RIVERSIDE REGIONAL JAIL AUTHORITY

NORTH PRINCE GEORGE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING

JUNE 30, 2022

RIVERSIDE REGIONAL JAIL AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JULY 1, 2021 THROUGH JUNE 30, 2022

500 FOLAR Trail
North Prince George, Virginia 23860
(Prince George County)

Prepared by Administrative Services - Finance Department

Colonel Larry J. Leabough
Superintendent

Crystal H. Reid, M.B.A.
Director of Administrative Services

CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal i
GFOA Certificate of Achievement vi
Directory of Principal Officials vii
Organizational Chart viii

FINANCIAL SECTION

Independent Auditor's Report 1
Management's Discussion and Analysis 4a

Basic Financial Statements

Exhibit 1 Statement of Net Position 6
Exhibit 2 Statement of Revenues, Expenses, and Changes in Fund Net Position 7
Exhibit 3 Statement of Cash Flows 8
Exhibit 4 Statement of Fiduciary Net Position 10
Exhibit 5 Statement of Changes in Fiduciary Net Position 11
Notes to Financial Statements 12

Required Supplementary Information

Exhibit 6 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios 39
Exhibit 7 Schedule of Pension Contributions 40
Exhibit 8 Schedule of Employer's Share of Net OPEB Liability 41
Exhibit 9 Schedule of OPEB Contributions 42
Notes to Required Supplementary Information 43

CONTENTS
(Continued)

Page

STATISTICAL SECTION

Table 1	Net Position by Component	46
Table 2	Changes in Net Position	47
Table 3	Revenues by Customer	48
Table 4	Revenues and Billed Days – by Customer	49
Table 5	Revenue Bond Coverage	50
Table 6	Ratios of Outstanding Debt by Type	51
Table 7	Crater Planning Region Principal Employers	52
Table 8	Demographic and Economic Statistics	53
Table 9	Full-Time Equivalent Employees by Function	54
Table 10	Inmate Population Statistics	55
Table 11	Capital Assets	56
Table 12	Schedule of Insurance in Force	57

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 59

Summary of Compliance Matters 61

INTRODUCTORY SECTION

Riverside Regional Jail

Colonel Larry Leabough
Superintendent

October 11, 2022

The Board of Directors
Riverside Regional Jail Authority

We are pleased to submit the Annual Comprehensive Financial Report of the ***Riverside Regional Jail Authority*** (Jail Authority) for the fiscal year ended June 30, 2022. The report was prepared by the Superintendent and Finance Department in accordance with accounting principles generally accepted in the United States of America for governmental accounting and reporting as promulgated by the Governmental Accounting Standards Board. The responsibility for the accuracy of information and the completeness and fairness of the presentations, including all disclosures, rests with the undersigned management of the Jail Authority. The financial statements have been audited by the independent accounting firm of Brown Edwards & Company, L.L.P. whose reports are included herein.

We believe that the financial information, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations as measured by the financial activity of the Jail Authority's Enterprise Funds (Operating and Canteen); and that all disclosures necessary to enable the reader to gain an understanding of the Jail Authority's financial activity have been included.

A brief history of the Jail Authority, its financial operations and selected accomplishments are presented below. In addition, Management's Discussion and Analysis precedes the basic financial statements.

PROFILE OF THE ORGANIZATION

The ***Riverside Regional Jail Authority***, a political subdivision of the Commonwealth of Virginia, was created by Chapter 726 of the 1990 Acts of the General Assembly of Virginia, and was formed on June 21, 1990. The participating jurisdictions of the Jail Authority include the Cities of Colonial Heights, Hopewell and Petersburg and the Counties of Charles City, Chesterfield, Prince George and Surry. The Jail Authority is governed by a fourteen-member board, comprised of two members from each participating jurisdiction.

The general purpose of the Jail Authority is to maintain and operate a regional jail to meet the needs of the participating jurisdictions for additional jail facilities. The regional jail is located in the County of Prince George adjacent to the Petersburg Federal Correctional Institution and houses inmates primarily from member jurisdictions. If space is available, inmates from other jurisdictions, including state and federal inmates, are accepted.

500 FOLAR Trail, North Prince George, Virginia 23860
Phone: (804) 524-6600 Fax: (804) 524-6659
www.rrjva.org

ECONOMIC CONDITON AND OUTLOOK

The shortfall of the projected average daily population has resulted in many challenges for the Jail Authority. The financial condition of the Jail Authority is primarily dependent upon the number of inmates housed at the facility. During fiscal year 2022, the coronavirus had an adverse effect on the Jail Authority. Due to the impact of COVID-19 affecting many jail institutions, there were many challenges in housing the inmate population and practicing social distancing per the Center for Disease Controls (CDC) guidelines within a jail facility setting. The Jail Authority experienced a 12.43% decrease in the inmate population during the fiscal year.

The economic stability of the jail is based on the contractual obligation of each Member Jurisdiction to pay a per diem rate of $46 per inmate per day. Based on the results of the mid-year budget projections denoting a shortfall, the Jail Authority assessed additional inmate housing fees (supplemental billing) in the amount of $500,000 to Member Jurisdictions. To provide budget relief for the Member Jurisdictions, the Jail Authority elected to distribute the prior years' accumulated excess cash balances from the Fund Balance Reserve to equal the additional supplemental billing fees. The additional fee of $500,000 was received by June 30, 2022 from the Member Jurisdictions.

The per diem rate for the Member Jurisdictions increased from $46 to $50 during fiscal year 2022. The outlook for the population growth increased by.10% for the Member Jurisdictions in the past year according to the most recent United States Census data. During fiscal year 2022, the Jail Authority experienced a decrease of 16.55% in the inmate Average Daily Population (ADP) for its Member Jurisdictions as compared to the previous fiscal year. The actual ADP for fiscal year 2022 was 1,093 inmates.

MAJOR INITIATIVES

In order to demonstrate compliance in correctional facility management, the Jail Authority has undertaken a number of initiatives to ensure operations meet national standards for a local correctional facility.

- The Main Jail has been accredited by the American Correction Association (ACA), Adult Local Detention Standards (ALDF) for a three-year period in each of the following years: 1999, 2002, 2006, 2010, 2013, 2016, 2019 and 2022. The accreditation program is a professional peer review process based on national standards that have evolved since the founding of the ACA in 1870. ACA standards address services, programs and operations essential to effective correctional management. Standards set by ACA reflect practical up-to-date policies and procedures and function as a management tool for agencies and facilities throughout the world. The Jail Authority received a compliance score of 99.4 percent on the ACA audit that was conducted in May 2022.

- The Jail Authority received re-certification for compliance with the provisions of the Prison Rape Elimination Act (PREA) in July 2020. The certification is for a three-year period. During the inspection, it was noted by the PREA auditor that the Jail Authority was in full compliance with the PREA standards.

- The Jail Authority was audited by the Federal Bureau of Prisons in September 2021 to demonstrate compliance with the secure custody, safekeeping and housing of federal inmates. The federal audit was completed with no deficiencies.

- In order to demonstrate compliance with the provision of appropriate correctional healthcare, the Jail Authority received initial accreditation from the National Commission on Correctional Healthcare (NCCHC) in March 2014. The Jail Authority received a re-accreditation from NCCHC in September 2017. On June 28, 2021, the Jail Authority received its third re-accreditation from NCCHC. The certification is for a three-year period.

- The Jail Authority received unconditional certification to house adult and juvenile offenders from the Virginia State Board of Corrections in March 2021. Presently, the Jail Authority has not had its annual inspection for calendar year 2022 from the Virginia State Board of Corrections.

- In October 2017 the Riverside Regional Jail received a grant through the Department of Criminal Justice Services (DCJS) for an Addictions Recovery Grant Program (ARGP). The program serves female offenders who are within 90-120 days of release in conjunction with transitioning the Therapeutic Community female offenders who meet the same requirements as a part of extended release services. The ARGP, which began operation in January 2018, is a twelve week cohort holistic model that uses a peer recovery approach. The program is facilitated by a Certified Peer Recovery Specialist who provides recovery planning and goal setting. The program also established the Riverside Re-entry Advisory Council in order to network with local and surrounding stakeholders to assist with hard to place cases and use as a referral service for these returning citizens. The ARGP was renewed by DCJS for FY 2023.

On September 23, 2021, the Jail Authority approved a consent agreement with the Virginia Board of Local and Regional Jails to resolve its investigations of the (3) three inmate deaths in 2019 and 2020. This agreement releases the Jail Authority from the (3) three year probationary period and avoids decertification. This agreement represents a culmination of the Jail Authority's recent efforts to identify and focus on areas of improvement. The Jail Authority submits monthly reports to the Virginia Board of Local and Regional Jails to support how the facility is maintaining compliance with the agreement. The Jail Authority continues to strive to ensure that Riverside Regional Jail is a model correctional facility providing a safe and healthy environment for all inmates, staff and visitors to the jail.

The Jail Authority continues to remain committed to providing offenders an opportunity to address the underlying causes of criminal behavior. The facility publishes an Annual Programs Report documenting the various programs designed to provide offenders the opportunity to change. The Jail Authority is especially proud of efforts provided to veterans through the targeted programs offered in the Veterans Housing Unit with programs and services designed specifically for those offenders that have service in our Nation's Armed Services.

COVID-19

Jail facilities face unique challenges in the control of infectious diseases such as COVID-19 because of crowded, shared environments and the potential introductions by staff members and new intakes. The Jail Authority has been following the recommendations of CDC, Virginia Department of Health and its medical contract provider to prevent the spread of the virus. Prompt identification of persons with COVID-19 and consistent application of prevention measures are critical to protecting incarcerated or detained persons, staff members, and the communities in which the inmates return. The Jail Authority implemented many procedures and processes to prevent the spread of COVID-19 within the facility. The following procedures were adhered to at the start of COVID-19 and has continued in fiscal year 2022:

- The Jail Authority received medical guidance from its medical contract provider in responding to the coronavirus.
- COVID-19 supplies and personal protective equipment were purchased at the onset of COVID-19. The Jail Authority spent $162,311 on COVID-19 supplies and equipment during fiscal year 2022.
- Deep sanitization and cleaning of the jail facility has been conducted on a daily basis.
- All staff have daily temperature checks at one entry point of the facility, mandatory wearing of face masks and supplied personal hand sanitizer bottles. Hand sanitizer stations were placed throughout the facility. Staff were issued N-95 and KN-95 masks.
- Staff were encouraged to practice social distancing whenever possible.
- Inmates were issued surgical style masks for mandatory face coverings weekly.
- All new intakes were placed in a (10) ten day observation area.

- A segregated housing unit was opened for female and male inmates that was designated as the Infectious Control Pod. All inmates that were confirmed positive were relocated and housed in these pods.
- The Jail Authority received $50,000 from DCJS Coronavirus Emergency Supplemental Fund Grant on December 17, 2021 for calendar year 2022 to be used in the purchase of COVID-19 supplies and personal protective equipment.
- To mitigate the spread of COVID-19, the Jail Authority staff and the medical contractor conducts bi-weekly conference calls with the Crater District Health Department to provide updates on inmates and staff who tested positive for COVID-19 and to discuss any changes to the Center for Disease Control (CDC) or the Virginia Department of Health guidelines or recommendations.
- The Jail Authority has put procedures in place to better track staff members that become COVID-19 positive by developing a questionnaire to obtain information on their exposure and the type of symptoms they may be experiencing.
- The Jail Authority has held vaccination events for inmates and staff.
- There were 8.7% of the inmate population that tested positive for COVID-19 during fiscal year 2022. These inmates were quarantined for (10) ten days per the CDC guidelines.

FINANCIAL CONTROLS

The accounting system of the Jail Authority is dependent upon a strong system of internal accounting controls to ensure that financial information generated is both accurate and reliable. The Jail Authority's internal controls are designed to ensure that the assets of the Jail Authority are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments made by management.

All internal control evaluations occur with the above framework. We believe that the Jail Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Jail Authority maintains budgetary controls to ensure compliance with the annual budget approved by the Authority Board. The budget preparation process is initiated annually in August of each fiscal year (July 1 through June 30). The Director of Administrative Services, with input from other departments, prepares a Preliminary Budget for the Jail Authority Finance Committee to review. The Preliminary Budget must be submitted to the Jail Authority before January 1st of each year. The Jail Authority Finance Committee reviews the Preliminary Budget and adoption of the final budget must be completed by March 1st annually.

RELEVANT FINANCIAL POLICIES

The Jail Authority maintains (6) six polices to assist in maintaining a strong credit rating, liquidity strength and the ability to operate independently from the member jurisdictions. (Post Issue Compliance Policy, Audit Committee Policy, Capital Improvement Plan Policy, Debt Management Policy, Accounting and Auditing Complaints Policy and the Fund Policy)

LONG-TERM FINANCIAL PLANNING

As part of the annual budget process, estimated revenues and justification of those revenues are forecasted for future trends. The process focuses on operating revenues and expenses as well as debt service and investment income. The Jail Authority is committed to maintaining a sustainable long-term financial plan.

INDEPENDENT AUDIT

State statute requires an annual audit by independent certified public accountants. The public accounting firm of Brown, Edwards & Company, L.L.P. was selected by the Jail Authority's Audit Committee to perform the audit for the fiscal year ended June 30, 2022. The independent auditor's report on the financial statements is included in the financial section of this report.

AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Riverside Regional Jail Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the twenty-fourth (24th) consecutive year that Riverside Regional Jail Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the requirements of the Certificate of Achievement program and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

This report reflects the strong financial policies enacted by the Jail Authority and the active participation of the Authority's Finance Committee. The Jail Authority's support and cooperation in planning and conducting the financial operations of the jail facility are appreciated and acknowledged.

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the employees of the Riverside Regional Jail Authority. Of special mention are Michelle Coleman, Patricia Fazio, Patrice Harris, Trinika Lewis-Jones, Maria Montijo, and Kimberly Strubel.

Respectfully Submitted,

Larry J. Leabough,
Superintendent

Crystal H. Reid, MBA
Director of Adminsitrtive Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Riverside Regional Jail Authority
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

DIRECTORY OF PRINCIPAL OFFICIALS
FISCAL YEAR 2022

Chair	Percy Ashcraft Prince George County
	Vanessa Crawford City of Petersburg
Vice Chair	Vanessa Crawford City of Petersburg
	John Altman City of Hopewell
Secretary/Treasurer	Matt Harris Chesterfield County

Other Members

Douglas Smith
City of Colonial Heights

Michelle Johnson
Charles City County

Melissa Rollins
Surry County

Sheriff Travis Stanley
City of Hopewell

Jeffrey Stoke
Prince George County

Kenneth Miller
City of Petersburg

Sheriff Todd Wilson
City of Colonial Heights

Sheriff Alan Jones Sr.
Charles City County

Sheriff Carlos Turner
Surry County

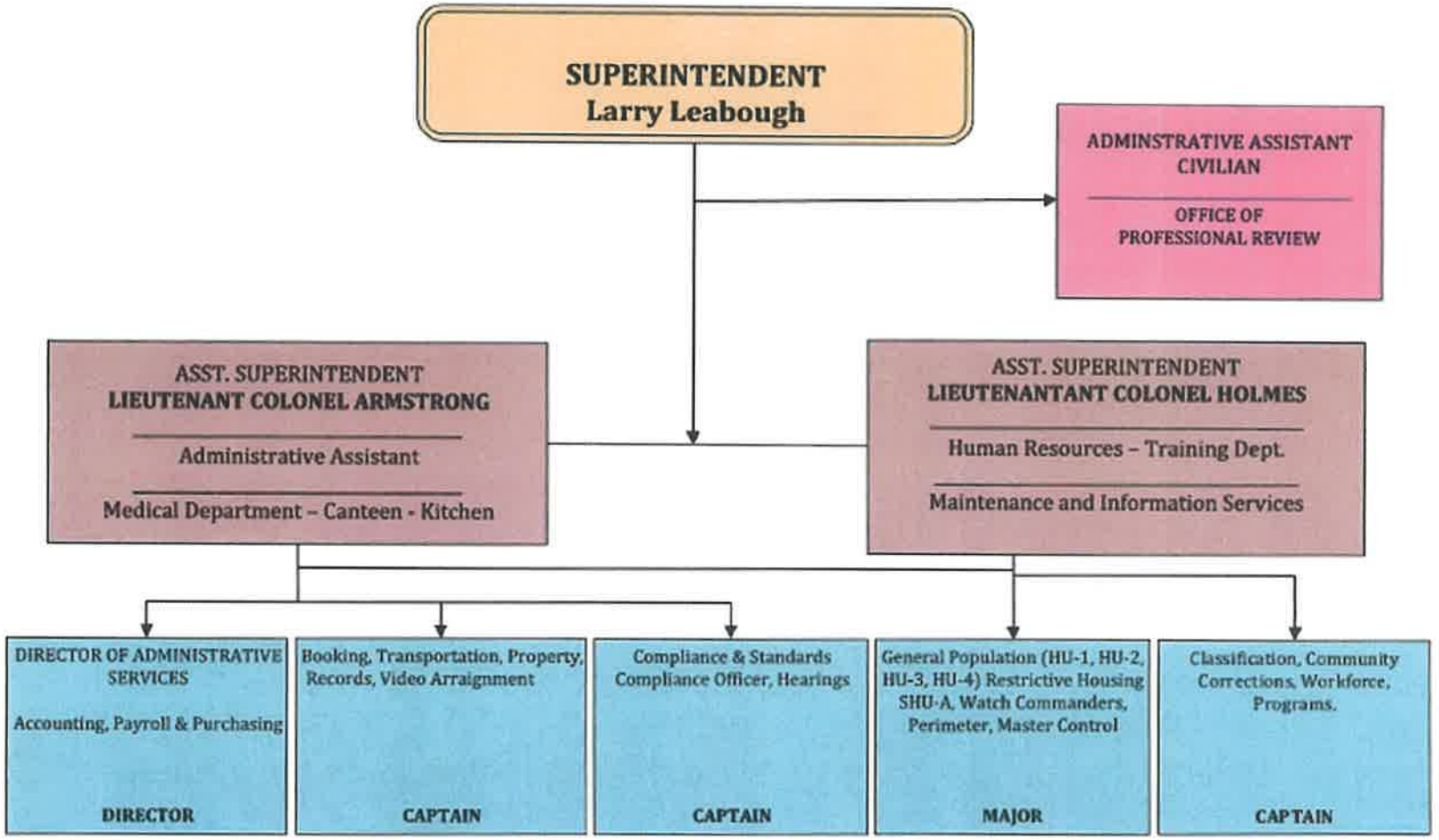
Sheriff Karl Leonard
Chesterfield County

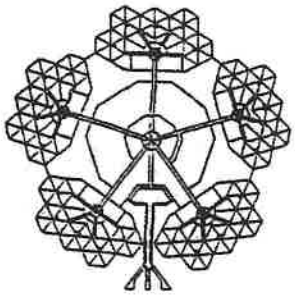
Sheriff Roger Vargo
Prince George County

William H. Hefty, Esq.
Jeffrey S. Gore, Esq.
Counsel

Larry Leabough
Superintendent

RIVERSIDE REGIONAL JAIL AUTHORITY





This Page Intentionally Left Blank

FINANCIAL SECTION

Financial Section contains the Basic Financial Statements.

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Riverside Regional Jail Authority
Prince George, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the major fund, and the aggregate remaining fund information of the Riverside Regional Jail Authority (the "Authority") as of and for the year ended June 30, 2022, 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 respective financial position of the business-type activities, the major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management's for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Other Information

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

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

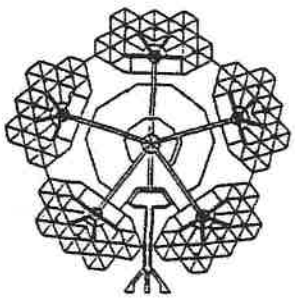
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 11, 2022



This Page Intentionally Left Blank

October 11, 2022

As management of Riverside Regional Jail Authority (Jail Authority), we offer readers of the Riverside Regional Jail Authority's financial statements this narrative overview and analysis of the financial activities of the Riverside Regional Jail for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented and it should be read in conjunction with the letter of transmittal and the Jail Authority's financial statements, which follow in this analysis.

Financial Highlights

- The Jail Authority's change in net position was $1,965,551 as a result of this year's operating and non-operating financial activities.
    - Total revenues of the Jail for FY 2022 were $39,443,147.
    - Total expenses of the Jail for FY 2022 were $37,477,596.
- The Jail Authority's operating and non-operating revenues decreased $2,632,903, or approximately (6.3%), and operating and non-operating expenses decreased by $2,656,842, or approximately (6.6%).
- The Jail Authority net investment in capital assets increased by $1,549,316, or 2.3%.
- The Jail Authority met its financial obligations with regard to the Series 2013 and Series 2015 bonds, making principal payments totaling $4,110,000.
- The Jail Authority transferred approximately $500,000 from the Fund Balance Reserve to Member Jurisdictions during the fiscal year to cover projected revenue shortfalls.
- The Jail Authority increased the per diem rate for Member Jurisdictions from $46 to $50 per inmate day on March 1, 2022.
- The Jail Authority's total average daily population decreased by approximately 155 inmates, or (12.43%) for fiscal year 2022.

Using this Annual Report

The Financial Section of this Annual Report consists of the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, and the Compliance Report. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

The MD&A serves as an introduction to the basic financial statements and supplementary information along with management's examination and analysis of the financial condition and performance.

The Jail Authority maintains two enterprise funds, Operating and Canteen. This is an accounting method that is similar to that used by private sector companies. The Statement of Net Position includes the nature and amounts of investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. The Statement of Revenues, Expenses and Changes in Fund Net Position report all of the current year's revenue and expenses. This statement measures the success of the Jail Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and noncapital financing activities. The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Jail Authority's accounting policies, significant account balances and activities, obligations, commitments, segment information, contingencies and subsequent events, if any.

Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of Riverside Regional Jail Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $123,257,501 at June 30, 2022. The Jail Authority's total Operating Fund net position increased by $1,683,042 as compared to last year and the Canteen Fund net position increased by $282,509. Our detailed analysis that follows focuses on the change in net position and the resulting changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources of both the Operating Fund and Canteen Fund in the aggregate.

Operating Fund and Canteen Fund

	2022	2021	Increase (Decrease) Dollars	Percent
Capital assets - net	$ 130,329,636	$ 133,122,672	$ (2,793,036)	(2.1) %
Other assets	65,327,702	56,552,635	8,775,067	15.5 %
Total assets	$ 195,657,338	$ 189,675,307	$ 5,982,031	3.2 %
Deferred outflows of resources	$ 5,548,565	$ 7,157,628	$ (1,609,063)	(22.5) %
Long-term liabilities - net	$ 60,328,744	$ 65,707,893	$ (5,379,149)	(8.2) %
Other liabilities	8,358,377	9,037,342	(678,965)	(7.5) %
Total liabilities	$ 68,687,121	$ 74,745,235	$ (6,058,114)	(8.1) %
Deferred inflows of resources	$ 9,261,281	$ 795,750	$ 8,465,531	(1063.8) %
Net position:				
Net investment in capital assets	$ 68,896,989	$ 67,347,673	$ 1,549,315	2.3 %
Restricted	35,297,921	24,501,096	10,796,825	44.1 %
Unrestricted	19,062,591	29,443,181	(10,380,589)	(35.3) %
Total net position	$ 123,257,501	$ 121,291,950	$ 1,965,551	1.6 %

The Operating Fund and Canteen Fund had a combined change in net position of $1,965,551. The changes in the Jail Authority's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position:

Operating Fund and Canteen Fund

	2022	2021	Increase (Decrease) Dollars	Increase (Decrease) Percent
Operating revenues:				
Inmate housing	$ 20,968,251	$ 23,294,488	$ (2,326,237)	(10.0) %
State Compensation Board	15,697,420	14,847,091	850,329	5.7 %
Daily incarceration fees	451,176	658,117	(206,941)	(31.4) %
Work release	333,808	293,203	40,605	13.8 %
Canteen sales	1,222,336	2,049,140	(826,804)	(40.3) %
Miscellaneous income	615,535	726,768	(111,233)	(15.3) %
Non-operating revenues:				
Investment income	54,992	64,402	(9,410)	(14.6) %
State and federal grants	88,400	136,569	(48,169)	(35.3) %
Miscellaneous income	11,229	6,272	4,957	79.0 %
Total revenues	$ 39,443,147	$ 42,076,050	$ (2,632,903)	(6.3) %
Operating expenses:				
Salaries and wages	$ 13,611,879	$ 13,530,248	$ 81,631	0.6 %
Fringe benefits	1,782,502	4,484,501	(2,701,999)	(60.3) %
Contractual services	1,351,426	1,753,763	(402,337)	(22.9) %
Materials and supplies	429,697	421,821	7,876	1.9 %
Medical services and supplies	8,054,519	7,759,943	294,576	3.8 %
Food services and supplies	1,564,318	1,598,829	(34,511)	(2.2) %
Repairs and maintenance	952,237	1,057,333	(105,096)	(9.9) %
Utilities	2,115,291	2,260,844	(145,553)	(6.4) %
Depreciation	4,026,120	4,010,360	15,760	0.4 %
Transfer to member jurisdictions	500,000	-	500,000	100.0
Other	557,672	451,294	106,378	23.6 %
Non-operating expenses:				
Interest expense	2,511,935	2,677,369	(165,434)	(6.2) %
Loss on disposal of capital assets	20,000	128,133	(108,133)	(84.4) %
Total expenses	$ 37,477,596	$ 40,134,438	$ (2,656,842)	(6.6) %
Change in net position	$ 1,965,551	$ 1,941,612	$ 23,939	1.2 %
Beginning net position	121,291,950	119,350,338	1,941,612	1.6 %
Ending net position	$ 123,257,501	$ 121,291,950	$ 1,965,551	1.6 %

Inmate housing revenue decreased by $2,326,237, or (10.0%) primarily due to a significant decline in the average daily population of the Member Jurisdictions' inmate housing. During the fiscal year, COVID-19 affected the average daily population by causing a decline in the amount of new arrestees from the Member Jurisdictions. The Jail Authority's average daily population for its Member Jurisdictions decreased (192) one hundred ninety-two inmates or (16.55%) as compared to fiscal year 2021.

The increase of $850,329, or 5.7% in the State Compensation Board is attributed to the increase in staff salaries given by the Commonwealth of Virginia. Due to a decline in the inmate population, the daily incarcereation fees decreased $206,941, or (31.4%). The revenue for Work Release increased slightly by $40,605, or 13.8% due to inmates being allowed to participate in the work release program.

The decline in the average daily population is attributed to the decrease in Canteen Sales by $826,804, or (40.3%). Operating expenses decreased approximately $2,656,842, or (6.6%) due to the low number of employees and pension expense.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2022, the Jail Authority had $130,329,636, net of depreciation, invested in a broad range of capital assets (Operating and Canteen Funds), including land, buildings, vehicles, office, and computer equipment. This amount represents a net decrease (including additions and deletions) of $2,793,036 over last year. Depreciation expense was $4,026,120 for fiscal year 2022.

The following table summarizes the Jail Authority's capital assets, net of accumulated depreciation, as of June 30, 2022 and 2021 for Operating and Canteen Funds combined.

	2022	2021
Buildings	$ 126,186,998	$ 129,328,955
Furniture and equipment	3,598,193	3,152,848
Land	322,584	322,584
Land improvements	80,382	90,220
Vehicles	62,345	107,908
Computers and software	79,134	120,157
Total capital assets (net of accumulated depreciation)	$ 130,329,636	$ 133,122,672

The following table summarizes the changes in capital assets for both Operating and Canteen Funds. These changes are presented in more detail in the schedule in Note 4 to the financial statements.

	2022	2021
Balance at beginning of year	$ 194,847,565	$ 193,971,158
Additions	1,253,084	1,166,484
Deletions	(1,262,532)	(290,077)
Accumulated depreciation	(64,508,481)	(61,724,893)
Balance at end of year	$ 130,329,636	$ 133,122,672

This year major, capital asset additions included the following:

- Fixtures, furniture and equipment
- Video and electronic security system upgrade
- Roof Replacement

Long-Term Debt

At year-end, the Jail Authority had bonded debt of $60,420,000 outstanding as compared to fiscal year 2021 outstanding bonds in the amount of $64,530,000. Additional information on the bonds is contained in Note 5.

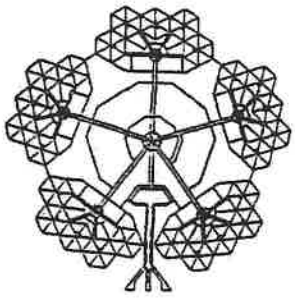
Economic Factors and Next Year's Budgets and Rates

- The per diem rate increases from $50 to $51.50 for member jurisdictions.
- The Fiscal Year 2023 Budget takes into consideration the decline in the inmate average daily population due to the COVID-19 pandemic.
- The Jail Authority plans to maintain its 2023 Annual Budget with limited increases in expenses primarily due to concerted efforts to address COVID-19, projected staff retirements and staff turnover.

All of these factors were considered in preparing the Jail Authority's budget for the 2023 fiscal year.

Contacting the Jail Authority's Financial Management

The financial report is designed to provide our customers, bondholders and creditors with a general overview of the Jail Authority's financial position and to demonstrate the Jail Authority's accountability for revenues received. Questions concerning information provided in this report or requests for additional financial information should be directed to the Jail Authority's Director of Administrative Services at 804-524-6604 or Riverside Regional Jail Authority, 500 FOLAR Trail, North Prince George, Virginia 23860. E-mail requests may be sent to: creid@rrjva.org.



This Page Intentionally Left Blank

BASIC
FINANCIAL STATEMENTS

EXHIBIT 1

RIVERSIDE REGIONAL JAIL AUTHORITY

STATEMENT OF NET POSITION
June 30, 2022

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 2)	$ 7,529,346	$ -	$ 7,529,346
Cash and cash equivalents, restricted (Note 2)	5,680,386	1,154,268	6,834,654
Investments, unrestricted (Note 2)	15,954,704	-	15,954,704
Accounts receivable (Note 3)	5,114,119	-	5,114,119
Amounts receivable from inmate accounts custodial fund (Note 8)	43,857	7,298	51,155
Total current assets	34,322,412	1,161,566	35,483,978
NONCURRENT ASSETS			
Cash and cash equivalents, restricted (Note 2)	16,925,853	-	16,925,853
Net pension asset (Note 6)	12,917,871	-	12,917,871
Capital assets:			
Nondepreciable (Note 4)	322,584	-	322,584
Depreciable, net (Note 4)	129,743,766	263,286	130,007,052
Total noncurrent assets	159,910,074	263,286	160,173,360
Total assets	194,232,486	1,424,852	195,657,338
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts from refunding of debt	2,459,007	-	2,459,007
Deferred outflows related to pensions (Note 6)	2,886,917	-	2,886,917
Deferred outflows related to other postemployment benefits (Note 7)	202,641	-	202,641
Total deferred outflows of resources	5,548,565	-	5,548,565
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	739,311	10,891	750,202
Insurance claims payable (Note 10)	52,458	-	52,458
Accrued liabilities	754,709	-	754,709
Compensated absences payable – current portion (Note 5)	533,961	2,053	536,014
Accrued interest payable	1,372,182	-	1,372,182
Bonds payable – current portion (Note 5)	4,892,812	-	4,892,812
Total current liabilities	8,345,433	12,944	8,358,377
LONG-TERM LIABILITIES			
Compensated absences payable, net of current portion (Note 5)	683,548	2,629	686,177
Net other postemployment benefits liability (Note 7)	643,725	-	643,725
Bonds payable, net of current portion (Note 5)	58,998,842	-	58,998,842
Total long-term liabilities	60,326,115	2,629	60,328,744
Total liabilities	68,671,548	15,573	68,687,121
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions (Note 6)	8,719,582	-	8,719,582
Deferred inflows related to other postemployment benefits (Note 7)	541,699	-	541,699
Total deferred inflows of resources	9,261,281	-	9,261,281
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	68,633,703	263,286	68,896,989
RESTRICTED FOR:			
Net pension asset	12,917,871	-	12,917,871
Debt service	11,378,726	-	11,378,726
Operating reserve	9,522,775	-	9,522,775
Repair and replacement reserve	332,556	-	332,556
Canteen funds	-	1,145,993	1,145,993
UNRESTRICTED	19,062,591	-	19,062,591
Total net position	$ 121,848,222	$ 1,409,279	$ 123,257,501

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 2

RIVERSIDE REGIONAL JAIL AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2022

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
OPERATING REVENUES			
Charges for services – inmate housing	$ 20,468,251	$ -	$ 20,468,251
Charges for services – supplemental billings (Note 11)	500,000	-	500,000
State Compensation Board	15,697,420	-	15,697,420
Daily incarceration fees	451,176	-	451,176
Work release	333,808	-	333,808
Canteen sales	-	1,222,336	1,222,336
Telephone commissions	261,020	-	261,020
Miscellaneous operating income	354,515	-	354,515
Total operating revenues	38,066,190	1,222,336	39,288,526
OPERATING EXPENSES			
Salaries and wages	13,531,925	79,954	13,611,879
Fringe benefits	1,782,502	-	1,782,502
Contractual services	669,065	682,361	1,351,426
Materials and supplies	366,445	63,252	429,697
Medical services and supplies	8,054,519	-	8,054,519
Food services and supplies	1,539,860	24,458	1,564,318
Repairs and maintenance	952,237	-	952,237
Utilities	2,115,291	-	2,115,291
Depreciation	4,009,388	16,732	4,026,120
Return of surplus funds to member jurisdictions (Note 11)	500,000	-	500,000
Other expenses	484,602	73,070	557,672
Total operating expenses	34,005,834	939,827	34,945,661
Operating income	4,060,356	282,509	4,342,865
NONOPERATING REVENUES (EXPENSES)			
Investment income	54,992	-	54,992
State and federal grants	88,400	-	88,400
Miscellaneous nonoperating revenues	11,229	-	11,229
Interest expense	(2,511,935)	-	(2,511,935)
Loss on disposal of capital assets	(20,000)	-	(20,000)
Total nonoperating revenues (expenses)	(2,377,314)	-	(2,377,314)
Change in net position	1,683,042	282,509	1,965,551
NET POSITION – AT JULY 1	120,165,180	1,126,770	121,291,950
NET POSITION – AT JUNE 30	$ 121,848,222	$ 1,409,279	$123,257,501

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 3

RIVERSIDE REGIONAL JAIL AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
OPERATING ACTIVITIES			
Receipts from jurisdictions	$ 19,929,826	$ -	$ 19,929,826
Receipts from state agencies	15,463,126	-	15,463,126
Receipts from canteen sales	-	1,243,865	1,243,865
Receipts from inmates	1,412,408	-	1,412,408
Contract agreements and miscellaneous income received	11,229	-	11,229
Payments to suppliers	(14,653,086)	(884,362)	(15,537,448)
Payments to employees	(16,621,559)	(80,356)	(16,701,915)
Return of surplus funds to member jurisdictions (Note 11)	(500,000)	-	(500,000)
Net cash provided by operating activities	5,041,944	279,147	5,321,091
NONCAPITAL FINANCING ACTIVITIES			
State and federal grants	88,400	-	88,400
Net cash provided by noncapital financing activities	88,400	-	88,400
CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,245,750)	(278,000)	(1,523,750)
Principal paid on capital debt	(4,110,000)	-	(4,110,000)
Interest paid on capital debt	(2,841,287)	-	(2,841,287)
Net cash used in capital and related financing activities	(8,197,037)	(278,000)	(8,475,037)
INVESTING ACTIVITIES			
Proceeds from investments	7,603,728	-	7,603,728
Purchases of investments	(7,129,461)	-	(7,129,461)
Interest income received	71,950	-	71,950
Net cash provided by investing activities	546,217	-	546,217
Net increase (decrease) in cash and cash equivalents	(2,520,476)	1,147	(2,519,329)
CASH AND CASH EQUIVALENTS			
Beginning at July 1	32,656,061	1,153,121	33,809,182
Ending at June 30	$ 30,135,585	$ 1,154,268	$ 31,289,853

(Continued)

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 3

RIVERSIDE REGIONAL JAIL AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
RECONCILIATION TO EXHIBIT 1			
Cash and cash equivalents	$ 7,529,346	$ -	$ 7,529,346
Cash and cash equivalents, restricted	5,680,386	1,154,268	6,834,654
Cash and cash equivalents – non-current, restricted	16,925,853	-	16,925,853
	$ 30,135,585	$ 1,154,268	$ 31,289,853
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 4,060,356	$ 282,509	$ 4,342,865
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,009,388	16,732	4,026,120
Contract agreements and miscellaneous income received	11,229	-	11,229
Excess of employer contributions over pension expense	(1,210,051)	-	(1,210,051)
Excess of employer contributions over other postemployment benefits expense	(98,885)	-	(98,885)
Changes in assets and liabilities:			
Accounts receivable	(1,272,719)	-	(1,272,719)
Amounts receivable from inmate accounts agency fund	11,889	21,529	33,418
Accounts payable	(253,819)	(41,221)	(295,040)
Insurance claims payable	(217,248)	-	(217,248)
Accrued liabilities	67,544	-	67,544
Compensated absences payable	(65,740)	(402)	(66,142)
Net cash provided by operating activities	$ 5,041,944	$ 279,147	$ 5,321,091
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Decrease in fair value of investments	$ 16,958	$ -	$ 16,958

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 4

RIVERSIDE REGIONAL JAIL AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	Custodial Fund Inmate Accounts
ASSETS	
Cash and cash equivalents, restricted (Note 2)	$ 126,062
LIABILITIES	
Amounts payable to the Authority (Note 8)	$ 51,155
NET POSITION	
Restricted for benefit of inmates	$ 74,907

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 5

RIVERSIDE REGIONAL JAIL AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2022

	Custodial Fund Inmate Accounts
ADDITIONS	
Payments received from and on behalf of inmates	$ 2,774,177
DEDUCTIONS	
Reimbursements made to the Authority	2,256,666
Payments to vendors	400,466
Other deductions	219,035
Total deductions	2,876,167
Net decrease in fiduciary net position	(101,990)
NET POSITION – AT JULY 1	176,897
NET POSITION – AT JUNE 30	$ 74,907

The Notes to Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

Reporting entity

The Riverside Regional Jail Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia created by Chapter 726 of the 1990 Acts of the General Assembly of Virginia and was formed on June 21, 1990. The purpose of the Authority is to maintain and operate a regional jail to meet the needs of the participating jurisdictions for additional jail facilities.

The Authority is governed by a fourteen-member board, comprised of the local Sheriff and an individual appointed by the governing body of each jurisdiction.

Measurement focus and basis of accounting

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) and deferred outflows/inflows of resources are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Authority reports one major proprietary fund, the Operating Fund. This fund is used to account for the activities necessary for operating the jail facility. This fund does not account for funds collected from or held for inmates. The nonmajor Canteen Fund accounts for inmate charges.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges for services for inmate housing, fees collected from inmates, and revenue from the State Compensation Board. Operating expenses include salaries, wages and fringe benefits, medical services and supplies, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The Authority also reports a custodial fund to account for monies held on behalf of inmates. Custodial funds use the economic resources measurement focus and the accrual basis of accounting.

Cash and cash equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, certain money market investments, and short-term investments with original maturities three months or less from the date of acquisition.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue recognition and accounts receivable

Operating revenues are recognized as revenue when billed. Per diem charges and reimbursements from the Commonwealth of Virginia are billed monthly. Unbilled revenues through year end are accrued. Given the Authority's relationship with its member jurisdictions and prior history, no allowance has been established for uncollectible accounts.

Capital assets

Capital assets, if purchased or constructed, are recorded at cost. It is the Authority's policy to capitalize capital assets with a cost basis of $5,000 or more. Items below this threshold are expensed in the period acquired. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is recognized. Maintenance and repairs which do not increase the capacity or efficiency of the item or extend its useful life are expensed.

The Authority provides for depreciation using the straight-line method over the following estimated useful lives:

Buildings & improvements	10 – 60 years
Land improvements	15 years
Furniture & equipment	10 years
Vehicles	5 years
Computer hardware & software	3 – 10 years

Compensated absences

The Authority grants vacation and sick leave in varying amounts as services are provided. Employees are compensated, with limits, for unused vested vacation leave upon termination, retirements, or death. Compensation for unused vacation leave is limited to twice an employee's annual accrual. Employees may accumulate an unlimited amount of sick leave, which is forfeited upon separation from the Authority, except when separation is the result of retirement. Employees who retire with at least five or more years of continuous Riverside Regional Jail service are eligible for a lump sum payment for up to (25) twenty-five percent of their unused sick leave balance. Employees with 1,000 hours or less of unused sick leave will receive a lump sum payment not to exceed $5,000. Employees with more than 1,000 hours of unused sick leave will receive a lump sum payment not to exceed $7,500. Employees who are required to work overtime and holidays earn compensatory and holiday leave, respectively.

Note 1. Summary of Significant Accounting Policies (Continued)

Pensions and Other Postemployment Benefits (OPEB)

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

Deferred outflows/inflows of resources

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statements that present net position report a separate section for deferred inflows of resources. These items represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority has the following items that qualify for reporting as deferred inflows or outflows:

- Deferred loss on refunding. A deferred loss on refunding is a deferred outflow which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Changes in proportion and differences between the Authority's contributions and its proportionate share of contributions for OPEB are deferred and amortized over the average expected remaining service lives of all employees provided with group life insurance benefits, and may be reported as a deferred inflow or outflow as appropriate
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.

Note 1. Summary of Significant Accounting Policies (Continued)

Net position

Net position is the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Operating Fund amounts are restricted in accordance with the Master Indenture. Additionally, amounts are restricted for the net pension asset. Restrictions on Canteen Fund net position are imposed by §53.1-127.1 of the *Code of Virginia*.

Unrestricted net position represents the remaining net position not included as the previous two categories. The Authority has internally designated a portion of unrestricted net position for the following purposes and amounts: Fund balance reserve, $5,755,835; capital improvements fund, $7,032,612; operating fund, $6,215,440; and arbitrage reserve, $58,704.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Fair value measurement

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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Level 2 investments are valued using a matrix pricing technique, which is based on the investments' benchmark quoted prices.

Note 2. Deposits and Investments

Deposits

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

Investments

Statutes authorize the Authority to invest in obligations of the United States or agencies thereof; obligations of the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the Commonwealth of Virginia State Non-Arbitrage Program (SNAP). Both the LGIP and SNAP are not registered with the SEC but are overseen by the Treasurer of Virginia and the State Treasury Board. The value of the Authority's position in the pools is the same as the value of the pool shares and is stated at amortized cost in accordance with GASB Statement 79, which approximates fair value.

Credit risk

The Authority's policy limits investments to instruments specified in Section 26-40 of the *Code of Virginia.*

Interest rate risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The Authority does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The operating funds of the Authority are by nature short-term and are not considered to have investment rate risk.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Note 2. Deposits and Investments (Continued)

As of June 30, 2022, the Authority's deposits and investments consisted of the following:

Type	Fair Value	S&P Credit Rating	Weighted Average Maturity
Deposits:			
Cash in bank	$ 12,029,274	N/A	N/A
Cash on hand	900	N/A	N/A
Total deposits	12,030,174		
Investments – Level 1:			
U.S. Treasury notes	8,660,575	N/A	0.45 years
Investments reported at amortized cost:			
Virginia State Non-Arbitrage Program	16,984,632	AAAm	1 day
Local Government Investment Pool	9,695,238	AAAm	1 day
Total investments	26,679,870		
Total deposits and investments	$ 47,370,619		

Reconciliation of deposits and investments to the Statement of Net Position (Exhibit 1) and the Statement of Fiduciary Net Position (Exhibit 4):

	Exhibit 1	Exhibit 4	Total
Cash and cash equivalents	$ 7,529,346	$ -	$ 7,529,346
Cash and cash equivalents, restricted	6,834,654	126,062	6,960,716
Cash and cash equivalents – noncurrent, restricted	16,925,853	-	16,925,853
Investments, unrestricted	15,954,704	-	15,954,704
	$ 47,244,557	$ 126,062	$ 47,370,619

Note 2. Deposits and Investments (Continued)

Restricted amounts

Details on restricted cash and cash equivalents in Exhibit 1 for the Operating and Canteen funds are as follows:

2013 Bond fund, fiscal year 2022 payment	$ 4,288,196
2015 Bond fund, fiscal year 2022 payment	1,392,190
Inmate canteen funds	1,154,268
Cash and cash equivalents – restricted	$ 6,834,654
Operating reserve	$ 9,522,775
Repair and replacement reserve	332,556
Debt service reserve fund	7,070,522
Cash and cash equivalents – non-current, restricted	$ 16,925,853

Note 3. Accounts Receivable

Accounts receivable consist of the following:

Member jurisdictions	$ 2,889,796
Commonwealth of Virginia	1,375,723
Federal agencies	827,377
Other	21,223
	$ 5,114,119

Note 4. Capital Assets

Capital asset activity for the operating fund for the year was as follows:

	Beginning July 1	Increases	Decreases	Ending June 30
Capital assets, nondepreciable				
Land	$ 322,584	$ -	$ -	$ 322,584
Capital assets, depreciable				
Buildings and improvements	182,161,119	98,967	34,200	182,225,886
Furniture and equipment	10,680,133	840,226	1,182,579	10,337,780
Computer hardware and software	721,034	35,891	45,753	711,172
Vehicles	809,951	-	-	809,951
Land improvements	147,591	-	-	147,591
Total capital assets, depreciable	194,519,828	975,084	1,262,532	194,232,380
Less accumulated depreciation:				
Buildings and improvements	52,832,164	3,220,924	14,200	56,038,888
Furniture and equipment	7,529,304	656,148	1,182,579	7,002,873
Computer hardware and software	600,877	76,914	45,753	632,038
Vehicles	702,043	45,563	-	747,606
Land improvements	57,370	9,839	-	67,209
Total accumulated depreciation	61,721,758	4,009,388	1,242,532	64,488,614
Total capital assets depreciable, net	132,798,070	(3,034,304)	(20,000)	129,743,766
Total capital assets, net	$ 133,120,654	$ (3,034,304)	$ (20,000)	$ 130,066,350

Note 4. Capital Assets (Continued)

Capital asset activity for the canteen fund for the year was as follows:

	Beginning July 1	Increases	Decreases	Ending June 30
Capital assets, depreciable Equipment	$ 5,153	$ 278,000	$ -	$ 283,153
Less accumulated depreciation Equipment	3,135	16,732	-	19,867
Total capital assets depreciable, net	$ 2,018	$ 261,268	$ -	$ 263,286

Note 5. Long-Term Liabilities

Long-term liability activities for the year were as follows:

	Beginning July 1	Additions	Reductions	Ending June 30	Due Within One Year
Jail Facility Revenue Bonds	$ 64,530,000	$ -	$ 4,110,000	$ 60,420,000	$ 4,305,000
Issuance premiums	4,119,723	-	648,069	3,471,654	587,812
	68,649,723	-	4,758,069	63,891,654	4,892,812
Compensated absences	1,288,333	1,360,251	1,426,393	1,222,191	536,014
	$ 69,938,056	$ 1,360,251	$ 6,184,462	$ 65,113,845	$ 5,428,826

The annual requirements to amortize bond principal and related interest are as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 4,305,000	$ 2,639,088	$ 6,944,088
2024	4,520,000	2,427,688	6,947,688
2025	4,730,000	2,209,501	6,939,501
2026	4,955,000	1,976,163	6,931,163
2027	5,195,000	1,726,213	6,921,213
2028-2032	29,890,000	4,570,171	34,460,171
2033	6,825,000	224,063	7,049,063
	$ 60,420,000	$ 15,772,887	$ 76,192,887

Note 5. Long-Term Liabilities (Continued)

Details of long-term indebtedness are as follows:

	Issue Date	Maturity Date	Authorized and Issued	Average Interest Rate	Amount Outstanding
Series 2015 Jail Facility Revenue Bonds	03/12/2016	07/01/2032	$ 44,765,000	3.67 %	$ 42,015,000
Series 2013 Jail Facility Revenue Bonds	06/27/2013	07/01/2032	44,025,000	4.27	18,405,000
					$ 60,420,000

The Authority's debt agreements contain certain financial covenants for which the Authority was in compliance at June 30, 2022.

Note 6. Defined Benefit Pension Plan

Plan Description

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

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

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetirement.org/hybrid.html.

Note 6. Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	127
Inactive members:	
Vested inactive members	42
Non-vested inactive members	369
Inactive members active elsewhere in VRS	201
Total inactive members	612
Active members	276
Total covered employees	1,015

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 political subdivision's contractually required contribution rate for the year ended June 30, 2022 was 8.30% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $943,845 and $918,935 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Asset

The net pension asset is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Note 6. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various setbacks or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Note 6. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; adjusted rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
MAPS – Multi-Asset Public Strategies	6.00	3.29	0.20
PIP – Private Investment Partnership	3.00	6.84	0.21
Total	100.00 %		4.89 %
		Inflation	2.50 %
		* Expected arithmetic nominal return	7.39 %

* The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

(Continued)

Note 6. Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever is greater. From July 1, 2021 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2020	$ 53,398,808	$ 55,770,359	$ (2,371,551)
Changes for the year:			
Service cost	1,786,992	-	1,786,992
Interest	3,533,784	-	3,533,784
Changes of assumptions	2,266,993	-	2,266,993
Difference between expected and actual experience	(1,418,168)	-	(1,418,168)
Contributions – employer	-	918,935	(918,935)
Contributions – employee	-	560,242	(560,242)
Net investment income	-	15,272,866	(15,272,866)
Benefit payments, including refunds of employee contributions	(2,092,919)	(2,092,919)	-
Administrative expenses	-	(37,567)	37,567
Other changes	-	1,445	(1,445)
Net changes	4,076,682	14,623,002	(10,546,320)
Balances at June 30, 2021	$ 57,475,490	$ 70,393,361	$ (12,917,871)

Note 6. Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability (asset)	$ (4,385,041)	$ (12,917,871)	$ (19,884,101)

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

For the year ended June 30, 2022, the political subdivision recognized pension income of $266,216. At June 30, 2022, the political subdivision 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	$ 231,951	$ 1,101,475
Changes of assumptions	1,711,121	-
Net difference between projected and actual earnings on pension plan investments	-	7,618,107
Employer contributions subsequent to the measurement date	943,845	-
Total	$ 2,886,917	$ 8,719,582

Note 6. Defined Benefit Pension Plan (Continued)

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

The Authority reported deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date which will be recognized as an increase of the Net Pension Asset in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Reduction to Pension Expense
2023	$ (1,172,135)
2024	(1,523,081)
2025	(1,775,234)
2026	(2,306,060)
2027	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2021 *Annual Comprehensive Financial* Report (Annual Report). A copy of the 2021 VRS report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2022, $113,850 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

Note 7. Other Postemployment Benefits Liability – VRS Group Life Insurance

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Authority also participates in the VRS Group Life Insurance (GLI) cost-sharing multi-employer other postemployment benefit plan.

Plan Description

All full-time employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

Note 7. Other Postemployment Benefits Liability – VRS Group Life Insurance (Continued)

Plan Description (Continued)

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp

Contributions

Contributions to the VRS OPEB program were based on actuarially determined rates from actuarial valuations as of June 30, 2019. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2022 Contribution	$62,767
June 30, 2021 Contribution	$61,642

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

The net OPEB liabilities were measured as of June 30, 2021 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers.

Note 7. Other Postemployment Benefits Liability – VRS Group Life Insurance (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Group Life Insurance Program

June 30, 2022 proportionate share of liability	$643,725
June 30, 2021 proportion	0.05529%
June 30, 2020 proportion	0.06383%
June 30, 2022 expense (income)	($35,948)

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 73,419	$ 4,905
Change of assumptions	35,488	88,075
Net difference between projected and actual earnings on OPEB plan investments	-	153,643
Changes in proportion	30,967	295,076
Employer contributions subsequent to the measurement date	62,767	-
Total	$ 202,641	$ 541,699

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Note 7. Other Postemployment Benefits Liability – VRS Group Life Insurance (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Group Life Insurance Program

Year Ending June 30,	Reduction to OPEB Expense
2023	$ (94,033)
2024	(81,449)
2025	(84,749)
2026	(104,430)
2027	(37,164)
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2020, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

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, net of expenses, including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 6.

Note 7. Other Postemployment Benefits Liability – VRS Group Life Insurance (Continued)

Net OPEB Liability

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB liability	$ 3,577,346
Plan fiduciary net position	$ 2,413,074
Employers' net OPEB liability (asset)	$ 1,164,272
Plan fiduciary net position as a percentage of total OPEB liability	67.45%

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

Long-Term Expected Rate of Return

Group Life Insurance Program

The long-term expected rate of return on VRS 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 OPEB 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 7. Other Postemployment Benefits Liability – VRS Group Life Insurance (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
MAPS – Multi-Asset Public Strategies	6.00	3.29	0.20
PIP – Private Investment Partnership	3.00	6.84	0.21
Total	100.00 %		4.89 %
		Inflation	2.50 %
		*Expected arithmetic nominal return	7.39 %

* The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the GLI OPEB 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 Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

Note 7. Other Postemployment Benefits Liability – VRS Group Life Insurance (Continued)

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

The following presents the net OPEB liabilities of the Authority, as well as what the Authority's net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	$ 940,506	$ 643,725	$ 404,061

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2021 *Annual Comprehensive Financial* Report (Annual Report). A copy of the 2021 VRS report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the OPEB Plan

At June 30, 2022, $12,755 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

Note 8. Interfund Balances and Transfers

The following interfund receivables and payables are included in the fund financial statements at June 30, 2022:

	Due From	
	Inmate Accounts Custodial Fund	Total Due From Other Funds
Due To		
Operating Fund	$ 43,857	$ 43,857
Canteen Fund	7,298	7,298
	$ 51,155	$ 51,155

Amounts due to the Operating Fund include general and administrative charges and various reimbursements. Amounts due to the Canteen Fund include charges for goods and services provided to inmates.

Note 9. Deferred Compensation Plan

The Authority has a deferred compensation plan under which the participants may defer a portion of their annual compensation subject to *Internal Revenue Code* (*IRC*) Section 457 limitations. Any contributions made to the deferred compensation plan are not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to the plan are administered by a third party administrator. In compliance with the provisions of the *IRC* Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plan's participants and beneficiaries. Consequently, these assets and the related liability are not reported in the accompanying financial statements.

Note 10. Risk Management

The Authority's risk management program involves maintaining comprehensive insurance coverage and identifying and monitoring loss exposure. The Authority's comprehensive property, boiler and machinery, automobile, business interruption, inland marine insurance, Line of Duty Act, and worker's compensation is provided through the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP). The purpose of VACORP is to create and administer group self-insurance pools for political subdivisions of the Commonwealth of Virginia pursuant to the authority provided in Chapter 27 of Title 15.2 of the Code of Virginia. VACORP is a joint fund created to provide the necessary anticipated financing for comprehensive property and liability coverages essential to its membership, which has agreed to provide for joint and cooperative action to self-insure and to pool their separate risks and liabilities. The State Corporation Commission's Bureau of Insurance regulates group self-insurance risk pools in Virginia. VACORP is managed by a nine member Supervisory Board elected by members at the program's annual business meeting. The Supervisory Board approves coverages and establishes rates each year based on actuarially-established claim reserve requirements. With Board approval, dividend rate credit returns may be made available based on program surplus. In the unlikely event the Board determines the Pool to be actuarially insufficient, the Board may make an assessment of Pool members. Annual rates are based on estimated claims and reserve requirements. Pool deficits, should they materialize, will be eliminated through the levy of an additional assessment upon Association members.

General liability and faithful performance of duty bond coverages are provided by the Commonwealth of Virginia, Department of General Services and the Division of Risk Management. There was no reduction in insurance coverage for the year ended June 30, 2022 or claims not covered by existing policies. Claims have not exceeded coverage for the last four fiscal years.

The Authority is self-insured for health insurance purposes and has retained Anthem Blue Cross and Blue Shield to administer the program. The Authority currently reports these activities in the Operating Fund. Significant claims, over $90,000, are covered by commercial insurance.

Note 10. Risk Management (Continued)

Claims liabilities are based on estimates of the ultimate cost of reported claims, related claim adjustment expenses and an estimate for claims incurred but not reported (IBNR) based on historical experience. The following represents the change in approximate aggregate liabilities for the fund:

Fiscal Year	Beginning Liability (Asset)	Claims and Changes in Estimates	Claim Payments	Ending Liability (Asset)
2022	$ 269,706	$ 1,713,491	$ 1,930,739	$ 52,458
2021	436,448	2,293,779	2,460,521	269,706
2020	(24,297)	2,413,903	1,953,158	436,448

Note 11. Return of Surplus Funds to Member Jurisdictions

Due to a revenue shortfall during the fiscal year, the Authority's Board adopted a resolution in May of 2022 directing the Superintendent to return $500,000 of surplus funds to the member jurisdictions, and then to assess a charge to the member jurisdictions for the same amount. This action was taken in order to meet the revenue covenant required by the indenture of the revenue bonds described in Note 5.

Note 12. New Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.

In May 2019, the GASB issued **Statement No. 91**, *Conduit Debt Obligation*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued **Statement No. 94**, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued **Statement No. 96**, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

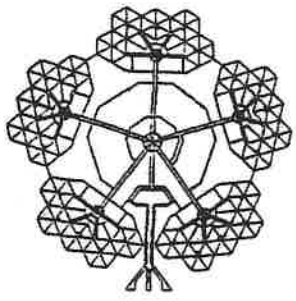
Note 12. New Accounting Standards (Continued)

The GASB issued **Statement No. 99,** *Omnibus 2022,* during 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB issued **Statement No. 100,** *Accounting Changes and Error Corrections,* during 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 101,** *Compensated Absences,* during 2022. The objective of this Statement 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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



This Page Intentionally Left Blank

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 6

RIVERSIDE REGIONAL JAIL AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
June 30, 2022

	Plan Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 1,786,992	$ 2,148,932	$ 2,186,851	$ 2,091,096	$ 2,186,637	$ 2,150,926	$ 2,060,095	$ 1,970,573
Interest on total pension liability	3,533,784	3,342,894	3,003,090	2,807,408	2,682,164	2,462,197	2,252,657	2,008,571
Difference between actual and expected experience	(1,418,168)	(555,007)	1,544,883	(808,871)	(1,418,135)	(589,893)	(772,215)	-
Changes of assumptions	2,266,993	-	1,728,996	-	(586,776)	-	-	-
Benefit payments, including refunds of employee contributions	(2,092,919)	(2,124,722)	(1,556,776)	(1,031,597)	(1,117,762)	(643,927)	(450,291)	(534,137)
Net change in total pension liability	4,076,682	2,812,097	6,907,044	3,058,036	1,746,128	3,379,303	3,090,246	3,445,007
Total pension liability – beginning	53,398,808	50,586,711	43,679,667	40,621,631	38,875,503	35,496,200	32,405,954	28,960,947
Total pension liability – ending	$ 57,475,490	$ 53,398,808	$ 50,586,711	$ 43,679,667	$ 40,621,631	$ 38,875,503	$ 35,496,200	$ 32,405,954
Plan Fiduciary Net Position								
Contributions – employer	$ 918,935	$ 930,649	$ 1,079,214	$ 1,246,898	$ 1,146,951	$ 1,303,496	$ 1,272,768	$ 1,356,380
Contributions – employee	560,242	652,142	743,295	790,035	701,743	713,279	697,572	668,321
Net investment income	15,272,866	1,058,456	3,485,087	3,527,503	5,104,533	736,406	1,698,455	4,815,572
Benefit payments, including refunds of employee contributions	(2,092,919)	(2,124,722)	(1,556,776)	(1,031,597)	(1,117,762)	(643,927)	(450,291)	(534,137)
Administrative expenses	(37,567)	(35,670)	(33,165)	(28,984)	(28,163)	(23,372)	(21,410)	(24,447)
Other changes	1,445	(1,257)	(2,207)	(3,201)	(4,600)	(301)	(364)	253
Net change in plan fiduciary net position	14,623,002	479,598	3,715,448	4,500,654	5,802,702	2,085,581	3,196,730	6,281,942
Plan fiduciary net position – beginning	55,770,359	55,290,761	51,575,313	47,074,659	41,271,957	39,186,376	35,989,646	29,707,704
Plan fiduciary net position – ending	$ 70,393,361	$ 55,770,359	$ 55,290,761	$ 51,575,313	$ 47,074,659	$ 41,271,957	$ 39,186,376	$ 35,989,646
Net pension liability (asset) – ending	$ (12,917,871)	$ (2,371,551)	$ (4,704,050)	$ (7,895,646)	$ (6,453,028)	$ (2,396,454)	$ (3,690,176)	$ (3,583,692)
Plan fiduciary net position as a percentage of total pension asset	122%	104%	109%	118%	116%	106%	110%	111%
Covered payroll	$ 11,256,539	$ 13,007,211	$ 15,014,182	$ 15,397,332	$ 14,043,639	$ 14,230,306	$ 13,894,847	$ 13,729,157
Net pension liability as a percentage of covered payroll	115%	18%	31%	51%	46%	17%	27%	26%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – e.g., plan year 2014 was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

EXHIBIT 7

RIVERSIDE REGIONAL JAIL AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2022

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 943,845	$ 943,845	$ -	$ 11,701,243	8.07 %
2021	918,935	918,935	-	11,256,539	8.16
2020	930,649	930,649	-	13,007,211	7.15
2019	1,079,205	1,079,205	-	15,014,182	7.19
2018	1,243,197	1,243,197	-	15,397,332	8.07
2017	1,146,951	1,146,951	-	14,043,639	8.17
2016	1,303,496	1,303,496	-	14,230,306	9.16
2015	1,272,768	1,272,768	-	13,894,847	9.16

This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no ealier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the Authority's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this schedule.

EXHIBIT 8

RIVERSIDE REGIONAL JAIL AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
June 30, 2022

Plan Year Ended June 30,	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System – Group Life Insurance – General Employees					
2021	0.05529 %	$ 643,725	$ 11,446,963	5.62 %	67.45 %
2020	0.06383	1,065,218	13,267,935	8.03	52.64 %
2019	0.07700	1,253,000	15,210,827	8.24	52.00
2018	0.08176	1,242,000	15,564,457	7.98	51.22
2017	0.07675	1,155,000	14,178,536	8.15	48.86

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – e.g., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

EXHIBIT 9

RIVERSIDE REGIONAL JAIL AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2022

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System – Group Life Insurance – General Employees					
2022	$ 62,767	$ 62,767	$ -	$ 11,747,571	0.53 %
2021	61,642	61,642	-	11,446,963	0.54
2020	68,172	68,172	-	13,267,935	0.51
2019	78,493	78,493	-	15,210,827	0.52
2018	80,855	80,855	-	15,564,457	0.52

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no earlier data is available. However, additional years will be included as they become

The covered payroll amounts above are for the Authority's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this schedule.

Note 1. Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age.
- Adjusted withdrawal rates to better fit experience at each year and service through 9 years of service.
- Applicable to: Pension and GLI OPEB

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- Applicable to: Pension and GLI OPEB

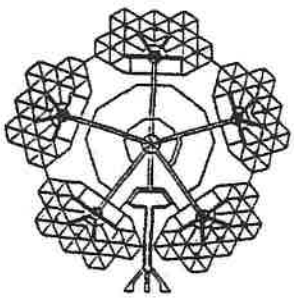
Note 2. Changes of Assumptions (Continued)

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age.
- Adjusted withdrawal rates to better fit experience at each year and service through 9 years of service.
- Applicable to: Pension and GLI OPEB

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal 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.
- Applicable to: Pension and GLI OPEB



This Page Intentionally Left Blank

STATISTICAL SECTION

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

Financial Trends

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

Tables 1 – 2

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the Authority's ability to generate its revenues.

Tables 3 – 4

Debt Capacity

These tables present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

Tables 5 – 6

Demographic and Economic Information

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

Tables 7 – 8

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Tables 9 – 11

Other Information

The table presents a summary of insurance coverage in force separated by type and insurance company.

Table 12

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

RIVERSIDE REGIONAL JAIL AUTHORITY

NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	$ 68,896,989	$ 67,347,673	$ 66,123,698	$ 65,382,280	$ 64,390,078	$ 64,000,243	$ * 62,449,317	$ * 61,778,237	$ * 60,702,234	$ 67,377,090
Restricted	35,297,921	24,501,096	26,137,871	28,832,144	26,941,743	22,140,631	23,973,076	23,858,140	19,757,014	15,596,539
Unrestricted	19,062,591	29,443,181	27,088,769	*** 24,379,111	*** 27,413,079	32,041,897	** 27,580,591	** 24,403,387	25,328,498	20,652,782
Total net position	$ 123,257,501	$ 121,291,950	$ 119,350,338	$ 118,593,535	$ 118,744,900	$ 118,182,771	$ 114,002,984	$ 110,039,764	$ 105,787,746	$ 103,626,411

* Restated for implementation of GASB Statement No. 65

** Restated for implementation of GASB Statement No. 68

*** Restated for implementation of GASB Statement No. 75

TABLE 2

RIVERSIDE REGIONAL JAIL AUTHORITY

CHANGES IN NET POSITION
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
OPERATING REVENUES										
Charges for services – inmate housing	$ 20,468,251	$ 23,294,488	$ 22,470,532	$ 22,437,478	$ 25,385,826	$ 25,661,966	$ 24,766,756	$ 23,959,544	$ 25,721,049	$ 23,256,688
Charges for services – supplemental billings	500,000	-	-	2,800,000	-	-	-	-	-	-
State Compensation Board	15,697,420	14,847,091	14,865,016	14,690,559	14,789,934	14,053,434	14,352,174	13,235,682	13,385,391	12,726,338
Daily incarceration fees	451,176	658,117	559,058	553,726	611,022	571,333	579,022	268,371	278,045	262,236
Work release	333,808	293,203	445,450	448,834	341,478	520,869	398,422	277,182	243,207	294,850
Canteen sales	1,222,336	2,049,140	1,604,618	1,337,844	1,525,011	1,411,553	1,383,021	1,417,313	1,545,388	1,357,162
Telephone commissions	261,020	282,218	239,197	20,045	-	-	-	-	-	-
Miscellaneous income	354,515	444,550	414,533	173,395	121,931	131,175	-	-	-	-
NONOPERATING REVENUES										
Investment income	54,992	64,402	713,361	1,030,444	346,369	183,563	209,599	38,903	346,856	572,409
Miscellaneous income	11,229	6,272	23,041	354,731	504,725	505,376	698,810	254,833	94,182	199,255
Telephone commissions	-	-	-	-	-	-	-	465,335	614,442	633,036
RSAT/ARPG grant revenue	88,400	136,569	38,400	38,400	51,616	42,833	-	-	-	-
Total revenues	39,443,147	42,076,050	41,373,206	43,885,456	43,677,912	43,082,102	42,387,804	39,917,163	42,228,560	39,301,974
OPERATING EXPENSES										
Salaries and wages	13,611,879	13,530,248	14,835,161	17,440,055	17,741,246	15,780,058	16,229,999	13,948,873	13,642,700	13,758,502
Fringe benefits	1,782,502	4,484,501	3,746,696	1,992,141	2,868,255	3,368,094	3,118,198	3,976,992	4,671,817	4,426,271
Contractual services	1,351,426	1,753,763	1,491,211	1,533,209	1,588,400	1,597,777	1,525,689	1,433,461	1,390,918	1,268,453
Materials and supplies	429,697	421,821	395,982	476,469	475,182	575,106	540,461	468,785	551,661	456,643
Medical services and supplies	8,054,519	7,759,943	-	7,567,320	6,450,129	5,554,146	4,824,290	5,590,650	5,439,134	5,326,272
Food service and supplies	1,564,318	1,598,829	7,946,843	1,549,520	1,711,325	1,585,996	1,558,699	1,521,714	1,509,434	1,400,026
Repairs and maintenance	952,237	1,057,333	1,491,024	834,713	807,263	813,981	909,809	891,359	979,798	688,519
Utilities	2,115,291	2,260,844	872,059	2,275,734	2,173,092	2,084,505	2,103,097	2,097,263	2,060,824	2,094,137
Return of surplus funds to member jurisdictions	500,000	-	-	-	-	-	-	-	-	-
Depreciation	4,026,120	4,010,360	2,241,277	3,991,243	3,927,374	3,857,073	3,793,174	3,735,242	3,675,804	3,508,674
Other	557,672	451,294	4,043,267	511,268	464,677	501,084	479,640	586,905	589,150	496,778
NONOPERATING EXPENSES										
Return of surplus funds to member jurisdictions	-	-	-	2,800,000	-	-	-	-	-	-
Interest expense	2,511,935	2,677,369	2,835,278	2,965,149	3,089,806	3,184,495	3,341,528	3,133,852	3,810,666	5,314,288
Bond issuance expense	-	-	-	-	-	-	-	383,186	-	-
Miscellaneous expense	20,000	128,133	197,927	100,000	82,140	-	-	-	-	-
Total expenses	37,477,596	40,134,438	40,616,403	44,036,821	41,378,889	38,902,315	38,424,584	37,768,282	38,321,906	38,738,563
Change in net position	1,965,551	1,941,612	756,803	(151,365)	2,299,023	4,179,787	3,963,220	2,148,881	3,906,654	563,411
Beginning net position	121,291,950	119,350,338	118,593,535	118,744,900 ***	116,445,877	114,002,984	110,039,764	** 107,890,883	* 101,881,092	103,063,000
Ending net position	$ 123,257,501	$ 121,291,950	$ 119,350,338	$ 118,593,535	$ 118,744,900	$ 118,182,771	$ 114,002,984	$ 110,039,764	$ 105,787,746	$ 103,626,411

* Restated for implementation of GASB Statement No. 65

** Restated for implementation of GASB Statement No. 68

*** Restated for implementation of GASB Statement No. 75

TABLE 3

RIVERSIDE REGIONAL JAIL AUTHORITY

REVENUES BY CUSTOMER
Last Ten Fiscal Years

Fiscal Year	Charles City County	Chesterfield County	City of Hopewell	City of Colonial Heights	City of Petersburg	Prince George County	Surry County	Member Subtotal	
2022	$ 184,641	$ 7,817,766	$ 2,198,449	$ 1,585,655	$ 2,950,373	$ 2,322,071	$ 155,945	$ 17,214,900	(2)
2021	242,972	8,990,608	2,525,053	1,852,236	3,351,284	2,233,714	269,744	19,465,611	
2020	204,680	8,410,303	2,291,900	1,966,605	4,026,329	2,032,567	227,126	19,159,510	
2019	322,896	9,773,803	2,428,363	2,409,549	4,599,588	2,134,149	208,826	21,877,174	(1)
2018	226,120	10,796,840	2,141,840	2,267,400	3,940,832	1,496,080	220,720	21,089,832	
2017	272,000	11,198,840	2,149,560	2,408,680	3,433,237	1,276,120	149,720	20,888,157	
2016	294,040	10,258,760	2,129,520	2,510,360	3,306,960	1,383,040	151,080	20,033,760	
2015	238,760	10,847,280	2,295,800	2,637,640	1,512,960	1,845,360	208,880	19,586,680	
2014	335,200	11,618,200	2,607,600	2,622,640	1,139,440	2,139,960	223,840	20,686,880	
2013	346,640	10,231,560	2,397,560	2,605,640	1,409,400	1,907,480	250,880	19,149,160	

	Regional and Local Jails	Commonwealth of Virginia	Federal Inmates Housing and Transportation	Other Sources Subtotal	Total	
2022	$ 230,999	$ 1,718,732	$ 1,803,620	$ 3,753,351	$ 20,968,251	(2)
2021	-	2,659,995	1,168,882	3,828,877	23,294,488	
2020	27,359	2,827,041	456,622	3,311,022	22,470,532	
2019	6,460	2,987,421	366,423	3,360,304	25,237,478	(1)
2018	29,836	3,163,369	1,102,789	4,295,994	25,385,826	
2017	15,033	3,106,021	1,652,755	4,773,809	25,661,966	
2016	7,726	2,979,369	1,745,901	4,732,996	24,766,756	
2015	4,890	2,511,638	1,856,336	4,372,864	23,959,544	
2014	4,083	3,295,919	1,734,167	5,034,169	25,721,049	
2013	58,221	2,792,710	1,256,597	4,107,528	23,256,688	

(1) In fiscal year 2019, the Jail Authority disbursed member jurisdictions transfers totaling $2,800,000. In lieu of a mid-year per diem rate increase, each member jurisdiction subsequently repaid to the Jail Authority the entire amount of the transfer before June 30, 2019. Included in charges for services is revenue of $2,800,000.

(2) In fiscal year 2022, the Jail Authority disbursed member jurisdictions transfers totaling $500,000. Each member jurisdiction subsequently repaid to the Jail Authority the entire amount of the transfer before June 30, 2022. Included in charges for services is revenue of $500,000.

TABLE 4

RIVERSIDE REGIONAL JAIL AUTHORITY

REVENUES AND BILLED DAYS – BY CUSTOMER
Years Ended June 30, 2022 and 2021 and Nine Years Ago

Customer	Fiscal Year 2022 2022 Revenue	Per Diem Rate	Inmate Days Billed
Charles City County	$ 184,641	$ 46 / 50 (1)	3,789 (2)
Chesterfield County	7,817,766	46 / 50 (1)	160,455 (2)
City of Hopewell	2,198,449	46 / 50 (1)	45,129 (2)
City of Colonial Heights	1,585,655	46 / 50 (1)	32,541 (2)
City of Petersburg	2,950,373	46 / 50 (1)	60,573 (2)
Prince George County	2,322,071	46 / 50 (1)	47,709 (2)
Surry County	155,945	46 / 50 (1)	3,194 (2)
Regional and Local Jails	230,999	Various	-
Commonwealth of Virginia (a)	1,718,732	Various	N/A
Federal Inmates – Housing	1,803,620	Various	25,268
Total	$ 20,968,251		378,658

Customer	Fiscal Year 2021 2021 Revenue	Per Diem Rate	Inmate Days Billed
Charles City County	$ 242,972	$ 46	5,282
Chesterfield County	8,990,608	46	195,448
City of Hopewell	2,525,053	46	54,979
City of Colonial Heights	1,852,236	46	40,266
City of Petersburg	3,351,284	46	72,854
Prince George County	2,233,714	46	48,559
Surry County	269,744	46	5,864
Regional and Local Jails	-	Various	-
Commonwealth of Virginia (a)	2,659,995	Various	N/A
Federal Inmates – Housing	1,168,882	Various	19,080
Total	$ 23,294,488		442,332

Customer	Fiscal Year 2013 2013 Revenue	Per Diem Rate	Inmate Days Billed
Charles City County	$ 346,640	$ 40	8,666
Chesterfield County	10,231,560	40	255,789
City of Hopewell	2,397,560	40	59,939
City of Colonial Heights	2,605,640	40	65,141
City of Petersburg	1,409,400	40	35,235
Prince George County	1,907,480	40	47,687
Surry County	250,880	40	6,272
Regional and Local Jails	58,221	Various	1,575
Commonwealth of Virginia (a)	2,792,710	Various	N/A
Federal Inmates – Housing	1,253,552	Various	19,118
Federal Inmates – Transportation	3,045	N/A	N/A
Total	$ 23,256,688		499,422

(a) Commonwealth of Virginia-Local Inmates Data System (LIDS), Inmate Days Billed is not included.

(1) The per diem rate from the Member Jurisdictions increased from $46 to $50 during fiscal year 2022.

(2) Included in 2022 Revenue for each Member Jurisdiction is the repayment of Member Jurisdiction transfers of $500,000 as described in Note 11. Accordingly, the per diem rate multiplied by actual inmate days billed during fiscal year 2022 does not equal the revenue received from Member Jurisdictions.

N/A – Not Applicable

TABLE 5

RIVERSIDE REGIONAL JAIL AUTHORITY

REVENUE BOND COVERAGE
Last Ten Fiscal Years

Fiscal Year	Operating and Nonoperating Revenues (1)	Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Bond Coverage
				Principal	Interest	Total	
2022	$ 38,193,794	$ 29,496,446	$ 8,697,348	$ 4,305,000	$ 2,744,363	$ 7,049,363	123.38 %
2021	39,980,148	31,808,926	8,171,222	4,110,000	2,938,363	7,048,363	115.93
2020	39,214,482	32,182,332	7,032,150	3,935,000	2,950,964	6,885,964	102.12
2019	41,517,168	32,733,540	8,783,628	3,780,000	3,275,063	7,055,063	124.50
2018	41,806,532	32,776,087	9,030,445	3,630,000	3,420,263	7,050,263	128.09
2017	41,486,986	30,609,588	10,877,398	3,520,000	3,529,913	7,049,913	154.29
2016	40,791,270	29,796,470	10,994,800	3,425,000	3,628,749	7,053,749	155.87
2015	40,280,934	29,059,687	11,221,247	3,385,000	3,850,826	7,235,826	155.08
2014	40,393,713	29,229,276	11,164,437	3,200,000	3,855,725	7,055,725	158.23
2013	37,438,039	28,896,317	8,541,722	2,980,000	4,092,071	7,072,071	120.78

(1) Nonoperating revenues include payments from vendor contracts and exclude interest income on bond accounts as well as unrealized gains or losses. For 2019 and 2022, operating revenues include repayments of member jurisdiction transfers.

(2) Operating expenses exclude depreciation, interest expense, bond issuance amortization, and transfers to member jurisdictions.

(3) Total debt service requirements have been reduced by interest income on bond accounts, and reflect principal and interest payments required for the next fiscal year.

TABLE 6

RIVERSIDE REGIONAL JAIL AUTHORITY

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Total Outstanding Revenue Bonds	Debt as a Percentage of Personal Income (1)	Amount of Debt Per Capita
2022	$ 63,891,654	0.3 %	$ 127
2021	68,649,723	0.4	139
2020	73,290,352	0.5	154
2019	77,832,259	0.4	165
2018	82,267,898	0.6	176
2017	86,635,780	0.6	187
2016	90,939,331	0.7	198
2015	94,708,492	0.5	208
2014	95,049,112	0.6	211
2013	96,027,807	0.5	215

(1) See Table 8 for personal income and population data.

TABLE 7

RIVERSIDE REGIONAL JAIL AUTHORITY

CRATER PLANNING REGION PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

Employer	Calendar Year 2022* Rank	Calendar Year 2012* Rank
Chesterfield County School Board	1	-
U.S. Department of Defense	2	1
Amazon Fulfillment Services Inc.	3	-
County of Chesterfield	4	-
Wal Mart	5	2
Maximus Services LLC	6	-
HCA Virginia Health System	7	-
Bon Secours Health System Inc.	8	-
U.P.S.	9	-
DuPont Speciality Products USA, LLC	10	-
Southside Regional Medical Center	-	3
County of Prince George	-	4
Southside Virginia Training Center	-	5
Dominion Virginia Power	-	6
Food Lion	-	7
Greenville Correctional Center	-	8
City of Petersburg	-	9
Central State Hospital	-	10

* First and Third Quarter data for most recent calendar year (2022 and 2012), respectively

** The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act – Title V of Public Law 107-347. All Employers have over 1,000 individuals employed.

Source: Virginia Employment Commission

TABLE 8

RIVERSIDE REGIONAL JAIL AUTHORITY

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years by Member Jurisdiction

Jurisdiction	Year	Population	Household Income	Per Capita Personal Income	Unemployment Rate
Charles City County	2021	6,594	$ 60,096	$ 36,325	4.40 %
	2020	6,773	57,198	35,304	6.50
	2019	6,963	59,192	37,059	3.30
	2018	6,941	55,069	30,625	3.40
	2017	7,004	54,167	30,477	5.20
	2016	7,071	49,563	30,588	4.60
	2015	7,040	48,088	26,053	5.20
	2014	7,023	48,758	32,411	5.40
	2013	7,106	48,428	32,205	4.50
	2012	7,157	48,208	30,265	7.00
Chesterfield County	2021	370,688	$ 84,645	$ 42,734	3.60 %
	2020	364,548	82,599	37,658	5.90
	2019	352,802	80,214	36,641	2.60
	2018	348,556	76,969	44,445	2.90
	2017	343,599	73,869	33,848	3.90
	2016	339,009	72,609	32,896	4.00
	2015	335,687	75,514	32,940	4.30
	2014	332,499	72,878	42,205	5.60
	2013	327,745	66,881	40,507	6.70
	2012	323,856	70,243	44,509	7.80
City of Petersburg	2021	33,429	$ 43,029	$ 24,789	10.50 %
	2020	33,458	38,679	23,611	13.90
	2019	31,346	36,135	22,356	5.90
	2018	31,567	33,939	24,496	5.90
	2017	31,750	32,169	20,464	7.60
	2016	32,420	31,798	24,521	8.00
	2015	32,477	33,927	18,535	9.00
	2014	32,701	35,092	26,003	8.80
	2013	32,593	34,424	25,335	8.40
	2012	32,167	35,126	24,167	9.60
Prince George County	2021	42,880	$ 75,123	$ 31,193	4.50 %
	2020	43,010	71,912	29,420	6.50
	2019	38,353	67,001	28,873	3.30
	2018	38,082	68,461	41,222	3.50
	2017	37,809	64,805	26,721	4.70
	2016	37,845	61,857	39,294	5.10
	2015	37,380	61,071	24,521	5.30
	2014	37,333	63,551	38,870	5.20
	2013	36,462	63,074	38,141	4.39
	2012	36,013	63,031	37,272	6.60

Jurisdiction	Year	Population	Household Income	Per Capita Personal Income	Unemployment Rate
City of Colonial Heights	2021	18,273	$ 60,522	$ 32,629	4.80 %
	2020	18,170	54,550	28,364	7.10
	2019	17,370	53,716	27,579	2.80
	2018	17,833	50,952	33,342	3.20
	2017	17,830	49,639	27,209	3.80
	2016	17,411	50,304	33,911	4.60
	2015	17,820	52,529	28,282	4.70
	2014	17,731	51,110	34,946	4.60
	2013	17,481	50,835	34,439	5.30
	2012	17,426	51,612	33,836	6.10
City of Hopewell	2021	23,140	$ 43,262	$ 23,173	7.50 %
	2020	23,033	39,030	21,927	10.70
	2019	22,529	40,497	22,038	4.10
	2018	22,596	40,712	24,229	4.30
	2017	22,621	40,814	21,827	5.70
	2016	22,735	39,064	24,944	6.70
	2015	22,378	39,156	21,041	7.50
	2014	22,196	38,173	27,583	7.00
	2013	22,346	37,933	27,204	7.70
	2012	22,492	37,029	26,780	7.70
Surry County	2021	6,530	$ 56,525	$ 31,136	3.80 %
	2020	6,561	57,962	30,260	5.70
	2019	6,422	54,844	28,688	3.60
	2018	6,474	54,656	32,303	3.80
	2017	6,540	56,632	25,838	4.60
	2016	6,544	53,673	26,250	5.10
	2015	6,709	51,527	24,469	5.20
	2014	6,790	48,799	32,906	5.34
	2013	6,765	47,292	31,995	6.70
	2012	6,821	52,955	30,901	6.90

Data Source: U.S. Department of Commerce, United States Census Bureau

TABLE 9

RIVERSIDE REGIONAL JAIL AUTHORITY

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	Jail Operations Sworn	Civilian	Total
2022	171	63	234
2021	192	62	254
2020	236	65	301
2019	290	64	354
2018	306	69	375
2017	290	64	354
2016	304	60	364
2015	299	61	360
2014	290	57	347
2013	277	59	336

TABLE 10

RIVERSIDE REGIONAL JAIL AUTHORITY

INMATE POPULATION STATISTICS
Last Ten Fiscal Years

	Average Daily Population										
Fiscal Year	Charles City County	Chesterfield County	City of Hopewell	City of Colonial Heights	City of Petersburg	Prince George County	Surry County	Regional and Local Jails	Federal Inmates Housing and Transportation	Jail Contract Beds (1)	Total
2022	10.39	439.64	123.60	89.06	165.87	130.69	8.75	12.33	69.12	43.94	1,093.39
2021	14.46	535.58	150.66	110.32	199.72	133.13	16.08	-	52.38	36.22	1,248.55
2020	13.00	534.68	145.67	124.90	255.64	129.20	14.45	0.47	20.10	52.56	1,290.67
2019	19.23	580.78	145.72	144.16	276.16	127.71	12.54	0.69	15.38	56.77	1,379.14
2018	15.48	739.12	146.63	155.35	270.07	102.47	15.13	1.82	44.84	47.04	1,537.95
2017	18.62	767.27	147.35	164.74	227.07	87.39	10.27	0.31	68.10	51.51	1,542.63
2016	20.09	700.86	145.43	171.54	225.88	94.45	10.32	0.47	71.97	53.92	1,494.93
2015	16.36	742.69	157.36	180.56	103.46	126.14	14.28	0.30	74.41	45.84	1,461.40
2014	22.93	796.25	178.56	179.62	78.08	146.64	15.33	0.39	70.70	38.31	1,526.81
2013	23.76	701.19	164.27	178.57	96.45	130.61	17.17	4.31	52.37	52.61	1,421.31

(1) Jail Contract Beds are included and has been retroactively restated for the last ten fiscal years.

TABLE 11

RIVERSIDE REGIONAL JAIL AUTHORITY

CAPITAL ASSETS
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Fund										
Nondepreciable capital assets										
Land	$ 322,584	$ 322,584	$ 322,584	$ 322,584	$ 322,584	$ 322,584	$ 322,584	$ 322,584	$ 322,584	$ 322,584
Depreciable capital assets										
Buildings	182,225,886	182,161,119	181,813,213	181,693,823	181,542,686	181,542,686	181,522,435	181,519,235	181,482,748	181,383,359
Furniture and equipment	10,337,780	10,680,133	10,205,674	9,842,160	9,166,000	8,866,511	7,734,026	6,830,539	6,208,719	5,516,234
Computers	711,172	721,034	677,948	1,292,824	1,220,757	1,088,947	844,103	799,700	804,714	736,838
Vehicles	809,951	809,951	798,995	772,835	799,838	771,826	671,887	610,374	564,354	519,787
Land improvements	147,591	147,591	147,591	147,591	147,591	147,591	48,473	34,373	34,373	34,373
Total capital assets	194,554,964	194,842,412	193,966,005	194,071,817	193,199,456	192,740,145	191,143,508	190,116,805	189,417,492	188,513,175
Less accumulated depreciation										
Buildings	56,038,888	52,832,164	49,648,570	46,533,639	43,404,059	40,229,296	37,058,850	33,874,783	30,689,778	27,509,871
Furniture and equipment	7,002,873	7,529,304	7,014,929	6,466,336	5,848,309	5,257,800	4,732,081	4,221,399	3,757,461	3,363,632
Computers	632,038	600,877	492,236	998,330	904,255	819,747	765,815	731,282	722,589	705,953
Vehicles	747,606	702,043	670,593	617,012	648,977	589,148	531,699	482,806	445,250	408,568
Land improvements	67,209	57,370	47,531	37,690	27,851	18,012	9,945	6,875	4,584	2,292
Accumulated depreciation	64,488,614	61,721,758	57,873,859	54,653,007	50,833,451	46,914,003	43,098,390	39,317,145	35,619,662	31,990,316
Net capital assets	$ 130,066,350	$ 133,120,654	$ 136,092,146	$ 139,418,810	$ 142,366,005	$ 145,826,142	$ 148,045,118	$ 150,799,660	$ 153,797,830	$ 156,522,859
Canteen Fund										
Depreciable capital assets										
Furniture and equipment	$ 283,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153	$ -	$ -
Computers	-	-	-	-	-	-	1,668	1,668	1,668	22,278
Total capital assets	283,153	5,153	5,153	5,153	5,153	5,153	6,821	6,821	1,668	22,278
Less accumulated depreciation										
Furniture and equipment	19,867	3,135	2,619	2,104	1,589	1,074	558	43	-	-
Computers	-	-	-	-	-	-	1,668	1,668	1,668	22,278
Accumulated depreciation	19,867	3,135	2,619	2,104	1,589	1,074	2,226	1,711	1,668	22,278
Net capital assets	263,286	2,018	2,534	3,049	3,564	4,079	4,595	5,110	-	-
Total net capital assets	$ 130,329,636	$ 133,122,672	$ 136,094,680	$ 139,421,859	$ 142,369,569	$ 145,830,221	$ 148,049,713	$ 150,804,770	$ 153,797,830	$ 156,522,859

TABLE 12

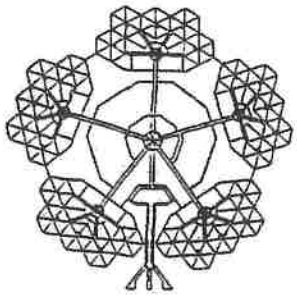
RIVERSIDE REGIONAL JAIL AUTHORITY

SCHEDULE OF INSURANCE IN FORCE
Fiscal Year Ended June 30, 2022

Insurance Coverage	Insurance Company	Expiration Date	Coverage Amount	Deductible
Building and Personal Property	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	$ 217,356,316	$ 5,000
Earthquake	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	100,000,000	25,000
Flood	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	100,000,000	25,000
Business Auto	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	5,463,613	1000/1000
Schedule Equipment (Tractor)	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	270,390	1,000
Boiler and Machinery	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	125,000,000	1,000
Business Interruption and Extra Expense	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	17,000,000	5,000
Cyber Liability Coverage	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	1,000,000	N/A
Environmental Impairment Liability	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	1,000,000	25,000
Local Government & Excess Liability Coverage	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	2,000,000	N/A
Workers' Compensation	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	Required statutory limit	
Line of Duty	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2022	Required statutory limit	
Faithful Performance of Duty Bond *	Commonwealth of Virginia – Division of Risk Management	Continuous	500,000	N/A
Constitutional Officer General Liability *	Commonwealth of Virginia – Division of Risk Management	Continuous	1,000,000	N/A

N/A – Not Applicable

* Provided by the Commonwealth of Virginia



This Page Intentionally Left Blank

COMPLIANCE SECTION

BROWNEDWARDS
certified public accountants

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

To the Board of Directors
Riverside Regional Jail Authority
Prince George, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the business-type activities, the major fund, and the aggregate remaining fund information of the Riverside Regional Jail Authority (the "Authority"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 11, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 11, 2022

RIVERSIDE REGIONAL JAIL AUTHORITY

SUMMARY OF COMPLIANCE MATTERS
June 30, 2022

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants shown below:

STATE COMPLIANCE MATTERS

Code of Virginia:
Cash and Investment Laws
Conflicts of Interest Act
Debt Provisions
Inmate Canteen Funds
Local Retirement Systems
Procurement Laws
Uniform Disposition of Unclaimed Property Act