

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

AUTHORITY MEMBERS

FLUVANNA COUNTY

Eric Hess, Sheriff
Donald Weaver

GREENE COUNTY

Steve Smith, Sheriff
Marie Durrer

LOUISA COUNTY

Donald Lowe, Sheriff
Duane Adams

MADISON COUNTY

Eric Weaver, Sheriff
Kevin McGhee

ORANGE COUNTY

Mark Amos, Sheriff
James Crozier, Chairman

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Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of Central Virginia Regional Jail Authority, as of June 30, 2021, 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.

Change in Accounting Principle

As described in Note 13 to the financial statements, in 2021, the Authority adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balance

As described in Note 13 to the financial statements, in 2021, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules related to pension and OPEB funding on pages 35-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Matters

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Virginia Regional Jail Authority's basic financial statements. The schedule of revenues, expenses and changes in net position - budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues, expenses and changes in net position - budget and actual 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses and changes in net position - budget and actual is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of Central Virginia Regional Jail Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Virginia Regional Jail Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Virginia Regional Jail Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 8, 2021

- Basic Financial Statements -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Net Position
As of June 30, 2021

	Operating Fund	Commissary Fund	Total
ASSETS			
Cash and cash equivalents	\$ 13,705,924	\$ 1,044,349	\$ 14,750,273
Accounts receivable	-	79,163	79,163
Due from other governmental units	797,243	-	797,243
Prepaid items	15,135	-	15,135
Capital assets (net of accumulated depreciation) (Note 5):			
Land	175,000	-	175,000
Buildings and improvements	20,228,573	-	20,228,573
Vehicles	133,913	-	133,913
Machinery and equipment	366,983	-	366,983
Total assets	<u>\$ 35,422,771</u>	<u>\$ 1,123,512</u>	<u>\$ 36,546,283</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items (Note 3)	\$ 1,422,341	\$ -	\$ 1,422,341
OPEB related items (Notes 7 - 9)	396,010	-	396,010
Total deferred outflows of resources	<u>\$ 1,818,351</u>	<u>\$ -</u>	<u>\$ 1,818,351</u>
LIABILITIES			
Accounts payable	\$ 137,438	\$ 3,202	\$ 140,640
Accrued payroll	40,598	-	40,598
Unearned revenue	135,952	-	135,952
Compensated absences - current portion (Note 6)	62,887	-	62,887
Long-term liabilities:			
Compensated absences - long-term portion (Note 6)	565,986	-	565,986
Net pension liability (Note 3)	1,483,758	-	1,483,758
Net OPEB liabilities (Notes 7 - 9)	2,584,684	-	2,584,684
Total liabilities	<u>\$ 5,011,303</u>	<u>\$ 3,202</u>	<u>\$ 5,014,505</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items (Note 3)	\$ 233,566	\$ -	\$ 233,566
OPEB related items (Notes 7 - 9)	993,035	-	993,035
Total deferred inflows of resources	<u>\$ 1,226,601</u>	<u>\$ -</u>	<u>\$ 1,226,601</u>
NET POSITION			
Investment in capital assets	\$ 20,904,469	\$ -	\$ 20,904,469
Restricted for inmates	-	1,120,310	1,120,310
Restricted for employees	4,617	-	4,617
Unrestricted	10,094,132	-	10,094,132
Total net position	<u>\$ 31,003,218</u>	<u>\$ 1,120,310</u>	<u>\$ 32,123,528</u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021

	Operating Fund	Commissary Fund	Total
Operating revenues:			
Contributions from participating localities:			
County of Greene	\$ 1,463,024	\$ -	\$ 1,463,024
County of Fluvanna	1,228,030	-	1,228,030
County of Orange	2,216,856	-	2,216,856
County of Madison	925,655	-	925,655
County of Louisa	2,589,139	-	2,589,139
Other jurisdictions per diem	273,328	-	273,328
Charges for services	148,964	-	148,964
Commissary sales	-	846,057	846,057
Employee fund receipts	620	-	620
Donations fund receipts	11,798	-	11,798
Medical fund receipts	35,043	-	35,043
Miscellaneous	104,439	5,152	109,591
Commonwealth of Virginia State Compensation Board:			
State of Virginia	4,418,813	-	4,418,813
Reimbursement for jail inmate days:			
State of Virginia	809,540	-	809,540
Federal inmate days	1,452,323	-	1,452,323
Total operating revenues	<u>\$ 15,677,572</u>	<u>\$ 851,209</u>	<u>\$ 16,528,781</u>
Operating expenses:			
Public Safety:			
Personnel costs	\$ 7,287,123	\$ 73,958	\$ 7,361,081
Fringe benefits	3,650,736	586	3,651,322
Contractual services	1,077,894	-	1,077,894
Other charges	2,727,867	618,149	3,346,016
Depreciation expense	1,007,003	-	1,007,003
Capital outlay	103,779	-	103,779
Total operating expenses	<u>\$ 15,854,402</u>	<u>\$ 692,693</u>	<u>\$ 16,547,095</u>
Operating income (loss)	<u>\$ (176,830)</u>	<u>\$ 158,516</u>	<u>\$ (18,314)</u>
Nonoperating revenues (expenses):			
Interest income	\$ 18,228	\$ -	\$ 18,228
COVID relief funds	80,000	-	80,000
Net nonoperating revenues (expenses)	<u>\$ 98,228</u>	<u>\$ -</u>	<u>\$ 98,228</u>
Income (loss)	<u>\$ (78,602)</u>	<u>\$ 158,516</u>	<u>\$ 79,914</u>
Change in net position	\$ (78,602)	\$ 158,516	\$ 79,914
Net position, beginning of year, as restated	<u>31,081,820</u>	<u>961,794</u>	<u>32,043,614</u>
Net position, end of year	<u><u>\$ 31,003,218</u></u>	<u><u>\$ 1,120,310</u></u>	<u><u>\$ 32,123,528</u></u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Cash Flows
For the Year Ended June 30, 2021

	Operating Fund	Commissary Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 15,682,875	\$ 829,014	\$ 16,511,889
Payments to suppliers	(3,905,483)	(633,072)	(4,538,555)
Payments to and on behalf of employees	(10,611,026)	(74,544)	(10,685,570)
Net cash flows provided by (used for) operating activities	<u>\$ 1,166,366</u>	<u>\$ 121,398</u>	<u>\$ 1,287,764</u>
Cash flows from noncapital and related financing activities:			
COVID relief funds	\$ 80,000	-	\$ 80,000
Net cash flows provided by (used for) noncapital and related financing activities	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	\$ (243,280)	-	\$ (243,280)
Net cash flows provided by (used for) capital and related financing activities	<u>\$ (243,280)</u>	<u>\$ -</u>	<u>\$ (243,280)</u>
Cash flows from investing activities:			
Interest income	\$ 18,228	-	\$ 18,228
Net cash flows provided by (used for) investing activities	<u>\$ 18,228</u>	<u>\$ -</u>	<u>\$ 18,228</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,021,314	\$ 121,398	\$ 1,142,712
Cash and cash equivalents, beginning of year	<u>12,684,610</u>	<u>922,951</u>	<u>13,607,561</u>
Cash and cash equivalents, end of year	<u><u>\$ 13,705,924</u></u>	<u><u>\$ 1,044,349</u></u>	<u><u>\$ 14,750,273</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (176,830)	\$ 158,516	\$ (18,314)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,007,003	-	1,007,003
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) / decrease in accounts receivable	-	(22,195)	(22,195)
(Increase) / decrease in due from other governmental units	102,977	-	102,977
(Increase) / decrease in prepaid items	7,567	-	7,567
Increase / (decrease) in accounts payable	(3,510)	(14,923)	(18,433)
Increase / (decrease) in accrued payroll	11,620	-	11,620
Increase / (decrease) in unearned revenue	(97,674)	-	(97,674)
Increase / (decrease) in compensated absences	(10,909)	-	(10,909)
(Increase) / decrease in deferred outflows - pension related	(250,749)	-	(250,749)
(Increase) / decrease in deferred outflows - OPEB related	(137,572)	-	(137,572)
Increase / (decrease) in deferred inflows - pension related	(339,145)	-	(339,145)
Increase / (decrease) in deferred inflows - OPEB related	807,622	-	807,622
Increase / (decrease) in net pension liability	618,084	-	618,084
Increase / (decrease) in net OPEB liabilities	(372,118)	-	(372,118)
Cash flows provided by (used for) operating activities	<u><u>\$ 1,166,366</u></u>	<u><u>\$ 121,398</u></u>	<u><u>\$ 1,287,764</u></u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

As of June 30, 2021

	Custodial Funds		
	Inmate Fund	Work Release Fund	Total
ASSETS			
Cash and cash equivalents	\$ 138,994	\$ 24	\$ 139,018
Total net position	<u>\$ 138,994</u>	<u>\$ 24</u>	<u>\$ 139,018</u>
NET POSITION			
Restricted for inmates	\$ 138,994	\$ 24	\$ 139,018
Total net position	<u>\$ 138,994</u>	<u>\$ 24</u>	<u>\$ 139,018</u>

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2021

	Custodial Funds		
	Inmate Fund	Work Release Fund	Total
ADDITIONS			
Inmate deposits	\$ 1,577,966	\$ -	\$ 1,577,966
Total additions	\$ 1,577,966	\$ -	\$ 1,577,966
DEDUCTIONS			
Return of funds	\$ 198,778	\$ -	\$ 198,778
Medical charges	35,043	-	35,043
Commissary purchases	851,209	-	851,209
Telephone charges	473,526	-	473,526
Total deductions	\$ 1,558,556	\$ -	\$ 1,558,556
Net increase (decrease) in fiduciary net position	\$ 19,410	\$ -	\$ 19,410
Net position, beginning of year, as restated	119,584	24	119,608
Net position, end of year	\$ 138,994	\$ 24	\$ 139,018

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. The Financial Reporting Entity:

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

B. Financial Statement Presentation:

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

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

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

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

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

Additionally, the Authority reports the following fund type:

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

D. Capital Assets:

All purchased capital assets are valued at historical cost. Donated capital assets are valued at their acquisition value on the date donated. Only assets with a cost of \$5,000 or more will be capitalized.

Construction-in-progress is capitalized as constructed and will not be depreciated until complete and placed in service.

Depreciation is calculated using the straight-line method.

The following estimated useful lives are used to depreciate assets:

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

E. Accounts Receivable:

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

F. Cash and Cash Equivalents:

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

G. Use of Estimates:

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

H. Investments:

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2021 (Continued)

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

I. Budgets and Budgetary Accounting:

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

J. Net Position:

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

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

K. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liabilities measurement date. For more detailed information on these items, reference the related notes.

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2021 (Continued)

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

L. Pensions:

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 Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

M. Other Postemployment Benefits (OPEB):

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

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits:

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

Investments:

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

The Authority had one investment at June 30, 2021, in the VML/VACO Virginia Investment Pool (VIP). The VIP investment in the amount of \$9,035,258 had a fair quality rating of AAAM, and an investment maturity (a weighted average maturity in years) of less than one year.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2021 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Fair Value Measurements:

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

NOTE 3 - PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Benefit Structures

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	57
Inactive members:	
Vested inactive members	21
Non-vested inactive members	113
Inactive members active elsewhere in VRS	<u>98</u>
Total inactive members	232
Active members	<u>143</u>
Total covered employees	<u><u>432</u></u>

Contributions

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

The Authority's contractually required employer contribution rate for the year ended June 30, 2021 was 11.36% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$754,178 and \$778,550 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Authority, the net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

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

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Discount Rate

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 16,413,722	\$ 15,548,048	\$ 865,674
Changes for the year:			
Service cost	\$ 921,913	\$ -	\$ 921,913
Interest	1,080,719	-	1,080,719
Differences between expected and actual experience	(353)	-	(353)
Contributions - employer	-	777,794	(777,794)
Contributions - employee	-	315,213	(315,213)
Net investment income	-	301,305	(301,305)
Benefit payments, including refunds of employee contributions	(806,128)	(806,128)	-
Administrative expenses	-	(9,753)	9,753
Other changes	-	(364)	364
Net changes	\$ 1,196,151	\$ 578,067	\$ 618,084
Balances at June 30, 2020	\$ 17,609,873	\$ 16,126,115	\$ 1,483,758

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Central Virginia Regional Jail Authority Net Pension Liability (Asset)	\$ 3,817,565	\$ 1,483,758	\$ (423,063)

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

For the year ended June 30, 2021, the Authority recognized pension expense of \$782,368. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 233,566
Changes of assumptions	190,058	-
Net difference between projected and actual earnings on pension plan investments	478,105	-
Employer contributions subsequent to the measurement date	754,178	-
Total	\$ 1,422,341	\$ 233,566

\$754,178 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2022	\$ (12,985)
2023	138,624
2024	157,453
2025	151,505
Thereafter	-

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 3 - PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS:

Federal inmates	\$	100,565
Participating localities		20,318
Other localities		62,002
Commonwealth of Virginia:		
State inmate days		235,436
Compensation Board		378,922
Total	\$	<u>797,243</u>

NOTE 5 - CAPITAL ASSETS:

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

	Balance			Balance		
	July 1, 2020	Increases	Decreases	June 30, 2021		
Capital assets not being depreciated:						
Land	\$ 175,000	\$ -	\$ -	\$ 175,000		
Total capital assets not being depreciated	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,000</u>		
Capital assets being depreciated:						
Buildings and improvements	\$ 30,177,939	\$ 49,600	\$ -	\$ 30,227,539		
Vehicles	600,878	69,534	92,067	578,345		
Machinery and equipment	647,508	124,146	-	771,654		
Total capital assets being depreciated	<u>\$ 31,426,325</u>	<u>\$ 243,280</u>	<u>\$ 92,067</u>	<u>\$ 31,577,538</u>		
Accumulated depreciation						
Buildings and improvements	\$ 9,193,214	\$ 805,752	\$ -	\$ 9,998,966		
Vehicles	449,597	86,902	92,067	444,432		
Machinery and equipment	290,322	114,349	-	404,671		
Total accumulated depreciation	<u>\$ 9,933,133</u>	<u>\$ 1,007,003</u>	<u>\$ 92,067</u>	<u>\$ 10,848,069</u>		
Total capital assets being depreciated, net	<u>\$ 21,493,192</u>	<u>\$ (763,723)</u>	<u>\$ -</u>	<u>\$ 20,729,469</u>		
Net capital assets	<u>\$ 21,668,192</u>	<u>\$ (763,723)</u>	<u>\$ -</u>	<u>\$ 20,904,469</u>		

Depreciation expense for the fiscal year totaled \$1,007,003.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 6 - COMPENSATED ABSENCES:

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

Compensated absences June 30, 2020	\$	639,782
Increase (decrease) during year		<u>(10,909)</u>
Compensated absences June 30, 2021	\$	628,873
Less current portion (10%)		<u>(62,887)</u>
Total long-term portion	\$	<u><u>565,986</u></u>

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE:

Plan Description

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

Benefits Provided

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

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

Plan Membership

At July 1, 2020 (the valuation date) the following employees were covered by the benefit terms:

Total active employees with coverage	142
Total retirees with coverage	<u>6</u>
Total	<u><u>148</u></u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Contributions

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Authority. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2021 was \$21,000.

Total OPEB Liability

The Authority's total OPEB liability was measured as of July 1, 2020. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50% per year as of July 1, 2020
Discount Rate	2.45% per year as of July 1, 2020
Healthcare Cost Trend Rates	6.50% for fiscal year end 2021, decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality rates were based on the RP-2014 Total Dataset with two-dimensional mortality improvements using scale MP-2020.

Discount Rate

The discount rate used to determine the OPEB liability is based on an index rate for 20-year tax exempt General Obligation Municipal Bonds with an average rating of AA/Aa or higher. This rate was 2.45% for the year ended June 30, 2021.

Changes in Total OPEB Liability

		<u>Total OPEB Liability</u>
Balances at July 1, 2020	\$	<u>2,453,000</u>
Changes for the year:		
Service cost	\$	341,000
Interest		87,000
Difference between expected and actual experience		(969,000)
Changes of assumptions		168,000
Benefit payments		(21,000)
Net changes	\$	<u>(394,000)</u>
Balances at June 30, 2021	\$	<u><u>2,059,000</u></u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

The following amounts present the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45%) or one percentage point higher (3.45%) than the current discount rate:

Rate		
1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
\$ 2,332,000	\$ 2,059,000	\$ 1,823,000

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

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

Rates		
1% Decrease (5.50%)	Current Trend Rate (6.50%)	1% Increase (7.50%)
\$ 1,741,000	\$ 2,059,000	\$ 2,458,000

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

For the year ended June 30, 2021, the Authority recognized OPEB expense in the amount of \$328,000. At June 30, 2021, 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	\$ -	\$ 964,000
Changes in assumptions	246,000	9,000
Total	<u>\$ 246,000</u>	<u>\$ 973,000</u>

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

<u>Year Ended June 30</u>	
2022	\$ (106,000)
2023	(106,000)
2024	(106,000)
2025	(106,000)
2026	(105,000)
Thereafter	(198,000)

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

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

Plan Description

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

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

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

Eligible Employees

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements As of June 30, 2021 (Continued)

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$36,489 and \$33,709 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the entity reported a liability of \$525,684 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020 the participating employer's proportion was 0.03150% as compared to 0.03100% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$33,495. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,718	\$ 4,722
Net difference between projected and actual earnings on GLI OPEB plan investments	15,791	-
Changes of assumptions	26,290	10,977
Changes in proportion	37,722	4,336
Employer contributions subsequent to the measurement date	<u>36,489</u>	<u>-</u>
Total	<u>\$ 150,010</u>	<u>\$ 20,035</u>

\$36,489 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ 21,367
2023	25,826
2024	22,976
2025	17,493
2026	5,220
Thereafter	604

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

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

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$ 3,523,937
Plan Fiduciary Net Position	1,855,102
GLI Net OPEB Liability (Asset)	<u>\$ 1,668,835</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%

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.

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:

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Long-Term Expected Rate of Return: (Continued)

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the Group Life Insurance Plan Net OPEB Liability	\$ 691,051	\$ 525,684	\$ 391,389

GLI Plan Fiduciary Net Position

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 9 - SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND EXPENSES:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
VRS OPEB Plans:				
Group Life Insurance Plan	\$ 525,684	\$ 150,010	\$ 20,035	\$ 33,495
Health Insurance	<u>2,059,000</u>	<u>246,000</u>	<u>973,000</u>	<u>328,000</u>
Totals	<u>\$ 2,584,684</u>	<u>\$ 396,010</u>	<u>\$ 993,035</u>	<u>\$ 361,495</u>

NOTE 10 - RISK MANAGEMENT:

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

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

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

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

NOTE 11 - LITIGATION, CLAIMS AND ASSESSMENTS:

At June 30, 2021, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 12 - UPCOMING PRONOUNCEMENTS:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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

NOTE 13 - ADOPTION OF ACCOUNTING PRINCIPLE:

The Authority implemented provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement resulted in the following restatement of net position.

	<u>Fiscal Year Ending June 30, 2020</u>			
	<u>Operating Fund</u>	<u>Commissary Fund</u>	<u>Custodial Funds</u>	
			<u>Inmate Fund</u>	<u>Work Release Fund</u>
Net Position, as previously reported	\$ 31,077,143	\$ -	\$ -	\$ -
Implementation of GASB 84	<u>4,677</u>	<u>961,794</u>	<u>119,584</u>	<u>24</u>
Net Position, as restated	<u>\$ 31,081,820</u>	<u>\$ 961,794</u>	<u>\$ 119,584</u>	<u>\$ 24</u>

- Required Supplementary Information -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017
Total pension liability				
Service cost	\$ 921,913	\$ 804,213	\$ 865,946	\$ 762,029
Interest	1,080,719	1,053,220	980,638	893,861
Differences between expected and actual experience	(353)	(605,189)	(22,461)	441,445
Changes of assumptions	-	499,094	-	(67,718)
Benefit payments, including refunds of employee contributions	(806,128)	(767,235)	(807,228)	(772,667)
Net change in total pension liability	\$ 1,196,151	\$ 984,103	\$ 1,016,895	\$ 1,256,950
Total pension liability - beginning	16,413,722	15,429,619	14,412,724	13,155,774
Total pension liability - ending (a)	\$ 17,609,873	\$ 16,413,722	\$ 15,429,619	\$ 14,412,724
Plan fiduciary net position				
Contributions - employer	\$ 777,794	\$ 731,650	\$ 677,651	\$ 656,511
Contributions - employee	315,213	298,789	291,602	282,792
Net investment income	301,305	981,078	983,563	1,433,691
Differences between expected and actual experience				
Changes of assumptions	(806,128)	(767,235)	(807,228)	(772,667)
Administrative expense	(9,753)	(9,128)	(8,209)	(7,968)
Other	(364)	(621)	(888)	(1,288)
Net change in plan fiduciary net position	\$ 578,067	\$ 1,234,533	\$ 1,136,491	\$ 1,591,071
Plan fiduciary net position - beginning	15,548,048	14,313,515	13,177,024	11,585,953
Plan fiduciary net position - ending (b)	\$ 16,126,115	\$ 15,548,048	\$ 14,313,515	\$ 13,177,024
Authority's net pension liability - ending (a) - (b)	\$ 1,483,758	\$ 865,674	\$ 1,116,104	\$ 1,235,700
Plan fiduciary net position as a percentage of the total pension liability	91.57%	94.73%	92.77%	91.43%
Covered payroll	\$ 6,429,371	\$ 6,042,510	\$ 5,925,880	\$ 5,735,912
Authority's net pension liability as a percentage of covered payroll	23.08%	14.33%	18.83%	21.54%

This schedule is intended to report information for 10 years. 2014 is the first year available for this presentation. Additional years will be included as they become available.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Net Pension Liability and Related Ratios
 For the Measurement Dates of June 30, 2014 through June 30, 2020 (Continued)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 581,496	\$ 575,824	\$ 545,907
Interest	844,981	797,368	741,951
Differences between expected and actual experience	39,555	943	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(762,817)	(625,105)	(367,248)
Net change in total pension liability	<u>\$ 703,215</u>	<u>\$ 749,030</u>	<u>\$ 920,610</u>
Total pension liability - beginning	12,452,559	11,703,529	10,782,919
Total pension liability - ending (a)	<u><u>\$ 13,155,774</u></u>	<u><u>\$ 12,452,559</u></u>	<u><u>\$ 11,703,529</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 589,767	\$ 478,419	\$ 552,396
Contributions - employee	236,532	192,167	191,799
Net investment income	202,292	500,151	1,449,183
Differences between expected and actual experience			
Changes of assumptions	(762,817)	(625,105)	(367,248)
Administrative expense	(6,928)	(6,714)	(7,428)
Other	(85)	(107)	76
Net change in plan fiduciary net position	<u>\$ 258,761</u>	<u>\$ 538,811</u>	<u>\$ 1,818,778</u>
Plan fiduciary net position - beginning	11,327,192	10,788,381	8,969,603
Plan fiduciary net position - ending (b)	<u><u>\$ 11,585,953</u></u>	<u><u>\$ 11,327,192</u></u>	<u><u>\$ 10,788,381</u></u>
Authority's net pension liability - ending (a) - (b)	\$ 1,569,821	\$ 1,125,367	\$ 915,148
Plan fiduciary net position as a percentage of the total pension liability	88.07%	90.96%	92.18%
Covered payroll	\$ 4,779,876	\$ 3,875,864	\$ 3,818,334
Authority's net pension liability as a percentage of covered payroll	32.84%	29.04%	23.97%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Employer Contributions - Pension
 For the Years Ended June 30, 2012 through June 30, 2021

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2021	\$ 754,178	\$ 754,178	\$ -	\$ 6,723,099	11.22%
2020	778,550	778,550	-	6,429,371	12.11%
2019	731,650	731,650	-	6,042,510	12.11%
2018	678,087	678,087	-	5,925,880	11.44%
2017	656,510	656,510	-	5,735,912	11.45%
2016	592,227	592,227	-	4,779,876	12.39%
2015	478,419	478,419	-	3,875,864	12.34%
2014	552,513	552,513	-	3,818,334	14.47%
2013	519,032	519,032	-	3,586,951	14.47%
2012	375,929	375,929	-	3,368,541	11.16%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information - Pension
 For the Year Ended June 30, 2021

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Changes in Total OPEB Liability - Health Insurance
For the Years Ended June 30, 2019 to June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 341,000	\$ 321,000	\$ 310,000
Interest	87,000	87,000	73,000
Changes in assumptions	168,000	133,000	(15,000)
Differences between expected and actual experience	(969,000)	(157,000)	-
Benefit payments	(21,000)	(34,000)	(25,000)
Net change in total OPEB liability	\$ (394,000)	\$ 350,000	\$ 343,000
Total OPEB liability - beginning	2,453,000	2,103,000	1,760,000
Total OPEB liability - ending (a)	\$ <u>2,059,000</u>	\$ <u>2,453,000</u>	\$ <u>2,103,000</u>
Covered payroll	\$ 6,564,000	\$ 5,225,000	\$ 5,225,000
Total OPEB liability as a percentage of covered payroll	31.37%	46.95%	40.25%

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information - Health Insurance
For the Year Ended June 30, 2021

Valuation Date: July 1, 2020
Measurement Date: July 1, 2020

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Normal
Discount Rate	2.45% as of July 1, 2020.
Healthcare Trend Rates	6.50% for fiscal year end 2021, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	3.50% as of July 1, 2020.
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Authority's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2020

<u>Date</u>	<u>Employer's Proportionate of the Net GLI OPEB Liability</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u>
2020	0.03150%	\$ 525,684	\$ 6,482,480	8.11%	52.64%
2019	0.03100%	503,802	6,042,510	8.34%	52.00%
2018	0.03136%	476,000	5,925,880	8.03%	51.22%
2017	0.03138%	472,000	5,735,912	8.23%	48.86%

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

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2012 through June 30, 2021

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2021	\$ 36,489	\$ 36,489	\$ -	\$ 6,757,303	0.54%
2020	33,709	33,709	-	6,482,480	0.52%
2019	31,558	31,558	-	6,042,510	0.52%
2018	31,010	31,010	-	5,925,880	0.52%
2017	29,000	29,000	-	5,735,912	0.51%
2016	25,444	25,444	-	4,779,876	0.53%
2015	20,530	20,530	-	3,875,864	0.53%
2014	20,324	20,324	-	3,818,334	0.53%
2013	18,990	18,990	-	3,586,951	0.53%
2012	14,822	14,822	-	3,368,541	0.44%

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2021

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

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

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

- Other Supplementary Information -

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Revenues:				
Revenue from local sources:				
Contributions from participating localities:				
County of Greene	\$ 1,463,024	\$ 1,463,024	\$ 1,463,024	\$ -
County of Fluvanna	1,228,030	1,228,030	1,228,030	-
County of Orange	2,216,856	2,216,856	2,216,856	-
County of Madison	925,655	925,655	925,655	-
County of Louisa	2,589,139	2,589,139	2,589,139	-
Other jurisdictions per diem	-	-	273,328	273,328
Phone commissions	-	-	97,674	97,674
E-messages commissions	-	-	47,302	47,302
Charges to prisoners - EIP / Work release	165,200	165,200	3,988	(161,212)
Employee fund receipts	-	-	620	620
Donations fund receipts	-	-	11,798	11,798
Medical fund receipts	-	-	35,043	35,043
Miscellaneous income	150,783	150,783	104,439	(46,344)
	<u>\$ 8,738,687</u>	<u>\$ 8,738,687</u>	<u>\$ 8,996,896</u>	<u>\$ 258,209</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Reimbursement of salaries and fringes	\$ 4,380,952	\$ 4,380,952	\$ 4,418,813	\$ 37,861
Expenditure refunds	50,000	50,000	-	(50,000)
State inmate days	803,561	803,561	809,540	5,979
	<u>\$ 5,234,513</u>	<u>\$ 5,234,513</u>	<u>\$ 5,228,353</u>	<u>\$ (6,160)</u>
Revenue from Federal Government:				
Inmate reimbursement	\$ 600,000	\$ 600,000	\$ 1,452,323	\$ 852,323
	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 1,452,323</u>	<u>\$ 852,323</u>
	<u>\$ 14,573,200</u>	<u>\$ 14,573,200</u>	<u>\$ 15,677,572</u>	<u>\$ 1,104,372</u>
Operating Expenses:				
Public Safety:				
Salaries	\$ 7,120,089	\$ 7,057,896	\$ 6,745,945	\$ 311,951
Salaries - Commissary Officer	30,188	30,188	22,667	7,521
Salaries - Education Director	66,300	66,300	44,700	21,600
Salaries - Bilingual Interpreter Stipend	50,000	50,000	16,921	33,079
Salaries - Overtime	362,559	362,559	443,916	(81,357)
Salaries - Leave Payout	10,000	10,000	-	10,000
Salaries - Medicaid Tech Part-Time	20,400	20,400	-	20,400
Unemployment	6,000	6,000	12,974	(6,974)
FICA	585,954	581,196	534,762	46,434
VRS	836,823	829,758	791,117	38,641
Health Insurance	1,986,699	1,973,979	2,085,408	(111,429)
Retiree Health Insurance Credit	21,000	21,000	-	21,000
Group Life Insurance	96,968	96,135	87,481	8,654
Workers' Compensation	218,493	218,493	113,459	105,034

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position
 Budget and Actual
 For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
Hybrid Disability Insurance	\$ 6,258	\$ 6,258	\$ 4,489	\$ 1,769
LODA	33,000	33,000	34,020	(1,020)
Outside Medical, Dental and Hospital Claims	800,000	800,000	503,885	296,115
Physician	142,000	142,000	147,917	(5,917)
Dentist	65,000	65,000	58,826	6,174
Psychologist / RRCSB	83,200	83,200	83,200	-
Employee Medical Assessments	2,500	2,500	1,890	610
Psychiatrist	64,000	64,000	64,000	-
Medical - DOC Responsible Inmates	50,000	50,000	49,903	97
Laboratory and X-ray Services	42,000	42,000	44,911	(2,911)
Auditor	20,000	20,000	15,000	5,000
OPEB Actuarial Valuation	5,000	5,000	6,000	(1,000)
Financial - 5 Year Plan	7,000	7,000	-	7,000
Consultant - Medicaid	1,000	1,000	920	80
Legal Services	30,000	30,000	30,000	-
Litigation	40,000	40,000	-	40,000
General Assembly Representation	18,000	18,000	15,627	2,373
Data Processing	20,000	20,000	17,306	2,694
Community Corrections	75,000	75,000	75,000	-
Communications / IT Service Contracts	19,450	15,650	33,170	(17,520)
OAR - CIT Training	2,500	2,500	2,500	-
Interpreter Services	3,750	3,750	-	3,750
Basic and In-Service Training - RRCJA	58,000	58,000	57,149	851
Repairs & Maintenance / Building and Grounds	43,000	43,000	16,120	26,880
IT Technical Support	5,000	215,346	214,834	512
Internet Services	4,960	4,960	2,332	2,628
Repairs & Maintenance - Vehicles	12,500	12,500	12,647	(147)
Repairs & Maintenance - Equipment	5,000	5,000	-	5,000
Maintenance Contracts - Bldg & Grounds	60,600	60,600	39,835	20,765
Maintenance Contracts - Office Equipment	4,300	4,300	1,980	2,320
Maintenance Contracts - Copier - Work Release	1,000	1,000	-	1,000
EMR Maintenance Contract	20,000	20,000	-	20,000
Extermination Services	4,000	4,000	3,203	797
Infectious Waste Removal	5,000	5,000	-	5,000
Refuse Collection	16,500	16,500	15,732	768
Printing and Binding Services - Admin	2,200	2,200	11,378	(9,178)
Printing and Binding Services - Training	1,000	1,000	-	1,000
Printing and Binding Services - Security	10,500	10,500	-	10,500
Printing and Binding Services - Work Release	4,217	4,217	-	4,217
Medical Forms	1,000	1,000	-	1,000
Advertising - Admin	-	-	18,509	(18,509)
Advertising - Training	10,000	10,000	-	10,000
Electricity/Heating	376,000	376,000	299,104	76,896
Water/Sewer	170,000	170,000	162,679	7,321
Postage	6,100	6,100	7,847	(1,747)
Telecommunications	31,000	31,000	21,939	9,061

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses, and Changes in Net Position

Budget and Actual

For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
Insurance - Boiler and Machinery	\$ 3,200	\$ 3,200	\$ 2,972	\$ 228
Insurance - General and Increased Liability Limits	700	700	494	206
Insurance - Inland Marine	1,000	1,000	894	106
Insurance - Vehicles	9,850	9,850	10,972	(1,122)
Insurance - Public Officials Liability	3,200	3,200	2,920	280
Insurance - General Property	24,000	24,000	19,921	4,079
Insurance - Accident Inmate	3,750	3,750	5,500	(1,750)
Lease - Office Equipment	9,000	9,000	7,532	1,468
Lease - HEM Equipment	16,500	16,500	2,263	14,237
Lease - Office Equipment - Work Release	1,200	1,200	-	1,200
Tolls	100	100	54	46
Meals and Lodging - Admin	3,000	3,000	-	3,000
Meals and Lodging - IT	1,000	-	-	-
Meals, Lodging, Meals Academy - Training	24,760	24,760	13,282	11,478
Meals and Lodging - Medical	3,500	3,500	-	3,500
Meals and Lodging - Food Services	500	500	-	500
Meals and Lodging - Work Release	7,400	7,400	-	7,400
Conventions and Education - Admin	1,000	1,000	-	1,000
Conventions and Education - IT	1,500	-	-	-
Conventions, Seminars, Education, Recertifications	15,000	15,000	17,807	(2,807)
Conventions and Education - Medical	5,000	5,000	-	5,000
Conventions and Education - Food Services	5,400	5,400	-	5,400
Conventions and Education - Work Release	3,300	3,300	-	3,300
ADA Compliance Training	20,000	20,000	5,762	14,238
Contributions	1,500	1,500	332	1,168
Dues and Memberships	4,000	4,000	4,409	(409)
Permits, Fees and Licenses - Medical	1,500	1,500	-	1,500
Permits, Fees and Licenses - Food Services	1,500	1,500	1,289	211
Bank Service Charges	12,000	12,000	2,307	9,693
Contingencies	64,000	64,000	-	64,000
Office Supplies	18,000	18,000	34,660	(16,660)
Disposable Products - Food Services	15,000	15,000	10,903	4,097
Medical Supplies and Pharmaceuticals	300,000	300,000	396,891	(96,891)
Food and Beverages	900,000	900,000	695,345	204,655
Janitorial and Laundry Supplies - Security	60,000	60,000	79,238	(19,238)
Janitorial and Kitchen Cleaning Supplies	20,100	20,100	15,788	4,312
Linen Supplies	55,000	55,000	42,928	12,072
Office Supplies	2,000	2,000	-	2,000
Kitchen Linens	1,500	1,500	-	1,500
Maintenance and Supplies - Building	80,000	80,000	61,976	18,024
Fuel - Vehicles	30,000	30,000	32,041	(2,041)
Fuel - Generators / Power Equipment	16,000	16,000	-	16,000
Supplies - Vehicles	5,000	5,000	6,100	(1,100)
Supplies - Power Equipment	15,000	15,000	-	15,000
Security Supplies - Training	42,730	42,730	41,648	1,082
Security Supplies	38,725	38,725	-	38,725
Computer Supplies and Consumables	23,000	23,000	-	23,000

CENTRAL VIRGINIA REGIONAL JAIL AUTHORITY

Schedule of Revenues, Expenses, and Changes in Net Position
 Budget and Actual
 For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating Expenses: (Continued)				
Public Safety: (Continued)				
Educational / Recreational	\$ 17,000	\$ 17,000	\$ -	\$ 17,000
Uniforms - Training	65,050	65,050	33,799	31,251
Uniforms - Nurses	4,500	4,500	-	4,500
Uniforms - Staff	5,000	5,000	-	5,000
Uniforms - Inmates	42,600	42,600	38,842	3,758
Uniforms and Protective Wear - Inmates - Foods Serv.	3,000	3,000	-	3,000
Books and Subscriptions - Admin	4,000	4,000	1,761	2,239
Books and Subscriptions - IT	500	-	-	-
Books and Subscriptions - Medical	1,000	1,000	-	1,000
Education Supplies - Classroom	2,000	2,000	5,475	(3,475)
Food Services Prep Supplies	6,000	6,000	4,944	1,056
Religious / Recovery Programs	7,900	7,900	7,528	372
Medical Supplies	110,000	110,000	91,860	18,140
Machinery, Equipment, Power Tools - Bldgs / Ground	6,800	6,800	62,873	(56,073)
Furniture and Fixtures - Admin	12,000	12,000	11,814	186
Furniture and Fixtures - Training	2,500	2,500	-	2,500
Furniture and Fixtures - Security	3,600	3,600	-	3,600
Furniture and Fixtures - Medical	2,000	2,000	-	2,000
Furniture and Fixtures - Work Release	5,000	5,000	-	5,000
EDP Equipment - Replace	104,787	17,000	-	17,000
Food Services Equipment / Dinnerware - Replace	9,500	9,500	16,316	(6,816)
EDP Equipment - Additional	19,190	-	21,339	(21,339)
Food Services Equipment / Dinnerware - New	17,500	17,500	9,499	8,001
Machinery and Equipment New	-	-	7,567	(7,567)
Computer Software/Upgrades/Licenses	9,000	-	-	-
Machinery and Equipment - Replacement	184,500	184,500	-	184,500
Communication Equipment - Replacement	15,000	15,000	13,256	1,744
Motor Vehicles - Replacement	70,000	70,000	469	69,531
Buildings and Grounds Capital Improvements	24,900	24,900	23,519	1,381
Employee fund expenses	-	-	614	(614)
Donations fund expenses	-	-	6,494	(6,494)
Depreciation	-	-	1,007,003	(1,007,003)
Total operating expenses	\$ 16,418,250	\$ 16,418,250	\$ 15,854,402	\$ 563,848
Operating income (loss)	\$ (1,845,050)	\$ (1,845,050)	\$ (176,830)	\$ 1,668,220
Nonoperating Revenues (Expenses):				
Interest income	\$ 80,000	\$ 80,000	\$ 18,228	\$ (61,772)
COVID relief funds	-	-	80,000	80,000
Total nonoperating revenues (expenses)	\$ 80,000	\$ 80,000	\$ 98,228	\$ 18,228
Income (loss)	\$ (1,765,050)	\$ (1,765,050)	\$ (78,602)	\$ 1,686,448
Change in net position	\$ (1,765,050)	\$ (1,765,050)	\$ (78,602)	\$ 1,686,448
Net position, beginning of year, as restated	1,765,050	1,765,050	31,081,820	29,316,770
Net position, end of year	\$ -	\$ -	\$ 31,003,218	\$ 31,003,218

- Compliance -



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and the aggregate remaining fund information of Central Virginia Regional Jail Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Central Virginia Regional Jail Authority's basic financial statements and have issued our report thereon dated December 8, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

December 8, 2021