

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

FINANCIAL AND COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2024



ASSURANCE, TAX & ADVISORY SERVICES

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

(A Regional Jail organized and existing pursuant to provisions of Chapter 7.1
of Title 53 of the Code of Virginia (1950), as amended)

BOARD MEMBERS

Kaki Dimock – Albemarle
David Pastors – Albemarle

Diantha McKeel– Albemarle
Brian Pinkston -
Charlottesville
Sheriff James Brown -
Charlottesville

Robert Barton - Nelson
Ashley Reynolds Marshall -
Charlottesville
Candice McGarry - Nelson
Lisa Draine - Charlottesville

Sheriff Chan Bryant –
Albemarle

Sheriff Mark Embrey - Nelson

SUPERINTENDENT

Martin Kumer

CLERK OF THE BOARD

Marce Anderson

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board Members
Albemarle-Charlottesville Regional Jail Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Albemarle-Charlottesville Regional Jail Authority (Authority), as of and for the year ended June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities and the fiduciary activities of the Authority, as of June 30, 2024, and the respective 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 required supplementary information on pages 50 – 59 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The statements listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the statements listed in the table of contents as supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2025 on our consideration of the 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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
April 10, 2025

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2024

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 3,820,337
Prepaid items	220,622
Accounts receivable	198,364
Leases receivable, current portion	34,899
Due from other governments	<u>1,719,576</u>
Total current assets	<u>5,993,798</u>
Noncurrent Assets:	
Leases receivable, net of current portion	<u>755,880</u>
Capital Assets:	
Capital assets not being depreciated	
Land	74,947
Construction in progress	<u>735,579</u>
Total capital assets not being depreciated	<u>810,526</u>
Capital assets, being depreciated	
Buildings and improvements	22,702,036
Equipment	3,306,171
Vehicles	398,316
Accumulated depreciation	<u>(21,342,813)</u>
Total capital assets being depreciated, net	<u>5,063,710</u>
Right-to-Use Assets, being amortized:	
Right-to-use assets	39,071
Accumulated amortization	<u>(36,066)</u>
Total right-to-use assets, being amortized, net	<u>3,005</u>
Total capital assets, net	<u>5,877,241</u>
Total noncurrent assets	<u>6,633,121</u>
Total assets	<u>12,626,919</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Plan	2,406,719
Other Postemployment Benefits	<u>182,354</u>
Total deferred outflows of resources	<u>2,589,073</u>

STATEMENT OF NET POSITION (Continued)

June 30, 2024

LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 278,942
Accrued payable	1,848
Payroll payable	182,248
Compensated absences, current portion	81,448
Lease liability, current portion	3,222
Total current liabilities	547,708
Noncurrent Liabilities:	
Compensated absences, net of current portion	733,030
Long-term debt	726,383
Net pension liability	2,047,266
Total OPEB liability	2,943,453
Net OPEB liability	389,297
Total noncurrent liabilities	6,839,429
Total liabilities	7,387,137
DEFERRED INFLOWS OF RESOURCES	
OPEB Related Items	523,226
Leases	751,040
Pension Related Items	736,081
Total deferred inflows of resources	2,010,347
NET POSITION	
Net Position:	
Net investment in capital assets	5,147,636
Restricted for:	
Inmates	51,710
Employees	4,143
Unrestricted	615,019
Total net position	5,818,508
Total liabilities, deferred inflows of resources and net position	\$ 15,215,992

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year Ended June 30, 2024

	Operating
Operating Revenues:	
From local sources	
Charges for services	\$ 9,681,856
Commissary sales	205,260
Intergovernmental	
Revenue from the Commonwealth	430,575
Total operating revenues	10,317,691
Operating Expenses:	
Compensation and related items	13,228,464
Contractual services	1,376,594
Utilities	675,888
Food supplies	666,232
Inmate medical	594,175
Other charges	861,908
Commissary supplies	188,666
Amortization	12,022
Depreciation	778,481
Total operating expenses	18,382,430
Net operating loss	(8,064,739)
Nonoperating Revenues (Expenses):	
Intergovernmental revenues	
State	6,561,652
Federal	165,398
Debt service assessments	263,000
Interest income	140,133
Interest expense	(2,350)
Issuance costs on long term debt	(66,879)
Gain on sale of assets	19,947
Lease revenue	51,579
Other income	66,352
Nonoperating revenue, net	7,198,832
Change in net position	(865,907)
Net Position, beginning of year	6,684,415
Net Position, end of year	<u><u>\$ 5,818,508</u></u>

STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

	Operating
Operating Activities:	
Receipts from customers	\$ 10,411,074
Payments to suppliers	(4,403,531)
Payments to and for employees	(12,869,391)
	<u>(6,861,848)</u>
Net cash used in operating activities	(6,861,848)
Noncapital financing activities:	
Intergovernmental revenues received	5,637,984
Other	117,931
	<u>5,755,915</u>
Net cash provided by noncapital financing activities	5,755,915
Capital and Related Financing Activities:	
Debt service assessments	263,000
Interest and issuance costs on debt and lease liabilities	(69,229)
Purchase of capital assets	(1,015,827)
Proceeds from disposal of capital assets	19,947
Proceeds from issuance of long-term debt	726,383
Receipts on lease receivable	33,127
Principal payments on lease liabilities	(12,494)
	<u>(55,093)</u>
Net cash used in capital and related financing activities	(55,093)
Investing Activities:	
Interest income	140,133
	<u>140,133</u>
Net cash provided by investing activities	140,133
Change in cash and cash equivalents	(1,020,893)
Cash and Cash Equivalents, beginning of year	<u>4,841,230</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 3,820,337</u></u>

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2024

	Operating
Reconciliation of Operating Loss to Net Cash	
Used in Operating Activities:	
Operating loss	\$ (8,064,739)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	790,503
Changes in operating assets and deferred outflows of resources	
Prepaid items	(47,155)
Accounts receivable	145,117
Deferred outflows of resources - pension	(227,758)
Deferred outflows of resources - OPEB	(53,419)
Changes in operating liabilities and deferred inflows of resources	
Accounts payable	7,086
Accrued interest payable	1,848
Net pension liability	1,405,773
Net/total OPEB liabilities	5,352
Deferred inflows of resources - pension	(749,526)
Deferred inflows of resources - OPEB	(53,334)
Deferred inflows of resources - lease	(51,734)
Payroll payable	28,903
Compensated absences	1,235
Net cash used in operating activities	\$ (6,861,848)

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND
June 30, 2024

	<u>Custodial Fund Total</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 59,555</u>
NET POSITION	
Restricted for Inmates	<u>\$ 59,555</u>
Total net position	<u>\$ 59,555</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND
Year Ended June 30, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Contributions:	
Inmate deposits	\$ 675,876
Interest	<u>339</u>
Total additions	<u>676,215</u>
DEDUCTIONS	
Operating Expenses:	
Canteen payments	<u>724,939</u>
Total deductions	<u>724,939</u>
Net decrease in fiduciary net position	(48,724)
Net Position, beginning	<u>108,279</u>
Net Position, ending	<u><u>\$ 59,555</u></u>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Purpose

The Albemarle-Charlottesville Regional Jail Board (the “Jail Board”) was created pursuant to a resolution duly adopted by the City Council of the City of Charlottesville (the “City”) on April 9, 1974, and the Board of Supervisors of Albemarle County (the “County”) on April 18, 1974. The County and the City agreed to establish a regional jail known as the Albemarle-Charlottesville Joint Security Complex (the “Complex”), pursuant to the provisions of Chapter 7.1 of Title 53 of the *Code of Virginia* and including provisions to allocate costs of construction and operation. All property shall be held jointly by the City and the County.

Effective November 15, 1995, the Jail Board created the Albemarle-Charlottesville Regional Jail Authority (the “Authority”), pursuant to the provisions of Chapter 3, Article 3.1 of Title 53.1 of the *Code of Virginia*, and transferred all assets, liabilities and operation of the Complex to the Authority. Effective July 1998, Nelson County became a member of the Authority.

Note 2. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Authority has determined that it is a related organization to Albemarle County, Nelson County, and the City of Charlottesville, in accordance with the Governmental Accounting Standards Board. The Authority is a legally separate organization whose eleven Board members are appointed as follows: The Jail Board shall include the County Executive of Albemarle, County Administrator of Nelson, and City Manager of Charlottesville; Sheriffs of the City of Charlottesville, County of Albemarle, and County of Nelson; one member of City Council to be appointed by Council; one member of the Albemarle Board of Supervisors to be appointed by the Albemarle Board of Supervisors; one private Nelson County citizen or a currently serving member of the Nelson Board of Supervisors; and one private citizen each from the City of Charlottesville and the County of Albemarle. Since the Boards of Supervisors of Albemarle and Nelson or City Council cannot impose their will on the Authority, and since there is no potential financial benefit or burden in the relationship, neither Boards of Supervisors nor City Council are financially accountable for the Authority. Accordingly, the Authority is not considered a component unit of the City or Counties.

B. Basic Financial Statements

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

- Management’s Discussion and Analysis (Management has elected not to prepare the Management’s Discussion and Analysis in the current year)
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Change in Net Position
 - Statement of Cash Flows
 - Statement of Fiduciary Net Position – Fiduciary Fund
 - Statement of Changes in Fiduciary Net Position – Fiduciary Fund
 - Notes to Financial Statements

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements (Continued)

- Required Supplementary Information:
 - Schedule of Changes in Net Pension Liability and Related Ratios – Pension Plan
 - Schedule of Employer Contributions – Pension Plan
 - Notes to Required Supplementary Information – Pension Plan
 - Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios – Medical and Dental OPEB
 - Notes to Required Supplementary Information – Medical and Dental OPEB
 - Schedule of Employer's Share of Net OPEB Liability – Group Life Insurance Program
 - Schedule of Employer Contributions – OPEB – Group Life Insurance Program
 - Notes to Required Supplementary Information – GLI OPEB

C. Basis of Accounting

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America (GAAP). Accordingly, the Authority uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

Commissary funds are restricted for the benefit of inmates. Expenses paid with these funds include recreational and educational supplies, taxi services, counseling, and other items benefiting the inmates.

Fiduciary Fund (Custodial Fund) accounts for assets held by the Jail Authority in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. The inmate fund is the Authority's custodial fund. Fiduciary funds are maintained on the accrual basis of accounting and are not included in the financial statements.

D. Capital Assets

Capital assets of the Authority are stated at historical cost and depreciated on the straight-line basis (except for intangible right-to-use lease (lease assets), the measurement of which is discussed in more detail below). Donated capital assets are stated at their acquisition value on the date donated. The capitalization threshold for assets is \$5,000. There were no impaired capital assets at year end. Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-30
Equipment	3-20
Vehicles	3-5
Right-to-Use assets	3-5

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

E. Leases

Lessee: The Authority is a lessee for a noncancellable lease of certain equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Statement of Net Position. The Authority recognizes lease assets with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The Authority recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

E. Leases (Continued)

Key estimates and judgements include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

F. Use of Estimates

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

G. Operating and Nonoperating Revenues and Expenses

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

H. Cash and Cash Equivalents

The Authority's cash and cash equivalents consist of demand deposits.

I. Prepaid Items

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

J. Compensated Absences

Vacation pay and other related employee benefits are accrued when earned. At June 30, 2024, unpaid vacation and related benefits amounted to \$814,478.

K. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

L. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. When the Authority has deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt they are also included in the component of net position.

M. Net Position Flow Assumption

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.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. These items relate to the pension and other postemployment benefits (OPEB) plans. See Notes 8 through 11 for details regarding these items.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. These items relate to the pension and OPEB plans. See Notes 8 through 11 for details regarding these items.

O. Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan (the Authority's retirement plan) is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the 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.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

P. Other Postemployment Benefits

Group Life Insurance Program

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

Medical and Dental Plan

The Medical and Dental Insurance Program is a single employer pay as you go plan. Differences between expected and actual earnings on OPEB plan investments are recognized in collective OPEB expense using a systematic and rational method over a closed five year period. Plan amendments are recognized immediately.

Q. Subsequent Events

The Authority has evaluated subsequent events through April 10, 2025, the date on which the financial statements were available to be issued.

Note 3. Due From Other Governments

Amounts due from other governments are as follows:

Due From Other Governmental Units:

Commonwealth of Virginia:

State Compensation Board	\$ 1,212,309
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Department of Corrections	126,778
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Federal Government:

United States Marshall Service	18,429
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County of Albemarle	357,560
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Blue Ridge Juvenile Detention	4,500
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Total due from other governmental units	\$ 1,719,576
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ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 4. Deposits and Investments

Deposits

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

The Authority’s cash and cash equivalents consist of deposits covered by FDIC insurance and the Virginia Security for Public Deposits Act. In fiscal year 2024, all deposits were held in demand accounts administered by the Authority.

Note 5. Capital Assets

A summary of changes in capital assets for the year follows:

	Balance June 30, 2023	Increases	Decreases	Transfer	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 74,947	\$ -	\$ -	\$ -	\$ 74,947
Construction in progress	67,816	795,414	-	(127,651)	735,579
Total capital assets not being depreciated	142,763	795,414	-	(127,651)	810,526
Capital assets being depreciated:					
Buildings and improvements	22,702,036	-	-	-	22,702,036
Equipment	3,138,997	167,174	-	-	3,306,171
Vehicles	270,628	53,239	(53,202)	127,651	398,316
Total capital assets being depreciated	26,111,661	220,413	(53,202)	127,651	26,406,523
Less accumulated depreciation for:					
Buildings and improvement	17,580,518	635,453	-	-	18,215,971
Equipment	2,829,589	86,419	-	-	2,916,008
Vehicles	207,427	56,609	(53,202)	-	210,834
Total accumulated depreciation	20,617,534	778,481	(53,202)	-	21,342,813
Total capital assets being depreciated, net	5,494,127	(558,068)	-	127,651	5,063,710
Right-to-use assets being amortized:					
Lease equipment	39,071	-	-	-	39,071
Accumulated amortization:					
Lease equipment	24,044	12,022	-	-	36,066
Total capital assets being amortized, net	15,027	(12,022)	-	-	3,005
Total capital assets, net	\$ 5,651,917	\$ 225,324	\$ -	\$ -	\$ 5,877,241

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. Leases Receivable

The Authority leases tower space to companies under various lease contracts. In fiscal year 2024, the Authority recognized lease and interest revenue in the amount of \$33,127 and \$18,452, respectively. The total amount of revenue recognized in the current year related to deferred inflows of resources is \$51,734. A description of the leases is as follows:

Lease Description	Start Date	End Date	Length of Lease Term (Months)	Payment Frequency	Discount Rate	Receivable Balance
T-Mobile	7/1/2021	10/1/2038	166	Monthly	3.00%	\$ 343,830
US Cellular	7/1/2021	8/1/2038	164	Monthly	3.00%	446,949
Total						<u><u>\$ 790,779</u></u>

Expected future payments at June 30, 2024 are as follows:

Year(s) Ending June 30,	Principal	Interest
2025	\$ 34,899	\$ 25,555
2026	36,565	24,404
2027	38,298	23,197
2028	40,975	21,924
2029	43,955	20,556
2030-2034	269,665	78,640
2035-2039	326,422	27,982
Total	<u><u>\$ 790,779</u></u>	<u><u>\$ 222,258</u></u>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Obligations

The following is a summary of changes in long-term obligation transactions for the year ended June 30, 2024:

	Balance			Amount	
	June 30, 2023	Increases	Decreases	June 30, 2024	Due Within One Year
Compensated absences	\$ 813,243	\$ 1,148,577	\$ (1,147,342)	\$ 814,478	\$ 81,448
Long-term debt	-	726,383	-	726,383	-
Lease liability	15,716	-	(12,494)	3,222	3,222
Total long-term liabilities	\$ 828,959	\$ 1,874,960	\$ (1,159,836)	\$ 1,544,083	\$ 84,670

Leases Payable

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Authority has a noncancellable five year lease agreement for the use of copier equipment. The lease agreement requires 60 monthly payments of \$1,083 with a discount rate of 3.00%.

The future principle and interest payments as of June 30, 2024 were as follows:

Year Ending June 30,	Lease	
	Principal	Interest
2025	\$ 3,222	\$ 27
Total	\$ 3,222	\$ 27

The following provides details on long-term obligations as of June 30, 2024.

In December 2023, the Authority Board approved financing of up to \$4.5 million to provide interim funding for architectural and engineering costs related to the design and construction of the Authority's jail renovation project. Funding has been provided on a drawdown basis through a tax-exempt loan from First National Bank. The loan requires interest payments semi-annually on January 15 and July 15, beginning on July 15, 2024. The loan has a fixed rate of interest at 4.49% and matures on January 15, 2027. At June 30, 2024, the Authority has drawn down \$726,383.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent Multiple-Employer Pension Plans

Administering Entity: Virginia Retirement System (System)

A. Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by the VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to 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.

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

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	About Plan 2 Same as Plan 1.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none">• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none">• Political subdivision employees.*• School division employees (teachers).• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none">• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Members contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Retirement Contributions Same as Plan 1.	Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Service Credit Same as Plan 1.	Service Credit <i>Defined Benefit Component</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <i>Defined Contribution Component</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><i>Defined Benefit Component</i></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component</i></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Vesting (Continued) <i>Defined Contribution Component (Continued)</i> <ul style="list-style-type: none"> After two years, a member is 50% vested and may withdraw 50% of employer contributions. After three years, a member is 75% vested and may withdraw 75% of employer contributions. After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.
Calculating the Benefit The Basic Benefit is determined using the average final compensation, service credit, and plan multiplier. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <u>Defined Benefit Component</u> See definition under Plan 1. <u>Defined Contribution Component</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	Service Retirement Multiplier Defined Benefit Component VRS: The retirement multiplier for the defined benefit component is 1.0%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	Sheriffs and regional jail superintendents: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component Not applicable.
Normal Retirement Age VRS: Age 65.	Normal Retirement Age VRS: Normal Social Security retirement age.	Normal Retirement Age Defined Benefit Component VRS: Same as Plan 2.
Political subdivision hazardous duty employees: Age 60.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component Members are eligible to receive distributions upon leaving employment, subject to restrictions.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Earliest Unreduced Retirement Eligibility <i>VRS:</i> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	Earliest Unreduced Retirement Eligibility <i>VRS:</i> Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90.	Earliest Unreduced Retirement Eligibility <i>Defined Benefit Component</i> <i>VRS:</i> Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90.
Political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. <i>Defined Contribution Component</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility <i>VRS:</i> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	Earliest Reduced Retirement Eligibility <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.	Earliest Reduced Retirement Eligibility <i>Defined Benefit Component</i> <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.
Political subdivision hazardous duty employees: Age 50 with at least five years of service credit.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivisions hazardous duty employees: Not applicable. <i>Defined Contribution Component</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.	Cost-of-Living Adjustment (COLA) in Retirement <i>Defined Benefit Component</i> Same as Plan 2.
<i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	<i>Eligibility:</i> Same as Plan 1.	<i>Eligibility:</i> Same as Plan 1 and Plan 2.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><i>Exceptions to COLA Effective Dates:</i></p> <p>School Division (Teachers) and Political Subdivision Employees: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p><i>Exceptions to COLA Effective Dates:</i></p> <p>School Division (Teachers) and Political Subdivision Employees: Same as Plan 1.</p>	<p><i>Exceptions to COLA Effective Dates:</i></p> <p>School Division (Teachers) and Political Subdivision Employees: Same as Plan 1 and Plan 2.</p>
<p>Disability Coverage</p> <p>Political subdivision employees: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage</p> <p>Political subdivision employees: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage</p> <p>Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Disability Coverage (Continued)
		Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service	Purchase of Prior Service	Purchase of Prior Service
Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Same as Plan 1.	<i>Defined Benefit Component</i> Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component</i> Not applicable.

B. Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	108
Inactive members:	
Vested	32
Non-vested	95
Active elsewhere in VRS	88
Total inactive members	215
Active members	119
Total covered employees	442

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

C. Contributions

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

The Authority's contractually required contribution rate for the year ended June 30, 2024, was 13.31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$1,087,222 and \$988,335 for the years ended June 30, 2024 and 2023, respectively.

D. Net Pension Liability

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

E. Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
General employees	3.50% - 5.35%
Public safety employees with hazardous duty benefits	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

General Employees

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

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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Public Safety Employees with Hazardous Duty Benefits

Mortality Rates:	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.

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

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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

F. 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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* Expected arithmetic nominal return

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

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which 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%.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

G. Discount Rate

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to 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 asset.

H. Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2022	\$ 35,379,301	\$ 34,737,808	\$ 641,493
Changes for the year:			
Service cost	1,260,305	-	1,260,305
Interest	2,416,927	-	2,416,927
Difference between expected and actual experience	1,313,730	-	1,313,730
Contributions – employer	-	988,335	(988,335)
Contributions – employee	-	367,996	(367,996)
Net investment income	-	2,250,106	(2,250,106)
Benefit payments, including refunds of employee contributions	(1,666,567)	(1,666,567)	-
Administrative expense	-	(22,155)	22,155
Other	-	907	(907)
Net changes	3,324,395	1,918,622	1,405,773
Balances at June 30, 2023	\$ 38,703,696	\$ 36,656,430	\$ 2,047,266

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority, using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's net pension liability (asset)	\$ 7,759,241	\$ 2,047,266	\$ (2,526,537)

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

For the year ended June 30, 2024, the Authority recognized pension expense of \$1,515,711. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,039,935	\$ (211,566)
Changes in assumptions	279,562	-
Net difference between projected and actual earnings on pension plan investments	-	(524,515)
Employer contributions subsequent to the measurement date	1,087,222	-
Total	\$ 2,406,719	\$ (736,081)

The \$1,087,222 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ 344,387
2026	(274,828)
2027	497,157
2028	16,700
	\$ 583,416

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan (Continued)

K. Pension Plan Data

Detailed information about the pension plans' fiduciary net position are available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Note 9. Other Postemployment Benefits—Medical and Dental— Pay-as-You-Go

A. Plan Description

The Authority employees who retire under the VRS can continue the same medical coverage they had (including dependent coverage) as active employees. Participants who are eligible for the Voluntary Early Retirement Incentive Program (VERIP) receive a subsidy towards the cost of this coverage. Participants who are not eligible for the VERIP but who are eligible to retire under VRS can stay in the Authority medical plan upon retirement but must pay the full premium to receive coverage. Coverage ends once the participant becomes eligible for Medicare, and surviving spouses are not allowed access to the plan.

The plan does not issue a publicly available financial report.

B. Participants Covered by Benefit Terms

	Number
Participants with Medical/Rx Coverage	
Active employees	96
Retirees	9
Spouses	3
Total members	108
Participants Eligible for VERIP	
Active employees	107
Retirees	16
Total members	123

C. Benefits Provided

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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Postemployment Benefits—Medical and Dental— Pay-as-You-Go (Continued)

D. Contributions

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board.

E. Total Medical Insurance Program OPEB Liability

The Authority's total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	The salary increase rate starts at 2.25% salary increase for 1 year of service and gradually declines to 1.0% salary increase for 20 or more years of service
Discount rate	3.86%

Mortality rates for Active employees and healthy retirees were based on a RP-2000 Fully Generational Combined Healthy table while mortality rates for disabled retirees were based on a RP-2000 Disabled Mortality Table.

The date of the most recent actuarial experience study for which significant assumptions is not available.

The final equivalent single discount rate used for this year's valuation is 1.92% as of the end of the fiscal year and is based on an index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Postemployment Benefits—Medical and Dental— Pay-as-You-Go (Continued)

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	\$ 2,914,754
Changes for the year:	
Service cost	150,510
Interest	104,036
Experience (gains)	(14,018)
Changes in assumptions	(35,555)
Benefit payments	(176,274)
Net changes	28,699
Balance at June 30, 2023	\$ 2,943,453

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

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

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Authority total OPEB liability	\$ 3,160,152	\$ 2,943,453	\$ 2,744,578

I. Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Authority as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.94%) or one percentage point higher (4.94%) than the current healthcare cost trend rates:

	1% Decrease (2.94%)	Current Trend Rate (3.94%)	1% Increase (4.94%)
Authority total OPEB liability	\$ 2,691,980	\$ 2,943,453	\$ 3,231,977

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Postemployment Benefits—Medical and Dental— Pay-as-You-Go (Continued)

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

For the year ended June 30, 2024, the Authority recognized OPEB expense in the amount of \$215,031. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (92,022)
Changes of assumptions	-	(308,298)
Employer contributions subsequent to the measurement date	90,022	-
Total	\$ 90,022	\$ (400,320)

The \$90,022 reported as deferred outflows of resources related to the OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2025	\$ (78,647)
2026	(78,647)
2027	(78,647)
2028	(78,647)
2029	(78,651)
Thereafter	(7,081)
Total	\$ (400,320)

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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program

A. Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is 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. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p><i>Eligible Employees</i></p> <p>The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.</p> <p>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.</p>
<p><i>Benefit Amounts</i></p> <p>The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none">• Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• Accidental Death Benefit: The accidental death benefit is double the natural death benefit.• Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none">○ Accidental dismemberment benefit○ Seatbelt benefit○ Repatriation benefit○ Felonious assault benefit○ Accelerated death benefit option
<p><i>Reduction in Benefit Amounts</i></p> <p>The benefit amounts provided to members covered under the GLI 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.</p>
<p><i>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</i></p> <p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.</p>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

B. Contributions

The contribution requirements for the GLI are governed by Sections 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 was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% 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, 2022. 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 from the Authority were \$45,130 and \$40,928 for the years ended June 30, 2024 and 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The Authority's proportionate share of \$3,696 is reflected in the Statement of Revenues, Expenses and Change in Net position of the financial statements.

C. GLI OPEB Liability, GLI OPEB Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2024, the Authority reported a liability of \$389,297 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Authority's proportion was 0.03246% as compared to 0.03427% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB credit of \$(1,356). Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

C. GLI OPEB Liability, GLI OPEB Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,881	\$ (11,817)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(15,644)
Change in assumptions	8,321	(26,972)
Changes in proportionate share	-	(68,473)
Employer contributions subsequent to the measurement date	45,130	-
Total	\$ 92,332	\$ (122,906)

The \$45,130 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (22,103)
2025	(34,122)
2026	(10,173)
2027	(9,378)
2028	72
Total	\$ (75,704)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	
General employees	3.50% - 5.35%
Public safety employees with hazardous duty benefits	3.50% - 4.75%
Investment rate of return	6.75%, net of investment expense, including inflation

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

Mortality Rates – General Employees

Pre-retirement:	Pub-2010 Amount Weighted General 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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 year age and service through 9 years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 services 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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 3,907,052
Plan fiduciary net position	<u>2,707,739</u>
GLI Net OPEB liability	<u>\$ 1,199,313</u>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	69.30%

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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return

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

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

* Expected arithmetic nominal return

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

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which 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%.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits—Group Life Insurance Program (Continued)

G. Discount Rate

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

H. Sensitivity of the Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the participating employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the participating employers' 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority net GLI OPEB liability	\$ 577,060	\$ 389,297	\$ 237,490

I. GLI Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 11. Summary of Net/Total OPEB Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources

	OPEB Plans			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense (Credit)
Group Life Insurance Program	\$ 92,332	\$ 122,906	\$ 389,297	\$ (1,356)
Medical and Dental Plan	90,022	400,320	2,943,453	215,031
	<u>\$ 182,354</u>	<u>\$ 523,226</u>	<u>\$ 3,332,750</u>	<u>\$ 213,675</u>

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 12. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority joined together with other local governments in Virginia Risk Sharing Association (VRSA), a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The Authority pays an annual premium to the association for its workers' compensation insurance.

In the event of a loss deficit and depletion of all available excess insurance, the VRSA may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The Authority continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13. Inmate Cost Per Diem

The Authority has a designed capacity of 329 inmates yielding a total of 120,085 inmate days per year. Actual inmate days totaled 92,810 for the year ended June 30, 2024. Costs incurred in the operation of the Authority are as follows:

	2024
Total operating expenses per budgetary basis	<u>\$ 17,030,373</u>
Total operating expenses as adjusted	\$ 17,030,373
Less:	
Charges to others for inmate care and other sources	(491,856)
Reimbursed expenditures from the Commonwealth	<u>(6,988,531)</u>
Net cost to participant localities	<u>\$ 9,549,986</u>
Total inmate days for participant localities	<u>92,810</u>
Actual local cost per diem	<u>\$ 102.90</u>

The City of Charlottesville and Counties of Albemarle and Nelson contributions to the Authority include costs for services based on bed days.

Note 14. Litigation

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

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 15. Pending GASB Statements

At June 30, 2024, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The statements which might impact the Authority are as follows:

GASB Statement No. 101, *Compensated Absences*, 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. Statement 101 will be effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires the Authority to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires the Authority to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If the Authority determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the Authority beginning with its year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, provides guidance to improve 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. This Statement also addresses certain application issues. Statement 103 will be effective for the Authority beginning with its year ending June 30, 2026.

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

Note 16. Subsequent Events

In March 2024, the Authority Board approved a facility renovation project at an estimated cost of \$48 million. Funding of approximately \$11.7 million is expected from the Commonwealth of Virginia with the balance funded by long-term debt to be issued by the Authority.

As of June 30, 2024, \$726,383 had been drawn on the tax-exempt loan from First National Bank (reference note 7). Subsequent to year end, additional draws have been made to support the design phase of a facility renovation project. The loan balance as of April 10, 2025 was \$3,052,664.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PENSION PLAN

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	\$ 1,079,154	\$ 1,055,855	\$ 1,086,229	\$ 1,177,453	\$ 1,102,095	\$ 1,086,021	\$ 1,187,569	\$ 1,115,335	\$ 1,152,713	\$ 1,260,305
Interest	1,231,631	1,355,475	1,428,605	1,573,241	1,673,203	1,734,303	1,853,495	2,031,252	2,250,457	2,416,927
Difference between expected and actual experience	-	(688,167)	334,847	(273,381)	(1,050,394)	31,395	832,428	(1,081,008)	571,618	1,313,730
Changes of assumptions	-	-	-	(290,385)	-	919,521	-	1,428,445	-	-
Refund of contributions	-	-	-	-	-	(73,542)	(103,419)	-	-	-
Benefit payments, including refunds of employee contributions	(551,240)	(531,932)	(824,946)	(741,960)	(775,842)	(854,706)	(1,143,959)	(1,232,741)	(1,565,762)	(1,666,567)
Net change in total pension liability	1,759,545	1,191,231	2,024,735	1,444,968	949,062	2,842,992	2,626,114	2,261,283	2,409,026	3,324,395
Total pension liability - beginning	17,870,345	19,629,890	20,821,121	22,845,856	24,290,824	25,239,886	28,082,878	30,708,992	32,970,275	35,379,301
Total pension liability - ending (a)	\$ 19,629,890	\$ 20,821,121	\$ 22,845,856	\$ 24,290,824	\$ 25,239,886	\$ 28,082,878	\$ 30,708,992	\$ 32,970,275	\$ 35,379,301	\$ 38,703,696
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,035,858	\$ 928,667	\$ 927,719	\$ 861,313	\$ 877,471	\$ 842,658	\$ 868,355	\$ 855,957	\$ 828,775	\$ 988,335
Contributions - employee	347,577	359,738	359,780	374,264	378,226	384,491	395,264	369,092	360,116	367,996
Refund of contributions	-	-	-	-	-	(73,542)	(103,419)	-	-	-
Net investment income (loss)	2,345,078	833,179	352,671	2,477,114	1,710,510	1,704,226	523,272	7,596,660	(41,260)	2,250,106
Benefit payments, including refunds of employee contributions	(551,240)	(531,932)	(824,946)	(741,960)	(775,842)	(854,706)	(1,143,959)	(1,232,741)	(1,565,762)	(1,666,567)
Administrative expense	(11,815)	(10,461)	(11,406)	(13,529)	(14,055)	(16,030)	(17,235)	(18,386)	(21,813)	(22,155)
Other	123	(178)	(145)	(2,240)	(1,558)	(1,081)	(622)	722	816	907
Net change in plan fiduciary net position	3,165,581	1,579,013	803,673	2,954,962	2,174,752	1,986,016	521,656	7,571,304	(439,128)	1,918,622
Plan fiduciary net position - beginning	14,419,979	17,585,560	19,164,573	19,968,246	22,923,208	25,097,960	27,083,976	27,605,632	35,176,936	34,737,808
Plan fiduciary net position - ending (b)	\$ 17,585,560	\$ 19,164,573	\$ 19,968,246	\$ 22,923,208	\$ 25,097,960	\$ 27,083,976	\$ 27,605,632	\$ 35,176,936	\$ 34,737,808	\$ 36,656,430
Authority's net pension liability (asset) - ending (a) - (b)	\$ 2,044,330	\$ 1,656,548	\$ 2,877,610	\$ 1,367,616	\$ 141,926	\$ 998,902	\$ 3,103,360	\$ (2,206,661)	\$ 641,493	\$ 2,047,266
Plan fiduciary net position as a percentage of the total pension liability	89.59%	92.04%	87.40%	94.37%	99.44%	96.44%	89.89%	106.69%	98.19%	94.71%
Covered payroll	\$ 6,952,333	\$ 7,216,060	\$ 7,218,920	\$ 7,533,452	\$ 7,717,037	\$ 7,825,932	\$ 8,127,399	\$ 7,630,414	\$ 7,449,730	\$ 7,638,983
Authority's net pension liability (asset) as a percentage of covered payroll	29.40%	22.96%	39.86%	18.15%	1.84%	12.76%	38.18%	-28.92%	8.61%	26.80%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years.

SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN

Years Ended June 30,	Contractually Required Contribution (CRC)	Contributions in Relation to the CRC	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,087,222	\$ 1,087,222	\$ -	\$ 8,168,460	13.31%
2023	988,335	988,335	-	7,638,983	13.31%
2022	828,775	828,775	-	7,449,730	11.12%
2021	854,964	854,964	-	7,630,414	11.20%
2020	869,892	869,892	-	8,127,399	10.70%
2019	843,416	843,416	-	7,825,932	10.78%
2018	890,546	890,546	-	7,717,037	11.54%
2017	869,360	869,360	-	7,533,452	11.54%
2016	929,797	929,797	-	7,218,920	12.88%
2015	929,429	929,429	-	7,216,060	12.88%

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN

YEAR ENDED JUNE 30, 2024

Note 1. Changes of Benefit Terms

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

Note 2. Changes of Assumptions

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

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PENSION PLAN YEAR ENDED JUNE 30, 2024

Note 2. Changes of Assumptions (Continued)

Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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

SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL AND DENTAL OPEB

	Fiscal Year June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability:							
Service cost	\$ 234,699	\$ 217,327	\$ 230,446	\$ 215,274	\$ 234,342	\$ 189,164	\$ 150,510
Interest	73,223	94,776	98,851	84,168	68,400	60,323	104,036
Amortization adjustments	-	-	5,931	-	-	-	-
Changes in benefit terms	-	-	-	-	-	464,607	-
Changes in proportionate share	-	-	(112,739)	-	(148,739)	-	-
Changes in assumptions	(192,763)	(12,383)	(65,711)	130,658	(303,570)	(388,950)	(35,555)
Differences between expected and actual experience	-	87,956	(161,957)	25,503	97,590	(112,009)	(14,018)
Benefit payments	(29,000)	(132,967)	(141,709)	(202,765)	(229,799)	(47,149)	(176,274)
Net change in total OPEB liability	86,159	254,709	(146,888)	252,838	(281,776)	165,986	28,699
Total OPEB liability, beginning	2,583,726	2,669,885	2,924,594	2,777,706	3,030,544	2,748,768	2,914,754
Total OPEB liability, ending	<u>\$ 2,669,885</u>	<u>\$ 2,924,594</u>	<u>\$ 2,777,706</u>	<u>\$ 3,030,544</u>	<u>\$ 2,748,768</u>	<u>\$ 2,914,754</u>	<u>\$ 2,943,453</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years which information is available.

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MEDICAL AND DENTAL OPEB YEAR ENDED JUNE 30, 2024

Note 1. Medical and Dental– Pay-as-You-Go

Valuation Date: July 1, 2023

Measurement Date: June 30, 2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary.
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.00% in 2022 and gradually declines to 3.94% by the year 2075.
Salary Increases Rate	The salary increase rate starts at 2.25% salary increase for 1 year of service and gradually declines to 1.0% salary increase for 20 or more years of service.
Retirement Age	The average age at retirement is 62.
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the SOA Pub-2010 General and Public Safety Employees and Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021. The mortality rates for disabled retirees was calculated using the SOA Pub-2010 General and Public Safety Retirees Headcount-Weighted Mortality Table.

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

Years Ended June 30,	Employer's Proportion of the Net GLI OPEB Liability	Employer's Proportionate Share of the Net GLI OPEB Liability	Employer's Covered Payroll	Employer's Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
2023	0.03246%	\$ 389,297	\$ 7,645,441	5.09%	69.30%
2022	0.03427%	412,644	7,454,055	5.54%	67.21%
2021	0.03700%	430,315	7,630,414	5.64%	67.45%
2020	0.03950%	659,023	8,127,399	8.11%	52.64%
2019	0.03992%	649,604	7,825,932	8.30%	52.00%
2018	0.04058%	616,000	7,717,037	7.98%	51.22%
2017	0.04084%	615,000	7,533,452	8.16%	48.86%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE
INSURANCE PROGRAM**

Years Ended June 30,	Contractually Required Contribution (CRC)	Contributions in Relation to the CRC	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 45,130	\$ 45,130	\$ -	\$ 8,449,593	0.54%
2023	40,928	40,928	-	7,645,441	0.54%
2022	40,252	40,252	-	7,454,055	0.54%
2021	41,204	41,204	-	7,630,414	0.54%
2020	42,262	42,262	-	8,127,399	0.52%
2019	40,695	40,695	-	7,825,932	0.52%
2018	40,129	40,129	-	7,717,037	0.52%
2017	39,174	39,174	-	7,533,452	0.52%
2016	34,651	34,651	-	7,218,920	0.48%
2015	34,637	34,637	-	7,216,060	0.48%

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GLI OPEB

YEAR ENDED JUNE 30, 2024

Note 1. Group Life Insurance Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

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

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 year age and service through 9 years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GLI OPEB

YEAR ENDED JUNE 30, 2024

Note 1. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 services 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

SUPPLEMENTARY INFORMATION

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY EXHIBIT 11

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Operating Revenues:				
Charges for services:				
Care of inmates:				
City of Charlottesville	\$ 3,664,053	\$ 3,664,053	\$ 3,664,053	\$ -
Country of Albemarle	4,171,341	4,171,341	4,171,341	-
County of Nelson	1,354,606	1,354,606	1,354,606	-
Other localities	30,000	30,000	-	(30,000)
Federal	250,000	250,000	122,012	(127,988)
Work release	-	-	7,493	7,493
Inmate telephone	250,000	250,000	204,445	(45,555)
Other	259,000	259,000	157,906	(101,094)
Total charges for service	9,979,000	9,979,000	9,681,856	(297,144)
Intergovernmental:				
Revenue from the Commonwealth				
Department of Corrections	418,000	418,000	430,575	12,575
Total operating revenues	10,397,000	10,397,000	10,112,431	(284,569)
Operating Expenditures:				
Compensation and related items:				
Salaries and wages	9,364,000	9,364,000	9,413,801	(49,801)
Fringes:				
Social Security and Medicare taxes	736,000	736,000	699,916	36,084
Retirement	1,195,500	1,195,500	1,130,608	64,892
Health insurance	1,473,000	1,473,000	1,353,094	119,906
Dental insurance	29,000	29,000	26,360	2,640
Life insurance	116,000	116,000	113,306	2,694
Unemployment	7,500	7,500	223	7,277
Workers compensation	132,000	132,000	120,544	11,456
Other employee benefits	50,500	50,500	38,593	11,907
Total compensation and related items	13,103,500	13,103,500	12,896,445	207,055
Contractual:				
Legal	42,000	42,000	42,000	-
Professional services	25,000	25,000	26,870	(1,870)
Health services	325,000	325,000	187,652	137,348
Audit	20,000	20,000	39,472	(19,472)
Repairs and maintenance	150,000	150,000	93,302	56,698
Maintenance contracts	90,000	90,000	104,463	(14,463)
Advertising	27,000	27,000	61,121	(34,121)
Other purchased services	102,000	102,000	780,000	(678,000)
Refuse collection	13,000	13,000	12,583	417
Administration fees	23,500	23,500	29,131	(5,631)
Total contractual	817,500	817,500	1,376,594	(559,094)

ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY EXHIBIT 11

SCHEDULE OF REVENUES AND EXPENDITURES– BUDGETARY BASIS

(Continued)

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Operating Expenditures (Continued):				
Other charges:				
Electrical	\$ 220,000	\$ 220,000	\$ 279,166	\$ (59,166)
Heating	80,000	80,000	72,376	7,624
Water and sewer	300,000	300,000	252,538	47,462
Postal services	4,000	4,000	6,210	(2,210)
Telecommunications	42,000	42,000	71,808	(29,808)
Fire insurance	60,000	60,000	66,919	(6,919)
Automotive insurance	6,500	6,500	6,423	77
Insurance deductibles	7,000	7,000	10,000	(3,000)
Leases, rentals	16,000	16,000	3,207	12,793
Training - Academy	72,000	72,000	73,307	(1,307)
Travel - education	14,000	14,000	23,441	(9,441)
Travel - subsistence	4,000	4,000	5,218	(1,218)
Miscellaneous	10,500	10,500	14,492	(3,992)
Software licenses	45,000	45,000	67,891	(22,891)
Dues and memberships	15,000	15,000	20,188	(5,188)
Inmate welfare	48,000	48,000	63,275	(15,275)
Employee physical assessments	6,000	6,000	11,088	(5,088)
Office supplies	25,000	25,000	25,878	(878)
Food supplies	695,000	695,000	666,232	28,768
Medical and lab supplies	100,000	100,000	81,431	18,569
Pharmaceutical drugs	500,000	500,000	512,744	(12,744)
COVID-19 supplies	5,000	5,000	-	5,000
Laundry and janitorial supplies	50,000	50,000	67,174	(17,174)
Kitchen supplies	45,000	45,000	56,064	(11,064)
Uniforms - inmates	80,000	80,000	63,596	16,404
Repair and maintenance supplies	-	-	106,187	(106,187)
Vehicle and equipment fuel, supplies, repairs	36,000	36,000	25,859	10,141
Security supplies	30,000	30,000	42,843	(12,843)
Uniforms and apparel - employees	45,000	45,000	61,779	(16,779)
Total other charges	2,561,000	2,561,000	2,757,334	(196,334)
Capital outlay:				
Other	135,000	135,000	217,587	(82,587)
Jail renovations	-	-	735,579	(735,579)
Motor vehicles	45,000	45,000	103,530	(58,530)
Total capital outlay	180,000	180,000	1,056,696	(876,696)
Debt service:				
Principal retirements - leases	-	-	12,494	(12,494)
Interest expense - long term debt	-	-	1,848	(1,848)
Interest expense - leases	-	-	502	(502)
Total debt service	-	-	14,844	(14,844)
Total operating expenditures	16,662,000	16,662,000	18,101,913	(1,439,913)
Net operating loss	(6,265,000)	(6,265,000)	(7,989,482)	(1,724,482)
Other Financing Sources (uses)				
Issuance of long term debt	-	-	726,383	726,383
Issuance costs on long term debt	-	-	(66,879)	(66,879)
Total other financing sources, net	-	-	659,504	659,504

SCHEDULE OF REVENUES AND EXPENDITURES– BUDGETARY BASIS**(Continued)****Year Ended June 30, 2024**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Nonoperating Revenue:				
Debt service assessments:				
City of Charlottesville	\$ -	\$ -	\$ 104,858	\$ 104,858
Country of Albemarle	-	-	119,376	119,376
County of Nelson	-	-	38,766	38,766
Total debt service assessments	-	-	263,000	263,000
Interest income	-	-	140,133	140,133
Gain on sale of assets	-	-	19,947	19,947
Other income	17,500	17,500	66,352	48,852
Total nonoperating revenue	17,500	17,500	489,432	471,932
Intergovernmental:				
Commonwealth of Virginia:				
Operating grants	6,142,500	6,142,500	6,557,956	415,456
Federal government				
State Criminal Alien Assistance Program	30,000	30,000	27,938	(2,062)
American Rescue Plan Act	-	-	118,000	118,000
Other federal	20,000	20,000	19,460	(540)
Total federal government	50,000	50,000	165,398	115,398
Lease revenue	55,000	55,000	51,579	(3,421)
Net nonoperating revenues	6,265,000	6,265,000	7,264,365	999,365
Deficiency of revenues under expenditures	\$ -	\$ -	\$ (65,613)	\$ (65,613)

**RECONILIATION OF THE SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGETARY BASIS TO THE CHANGES OF REVENUES, EXPENSES AND CHANGE
IN NET POSITION**

Year Ended June 30, 2024

Reconciliation of excess (deficiency) of revenues over (under) expenditures
to change in net position per the Statement of Revenues, Expenses
and Change in Net Position

Deficiency of revenues under expenditures per budgetary basis schedules	\$ (65,613)
Acquisition of capital assets	1,015,827
Depreciation and amortization	(790,503)
Issuance of long-term debt	(726,383)
Commissary activity	16,594
Change in compensated absences	(1,235)
Net VRS pension activity	(428,489)
Net OPEB liabilities	101,401
Principal payments on lease	<u>12,494</u>
Change in net position, per statement of revenues, expenses and change in net position	<u><u>\$ (865,907)</u></u>

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board Members
Albemarle-Charlottesville Regional Jail Authority

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 (*Government Auditing Standards*); 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 fiduciary activities of the Albemarle-Charlottesville Regional Jail Authority (Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Authority'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 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
April 10, 2025