Days	Per Diem Rate	Inmate Days Billed		
2025	\$ 687,934	N/A	687,934	Various	N/A	\$ 2,068,659	\$140,343	\$1,928,316	\$ 78.00	24,772		
2024	481,114	N/A	481,114	Various	N/A	2,966,896	248,518	2,718,378	78.00	34,851		
2023	333,736	N/A	333,736	Various	N/A	2,606,539	138,069	2,468,470	68.00	36,301		
2022	648,394	N/A	648,394	Various	N/A	2,802,282	108,938	2,693,344	68.00	39,608		
2021	991,999	N/A	991,999	Various	N/A	2,802,282	108,938	2,693,344	68.00	39,608		
2020	721,103	N/A	721,103	Various	N/A	2,645,060	152,362	2,541,432	68.00	37,374		
2019	743,376	N/A	743,376	Various	N/A	3,018,138	103,628	2,865,776	56.59	50,641		
2018	1,091,476	N/A	1,091,476	Various	N/A	2,630,977	137,622	2,493,355	56.59	44,060		
2017	1,368,079	N/A	1,368,079	Various	N/A	1,949,666	102,625	1,847,041	56.59	32,639		
2016	1,363,398	N/A	1,363,398	Various	N/A	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) Debt service billings are based on each jurisdiction's 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

	Fiscal Year 2025		Fiscal Year 2016	
	Amount	%	Amount	%
Inmate Operating and Debt Per Diem Fees				
County of Franklin	\$ 4,188,185	23.35%	\$ 2,266,079	16.22%
County of Montgomery	4,867,910	27.13%	3,860,762	27.63%
County of Roanoke	4,665,424	26.01%	2,888,202	20.67%
City of Salem	1,403,501	7.82%	1,512,595	10.83%
Commonwealth of Virginia	687,934	3.83%	1,363,398	9.76%
U.S. Marshals Service	2,068,659	11.53%	1,866,586	13.36%
Subtotal	\$ 17,881,613	99.67%	\$ 13,757,622	98.47%
Balance from other sources	\$ 58,725	0.33%	214,411	1.53%
Grand Total	\$ 17,940,338	100.00%	\$ 13,972,033	100.00%

Source: Billing reports

Table 5

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

Fiscal Year	Total Revenue Bonds	Annual Total		Outstanding Debt to Personal Income	Total Population	Per Capita Personal Income	Outstanding Debt Per Capita
		Personal Income (1)	Personal Income (1)				
2025	\$ 49,546,222	\$	15,334,097	0.323%	277,848	\$ 55,189	178.32
2024	52,377,051		15,381,021	0.341%	277,580	55,411	188.69
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

(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

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
2025	\$ 19,365,395	\$ (24,507,183)	\$ 11,783,075	\$ 7,714,971	\$ 14,356,258	\$ 2,510,000	\$ 1,804,618	\$ 4,314,618	3.33
2024	19,105,302	(21,901,277)	11,193,859	7,671,298	16,069,182	2,390,000	1,867,407	4,257,407	3.77
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 (2)	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 (1)	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

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

(2) 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Civilian	8	8	10	16	15	23	24	25	32	28
Sworn	183	182	188	184	182	171	143	143	138	140
Total Employees	191	190	198	200	197	194	167	168	170	168

Source: WVRJA Human Resources

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

County of Montgomery			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2025	196	67	74
2024	177	68	66
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

County of Franklin			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2025	140	60	59
2024	152	61	63
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

City of Salem			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2025	56	51	28
2024	55	48	31
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

County of Roanoke			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2025	170	59	73
2024	169	62	68
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

Other			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2025	71	37	51
2024	98	38	67
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

Source: Daily Population Counts.

Table 9

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

Function/Program/Asset	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety:											
Jail:											
Land Improvement	1	0	0	0	0	0	0	0	0	0	1
Buildings	1	1	1	1	1	1	1	1	1	1	1
Machinery & Equipment	86	83	71	67	66	60	66	67	71	83	86
Vehicles	31	30	28	26	25	26	26	26	28	30	31
Total	119	114	100	94	93	87	93	94	100	114	119

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
2025	54,127	3.30	102,125	3.80	96,497	2.90	25,099	3.20
2024	54,182	3.10	101,894	3.50	96,519	2.80	24,985	3.20
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

Sources: Financial statements and Annual Comprehensive 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	2025		2016	
		Number of Employees	Rank	Number of Employees	Rank
Virginia Polytechnic Institute and State University	State University	5,000 +	1	5,000 +	1
Wells Fargo Operations Center	Private	2,500 to 2,999	2	1,000 +	4
Roanoke County Schools	Local Government	2,000 to 2,499	3	1,000 +	2
Veterans Administration Medical Center	Federal Hospital	2,000 to 2,499	4	1,000 +	3
Friendship Retirement Community	Private	1,000 to 1,499	5	-	-
County of Roanoke	Local Government	1,000 to 1,499	6	500 +	9
Lewis-Gale Hospital-HCA	Private	1,000 to 1,499	7	1,000 +	5
M. W. Manufacturers	Private	1,000 +	8	-	-
Moog, Inc.	Private	1,000 +	9	-	-
Montgomery County School Board	Local Government	1,000 +	10	1,000 +	7
Virginia Tech Corporate Research Center	Private	-	-	1,000 +	6
Franklin County Public Schools	Local Government	-	-	1,000 +	8
Ply Gem Windows	Private	-	-	500 +	10

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

Compliance Section



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

To the Honorable Members of
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, 2025, 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 15, 2025.

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 15, 2025