RIVERSIDE REGIONAL JAIL AUTHORITY

NORTH PRINCE GEORGE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2025

Riverside Regional Jail Authority

Annual Comprehensive Financial Report

July 1, 2024 Through June 30, 2025

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

Prepared by Administrative Services - Finance Department

Colonel Jeffrey N. Dillman
Superintendent

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

Riverside Regional Jail Authority

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Introductory Section

Riverside Regional Jail

Colonel Jeffrey N. Dillman
Superintendent

October 14, 2025

The Board of Directors
Riverside Regional Jail Authority

Dear Jail Authority Board Members:

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, 2025. 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, the Management's Discussion and Analysis (MD&A) precedes the basic financial statements and provides a narrative overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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.

ECONOMIC CONDITON AND OUTLOOK

The Jail Authority's economic outlook is stable. The economic stability of the Jail Authority is based on the contractual obligation of each member jurisdiction to pay a per diem rate of $52.00 per inmate day.

The financial condition of the Jail Authority is primarily dependent upon the number of inmates housed at the facility. The outlook for the population growth increased by .37% for the Member Jurisdictions in the past year according to the recent United States Census data. During fiscal year 2025, the Jail Authority experienced a decrease of 3.04% in the inmate Average Daily Population (ADP) for its Member Jurisdictions as compared to the previous fiscal year. The total ADP for fiscal year 2025 was 1,135 inmates as compared to the Operating Budget denoting 1,092 inmates.

In May 2025, the Jail Authority began housing inmates for Immigration and Customs Enforcement (ICE) due to the federal mandate regarding the deportation of undocumented immigrants in the United States. The Jail Authority's initial agreement for detention services was a "ride-along" off of the U. S. Marshal Service contract, with a rate of $66.36 per inmate day.

Subsequently, in August 2025, the U.S. Marshals Service legacy contract price was renegotiated to $100 per inmate day. The Jail Authority has been designated as a temporary holding facility and authorized to house ICE inmates.

MAJOR INITIATIVES

During the fiscal year, a national recruitment effort was conducted for the hiring of a new Jail Superintendent. On November 18, 2024, the Jail Authority hired Colonel Jeffrey N. Dillman as it new Jail Superintendent. Colonel Dillman brought to the Jail Authority a wealth of valuable leadership experience, having worked over (35) thirty-five years in corrections and was the Warden of (5) five prisons within the Virginia Department of Corrections.

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, 2022 and 2025. 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 99.0 percent on the ACA audit that was conducted in May 2025.

- The Jail Authority received re-certification for compliance with the provisions of the Prison Rape Elimination Act (PREA) in April 2023. 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 Bureau of Prisons in September 2024 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 will be audited in October 2025 for the fourth re-accreditation.

- The Jail Authority received unconditional certification from the Virginia State Board of Corrections in February 2024 to house both adult and juvenile offenders after an extensive audit. In September 2025, the Virginia State Board of Corrections conducted its audit for calendar year 2025, and no deficiencies were noted.

- In October 2017 the Jail Authority 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 serve as a referral service for these returning citizens. The ARGP was renewed by DCJS for FY 2026.

- Community outreach is vital to the Jail Authority to make a continued positive impact on the stakeholders, citizens of the Member Jurisdictions and society at large. The staff of the Jail Authority works hard each year to give back to the communities of the Member Jurisdictions. Over the course of the past year, the charitable and community-based outreach activities have helped make the facility stand out amongst the citizens of the Member Jurisdictions. Food donations were contributed by staff to provide meals to the less fortunate citizens in the communities served during the holiday season. In an effort to assist breast cancer patients, staff hosted a bake sale to raise funds to donate to local breast cancer centers within the member localities. The Jail Authority donated hats, scarves and gloves to give to breast cancer patients so they can stay warm while receiving their treatments. The Jail Authority plays a vital role in the Virginia Special Olympics programs by being a participant of Region Four's fundraising efforts. In April of each year, the Jail Authority in partnership with Prince George County Parks and Recreation and Friends of the Lower Appomattox River host the annual 5K Trail Run. The annual Law Enforcement Torch Run and Tip-a-Cop are also among the many events the Jail Authority participates to help raise money for the Virginia Special Olympics. We have found these programs to be a great success which allows the Jail Authority to give back to the citizens of Member Jurisdictions and shed a positive light on our organization.

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.

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 policies 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, 2025. 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, 2024. This was the twenty-seventh (27th) 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 Anita Bowen, Michelle Coleman, Michelle Jackson, Trina McGee, Maria Montijo, and Kimberly Strubel.

Respectfully submitted,

Jeffrey N. Dillman
Superintendent

Crystal H. Reid, MBA
Director of Administrative 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, 2024

Christopher P. Morrill

Executive Director/CEO

Riverside Regional Jail Authority

Directory of Principal Officials

Fiscal year 2025

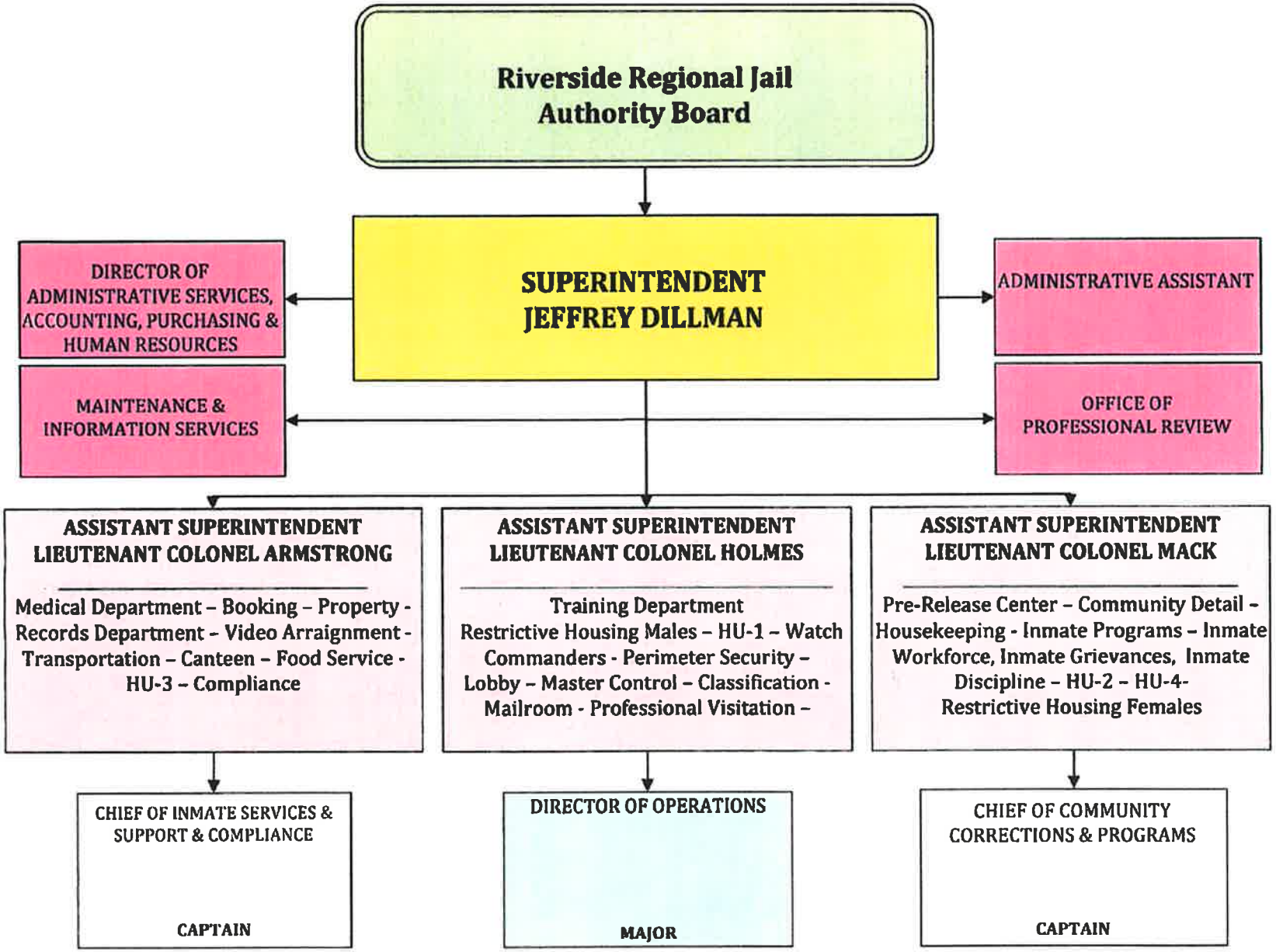
Chair	Sheriff Roger Vargo Prince George County
Vice Chair	Douglas Smith City of Colonial Heights
Secretary/Treasurer	Matt Harris Chesterfield County

Other Members

Michelle Johnson Charles City County	Sheriff Jayson Crawley Charles City County
Michael Rogers City of Hopewell	Sheriff Travis Stanley City of Hopewell
March Altman City of Petersburg	Sheriff Vanessa Crawford City of Petersburg
Melissa Rollins Surry County	Sheriff Carlos Turner Surry County
Sheriff Karl Leonard Chesterfield County	Sheriff Todd Wilson City of Colonial Heights
Jeffrey Stoke Prince George County	

Hefty, Wiley & Gore
Counsel

Jeffery N. Dillman
Superintendent


Riverside Regional Jail Authority Board
SUPERINTENDENT JEFFREY DILLMAN
DIRECTOR OF ADMINISTRATIVE SERVICES, ACCOUNTING, PURCHASING & HUMAN RESOURCES
MAINTENANCE & INFORMATION SERVICES
ADMINISTRATIVE ASSISTANT
OFFICE OF PROFESSIONAL REVIEW
ASSISTANT SUPERINTENDENT LIEUTENANT COLONEL ARMSTRONG
Medical Department – Booking – Property - Records Department – Video Arraignment - Transportation – Canteen – Food Service - HU-3 – Compliance
ASSISTANT SUPERINTENDENT LIEUTENANT COLONEL HOLMES
Training Department Restrictive Housing Males – HU-1 – Watch Commanders - Perimeter Security – Lobby – Master Control – Classification - Mailroom - Professional Visitation –
ASSISTANT SUPERINTENDENT LIEUTENANT COLONEL MACK
Pre-Release Center – Community Detail – Housekeeping - Inmate Programs – Inmate Workforce, Inmate Grievances, Inmate Discipline – HU-2 – HU-4- Restrictive Housing Females
CHIEF OF INMATE SERVICES & SUPPORT & COMPLIANCE
CAPTAIN
DIRECTOR OF OPERATIONS
MAJOR
CHIEF OF COMMUNITY CORRECTIONS & PROGRAMS
CAPTAIN

Financial Section

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, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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.

Change in Accounting Principle

As described in Note 11 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 14, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
October 14, 2025

October 3, 2025

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, 2025. 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 $1,319,033 as a result of this year's operating and non-operating financial activities.
    - Total revenues of the Jail for FY 2025 were $50,134,872.
    - Total expenses of the Jail for FY 2025 were $48,712,405.
- The Jail Authority's operating and non-operating revenues increased $2,882,315, or approximately 6.1%, and operating and non-operating expenses increased by $4,238,426, or approximately 9.5%.
- The Jail Authority net investment in capital assets increased by $3,091,078, or 4.3%.
- The Jail Authority met its financial obligations with regard to the Series 2013 and Series 2015 bonds, making principal payments totaling $4,730,000.
- The Jail Authority's total average daily population increased by approximately 28 inmates, or 2.52% for fiscal year 2025.
- In May 2025, the Jail Authority began holding inmates for U.S. Immigration and Customs Enforcement (ICE).

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Jail Authority's basic financial statements. The Jail Authority's basic financial statements consist of two components: (1) financial statements and (2) the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

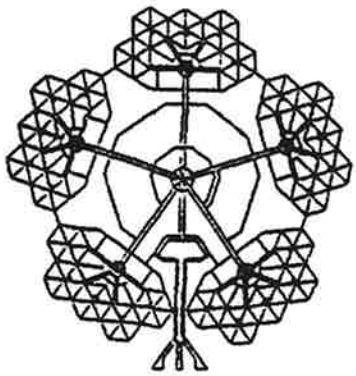
The Jail Authority maintains two enterprise funds, Operating and Canteen. This is an accounting method that is similar to that used by private sector companies. The Statement of Net Position includes the nature and amounts of investments in resources (assets), deferred outflows of resources, obligations 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 $132,890,804 at June 30, 2025. The Jail Authority's total Operating Fund net position decreased by $1,551,606 as compared to last year and the Canteen Fund net position increased by $195,495. 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

	2025	2024	Increase (Decrease) Dollars	Percent
Capital assets - net	$ 122,185,742	$ 123,923,084	$ (1,737,342)	(1.4) %
Other assets	62,453,862	64,254,237	(1,800,375)	(2.8) %
Total assets	$ 184,639,604	$ 188,177,321	$ (3,537,717)	(1.9) %
Deferred outflows of resources	$ 4,351,645	$ 4,193,715	$ 157,930	3.8 %
Long-term liabilities - net	$ 45,435,280	$ 50,270,844	$ (4,835,564)	(9.6) %
Other liabilities	8,457,337	8,858,762	(401,425)	(4.5) %
Total liabilities	$ 53,892,617	$ 59,129,606	$ (5,236,989)	(8.9) %
Deferred inflows of resources	$ 2,207,828	$ 1,462,307	$ 745,521	51.0 %
Net position:				
Net investment in capital assets	$ 74,779,700	$ 71,688,622	$ 3,091,078	4.3 %
Restricted	33,170,134	32,508,592	661,542	2.0 %
Unrestricted	24,940,970	27,581,909	(2,640,939)	(9.6) %
Total net position	$ 132,890,804	$ 131,779,123	$ 1,111,681	0.8 %



The Operating Fund and Canteen Fund had a combined change in net position of $1,422,467. 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

	2025	2024	Increase (Decrease) Dollars	Percent
Operating revenues:				
Inmate housing	$ 23,918,088	$ 22,804,176	$ 1,113,912	4.9 %
State Compensation Board	21,013,863	18,720,391	2,293,472	12.3 %
Daily incarceration fees	349,436	368,647	(19,211)	(5.2) %
Work release	184,389	210,409	(26,020)	(12.4) %
Canteen sales	987,597	874,947	112,650	12.9 %
Miscellaneous income	1,419,789	1,904,745	(484,956)	(25.5) %
Non-operating revenues:				
Investment income	2,206,311	2,121,316	84,995	4.0 %
State and federal grants	38,400	212,582	(174,182)	(81.9) %
Miscellaneous income	16,999	35,344	(18,345)	(51.9) %
Total revenues	50,134,872	47,252,557	2,882,315	6.1 %
Operating expenses:				
Salaries and wages	18,921,112	17,852,246	1,068,866	6.0 %
Fringe benefits	4,588,936	3,389,811	1,199,125	35.4 %
Contractual services	1,415,166	1,341,409	73,757	5.5 %
Materials and supplies	744,065	601,653	142,412	23.7 %
Medical services and supplies	9,852,409	8,537,448	1,314,961	15.4 %
Food services and supplies	2,244,559	2,045,168	199,391	9.7 %
Repairs and maintenance	1,509,583	1,142,977	366,606	32.1 %
Utilities	2,750,946	2,592,471	158,475	6.1 %
Depreciation	4,140,819	4,088,035	52,784	1.3 %
Other	585,001	710,541	(125,540)	(17.7) %
Non-operating expenses:				
Interest expense	1,959,809	2,150,896	(191,087)	(8.9) %
Loss on disposal of capital assets	-	21,324	(21,324)	(100.0) %
Total expenses	48,712,405	44,473,979	4,238,426	9.5 %
Change in net position	1,422,467	2,778,578	(1,356,111)	(48.8) %
Beginning net position, as restated*	131,468,337	129,000,545	2,467,792	1.9 %
Ending net position	**$ 132,890,804**	**$ 131,779,123**	**$ 1,111,681**	0.8 %

*Beginning Net Position was restated as a result of the implementation of GASB 101, *Compensated Absences*

Inmate housing revenue increased by $1,113,912, or 4.9% primarily due to an increase in the ADP of the Member Jurisdictions and Federal inmate inmate housing. The Jail Authority's ADP for its Member Jurisdictions increased (29) twenty-nine inmates, or 3.04% as compared to fiscal year 2024. The Non-Member Jurisdictions revenue decreased 14.8% due to these inmates being transported to a different regional jail located closer to its facility. The Jail Authority has actively pursued contracts to house inmates for external localities and the federal government. As of May 2025, the Jail Authority began housing inmates for the United States Immigration and Customs Enforcement (ICE) as part of federal mass deportation efforts.

The Virginia Compensation Board revenue increased $2,293,472, or 12.3%. A portion of this increase is due to staff salary increases impletemented by the Commonwealth of Virginia. The revenue for Work Release decreased $26,020, or 12.4% due to less inmates participating in the Work Release Program as compared to fiscal year 2024. The Operating Revenues – Miscellaneous Income decreased $484,956, or 25.5% because of the drop in Telephone Commissions and reduced medical/pharmacy reimbursement from the Virginia Department of Corrections for state-reposnsible inmates. The investment income increased $84,995 or 4.0% due to high-yield interest earnings on the Jail Authority's Reserve Accounts.

During the fiscal year, state and federal grants decreased by $174,812, or 81.9%. The Jail Authority had one active grant, the Addiction Recovery Grant Program for $38,400, compared to (3) three active grants in fiscal year 2024.

Canteen Sales increased $112,650, or 12.9% due to the elimination of the Inmate Incentive Program that was offered to inmates in fiscal year 2024 which allowed inmates who maintained good behavior to receive a $25 monthly commissary credit.

Operating expenses expenses totaled $48,712,405 for the year ended June 30, 2025. This is an increase of $4,238,426, or 9.5% over fiscal year 2024. During the fiscal year, salaries and employee benefits totaled $23,510,048, medical services and supplies totaled $9,852,409, and food service supplies totaled $2,244,559.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2025, the Jail Authority had $122,185,742, 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 $1,737,342 over last year. Depreciation expense was $4,140,819 for fiscal year 2025.

The following table summarizes the Jail Authority's capital assets, net of accumulated depreciation, as of June 30, 2025 and 2024 for Operating and Canteen Funds combined.

	2025	2024
Buildings	$ 116,432,527	$ 119,728,433
Furniture and equipment	4,968,443	3,450,264
Land	322,584	322,584
Land improvements	111,460	125,873
Vehicles	343,921	278,049
Computers and software	6,807	17,881
Total capital assets (net of accumulated depreciation)	$ 122,185,742	$ 123,923,084

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.

	2025	2024
Balance at beginning of year	$ 194,728,459	$ 194,714,587
Additions	2,403,477	1,207,086
Deletions	(24,874)	(1,193,214)
Accumulated depreciation	(74,921,320)	(70,805,375)
Balance at end of year	$ 122,185,742	$ 123,923,084

This year major, capital asset additions included the following:

- Vehicles
- Radio equipment
- Fence detection system
- Building and maintenance equipment
- Food service equipment

Debt Administration

At year-end, the Jail Authority had bonded debt of $46,865,000 outstanding as compared to fiscal year 2024 outstanding bonds in the amount of $51,595,000. Additional information on the bonds is contained in Note 5.

Jail Authority's Per Diem Rates

Per the Riverside Regional Jail Authority's Service Agreement, the operational per diem rates are set for the localities through the annual budget process. The per diem rates are set to be sufficient to generate revenues adequate to pay net operating expenses and to fund any required reserves. The Member Jurisdictions per diem rate was $52.00 for fiscal year 2025. The per diem rate that has been set for the Bureau of Prisons' inmates increased from $83.95 to $108.27. The per diem rate for U. S. Marshals and ICE was $66.37; and Hampton City Sheriff's Office was $50.00 per inmate day.

Economic Factors and Next Year's Budgets and Rates

- The per diem rate remains at $52.00 for Member Jurisdictions.
- A change in the per diem rate charge to the Member Jurisdictions is not anticipated.
- A change in the per diem rate for U. S. Marshals and ICE increased to $100 per inmate day on August 1, 2025.
- The increase in inmate population remains steady.
- The Jail Authority plans to maintain its 2026 Annual Budget with limited increases in expenses primarily due to concerted efforts to address projected staff retirements and staff turnover.

All of these factors were considered in preparing the Jail Authority's budget for the 2026 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.

Basic Financial Statements

Riverside Regional Jail Authority

Statement of Net Position

June 30, 2025

	Major Fund	Nonmajor Fund	
	Operating Fund	Canteen Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 2)	$ 7,005,969	$ -	$ 7,005,969
Cash and cash equivalents, restricted (Note 2)	6,087,542	1,456,198	7,543,740
Investments, unrestricted (Note 2)	16,197,332	-	16,197,332
Accounts receivable (Note 3)	4,654,467	22,257	4,676,724
Insurance claims receivable (Note 10)	297,035	-	297,035
Due from other funds (Note 8)	460	-	460
Amounts receivable from inmate accounts custodial fund (Note 8)	40,564	146	40,710
Total current assets	34,283,369	1,478,601	35,761,970
NONCURRENT ASSETS			
Cash and cash equivalents, restricted (Note 2)	18,595,568	-	18,595,568
Net pension asset (Note 6)	8,096,324	-	8,096,324
Capital assets:			
Nondepreciable (Note 4)	322,584	-	322,584
Depreciable, net (Note 4)	121,684,775	178,383	121,863,158
Total noncurrent assets	148,699,251	178,383	148,877,634
Total assets	182,982,620	1,656,984	184,639,604
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts from refunding of debt	1,401,861	-	1,401,861
Deferred outflows related to pensions (Note 6)	2,736,811	-	2,736,811
Deferred outflows related to other postemployment benefits (Note 7)	212,973	-	212,973
Total deferred outflows of resources	4,351,645	-	4,351,645
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,003,563	36,397	1,039,960
Due to other funds (Note 8)	-	460	460
Accrued liabilities	541,723	-	541,723
Compensated absences payable – current portion (Note 5)	483,587	606	484,193
Accrued interest payable	1,048,719	-	1,048,719
Bonds payable – current portion (Note 5)	5,342,282	-	5,342,282
Total current liabilities	8,419,874	37,463	8,457,337
LONG-TERM LIABILITIES			
Compensated absences payable, net of current portion (Note 5)	1,372,744	1,719	1,374,463
Net other postemployment benefits liability (Note 7)	634,402	-	634,402
Bonds payable, net of current portion (Note 5)	43,426,415	-	43,426,415
Total long-term liabilities	45,433,561	1,719	45,435,280
Total liabilities	53,853,435	39,182	53,892,617
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions (Note 6)	2,008,529	-	2,008,529
Deferred inflows related to other postemployment benefits (Note 7)	199,299	-	199,299
Total deferred inflows of resources	2,207,828	-	2,207,828
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	74,601,317	178,383	74,779,700
RESTRICTED FOR:			
Net pension asset	8,096,324	-	8,096,324
Debt service	12,260,060	-	12,260,060
Operating reserve	10,990,518	-	10,990,518
Repair and replacement reserve	383,813	-	383,813
Canteen funds	-	1,439,419	1,439,419
UNRESTRICTED	24,940,970	-	24,940,970
Total net position	**$ 131,273,002**	**$ 1,617,802**	**$ 132,890,804**

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, 2025

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
OPERATING REVENUES			
Charges for services – inmate housing	$ 23,918,088	$ -	$ 23,918,088
State Compensation Board	21,013,863	-	21,013,863
Daily incarceration fees	349,436	-	349,436
Work release	184,389	-	184,389
Canteen sales	-	987,597	987,597
Telephone commissions	1,080,332	-	1,080,332
Miscellaneous operating income	339,457	-	339,457
Total operating revenues	46,885,565	987,597	47,873,162
OPERATING EXPENSES			
Salaries and wages	18,853,200	67,912	18,921,112
Fringe benefits	4,588,936	-	4,588,936
Contractual services	773,654	641,512	1,415,166
Materials and supplies	639,409	104,656	744,065
Medical services and supplies	9,852,409	-	9,852,409
Food services and supplies	2,210,121	34,438	2,244,559
Repairs and maintenance	1,509,583	-	1,509,583
Utilities	2,750,946	-	2,750,946
Depreciation	4,112,546	28,273	4,140,819
Other expenses	577,629	7,372	585,001
Total operating expenses	45,868,433	884,163	46,752,596
Operating income	1,017,132	103,434	1,120,566
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,206,311	-	2,206,311
State and federal grants and reimbursements	38,400	-	38,400
Miscellaneous nonoperating revenues	16,999	-	16,999
Interest expense	(1,959,809)	-	(1,959,809)
Total nonoperating revenues	301,901	-	301,901
Change in net position	1,319,033	103,434	1,422,467
NET POSITION – AT JULY 1, AS RESTATED (Note 11)	129,953,969	1,514,368	131,468,337
NET POSITION – AT JUNE 30	**$ 131,273,002**	**$ 1,617,802**	**$ 132,890,804**

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

Riverside Regional Jail Authority

Statement of Cash Flows

Year Ended June 30, 2025

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
OPERATING ACTIVITIES			
Receipts from jurisdictions	$ 27,572,634	$ -	$ 27,572,634
Receipts from federal and state agencies	19,272,940	-	19,272,940
Receipts from canteen sales	-	998,403	998,403
Receipts from inmates	1,951,532	-	1,951,532
Contract agreements and miscellaneous income received	16,999	-	16,999
Payments to suppliers	(19,097,672)	(789,364)	(19,887,036)
Payments to employees and benefit providers	(22,801,211)	(67,627)	(22,868,838)
Net cash provided by operating activities	6,915,222	141,412	7,056,634
NONCAPITAL FINANCING ACTIVITIES			
Federal and state grants	66,582	-	66,582
CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(2,364,271)	-	(2,364,271)
Principal paid on capital debt	(4,730,000)	-	(4,730,000)
Interest paid on capital debt	(2,209,498)	-	(2,209,498)
Net cash used in capital and related financing activities	(9,303,769)	-	(9,303,769)
INVESTING ACTIVITIES			
Proceeds from investments	28,559,817	-	28,559,817
Purchases of investments	(26,826,278)	-	(26,826,278)
Interest income received	1,615,214	-	1,615,214
Net cash provided by investing activities	3,348,753	-	3,348,753
Net increase in cash and cash equivalents	1,026,788	141,412	1,168,200
CASH AND CASH EQUIVALENTS			
Beginning at July 1	30,662,291	1,314,786	31,977,077
Ending at June 30	**$ 31,689,079**	**$ 1,456,198**	**$ 33,145,277**

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

Riverside Regional Jail Authority

Statement of Cash Flows

Year Ended June 30, 2025

	Major Fund Operating Fund	Nonmajor Fund Canteen Fund	Total
RECONCILIATION TO EXHIBIT 1			
Cash and cash equivalents	$ 7,005,969	$ -	$ 7,005,969
Cash and cash equivalents, restricted	6,087,542	1,456,198	7,543,740
Cash and cash equivalents – non-current, restricted	18,595,568	-	18,595,568
	$ 31,689,079	**$ 1,456,198**	**$ 33,145,277**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 1,017,132	$ 103,434	$ 1,120,566
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,112,546	28,273	4,140,819
Miscellaneous income received	16,999	-	16,999
Excess of employer contributions over pension expense	550,891	-	550,891
Excess of employer contributions over other postemployment benefits expense	(116,644)	-	(116,644)
Changes in assets and liabilities:			
Accounts receivable	1,913,623	(22,257)	1,891,366
Due from/to other funds	(130)	130	-
Amounts receivable from inmate accounts custodial fund	(2,082)	33,063	30,981
Accounts payable	147,271	(1,516)	145,755
Insurance claims payable/ receivable	(931,062)	-	(931,062)
Accrued liabilities	(203,468)	-	(203,468)
Compensated absences payable	410,146	285	410,431
Net cash provided by operating activities	**$ 6,915,222**	**$ 141,412**	**$ 7,056,634**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Increase in fair value of investments	**$ 591,097**	**$ -**	**$ 591,097**
Capital asset purchases included in accounts payable at year end	**$ 39,206**	**$ -**	**$ 39,206**

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

Riverside Regional Jail Authority

Statement of Fiduciary Net Position

June 30, 2025

	Custodial Fund Inmate Accounts
ASSETS	
Cash and cash equivalents, restricted (Note 2)	$ 125,953
LIABILITIES	
Amounts payable	$ 40,710
NET POSITION	
Restricted for benefit of inmates	$ 85,243

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, 2025

	Custodial Fund Inmate Accounts
ADDITIONS	
Payments received from and on behalf of inmates	$ 2,634,481
DEDUCTIONS	
Inmate purchases	1,765,147
Payments to vendors	740,698
Other deductions	116,727
Total deductions	2,622,572
Net increase in fiduciary net position	11,909
NET POSITION – AT JULY 1	73,334
NET POSITION – AT JUNE 30	**$ 85,243**

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

Riverside Regional Jail Authority

Notes to Financial Statements

June 30, 2025

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.

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 and improvements	10 – 60 years
Land improvements	15 years
Furniture and equipment	10 years
Vehicles	5 years
Computer hardware and 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 vacation leave upon termination, retirements, or death. 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 are required to work overtime and holidays earn compensatory and holiday leave, respectively. The compensated absences liability is estimated based on what is expected to be paid in the future for time earned as of June 30.

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 statement that presents net position reports 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 statement that presents net position reports 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/ asset 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.

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, $13,295,997; capital improvements fund, $5,151,644; operating fund, $6,425,577; and arbitrage reserve, $67,752.

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.

Subsequent Events

Subsequent to year-end, the Authority experienced a fraudulent wire transaction for approximately $700,000. A police report has been filed and the matter is under investigation. As of the report date, $650,000 was recovered.

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.

As of June 30, 2025, the Authority's deposits and investments consisted of the following:

Type	Fair Value	S&P Credit Rating	Weighted Average Maturity
Deposits:			
Cash in bank	$ 8,672,243	N/A	N/A
Cash on hand	900	N/A	N/A
Total deposits	8,673,143		
Investments – Level 1:			
U.S. Treasury notes	14,054,247	N/A	0.43 years
Investments reported at amortized cost:			
Virginia State Non-Arbitrage Program	18,663,320	AAAm	1 day
Local Government Investment Pool	8,077,852	AAAm	1 day
Total investments	40,795,419		
Total deposits and investments	**$ 49,468,562**		

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	$ 7,005,969	$ -	$ 7,005,969
Cash and cash equivalents, restricted	7,543,740	125,953	7,669,693
Cash and cash equivalents – noncurrent, restricted	18,595,568	-	18,595,568
Investments, unrestricted	16,197,332	-	16,197,332
	$ 49,342,609	**$ 125,953**	**$ 49,468,562**

Restricted Amounts

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

2013 Bond fund payment	$ 4,650,052
2015 Bond fund payment	1,437,490
Inmate canteen funds	1,456,198
Cash and cash equivalents – restricted	**$ 7,543,740**

Operating reserve	$ 10,990,518
Repair and replacement reserve	383,813
Debt service reserve fund	7,221,237
Cash and cash equivalents – non-current, restricted	**$ 18,595,568**

Note 3 – Accounts Receivable

Accounts receivable in the Operating fund consist of the following:

Member jurisdictions	$ 2,134,392
Commonwealth of Virginia	1,899,228
Federal agencies	468,556
Other	152,291
	$ 4,654,467

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	182,255,418	-	-	182,255,418
Furniture and equipment	10,388,776	2,259,017	24,874	12,622,919
Computer hardware and software	506,385	-	-	506,385
Vehicles	755,952	144,460	-	900,412
Land improvements	216,191	-	-	216,191
Total capital assets, depreciable	194,122,722	2,403,477	24,874	196,501,325
Less accumulated depreciation:				
Buildings and improvements	62,526,985	3,295,906	-	65,822,891
Furniture and equipment	7,145,168	712,565	24,874	7,832,859
Computer hardware and software	488,504	11,074	-	499,578
Vehicles	477,903	78,588	-	556,491
Land improvements	90,318	14,413	-	104,731
Total accumulated depreciation	70,728,878	4,112,546	24,874	74,816,550
Total capital assets depreciable, net	123,393,844	(1,709,069)	-	121,684,775
Total capital assets, net	**$ 123,716,428**	**$ (1,709,069)**	$ -	**$ 122,007,359**

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	$ 283,153	$ -	$ -	$ 283,153
Less accumulated depreciation:				
Equipment	76,497	28,273	-	104,770
Total capital assets depreciable, net	**$ 206,656**	**$ (28,273)**	$ -	**$ 178,383**

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	$ 51,595,000	$ -	$ 4,730,000	$ 46,865,000	$ 4,955,000
Issuance premiums	2,360,565	-	456,868	1,903,697	387,282
	53,955,565	-	5,186,868	48,768,697	5,342,282
Compensated absences	**1,759,011	*99,645	-	1,858,656	484,193
	$ 55,714,576	**$ 99,645**	**$ 5,186,868**	**$ 50,627,353**	**$ 5,826,475**

**Compensated absences increase and decrease have been netted.*

***Balance has been restated. See Note 11.*

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

Fiscal Year	Principal	Interest	Total
2026	$ 4,955,000	$ 1,976,163	$ 6,931,163
2027	5,195,000	1,726,213	6,921,213
2028	5,450,000	1,462,513	6,912,513
2029	5,725,000	1,185,663	6,910,663
2030	6,010,000	948,751	6,958,751
2031-2034	19,530,000	1,197,308	20,727,308
	$ 46,865,000	**$ 8,496,611**	**$ 55,361,611**

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%	$ 40,550,000
Series 2013 Jail Facility Revenue Bonds	06/27/2013	07/01/2032	44,025,000	4.27	6,315,000
					$ 46,865,000

The Authority's debt agreements contain certain financial covenants for which the Authority was in compliance at June 30, 2025.

During 2025, the Authority implemented GASB 101, *Compensated Absences*. Historically, sick leave had not been accrued; however, the new standard requires a liability to be estimated and accrued relating to leave that has been earned as of June 30, but not yet paid out. Also see Note 11.

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/retirement-plans/defined-benefit/plan1/
- https://www.varetire.org/retirement-plans/defined-benefit/plan2/
- https://www.varetire.org/retirement-plans/hybrid/

Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	170
Inactive members:	
Vested inactive members	45
Non-vested inactive members	458
Inactive members active elsewhere in VRS	218
Total inactive members	721
Active members	216
Total covered employees	**1,107**

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, 2025 was 10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the

pension plan from the Political Subdivision were $1,583,276 and $1,019,729 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $18,573 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $7,510 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $1,857,316 for the year ended June 30, 2025.

Net Pension Liability (Asset)

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

Actuarial Assumptions

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

Inflation	2.50%
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 and a Modified MP-2020 Improvement Scale with various setbacks or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates to better fit experience; 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.

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; decreased 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 weighing 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	32.00%	6.70%	2.14%
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
PIP – Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00%		7.07%
* Expected arithmetic nominal return			**$ 7.07%**

*The above allocation provides for a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially

determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rate. 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, 2023	$ 64,484,925	$ 72,754,018	$ (8,269,093)
Changes for the year:			
Service cost	1,990,963	-	1,990,963
Interest	4,380,453	-	4,380,453
Difference between expected and actual experience	2,510,634	-	2,510,634
Contributions – employer	-	1,019,730	(1,019,730)
Contributions – employee	-	710,113	(710,113)
Net investment income	-	7,024,312	(7,024,312)
Benefit payments, including refunds of employee contributions	(3,160,582)	(3,160,582)	-
Administrative expenses	-	(46,340)	46,340
Other changes	-	1,466	(1,466)
Net changes	5,721,468	5,548,699	172,769
Balances at June 30, 2024	**$ 70,206,393**	**$ (78,302,717)**	**$ (8,096,324)**

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

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

	1% Decrease (5.75%)	**Current Discount Rate (6.75%)**	**1.00% Increase (7.75%)**
Political Subdivision's net pension liability (asset)	**$ 1,165,327**	**$ (8,096,324)**	**$ (15,656,969)**

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

For the year ended June 30, 2025, the Political Subdivision recognized pension expense of $2,134,168. At June 30, 2025, 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	$ 1,153,535	$ -
Net difference between projected and actual earnings on pension plan investments	-	2,008,529
Employer contributions subsequent to the measurement date	1,583,276	-
Total	**$ 2,736,811**	**$ 2,008,529**

The $1,583,276 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2026	$ (588,635)
2027	563,891
2028	(397,608)
2029	(432,642)
2030	-
Thereafter	-

Pension Plan Data

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

Payables to the Pension Plan

At June 30, 2025, approximately $200,317 was payable to the Virginia Retirement System for the legally required contributions related to June 2025 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.

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/benefits-and-programs/benefits/life-insurance/.

Contributions

Contributions to the VRS OPEB program were based on actuarially determined rates from actuarial valuations as of June 30, 2023. 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, with the exception of GLI which was also combined with employee contributions. 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:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025 Contribution	$74,782
June 30, 2024 Contribution	$78,632

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

The net OPEB liabilities were measured as of June 30, 2024 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2025 proportionate share of liability	$634,402
June 30, 2024 proportion	0.05685%
June 30, 2023 proportion	0.05347%
June 30, 2025 expense (income)	($41,667)

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, 2025, 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	$ 100,060	$ 15,496
Change of assumptions	3,616	31,440
Net difference between projected and actual earnings on OPEB plan investments	-	53,473
Changes in proportion	34,515	98,890
Employer contributions subsequent to the measurement date	74,782	-
Total	**$ 212,973**	**$ 199,299**

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, 2026. 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:

Group Life Insurance Program

Year Ending June 30,	Effect on OPEB Expense
2026	$ (82,055)
2027	(13,706)
2028	4,555
2029	14,123
2030	15,975
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, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
• Locality- general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
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.

Net OPEB Liability

The net OPEB liability represents the total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, net OPEB liability amount for the VRS GLI OPEB program is as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB liability	$ 4,196,055
Plan fiduciary net position	$ 3,080,132
Employers' net OPEB liability	$ 1,115,923
Plan fiduciary net position as a percentage of total OPEB liability	73.41%

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:

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

* The above allocation provides for a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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, 2024, 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 which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024, 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 eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability 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	$ 986,577	$ 634,402	$ 349,890

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the OPEB Plan

At June 30, 2025, $15,993 was payable to the Virginia Retirement System for the legally required contributions related to June 2025 payroll.

Note 8 – Interfund Balances and Transfers

The following interfund receivables and payables are included in the fund financial statements at June 30, 2025:

	Due From Canteen Fund
Due To	
Operating Fund	$ 460
Canteen Fund	-
	$ 460

Amounts due to the Operating Fund include general and administrative charges and various reimbursements. Amounts due to the Canteen Fund include reimbursement for goods and services paid on behalf of 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, 2025 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.

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 (assets) for the fund:

Fiscal Year,	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability (Asset)
2025	$ 634,027	$ 2,091,272	$ 3,022,334	$ (297,035)
2024	655,392	2,471,195	2,492,560	634,027
2023	52,458	2,272,788	1,669,854	655,392

Note 11 – Prior Period Restatement

As mentioned in Note 5, the Authority implemented GASB 101, *Compensated Absences*, during fiscal year 2025. The existing policies were analyzed for changes and it was determined that a sick leave liability had to be estimated and accrued while the holiday time that had been previously accrued was removed. Accordingly, the impact relating to prior years was adjusted through beginning net position as shown below.

	Operating Fund
Net position, June 30, 2024, as previously reported	$ 130,264,755
GASB 101	(310,786)
Net position, June 30, 2024, as restated	**$ 129,953,969**

Note 12 – New Accounting Standards

In April 2024, the GASB issued **Statement No. 103**, Financial Reporting Model Improvements. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

Required Supplementary Information

Riverside Regional Jail Authority

Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
June 30, 2025

	Plan Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 1,990,963	$ 1,959,588	$ 1,666,114	$ 1,786,992	$ 2,148,932	$ 2,186,851	$ 2,091,096	$ 2,186,637	$ 2,150,926	$ 2,060,095
Interest on total pension liability	4,380,453	3,991,905	3,915,768	3,533,784	3,342,894	3,003,090	2,807,408	2,682,164	2,462,197	2,252,657
Difference between actual and expected experience	2,510,634	2,710,158	(2,260,713)	(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	(3,160,582)	(2,712,936)	(2,260,449)	(2,092,919)	(2,124,722)	(1,556,776)	(1,031,597)	(1,117,762)	(643,927)	(450,291)
Net change in total pension liability	5,721,468	5,948,715	1,060,720	4,076,682	2,812,097	6,907,044	3,058,036	1,746,128	3,379,303	3,090,246
Total pension liability – beginning	64,484,925	58,536,210	57,475,490	53,398,808	50,586,711	43,679,667	40,621,631	38,875,503	35,496,200	32,405,954
Total pension liability – ending	**$ 70,206,393**	**$ 64,484,925**	**$ 58,536,210**	**$ 57,475,490**	**$ 53,398,808**	**$ 50,586,711**	**$ 43,679,667**	**$ 40,621,631**	**$ 38,875,503**	**$ 35,496,200**
Plan Fiduciary Net Position										
Contributions – employer	$ 1,019,730	$ 880,888	$ 943,845	$ 918,935	$ 930,649	$ 1,079,214	$ 1,246,898	$ 1,146,951	$ 1,303,496	$ 1,272,768
Contributions – employee	710,113	613,315	588,267	560,242	652,142	743,295	790,035	701,743	713,279	697,572
Net investment income	7,024,312	4,476,204	(81,933)	15,272,866	1,058,456	3,485,087	3,527,503	5,104,533	736,406	1,698,455
Benefit payments, including refunds of employee contributions	(3,160,582)	(2,712,936)	(2,260,449)	(2,092,919)	(2,124,722)	(1,556,776)	(1,031,597)	(1,117,762)	(643,927)	(450,291)
Administrative expenses	(46,340)	(44,607)	(43,626)	(37,567)	(35,670)	(33,165)	(28,984)	(28,163)	(23,372)	(21,410)
Other changes	1,466	55	1,634	1,445	(1,257)	(2,207)	(3,201)	(4,600)	(301)	(364)
Net change in plan fiduciary net position	5,548,699	3,212,919	(852,262)	14,623,002	479,598	3,715,448	4,500,654	5,802,702	2,085,581	3,196,730
Plan fiduciary net position – beginning	72,754,018	69,541,099	70,393,361	55,770,359	55,290,761	51,575,313	47,074,659	41,271,957	39,186,376	35,989,646
Plan fiduciary net position – ending	**$ 78,302,717**	**$ 72,754,018**	**$ 69,541,099**	**$ 70,393,361**	**$ 55,770,359**	**$ 55,290,761**	**$ 51,575,313**	**$ 47,074,659**	**$ 41,271,957**	**$ 39,186,376**
Net pension liability (asset) – ending	**$ (8,096,324)**	**$ (8,269,093)**	**$ (11,004,889)**	**$ (12,917,871)**	**$ (2,371,551)**	**$ (4,704,050)**	**$ (7,895,646)**	**$ (6,453,028)**	**$ (2,396,454)**	**$ (3,690,176)**
Plan fiduciary net position as a percentage of total pension asset	112%	113%	119%	122%	104%	109%	118%	116%	106%	110%
Covered payroll	$ 14,490,793	$ 12,661,846	$ 11,701,243	$ 11,256,539	$ 13,007,211	$ 15,014,182	$ 15,397,332	$ 14,043,639	$ 14,230,306	$ 13,894,847
Net pension liability as a percentage of covered payroll	56%	108%	94%	115%	18%	31%	51%	46%	17%	27%

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.

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

Riverside Regional Jail Authority

Required Supplementary Information
Schedule of Pension Contributions
June 30, 2025

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
2025	$ 1,583,276	$ 1,583,276	$ -	$ 15,931,600	9.94 %
2024	1,019,729	1,019,729	-	14,490,793	7.04
2023	880,978	880,978	-	12,661,846	6.96
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

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.

Riverside Regional Jail Authority

Required Supplementary Information
Schedule of Employer's Share of Net OPEB Liability
June 30, 2025

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					
2024	0.05685 %	$ 634,402	$ 14,597,138	4.35 %	73.41 %
2023	0.05347	641,273	12,745,560	5.03	69.30
2022	0.05344	643,469	11,747,571	5.48	67.21
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.

Riverside Regional Jail Authority

Required Supplementary Information
Schedule of OPEB Contributions
June 30, 2025

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					
2025	$ 74,782	$ 74,782	$ -	$ 15,988,407	0.47 %
2024	78,632	78,632	-	14,597,138	0.54
2023	68,023	68,023	-	12,745,560	0.53
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.

Riverside Regional Jail Authority

Notes to Required Supplementary Information

June 30, 2025

Note 1 – Changes of Benefit Terms

Pension and OPEB

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

Note 2 – Changes of Assumptions

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

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale 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 from 75 to 80 for all.
- 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 rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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 Improvement Scale 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 from 75 to 80 for all.
- 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 rates.

- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale 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 from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

Statistical Section

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

Contents

Table

Financial Trends 1-2

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

Revenue Capacity 3-4

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

Debt Capacity 5-6

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.

Demographic and Economic Information 7-8

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.

Operating Information 9-11

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.

Other Information 12

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	$ 74,779,700	$ 71,688,622	$ 69,924,812	$ 68,896,989	$ 67,347,673	$ 66,123,698	$ 65,382,280	$ 64,390,078	$ * 64,000,243	$ * 62,449,317
Restricted	33,170,134	32,508,592	34,466,377	35,297,921	24,501,096	26,137,871	28,832,144	26,941,743	22,140,631	23,973,076
Unrestricted	24,940,970	****27,581,909	24,609,356	19,062,591	29,443,181	*** 27,088,769	*** 24,379,111	27,413,079	** 32,041,897	** 27,580,591
Total net position	**$ 132,890,804**	**$ 131,779,123**	**$ 129,000,545**	**$ 123,257,501**	**$ 121,291,950**	**$ 119,350,338**	**$ 118,593,535**	**$ 118,744,900**	**$ 118,182,771**	**$ 114,002,984**

* Restated for implementation of GASB Statement No. 65

** Restated for implementation of GASB Statement No. 68

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

**** Restated for implementation of GASB Statement No. 101

Riverside Regional Jail Authority

Changes in Net Position
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING REVENUES										
Charges for services – inmate housing	$ 23,918,088	$ 22,804,176	$ 20,795,459	$ 20,468,251	$ 23,294,488	$ 22,470,532	$ 22,437,478	$ 25,385,826	$ 25,661,966	$ 24,766,756
Charges for services – supplemental billings	-	-	-	500,000	-	-	2,800,000	-	-	-
State Compensation Board	21,013,863	18,720,391	18,290,533	15,697,420	14,847,091	14,865,016	14,690,559	14,789,934	14,053,434	14,352,174
Daily incarceration fees	349,436	368,647	358,935	451,176	658,117	559,058	553,726	611,022	571,333	579,022
Work release	184,389	210,409	200,205	333,808	293,203	445,450	448,834	341,478	520,869	398,422
Canteen sales	987,597	874,947	989,992	1,222,336	2,049,140	1,604,618	1,337,844	1,525,011	1,411,553	1,383,021
Telephone commissions	1,080,332	1,425,136	198,818	261,020	282,218	239,197	20,045	-	-	-
Miscellaneous income	339,457	479,609	276,503	354,515	444,550	414,533	173,395	121,931	131,175	-
NONOPERATING REVENUES										
Investment income	2,206,311	2,121,316	1,332,520	54,992	64,402	713,361	1,030,444	346,369	183,563	209,599
Miscellaneous income	16,999	35,344	32,975	11,229	6,272	23,041	354,731	504,725	505,376	698,810
ARPG/ARPA/RSAT grant revenue and DOC reimbursement	38,400	212,582	844,033	88,400	136,569	38,400	38,400	51,616	42,833	-
Total revenues	50,134,872	47,252,557	43,319,973	39,443,147	42,076,050	41,373,206	43,885,456	43,677,912	43,082,102	42,387,804
OPERATING EXPENSES										
Salaries and wages	18,921,112	17,852,246	15,064,584	13,611,879	13,530,248	14,835,161	17,440,055	17,741,246	15,780,058	16,229,999
Fringe benefits	4,588,936	3,389,811	1,612,172	1,782,502	4,484,501	3,746,696	1,992,141	2,868,255	3,368,094	3,118,198
Contractual services	1,415,166	1,341,409	1,080,351	1,351,426	1,753,763	1,491,211	1,533,209	1,588,400	1,597,777	1,525,689
Materials and supplies	744,065	601,653	478,727	429,697	421,821	395,982	476,469	475,182	575,106	540,461
Medical services and supplies	9,852,409	8,537,448	7,440,494	8,054,519	7,759,943	7,946,843	7,567,320	6,450,129	5,554,146	4,824,290
Food service and supplies	2,244,559	2,045,168	1,655,181	1,564,318	1,598,829	1,491,024	1,549,520	1,711,325	1,585,996	1,558,699
Repairs and maintenance	1,509,583	1,142,977	960,842	952,237	1,057,333	872,059	834,713	807,263	813,981	909,809
Utilities	2,750,946	2,592,471	2,275,662	2,115,291	2,260,844	-	2,275,734	2,173,092	2,084,505	2,103,097
Return of surplus funds to member jurisdictions	-	-	-	500,000	-	2,241,277	-	-	-	-
Depreciation	4,140,819	4,088,035	3,993,971	4,026,120	4,010,360	4,043,267	3,991,243	3,927,374	3,857,073	3,793,174
Other	585,001	710,541	682,761	557,672	451,294	519,678	511,268	464,677	501,084	479,640
NONOPERATING EXPENSES										
Return of surplus funds to member jurisdictions	-	-	-	-	-	-	2,800,000	-	-	-
Interest expense	1,959,809	2,150,896	2,331,371	2,511,935	2,677,369	2,835,278	2,965,149	3,089,806	3,184,495	3,341,528
Miscellaneous expense	-	21,324	813	20,000	128,133	197,927	100,000	82,140	-	-
Total expenses	48,712,405	44,473,979	37,576,929	37,477,596	40,134,438	40,616,403	44,036,821	41,378,889	38,902,315	38,424,584
Change in net position	1,422,467	2,778,578	5,743,044	1,965,551	1,941,612	756,803	(151,365)	2,299,023	4,179,787	3,963,220
Beginning net position	131,468,337	129,000,545	123,257,501	121,291,950	119,350,338	118,593,535	118,744,900	116,445,877	114,002,984	110,039,764
Ending net position	**$ 132,890,804**	**$ 131,779,123**	**$ 129,000,545**	**$ 123,257,501**	**$ 121,291,950**	**$ 119,350,338**	**$ 118,593,535**	**$ 118,744,900**	**$ 118,182,771**	**$ 114,002,984**

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	
2025	$ 204,932	$ 7,478,016	$ 2,830,308	$ 1,658,904	$ 3,801,616	$ 2,443,636	$ 206,752	$ 18,624,164	
2024	168,272	7,197,892	2,818,348	2,168,140	3,299,556	2,251,080	215,228	18,118,516	
2023	224,746	7,289,434	2,163,618	1,763,539	3,140,013	2,109,852	219,030	16,910,232	
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	

	Regional and Local Jails	Commonwealth of Virginia	Federal Inmates Housing and Transportation	Other Sources Subtotal	Total	
2025	$ 975,360	$ 1,686,632	$ 2,631,932	$ 5,293,924	$ 23,918,088	
2024	1,140,126	1,783,108	1,762,426	4,685,660	22,804,176	
2023	801,859	1,516,597	1,566,771	3,885,227	20,795,459	
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	

(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, 2025 and 2024 and Nine Years Ago

Customer	Fiscal Year 2025 2025 Revenue	Per Diem Rate	Inmate Days Billed
Charles City County	$ 204,932	$ 52	3,941
Chesterfield County	7,478,016	52	143,784
City of Hopewell	2,830,308	52	54,429
City of Colonial Heights	1,658,904	52	31,902
City of Petersburg	3,801,616	52	73,121
Prince George County	2,443,636	52	46,993
Surry County	206,752	52	3,976
Regional and Local Jails	975,360	Various	-
Commonwealth of Virginia (a)	1,686,632	Various	N/A
Federal Inmates – Housing	2,631,932	Various	27,699
Total	$ 23,918,088		385,845

Customer	Fiscal Year 2024 2024 Revenue	Per Diem Rate	Inmate Days Billed
Charles City County	$ 168,272	$ 52	3,236
Chesterfield County	7,197,892	52	138,421
City of Hopewell	2,818,348	52	54,199
City of Colonial Heights	2,168,140	52	41,695
City of Petersburg	3,299,556	52	63,453
Prince George County	2,251,080	52	43,290
Surry County	215,228	52	4,139
Regional and Local Jails	1,140,126	Various	-
Commonwealth of Virginia (a)	1,783,108	Various	N/A
Federal Inmates – Housing	1,762,426	Various	23,568
Total	$ 22,804,176		372,001

Customer	Fiscal Year 2016 2016 Revenue	Per Diem Rate	Inmate Days Billed
Charles City County	$ 294,040	$ 40	7,351
Chesterfield County	10,258,760	40	256,469
City of Hopewell	2,129,520	40	53,238
City of Colonial Heights	2,510,360	40	62,759
City of Petersburg	3,306,960	40	82,674
Prince George County	1,383,040	40	34,576
Surry County	151,080	40	3,777
Regional and Local Jails	7,726	Various	168
Commonwealth of Virginia (a)	2,979,369	Various	N/A
Federal Inmates – Housing	1,745,901	Various	26,124
Total	$ 24,766,756		527,136

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

N/A – Not Applicable

Riverside Regional Jail Authority

Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year	Operating and Nonoperating Revenues (1)	Indenture Credit (4)	Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)				Bond Coverage (4)
					Principal	Interest	Less Bond Earnings	Net Debt Service	
2025	* $ 48,317,928	$ 651,820	$ 41,755,887	$ 7,213,861	$ 4,955,000	$ 2,097,438	$ (534,240)	$ 6,518,198	110.67 %
2024	44,822,966	-	37,275,031	7,547,935	4,730,000	2,321,563	-	7,051,563	107.04
2023	41,388,175	-	30,486,247	10,901,928	4,520,000	2,533,813	-	7,053,813	154.55
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

*During 2025, the calculation has been updated to align with the indenture of trust. The calculation is based on bond terms and definitions which includes budgeted operating expenses and does not necessarily follow GAAP.

(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. Starting in FY21, interest income was included.

(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.

(4) The Indenture permits the Authority to include as a credit to the coverage calculation an amount up to 10% of debt service from uncommitted funds held in the Fund Balance Reserve and from any excess funds held in the Repair and Replacement Fund.

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
2025	$ 48,768,697	** %	**
2024	53,955,565	0.3	105
2023	58,998,767	0.3	116
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

(1) See Table 8 for personal income and population data.
**Information was not available as of the report date

Riverside Regional Jail Authority

Crater Planning Region Principal Employers

Current Year and Ten Years Ago

Employer	Calendar Year 2025* Rank	Calendar Year 2016* Rank
Chesterfield County School Board	1	1
Amazon Fulfillment Services Inc.	2	-
U.S. Department of Defense	3	2
Integrity Staffing Solutions	-	8
Amazon.com KYDC Inc	-	3
County of Chesterfield	4	4
Wal Mart	5	5
Bon Secours Health System Inc.	6	-
U.P.S.	7	7
DuPont Speciality Products USA, LLC	8	-
E.I. DuPont De Nemours Company	-	9
HCA Virginia Health System	9	-
Food Lion	10	6

* First and Third Quarter data for most recent calendar year (2025 and 2016), 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

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	2025	**	**	**	** %
	2024	**	**	**	3.90
	2023	6,610	65,573	38,351	3.20
	2022	6,605	59,543	37,059	3.10
	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
Chesterfield County	2025	**	**	**	** %
	2024	**	**	**	3.70
	2023	383,876	95,757	45,041	2.90
	2022	378,408	88,315	41,320	2.80
	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
City of Petersburg	2025	**	**	**	** %
	2024	**	**	**	5.30
	2023	33,309	46,930	28,146	5.40
	2022	33,394	44,890	26,091	5.60
	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
Prince George County	2025	**	**	**	** %
	2024	**	**	**	3.30
	2023	42,871	80,318	31,801	3.40
	2022	43,134	78,895	30,199	3.40
	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
City of Colonial Heights	2025	**	**	**	** %
	2024	**	**	**	3.90
	2023	18,393	72,216	37,039	3.10
	2022	18,294	65,570	34,081	3.20
	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
City of Hopewell	2025	**	**	**	** %
	2024	**	**	**	5.00
	2023	22,752	50,661	25,664	4.40
	2022	22,962	44,209	23,314	4.40
	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
Surry County	2025	**	**	**	** %
	2024	**	**	**	3.90
	2023	6,593	68,655	36,497	2.70
	2022	6,527	61,105	33,416	3.00
	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

**Information was not available as of the report date

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
2025	181	66	247
2024	167	64	231
2023	158	63	221
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

Table 10

Riverside Regional Jail Authority

Inmate Population Statistics

Last Ten Fiscal Years

Fiscal Year	Average Daily Population										
	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	Total
2025	10.81	393.83	149.20	87.31	200.44	128.79	10.88	52.69	76.36	25.06	1,135.37
2024	8.83	378.38	148.15	113.90	173.39	118.31	11.32	61.87	64.49	28.53	1,107.17
2023	11.97	387.87	115.13	93.82	167.04	112.22	11.64	43.42	60.30	25.96	1,029.37
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

Table 11

Riverside Regional Jail Authority

Capital Assets
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	182,255,418	182,255,418	182,225,886	182,225,886	182,161,119	181,813,213	181,693,823	181,542,686	181,542,686	181,522,435
Furniture and equipment	12,622,919	10,388,776	10,145,935	10,337,780	10,680,133	10,205,674	9,842,160	9,166,000	8,866,511	7,734,026
Computers	506,385	506,385	711,172	711,172	721,034	677,948	1,292,824	1,220,757	1,088,947	844,103
Vehicles	900,412	755,952	878,266	809,951	809,951	798,995	772,835	799,838	771,826	671,887
Land improvements	216,191	216,191	147,591	147,591	147,591	147,591	147,591	147,591	147,591	48,473
Total capital assets	196,823,909	194,445,306	194,431,434	194,554,964	194,842,412	193,966,005	194,071,817	193,199,456	192,740,145	191,143,508
Less accumulated depreciation										
Buildings	65,822,891	62,526,985	59,228,292	56,038,888	52,832,164	49,648,570	46,533,639	43,404,059	40,229,296	37,058,850
Furniture and equipment	7,832,859	7,145,168	7,054,066	7,002,873	7,529,304	7,014,929	6,466,336	5,848,309	5,257,800	4,732,081
Computers	499,578	488,504	673,338	632,038	600,877	492,236	998,330	904,255	819,747	765,815
Vehicles	556,491	477,903	783,719	747,606	702,043	670,593	617,012	648,977	589,148	531,699
Land improvements	104,731	90,318	77,049	67,209	57,370	47,531	37,690	27,851	18,012	9,945
Accumulated depreciation	74,816,550	70,728,878	67,816,464	64,488,614	61,721,758	57,873,859	54,653,007	50,833,451	46,914,003	43,098,390
Net capital assets	**$ 122,007,359**	**$ 123,716,428**	**$ 126,614,970**	**$ 130,066,350**	**$ 133,120,654**	**$ 136,092,146**	**$ 139,418,810**	**$ 142,366,005**	**$ 145,826,142**	**$ 148,045,118**
Canteen Fund										
Depreciable capital assets										
Furniture and equipment	$ 283,153	$ 283,153	$ 283,153	$ 283,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153	$ 5,153
Computers	-	-	-	-	-	-	-	-	-	1,668
Total capital assets	283,153	283,153	283,153	283,153	5,153	5,153	5,153	5,153	5,153	6,821
Less accumulated depreciation										
Furniture and equipment	104,770	76,497	48,182	19,867	3,135	2,619	2,104	1,589	1,074	558
Computers	-	-	-	-	-	-	-	-	-	1,668
Accumulated depreciation	104,770	76,497	48,182	19,867	3,135	2,619	2,104	1,589	1,074	2,226
Net capital assets	178,383	206,656	234,971	263,286	2,018	2,534	3,049	3,564	4,079	4,595
Total net capital assets	**$ 122,185,742**	**$ 123,923,084**	**$ 126,849,941**	**$ 130,329,636**	**$ 133,122,672**	**$ 136,094,680**	**$ 139,421,859**	**$ 142,369,569**	**$ 145,830,221**	**$ 148,049,713**

Riverside Regional Jail Authority

Schedule of Insurance in Force

Fiscal Year Ended June 30, 2025

Insurance Coverage	Insurance Company	Expiration Date	Coverage Amount	Deductible
Building and Personal Property	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	$ 248,170,343	$ 5,000
Earthquake	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	100,000,000	25,000
Flood	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	100,000,000	25,000
Business Auto	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	2,000,000	1,000
Crime	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	250,000	250
Schedule Equipment (Tractor)	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	270,390	1,000
Boiler and Machinery	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	125,000,000	1,000
Business Interruption and Extra Expense	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	17,000,000	5,000
Cyber Liability Coverage	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	1,000,000	N/A
Environmental Impairment Liability	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	1,000,000	25,000
Local Government & Excess Liability Coverage	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	2,000,000	N/A
Workers' Compensation	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	Required statutory limit	
Line of Duty	Virginia Association of Counties Group Self-Insurance Risk Pool	7/1/2025	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

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, 2025, 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 14, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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

Colonial Heights, Virginia
October 14, 2025

Riverside Regional Jail Authority

Summary of Compliance Matters

June 30, 2025

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