New River Valley Regional Jail Authority

Financial Report

For The Year Ended June 30, 2025

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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To the Board of Directors
New River Valley Regional Jail Authority
Dublin, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of New River Valley Regional Jail Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of governmental activities, each major fund, and the aggregate remaining fund information of New River Valley Regional Jail Authority, as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Change in Accounting Principle

As described in Note 14 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balance

As described in Note 14 to the financial statements, in 2025, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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 opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of New River Valley 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 New River Valley 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 New River Valley Regional Jail Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 30, 2025

Basic Financial Statements

Exhibit 1

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Statement of Net Position
June 30, 2025

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	5,870,896
Accounts receivable		22,867
Prepaid expenses		28,911
Due from other governmental units		2,024,193
Cash and cash equivalents with trustee - restricted		1,569,697
Cash and cash equivalents for inmates - restricted		886,855
Investments with trustee - restricted		3,677,225
Net pension asset		9,564,192
Capital assets (net of accumulated depreciation):		
Land		240,396
Machinery and equipment		345,769
Lease machinery and equipment		642,944
Buildings and improvements		45,954,820
Total assets	$	70,828,765
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding, net	$	3,888,349
Pension related items		2,078,679
OPEB related items		263,274
Total deferred outflows of resources	$	6,230,302
LIABILITIES		
Accounts payable	$	298,807
Accrued interest payable		433,105
Accrued wages and benefits		863,220
Long-term liabilities:		
Due within one year		3,390,161
Due in more than one year		44,616,285
Total liabilities	$	49,601,578
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$	1,406,756
OPEB related items		1,223,886
Total deferred inflows of resources	$	2,630,642
NET POSITION		
Net investment in capital assets	$	5,896,306
Restricted for future debt service		5,246,922
Restricted for future pension costs		9,564,192
Restricted for benefit of inmates		886,855
Unrestricted		3,232,572
Total net position	$	24,826,847

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

Exhibit 2

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position - Regional Jail Authority
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government:					
Governmental activities:					
Public safety	$ 23,667,764	$ 8,142,620	$ 15,139,745	$ -	$ (385,399)
Interest on long-term obligations	1,788,293	-	-	-	(1,788,293)
Total governmental activities	$ 25,456,057	$ 8,142,620	$ 15,139,745	$ -	$ (2,173,692)
General revenues:					
Unrestricted revenues from use of money					$ 473,986
Miscellaneous					1,427,771
Total general revenues					$ 1,901,757
Change in net position					$ (271,935)
Net position - beginning, as previously reported					$ 25,320,108
Restatement due to the adoption of a new accounting principle (note 14)					(221,326)
Net position - beginning, as restated					$ 25,098,782
Net position - ending					$ 24,826,847

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

Exhibit 3

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Debt Service Fund	Nonmajor Commissary Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,870,896	$ -	$ -	$ 5,870,896
Accounts receivable	4,546	-	18,321	22,867
Prepaid expenses	22,287	-	6,624	28,911
Due from other governmental units	2,024,193	-	-	2,024,193
Cash and cash equivalents with trustee - restricted	-	1,569,697	-	1,569,697
Cash and cash equivalents for inmates - restricted	-	-	886,855	886,855
Investments with trustee - restricted	-	3,677,225	-	3,677,225
Total assets	$ 7,921,922	$ 5,246,922	$ 911,800	$ 14,080,644
LIABILITIES				
Accounts payable	$ 293,516	$ -	$ 5,291	$ 298,807
Accrued wages and benefits	863,220	-	-	863,220
Total liabilities	$ 1,156,736	$ -	$ 5,291	$ 1,162,027
FUND BALANCE				
Nonspendable for prepaids	$ 22,287	$ -	$ 6,624	$ 28,911
Restricted:				
Debt service	-	5,246,922	-	5,246,922
For benefit of inmates	-	-	899,885	899,885
Unassigned	6,742,899	-	-	6,742,899
Total fund balance	$ 6,765,186	$ 5,246,922	$ 906,509	$ 12,918,617
Total liabilities and fund balance	$ 7,921,922	$ 5,246,922	$ 911,800	$ 14,080,644

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet		$ 12,918,617
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		47,183,929
The net pension asset is not an available resource and, therefore, is not reported in the funds.		9,564,192
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Deferred charge on refunding (to be amortized as interest expense)	$ 3,888,349	
Pension related items	2,078,679	
OPEB related items	263,274	6,230,302
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Revenue refunding bond	$ (38,015,000)	
Premium on revenue refunding bond	(2,185,220)	
Loan payable	(4,417,933)	
Lease liabilities	(557,819)	
Accrued interest payable	(433,105)	
Net OPEB liabilities	(1,997,367)	
Compensated absences	(833,107)	(48,439,551)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	$ (1,406,756)	
OPEB related items	(1,223,886)	(2,630,642)
Net position of governmental activities		$ 24,826,847

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Debt Service Fund	Nonmajor Commissary Fund	Total Governmental Funds
Revenues:				
Revenue from use of money and property	$ 235,280	$ 238,706	$ -	$ 473,986
Charges for services	8,142,620	-	-	8,142,620
Miscellaneous	1,095,395	-	332,376	1,427,771
Recovered costs	49,583	-	-	49,583
Intergovernmental	15,139,745	-	-	15,139,745
Total revenues	$ 24,662,623	$ 238,706	$ 332,376	$ 25,233,705
Expenditures:				
Public Safety:				
Employee costs	$ 14,706,232	$ -	$ -	$ 14,706,232
Medical costs	3,131,534	-	-	3,131,534
Building costs	1,039,945	-	-	1,039,945
Administrative costs	38,488	-	-	38,488
Service contracts/treatment costs	776,915	-	-	776,915
Telecommunication costs	47,163	-	-	47,163
Vehicle/equipment costs	102,039	-	115,468	217,507
Inmate costs	2,179,580	-	252,615	2,432,195
Custodial costs	42,417	-	-	42,417
Travel costs	5,496	-	-	5,496
Miscellaneous	-	-	163	163
Training and operational costs	91,094	-	-	91,094
Capital outlay	687,449	-	-	687,449
Debt Service:				
Principal	451,325	1,940,000	-	2,391,325
Interest and other fiscal charges	181,031	1,725,756	-	1,906,787
Total expenditures	$ 23,480,708	$ 3,665,756	$ 368,246	$ 27,514,710
Excess (deficiency) of revenues over (under) expenditures	$ 1,181,915	$ (3,427,050)	$ (35,870)	$ (2,281,005)
Other financing sources (uses):				
Transfers in	$ -	$ 2,864,172	$ -	$ 2,864,172
Transfers out	(2,864,172)	-	-	(2,864,172)
Issuance of leases	580,030	-	-	580,030
Total other financing sources (uses)	$ (2,284,142)	$ 2,864,172	$ -	$ 580,030
Net change in fund balance	$ (1,102,227)	$ (562,878)	$ (35,870)	$ (1,700,975)
Fund balance, beginning of year	7,867,413	5,809,800	942,379	14,619,592
Fund balance, end of year	$ 6,765,186	$ 5,246,922	$ 906,509	$ 12,918,617

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ (1,700,975)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital asset purchases in the current period.			
Capital outlay	$	744,178	
Depreciation/amortization expense		(2,389,105)	(1,644,927)
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.			
Issuance of leases	$	(580,030)	
Principal payments on loan payable		230,037	
Principal payments on leases		221,288	
Principal payments on revenue bond		1,940,000	1,811,295
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
Increase (decrease) in deferred charge on refunding	$	(277,739)	
(Increase) decrease in premium on revenue refunding bond		376,200	
(Increase) decrease in compensated absences		38,131	
(Increase) decrease in accrued interest payable		20,033	
Change in pension related items		1,065,475	
Change in OPEB related items		40,572	1,262,672
Change in net position of governmental activities			$ (271,935)

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

Exhibit 7

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds
	Inmate Account
ASSETS	
Cash and cash equivalents	$ 74,169
Total assets	$ 74,169
LIABILITIES	
Accounts payable and other liabilities	$ 70,198
Total liabilities	$ 70,198
NET POSITION	
Restricted for:	
Inmates	$ 53,455
Unrestricted	(68,241)
Total net position (deficit)	$ (14,786)

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

		Custodial Funds
		Inmate Account
ADDITIONS		
Inmate deposits	$	946,861
DEDUCTIONS		
Inmate refunds	$	164,959
Vendor payments for benefit of inmates		747,868
Total deductions	$	912,827
Net increase (decrease) in fiduciary net position	$	34,034
Net position (deficit) - beginning		(48,820)
Net position (deficit) - ending	$	(14,786)

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

Note 1-Summary of Significant Accounting Policies:

The financial statements of the New River Valley Regional Jail Authority (the Authority) conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity

The Authority was created by concurrent resolutions of the Counties of Bland, Carroll, Floyd, Giles, Grayson, Pulaski and Wythe and the City of Radford. The Authority was created under the provisions of Title 53.1, Chapter 3, Articles 3.1 and 5 of the Code of Virginia (1950), as amended. The Authority was created to construct and operate jail facilities for the participating jurisdictions.

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

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Authority (primary government). For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are other charges between the Authority's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The Authority reports the following major governmental funds:

The General Fund is the Authority's primary operating fund. The fund is used to account for and report all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from state and federal distributions as well as charges to participating localities. The General Fund is considered a major fund for reporting purposes.

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are also used to report financial resources being accumulated for future debt service. The Debt Service Fund is considered a major fund.

Additionally, the Authority reports the following fund types:

Special Revenue Funds account for and report the specific revenue sources (other than those dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Commissary Fund is reported as a nonmajor special revenue fund.

Fiduciary Funds (trust and custodial funds) account for assets held by the Authority in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which consist of the Inmate Account. Fiduciary funds are not included in the government-wide financial statements.

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance

1. Cash and Cash Equivalents

The Authority's cash and cash equivalents (including cash in custody of trustee) are considered to be cash on hand, amounts in demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance (Continued)

2. 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.

3. Use of Estimates

The preparation of financial statements in conformity with 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.

4. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and lease assets and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year.

As the Authority constructs or acquires capital assets each period, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and lease assets of the Authority are depreciated/amortized using the straight line method over the following estimated useful lives or life of the associated contract for lease assets:

Assets	Years
Buildings	40
Building improvements	20
Machinery and equipment	5-20
Lease equipment	4-5

5. Accounts Receivable

Accounts receivable are stated at book value. The Authority calculates an allowance for doubtful accounts based on amounts uncollected for greater than 90 days. The Authority had no allowance for doubtful accounts at June 30, 2025.

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

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance (continued)

6. Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only of the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The Authority's employees accrue paid time off at various rates based on the total years of service during employment as a full-time employee. Employees will be allowed to accumulate their maximum accrued hours per year as determined by years of service. An employee can accrue more than the maximum hours allowed. However, the maximum amount will only be carried beyond December 31st of each year. Upon termination, full compensation will be paid for unused paid time off up to the designated maximum based upon total years of service. The Authority's employees also accrue comp time at time and a half which is paid in full upon termination. During FY2014 the Authority adopted a new policy regarding sick leave. Upon retirement, employees with 5 years of service receive their sick leave at 25% up to $5,000. The Authority's liability for compensated absences, including sick leave to those employees eligible to retire, was $833,107.

7. Restricted Assets

Restricted assets are set aside for future debt service expenditures, future pension costs, and the benefit of inmates.

8. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance (continued)

9. Deferred Outflows/Inflows of Resources (Continued)

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

10. Pensions

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

11.Other Post Employment Benefits (OPEB)

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

In addition to the VRS related OPEB, the Authority allows their retirees to stay on the health insurance plan after retirement. The retiree is required to pay the blended premium cost creating an implicit subsidy OPEB liability. In addition, retirees receive a monthly stipend towards their health insurance cost until the retiree is Medicare eligible.

12. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

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

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance (continued)

12. *Net Position (Continued)*

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

13. *Fund Balance*

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Directors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the Authority's policy to use the most restrictive funds first in the following order: restrictive, committed, assigned and unassigned, as they are needed.

14. *Deficit Net Position*

A net position deficit of $14,786 exists in the inmate fiduciary fund (Commissary II) resulting from timing related to payables for the phone and commissary items. The Authority has another Commissary Fund accounted for as a special revenue fund that has sufficient funds to cover the deficit in the fiduciary fund.

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

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance (continued)

15. Leases

The Authority leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee

The Authority recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of $5,000, individually or in the aggregate. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subsequently, the lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Key Estimates and Judgments

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability.

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

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 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.

Note 2-Deposits and Investments: (Continued)

Investments:

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

Custodial Credit Risk (Investments):

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's Local Government Investment Pool (LGIP) investment is not exposed to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

Credit Risk of Debt Securities:

The Authority has not adopted an investment policy for credit risk. The Authority's rated debt investments as of June 30, 2025 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

Rated Debt Investments	Fair Quality Ratings	
	AA+	AAAm
Local Government Investment Pool (LGIP)	$ -	$ 3,679,454
First American Treasury Obligations	-	1,569,697
U.S. Treasury Note	3,677,225	-
Total	$ 3,677,225	$ 5,249,151

Concentration of Credit Risk:

At June 30, 2025, the Authority did not have any investments requiring concentration of credit risk disclosures that exceeded 5% of total investments.

Interest Rate Risk:

The Authority does not have a policy related to interest rate risk.

Investment Maturities (in years)

	Fair Value	Less than 1 Year	1-5 Years
Local Government Investment Pool (LGIP)	$ 3,679,454	$ 3,679,454	$ -
First American Treasury Obligations	1,569,697	1,569,697	-
U.S. Treasury Note	3,677,225	-	3,677,225
Total	$ 8,926,376	$ 5,249,151	$ 3,677,225

Note 2-Deposits and Investments: (Continued)

External Investment Pool:

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

Note 3-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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Authority maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

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

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

The Authority has the following recurring fair value measurements as of June 30, 2025:

		Fair Value Measurement Using		
Investment	6/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
First American Treasury Obligations	$ 1,569,697	$ 1,569,697	$ -	$ -
U.S. Treasury Note	3,677,225	3,677,225	-	-
Total	$ 5,246,922	$ 5,246,922	$ -	$ -

Note 4-Receivables:

At June 30, 2025, the Authority had the following receivables:

Amounts due from other governmental units:	
State Compensation Board for Jail Payroll	$ 754,276
State for Per Diems	499,308
State for Opioid Grant	3,657
Participating jurisdictions	766,952
Total amounts due from other governmental units	$ 2,024,193
Accounts receivable:	
Commissary receivables	$ 18,321
Miscellaneous receivables	4,546
Total accounts receivable	$ 22,867

Note 5-Interfund Transfers:

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 2,864,172
Debt Service Fund	2,864,172	-
Total	$ 2,864,172	$ 2,864,172

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

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Note 6-Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Authority for the year ended June 30, 2025:

	Balance July 1, 2024, as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Direct Borrowings and Placements:				
Revenue Refunding Bond	$ 39,955,000	$ -	$ (1,940,000)	$ 38,015,000
Revenue Refunding Bond Premium	2,561,420	-	(376,200)	2,185,220
Loan payable - finance purchase	4,647,970	-	(230,037)	4,417,933
Total Direct Borrowings and Placements	$ 47,164,390	$ -	$ (2,546,237)	$ 44,618,153
Lease liabilities	199,077	580,030	(221,288)	557,819
Net OPEB Liabilities	2,878,465	425,377	(1,306,475)	1,997,367
Compensated Absences*	871,238	-	(38,131)	833,107
Totals	$ 51,113,170	$ 1,005,407	$ (4,112,131)	$ 48,006,446

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

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

Year Ending	Direct Borrowings and Placements		Lease Liabilities	
June 30,	Principal	Interest	Principal	Interest
2026	$ 2,272,087	$ 1,753,977	$ 149,699	$ 75,255
2027	2,369,927	1,665,650	162,398	51,533
2028	2,473,589	1,572,706	164,418	26,238
2029	2,603,106	1,452,548	76,184	4,642
2030	2,743,510	1,326,100	5,120	33
2031-2035	15,742,205	4,732,759	-	-
2036-2039	14,228,509	1,360,423	-	-
	$ 42,432,933	$ 13,864,163	$ 557,819	$ 157,701

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<u>Note 6-Long-Term Obligations</u>: (Continued)

Details of long-term obligations:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Installment Frequency	Amount Outstanding	Amount Due Within One Year
Direct Borrowings and Placements:							
Revenue refunding bond	2.00-5.00%	3/29/2016	10/1/2038	$51,745,000	Annual*	$38,015,000	$2,025,000
Plus: Premium						2,185,220	343,545
Loan payable - finance purchase	2.719%	8/5/2020	2037	5,059,904	Annual*	4,417,933	247,087
Total direct borrowings and placements						$44,618,153	$2,615,632
Other long-term obligations:							
Lease liabilities:							
Enterprise-2022 Chevrolet Express	12.96%	2/1/2023	1/31/2027	$ 31,204	Monthly	$ 14,146	$ 8,596
Enterprise-Chevy Suburban	12.48%	2/1/2023	1/31/2027	52,358	Monthly	23,627	14,378
Enterprise-2023 Chevrolet Express	13.18%	5/1/2024	4/30/2028	49,106	Monthly	36,928	11,500
Enterprise-2023 Chevrolet Express	13.18%	5/1/2024	4/30/2028	49,106	Monthly	36,928	11,500
Enterprise-2023 Chevrolet Express	13.18%	5/1/2024	4/30/2028	49,106	Monthly	36,928	11,500
Enterprise-2023 Chevrolet Express	15.58%	8/1/2024	7/31/2028	54,897	Monthly	33,843	9,263
Enterprise-2023 Chevrolet Express	19.97%	8/1/2024	7/31/2028	45,322	Monthly	28,829	7,502
Enterprise-2023 Chevrolet Express	18.41%	10/1/2024	9/30/2028	49,561	Monthly	34,925	8,634
Enterprise-2023 Ford Transit	15.51%	11/1/2024	10/31/2028	89,770	Monthly	58,050	14,405
Enterprise-2024 Chevrolet Express	19.41%	4/1/2025	3/30/2029	53,600	Monthly	38,255	7,672
Enterprise-2024 Chevrolet Express	19.41%	4/1/2025	3/30/2029	53,816	Monthly	38,459	7,714
Enterprise-2024 Chevrolet Express	19.41%	4/1/2025	3/30/2029	53,816	Monthly	38,459	7,714
Enterprise-2024 Chevrolet Express	19.83%	3/1/2025	2/28/2029	53,816	Monthly	37,878	7,790
Enterprise-2024 Chevrolet Express	19.83%	3/1/2025	2/28/2029	53,816	Monthly	37,878	7,790
Ricoh copier lease	3.05%	11/14/2024	10/14/2029	71,616	Monthly	62,686	13,741
Lease liabilities total						557,819	149,699
Net OPEB liabilities						1,997,367	-
Compensated absences						833,107	624,830
Total other long-term obligations						$ 3,388,293	$ 774,529
Total long-term obligations						$48,006,446	$3,390,161

*Annual payment equals amount due within 1 year but does not include semi-annual interest installments

Covenants and default provisions:

In the Master Indenture, the Authority has covenanted (the "Revenue Covenant") to establish, fix, charge and collect such rates, fees and other charges for the use of and for the services furnished by the Regional Jail, and to revise such rates, fees and other charges, from time to time and as often as necessary, so as to produce Revenues in each Fiscal Year, not less than the sum of (i) 1.15 times Senior Debt Service and 1.0 times Subordinate Debt Service for the Fiscal Year (taking into account any interest payments funded from the proceeds of any such indebtedness which are available for such purpose) and (ii) 1.0 times the funding requirements under the Master Indenture for the Operating Account, the Service Reserve Account and the Repair and Replacement Reserve Account.

Note 6-Long-Term Obligations: (Continued)

Covenants and default provisions: (Continued)

For purposes of estimating the amount of Revenue available to meet the Revenue Covenant in preparation of the Authority's Annual Budget, the Authority is entitled to credit to its estimates:

- Reimbursement Payments (1) pledged to pay indebtedness and scheduled to be paid in the upcoming Fiscal Year, *provided*, that the Authority has not been notified by or on behalf of the appropriate payor that it does not intend to make such payments, and (2) received in excess of the amount required to pay or redeem such indebtedness; and

- Amounts in the Repair and Replacement Reserve Account in excess of the Replacement Reserve Requirement and amounts in the General Reserve Account, to the extent not committed, required or intended to be used for a particular purposes; *provided* such amounts in the aggregate do not exceed 15% of Operating Expenses plus Senior Debt Service budgeted to be paid during such Fiscal Year.

For purposes of determining compliance with the Revenue Covenant as of the end of each Fiscal Year, the Authority is entitled to credit the following to its calculation of Revenues:

- Payments from the Commonwealth Compensation Board due in such Fiscal Year but not year paid; *provided*, that the Authority has not been notified that such payments will not be made;

- Fees and other charges due for services furnished by the Authority to non-Member Jurisdictions in such Fiscal Year, but not yet paid and not overdue; *provided*, that the Authority has not been notified that such payments will not be made; and

- Amounts in the Repair and Replacement Reserve Account in excess of the Replacement Reserve Requirement and amounts in the General Reserve Account, to the extend not committed, required or intended to be used for a particular purpose; *provided* such amounts in the aggregate do not exceed 15% of Operating Expenses plus Senior Debt Service budgeted to be paid during such Fiscal year.

The following are events of default by the Authority under the Service Agreement: (i) failure to make any payments on the Series 2016 Bonds or other financing for the Regional Jail when due, (ii) the Authority is rendered incapable for any reason of performing its material obligations, (iii) assignment of the Service Agreement without prior consent of the Member Jurisdictions, (iv) a default under any material obligation for borrowed money obtained pursuant to authority of the Service Agreement which is not timely cured, (v) the commencement of any proceeding against the Authority with the consent or acquiescence of the Authority with respect to certain events of bankruptcy, insolvency or reorganization or (vi) the breach of any other provision of the Service Agreement by the Authority which is not cured within 30 days after the receipt of notice thereof.

Note 6-Long-Term Obligations: (Continued)

Covenants and default provisions: (Continued)

The following are events of default by the Member Jurisdictions under the Service Agreement: (i) failure to pay Per Diem Charges when due, (ii) any Member Jurisdiction is rendered incapable for any reasons of performing its obligations under the Service Agreement, (iii) the commencement of any proceeding against any Member Jurisdiction with the consent of acquiescence of the Member Jurisdiction with respect to certain events of bankruptcy, insolvency or reorganization or (iv) the breach of any other provision of the Service Agreement by a Member Jurisdiction which is not cured within 30 days of receipt of notice thereof.

Upon the occurrence of any Authority or Member Jurisdiction default, any Member Jurisdiction, or the Authority, as appropriate, after providing notice to all parties, may bring suit to require the defaulting party to perform its duties under the Act or of the Service Agreement or to enjoin acts in violation of the Act or the Service Agreement.

Note 7-Pension Plan:

Plan Description

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

Benefit Structures

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

a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

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

Note 7-Pension Plan: (Continued)

Benefit Structures (Continued)

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.

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Note 7-Pension Plan: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	101
Inactive members:	
Vested inactive members	45
Non-vested inactive members	196
Active members elsewhere in VRS	168
Total inactive members	409
Active members	189
Total covered employees	699

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 New River Valley Regional Jail Authority's contractually required employer contribution rate for the year ended June 30, 2025 was 8.53% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the New River Valley Regional Jail Authority were $841,447 and $705,685 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $17,278 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $11,802 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $1,727,800 for the year ended June 30, 2025.

Net Pension Asset

The net pension asset (NPA) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For New River Valley Regional Jail Authority's net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

Note 7-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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

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

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

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

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

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

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

Note 7-Pension Plan: (Continued)

Actuarial Assumptions – General Employees

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

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

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

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

Mortality rates:

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

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

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

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

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

<u>Note 7-Pension Plan</u>: (Continued)

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

Mortality rates: (Continued)

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

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

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

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

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:

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Note 7-Pension Plan: (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7-Pension Plan: (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) - (b)**
Balances at June 30, 2023	$ 28,758,161	$ 38,927,600	$ (10,169,439)
Changes for the year:			
Service cost	$ 1,621,940	$ -	$ 1,621,940
Interest	2,001,826	-	2,001,826
Differences between expected and actual experience	1,902,411	-	1,902,411
Contributions - employer	-	705,202	(705,202)
Contributions - employee	-	453,465	(453,465)
Net investment income	-	3,785,540	(3,785,540)
Benefit payments, including refunds of employees contributions	(1,446,836)	(1,446,836)	-
Administrative expenses	-	(24,101)	24,101
Other changes	-	824	(824)
Net changes	$ 4,079,341	$ 3,474,094	$ 605,247
Balances at June 30, 2024	$ 32,837,502	$ 42,401,694	$ (9,564,192)

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

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

	Rate		
	1% Decrease (5.75%)	**Current Discount (6.75%)**	**1% Increase (7.75%)**
New River Valley Regional Jail Authority's Net Pension Liability (Asset)	$ (4,965,827)	$ (9,564,192)	$ (13,232,573)

Note 7-Pension Plan: (Continued)

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

For the year ended June 30, 2025, the New River Valley Regional Jail Authority recognized pension expense of $(224,509). At June 30, 2025, the New River Valley Regional Jail Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	1,237,232	$	335,403
Net difference between projected and actual earnings on pension plan investments		-		1,071,353
Employer contributions subsequent to the measurement date measurement date		841,447		-
Total	$	2,078,679	$	1,406,756

$841,447 reported as deferred outflows of resources related to pensions resulting from the New River Valley Regional Jail Authority's contributions subsequent to the measurement date will be recognized as an addition to the Net Pension Asset in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2026	$	(583,722)
2027		864,460
2028		(216,573)
2029		(233,689)
Thereafter		-

Pension Plan Data

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

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<u>Note 8-Capital Assets</u>:

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 240,396	$ -	$ -	$ 240,396
Construction in Progress	211,621	42,678	(254,299)	-
Total capital assets not being depreciated	$ 452,017	$ 42,678	$ (254,299)	$ 240,396
Capital assets being depreciated:				
Buildings and Improvements	$ 82,269,582	$ 254,299	$ -	$ 82,523,881
Machinery and Equipment	18,819,396	121,470	-	18,940,866
Lease Machinery and Equipment	230,880	580,030	-	810,910
Total capital assets being depreciated	$ 101,319,858	$ 955,799	$ -	$ 102,275,657
Accumulated depreciation:				
Buildings and Improvements	$ (34,405,293)	$ (2,163,768)	$ -	$ (36,569,061)
Machinery and Equipment	(18,502,196)	(92,901)	-	(18,595,097)
Lease Machinery and Equipment	(35,530)	(132,436)	-	(167,966)
Total accumulated depreciation	$ (52,943,019)	$ (2,389,105)	$ -	$ (55,332,124)
Total capital assets being depreciated, net	$ 48,376,839	$ (1,433,306)	$ -	$ 46,943,533
Governmental activities capital assets, net	$ 48,828,856	$ (1,390,628)	$ (254,299)	$ 47,183,929

<u>Note 9-Risk Management</u>:

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates with other government entities in a public entity risk pool for its coverage of liability insurance through VAcorp insurance pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Authority pays contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

<u>Note 10-Other Postemployment Benefits – Health Insurance</u>:

Plan Description

The Authority administers a single-employer defined benefit healthcare plan, The 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

Postemployment benefits are provided to eligible retirees to include health insurance. The Plan will provide retiring employees the option to continue health insurance offered by the Authority. Employees are eligible for the program at age 50 and 10 years of service to the Authority for general employees and 5 years of service for safety officers.

Note 10-Other Postemployment Benefits – Health Insurance: (Continued)

Plan Membership

At June 30, 2025 (measurement date), the following employees were covered by the benefit terms:

Total active employees	174
Total retired employees	-
Total	174

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 Board. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2025 was $11,444.

Total OPEB Liability

The Authority's total OPEB liability was measured as of June 30, 2025. The total OPEB liability was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	The salary increase (general) rate starts at 5.35% for 1 year of service and gradually declines to 3.50% for 20 or more years of service. The salary increase (public safety) rate starts at 4.75% for 1 year of service and gradually declines to 3.50% for 20 or more years of service.
Discount Rate	3.93% as of June 30, 2024; 3.93% as of June 30, 2025

Mortality Rates:

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related. Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% for females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 35% of deaths are assumed to be service-related.
- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. Pub-2010 Amount Weighted Safety Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 10-Other Postemployment Benefits – Health Insurance: (Continued)

Actuarial Assumptions (Continued)

Mortality Rates: (Continued)

- Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer General Obligation 20-Bond Municipal index as of the measurement date.

Changes in Total OPEB Liability

Balance as of June 30, 2024	$ 2,448,871
Changes for the year:	
Service Cost	128,033
Interest on total OPEB liability	101,050
Effect of economic/demographic gains or losses	(842,761)
Effect of assumption changes or inputs	(241,282)
Benefit Payments	(11,444)
Balance as of June 30, 2025	$ 1,582,467

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

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	Rate	
(2.93%)	(3.93%)	(4.93%)
1% Decrease	Current Discount	1% Increase
$ 1,775,387	$ 1,582,467	$ 1,416,162

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Note 10-Other Postemployment Benefits – Health Insurance: (Continued)

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 (5.50% decreasing to an ultimate rate of 2.90%) or one percentage point higher (7.50% decreasing to an ultimate rate of 4.90%) than the current healthcare cost trend rates:

	Rate	
1% Decrease	Healthcare Cost Trend	1% Increase
(5.50% decreasing to 2.90%)	(6.50% decreasing to 3.90%)	(7.50% decreasing to 4.90%)
$ 1,375,770	$ 1,582,467	$ 1,828,363

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

For the year ended June 30, 2025, the Authority recognized OPEB expense in the amount of $31,505. At June 30, 2025, the Authority reported 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	$ 72,429	$ 758,558
Change in assumptions	62,669	357,974
Total	$ 135,098	$ 1,116,532

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year ended June 30	
2026	$ (228,477)
2027	(258,308)
2028	(198,998)
2029	(197,098)
Thereafter	(98,553)

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

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Note 11-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 Group Life Insurance 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 below:

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,532 as of June 30, 2025.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $46,588 and $51,546 for the years ended June 30, 2025 and June 30, 2024, respectively.

Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2025, the entity reported a liability of $414,900 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.03718% as compared to 0.03582% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of $(14,046). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 65,439	$ 10,135
Change in assumptions	2,365	20,562
Net difference between projected and actual earnings on GLI OPEB plan investments	-	34,972
Change in proportionate share	13,784	41,685
Employer contributions subsequent to the measurement date measurement date	46,588	-
Total	$ 128,176	$ 107,354

$46,588 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30	
2026	$ (32,755)
2027	(1,399)
2028	(7,319)
2029	6,802
2030	8,905

Note 11-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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years, 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally: 95% of rates for males set forward 2 years, 95% of rates for females set forward 1 year

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years, 110% of rates for females set forward 2 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

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

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

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Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions **(Continued)**

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

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

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

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

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

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

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

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

The remainder of this page is left blank intentionally.

Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions **(Continued)**

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

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

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

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:

Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

<u>Note 11-Group Life Insurance (GLI) Plan (OPEB Plan)</u>: (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the Group Life Insurance Plan Net OPEB Liability	$ 645,223	$ 414,900	$ 228,829

GLI Plan Fiduciary Net Position

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

<u>Note 12-Summary of OPEB Plans</u>:

	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
Stand-Alone Plan (Note 10)	$ 135,098	$ 1,116,532	$ 1,582,467	$ 31,505
VRS Group Life Insurance Plan (Note 11)	128,176	107,354	414,900	(14,046)
Totals	$ 263,274	$ 1,223,886	$ 1,997,367	$ 17,459

<u>Note 13-Litigation</u>:

As of June 30, 2025, the Authority had no matters of litigation involving the Authority which would materially affect the Authority's financial position.

<u>Note 14-Adoption of Accounting Principles</u>:

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

Note 14-Adoption of Accounting Principles: (Continued)

Beginning balance, as previously reported	$	25,320,108
Increase in compensated absences		(221,326)
Beginning balance, as restated	$	25,098,782

Note 15-Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

Exhibit 9

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
Revenues:	Original	Final	Amounts	(Negative)
Revenue from local sources:				
Charges to participating jurisdictions:				
Bland County	$ 106,872	$ 106,872	$ 149,950	$ 43,078
Carroll County	1,856,901	1,856,901	1,393,835	(463,066)
Giles County	601,155	601,155	621,029	19,874
Grayson County	935,130	935,130	957,837	22,707
Floyd County	360,693	360,693	304,731	(55,962)
Pulaski County	2,337,825	2,337,825	2,185,715	(152,110)
Radford City	868,335	868,335	1,006,866	138,531
Wythe County	1,349,259	1,349,259	1,506,639	157,380
Charges for non-member jurisdictions and US Marshall	26,019	26,019	16,018	(10,001)
Interest income	200,000	200,000	235,280	35,280
Inmate telephone income	650,000	650,000	1,000,000	350,000
Inmate cost recovery	65,000	65,000	49,583	(15,417)
Miscellaneous	75,800	75,800	95,395	19,595
Total revenue from local sources	$ 9,432,989	$ 9,432,989	$ 9,522,878	$ 89,889
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Reimbursement of salaries and fringes	$ 13,885,000	$ 13,885,000	$ 13,607,184	$ (277,816)
State per diem warrant	1,306,101	1,306,101	1,514,253	208,152
Other	8,000	8,000	18,308	10,308
Total revenue from the Commonwealth	$ 15,199,101	$ 15,199,101	$ 15,139,745	$ (59,356)
Total revenues	$ 24,632,090	$ 24,632,090	$ 24,662,623	$ 30,533
Expenditures:				
Public Safety:				
Employee costs	$ 14,906,670	$ 14,906,670	$ 14,706,232	$ 200,438
Medical costs	1,833,792	1,833,792	3,131,534	(1,297,742)
Building costs	970,345	970,345	1,039,945	(69,600)
Administrative costs	33,560	33,560	38,488	(4,928)
Service contracts/treatment costs	848,000	848,000	776,915	71,085
Telecommunication costs	36,435	36,435	47,163	(10,728)
Vehicle/equipment costs	106,000	106,000	102,039	3,961
Inmate costs	1,681,248	1,681,248	2,179,580	(498,332)
Custodial costs	68,000	68,000	42,417	25,583
Travel costs	12,800	12,800	5,496	7,304
Training and operational costs	92,240	92,240	91,094	1,146
Capital outlay	400,000	400,000	687,449	(287,449)
Debt Service:				
Principal	316,927	316,927	451,325	(134,398)
Interest and other fiscal charges	124,073	124,073	181,031	(56,958)
Total expenditures	$ 21,430,090	$ 21,430,090	$ 23,480,708	$ (2,050,618)
Excess (deficiency) of revenues over (under) expenditures	$ 3,202,000	$ 3,202,000	$ 1,181,915	$ (2,020,085)
Other financing sources (uses):				
Transfers out	$ (3,552,000)	$ (3,552,000)	$ (2,864,172)	$ 687,828
Proceeds of leases	-	-	580,030	580,030
Total other financing sources (uses)	$ (3,552,000)	$ (3,552,000)	$ (2,284,142)	$ 1,267,858
Net change in fund balance	$ (350,000)	$ (350,000)	$ (1,102,227)	$ (752,227)
Fund balance, beginning of year	350,000	350,000	7,867,413	7,517,413
Fund balance, end of year	$ -	$ -	$ 6,765,186	$ 6,765,186

Exhibit 10

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Schedule of Changes in Net Pension Asset and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 1,621,940	$ 1,211,796	$ 1,255,777	$ 1,394,042	$ 1,371,734	$ 1,387,518	$ 1,357,493	$ 1,345,377	$ 1,385,232	$ 1,376,208
Interest	2,001,826	1,950,819	1,849,378	1,666,230	1,607,083	1,437,748	1,326,841	1,265,744	1,152,273	1,055,042
Differences between expected and actual experience	1,902,411	(1,449,687)	(392,541)	(1,937,369)	(1,322,410)	295,812	(446,444)	(932,819)	(372,846)	(647,155)
Assumption changes	-	-	-	1,294,333	-	869,984	-	(204,704)	-	-
Benefit payments	(1,446,836)	(1,287,994)	(1,043,615)	(875,791)	(684,521)	(758,854)	(548,157)	(653,392)	(433,900)	(356,253)
Net change in total pension liability	$ 4,079,341	$ 424,934	$ 1,668,999	$ 1,541,445	$ 971,886	$ 3,232,208	$ 1,689,733	$ 820,206	$ 1,730,759	$ 1,427,842
Total pension liability - beginning	28,758,161	28,333,227	26,664,228	25,122,783	24,150,897	20,918,689	19,228,956	18,408,750	16,677,991	15,250,149
Total pension liability - ending (a)	$ 32,837,502	$ 28,758,161	$ 28,333,227	$ 26,664,228	$ 25,122,783	$ 24,150,897	$ 20,918,689	$ 19,228,956	$ 18,408,750	$ 16,677,991
Plan fiduciary net position										
Contributions - employer	$ 705,202	$ 622,969	$ 665,856	$ 718,535	$ 700,202	$ 677,889	$ 738,132	$ 723,508	$ 863,846	$ 880,287
Contributions - employee	453,465	398,389	392,305	411,919	410,060	396,376	438,015	433,188	427,471	441,995
Net investment income	3,785,540	2,390,441	(55,146)	7,973,336	534,862	1,746,468	1,752,892	2,527,375	361,607	826,435
Benefit payments	(1,446,836)	(1,287,994)	(1,043,615)	(875,791)	(684,521)	(758,854)	(548,157)	(653,392)	(433,900)	(356,253)
Administrator charges	(24,101)	(23,471)	(22,786)	(19,078)	(17,497)	(16,451)	(14,334)	(13,825)	(11,309)	(10,160)
Other	824	964	865	906	(647)	(1,107)	(1,595)	(2,280)	(148)	(177)
Net change in plan fiduciary net position	$ 3,474,094	$ 2,101,298	$ (62,521)	$ 8,209,827	$ 942,459	$ 2,044,321	$ 2,364,953	$ 3,014,574	$ 1,207,567	$ 1,782,127
Plan fiduciary net position - beginning	38,927,600	36,826,302	36,888,823	28,678,996	27,736,537	25,692,216	23,327,263	20,312,689	19,105,122	17,322,995
Plan fiduciary net position - ending (b)	$ 42,401,694	$ 38,927,600	$ 36,826,302	$ 36,888,823	$ 28,678,996	$ 27,736,537	$ 25,692,216	$ 23,327,263	$ 20,312,689	$ 19,105,122
Authority's net pension asset - ending (a) - (b)	$ (9,564,192)	$ (10,169,439)	$ (8,493,075)	$ (10,224,595)	$ (3,556,213)	$ (3,585,640)	$ (4,773,527)	$ (4,098,307)	$ (1,903,939)	$ (2,427,131)
Plan fiduciary net position as a percentage of the total pension liability	129.13%	135.36%	129.98%	138.35%	114.16%	114.85%	122.82%	121.31%	110.34%	114.55%
Covered payroll	$ 9,453,163	$ 8,293,480	$ 7,804,517	$ 8,320,921	$ 8,365,493	$ 8,044,807	$ 8,888,104	$ 8,668,083	$ 8,592,835	$ 8,734,544
Authority's net pension asset as a percentage of covered payroll	-101.17%	-122.62%	-108.82%	-122.88%	-42.51%	-44.57%	-53.71%	-47.28%	-22.16%	-27.79%

Exhibit 11

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Schedule of Employer Contributions
Pension Plan
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 841,447	$ 841,447	-	$ 9,864,561	8.53%
2024	705,685	705,685	-	9,453,163	7.47%
2023	623,016	623,016	-	8,293,480	7.51%
2022	667,229	667,229	-	7,804,517	8.55%
2021	712,602	712,602	-	8,320,921	8.56%
2020	700,202	700,202	-	8,365,493	8.37%
2019	677,877	677,877	-	8,044,807	8.43%
2018	738,132	738,132	-	8,888,104	8.30%
2017	728,986	728,986	-	8,668,083	8.41%
2016	868,736	868,736	-	8,592,835	10.11%

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Notes to Required Supplementary Information
Pension Plan
For the Year Ended June 30, 2025

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

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

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

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

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

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios
Health Insurance Plan
For the Measurement Dates of June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 128,033	$ 158,727	$ 186,161	$ 177,582	$ 211,283	$ 146,244	$ 167,034	$ 149,465
Interest	101,050	89,869	80,943	52,441	65,017	83,248	97,837	56,418
Plan Changes	-	-	-	-	(578,067)	-	-	-
Economic Gains or Losses	(842,761)	-	(50,191)	-	(209,543)	-	796,747	-
Effect of assumptions changes	(241,282)	(70,066)	40,631	(339,299)	61,328	304,234	(353,480)	(75,576)
Benefit payments	(11,444)	(65,544)	(43,675)	(37,794)	(23,041)	(47,365)	(33,092)	(23,968)
Net change in total OPEB liability	$ (866,404)	$ 112,986	$ 213,869	$ (147,070)	$ (473,023)	$ 486,361	$ 675,046	$ 106,339
Total OPEB liability - beginning	2,448,871	2,335,885	2,122,016	2,269,086	2,742,109	2,255,748	1,580,702	1,474,363
Total OPEB liability - ending	$ 1,582,467	$ 2,448,871	$ 2,335,885	$ 2,122,016	$ 2,269,086	$ 2,742,109	$ 2,255,748	$ 1,580,702
Covered payroll	$ 9,328,550	$ 10,062,666	$ 10,062,666	$ 8,743,384	$ 8,743,384	$ 8,531,947	$ 8,531,947	$ 8,706,700
Authority's total OPEB liability as a percentage of covered payroll	16.96%	24.34%	23.21%	24.27%	25.95%	32.14%	26.44%	18.16%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Notes to Required Supplementary Information
Health Insurance Plan
For the Year Ended June 30, 2025

Valuation Date: 7/1/2024
Measurement Date: 6/30/2025

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93% as of June 30, 2025; 3.93% as of June 30, 2024
Inflation	2.50% per year as of June 30, 2025; 2.50% per year as of June 30, 2024
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.40% in 2024 and gradually declines to 3.90% by the year 2072
Salary Increase Rates	The salary scale (general) rate starts at 5.35% for 1 year of service and gradually declines to 3.50% for 20 or more years of service. The salary scale (public safety) rate starts at 4.75% for 1 year of service and gradually declines to 3.50% for 20 or more years of service.
Retirement Age	The average age at retirement is 62
Mortality Rates	Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years. Post-Retirement: Pub-2010 Amount Weighted General Healthy Rates projected generationally; 110 % of rates for females. Post-retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years. Post-Disablement: Pub-2010 Amount weighted General Disabled Rates projected generationally; males and females set forward 3 years. Post-Disablement: Pub 2010 Amount Weighted Safety Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Schedule of Authority's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.03718%	$ 414,900	$ 9,545,490	4.35%	73.41%
2023	0.03582%	429,594	8,437,931	5.09%	69.30%
2022	0.03610%	434,920	7,857,828	5.53%	67.21%
2021	0.04070%	473,975	8,404,632	5.64%	67.45%
2020	0.04080%	680,885	8,396,311	8.11%	52.64%
2019	0.04121%	670,596	8,078,758	8.30%	52.00%
2018	0.04699%	714,000	8,888,104	8.03%	51.22%
2017	0.04720%	710,000	8,668,084	8.19%	48.86%

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

Exhibit 16

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2017 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 46,588	$ 46,588	$ -	$ 9,912,378	0.47%
2024	51,546	51,546	-	9,545,490	0.54%
2023	45,565	45,565	-	8,437,931	0.54%
2022	42,432	42,432	-	7,857,828	0.54%
2021	45,385	45,385	-	8,404,632	0.54%
2020	43,661	43,661	-	8,396,311	0.52%
2019	42,010	42,010	-	8,078,758	0.52%
2018	46,460	46,460	-	8,888,104	0.52%
2017	45,271	45,271	-	8,668,084	0.52%

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

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2025

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

COMPLIANCE SECTION

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

To the Board of Directors
New River Valley Regional Jail Authority
Dublin, 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 governmental activities, each major fund, and the aggregate remaining fund information of New River Valley Regional Jail Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise New River Valley Regional Jail Authority's basic financial statements and have issued our report thereon dated December 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New River Valley 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 New River Valley Regional Jail Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of New River Valley Regional Jail Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 30, 2025