ROANOKE COUNTY

Purchasing Division
5204 Bernard Drive, Suite 300-F, P.O. Box 29800
Roanoke, Virginia 24018-0798
TEL: (540) 772-2061 FAX: (540) 772-2074

February 8, 2022
ADDENDUM NO. 1 TO ALL OFFERRORS:
Reference – RFP # 2022-064
Description: FISCAL AGENT PROFESSIONAL AUDITING SERVICES
Issue Date: January 21, 2022
Proposal Due: February 21, 2022

Please see the below responses to questions received as well as the attached information.

1. Could you please confirm the due date of this project is **February 21, 2022** as noted in most sections of this RFP and not February 9, 2022 as mentioned in one section.
    a. Yes, the correct due date is **February 21, 2022 at 2:00 PM**. for this Project. Thank you for finding and pointing out this error in the document.

2. To facilitate this evaluation, we are respectfully requesting a copy of the audited financial statements for the Jail Authority and the Greenway Commission.
    a. Please see the attached documents to this Addendum # 1

Attachments:
1. Attachment 1- Western Virginia Regional Jail Financial Report
2. Attachment 2 – Greenway Commission Financial Report

Note: A signed acknowledgment of this addendum must be received at the location indicated on the original solicitation either prior to the proposal due date or attached to your proposal. Signature on this addendum does not substitute for your signature on the original proposal/bid document. The original proposal/bid document must be signed.

Thank you,

W.L. Heath Honaker
Phone: (540) 283-8146
HHonaker@roanokecountyva.gov

******Signature page to follow ******

2022-064 - FISCAL AGENT PROFESSIONAL AUDITING SERVICES

Addendum # 1 Signature Page

______________________________________ ______________________________________

Sign Name: Print Name:

Name of Firm: ____________________________ Date: ____________________________

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

Roanoke, Virginia

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

ROANOKE, VIRGINIA

Comprehensive Annual Financial Report

For the Year Ended June 30, 2021

Prepared by:

Roanoke County Department of Finance and Management Services

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

Comprehensive Annual Financial Report
For the Year Ended June 30, 2021

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WESTERN VIRGINIA REGIONAL JAIL AUTHORITY

Comprehensive Annual Financial Report
For the Year Ended June 30, 2021

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Introductory Section

WESTERN VIRGINIA REGIONAL JAIL

Serving the City of Salem and the Counties of
Franklin, Montgomery, and Roanoke

Colonel David F. Cox
Superintendent

Major Chad A. Keller
Services Division Commander

Lt. Colonel Christopher A. Hayes
Deputy Superintendent

Major Derek R. Stokes
Security Division Commander

September 17, 2021

The Board of Directors
Western Virginia Regional Jail Authority,

We are pleased to submit the Comprehensive Annual Financial Report (Annual Report) of the Western Virginia Regional Jail Authority (Jail Authority) for the fiscal year ended June 30, 2021. The report was prepared by the Superintendent and Finance Manager, who assume full responsibility for the accuracy of information, and the completeness and fairness of presentation. We believe 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 Fund.

The Jail Authority is required to undergo an annual 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. This report was prepared in accordance with generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). In the performance of this audit, consideration is given to the adequacy of the Jail Authority's internal accounting control structure. Internal 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 an internal control structure should not exceed the benefits likely to be derived, and therefore, management must continuously evaluate the benefits of various controls given the related costs of implementation. We believe that the Jail Authority's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

The certified public accounting firm of Robinson, Farmer, Cox & Associates has audited the June 30, 2021 financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Jail Authority for the fiscal year ended June 30, 2021, are free of material misstatement.

FOUNDED 1870

NATIONALLY ACCREDITED SINCE 2011

5885 West River Road ★ Salem, VA 24153 ★ Phone: (540) 378-3700 ★ Fax: (540) 380-5945 ★ Website: www.wvarj.org

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Jail Authority's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented in the financial section of this report.

Governmental Accounting Standards Board (GASB) pronouncements require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Jail Authority's MD&A can be found immediately following the auditor's report in the financial section.

PROFILE OF THE ORGANIZATION

The Western Virginia Regional Jail is now in its twelfth full year of operation serving the counties of Franklin, Montgomery, Roanoke and the City of Salem. The Western Virginia Regional Jail Authority, a political subdivision of the Commonwealth of Virginia, was created under the provisions of Section 53.1-95.2 of the Code of Virginia 1950, as amended. The Jail Authority is governed by a twelve member board, comprised of three members from each participating jurisdiction.

The Western Virginia Regional Jail, which was designed to accommodate the current and future inmate populations of its four member jurisdictions, housed an average daily inmate population of 874 last year (FY20) and is ACA Accredited, Virginia Board of Local and Regional Jails Certified, and LEED® Certified.

ECONOMIC CONDITIONS

The financial condition of the Jail Authority is primarily dependent upon the inmate population at the facility. The overall inmate population is indirectly related to the populations of Franklin County, Montgomery County, Roanoke County and the City of Salem. As the member localities experience growth and increases in development, the number of inmates housed at the facility from those jurisdictions would also expect to increase. Over the past several years, the member localities have experienced gradual population growth rates. This growth experience is expected to continue in the years to come.

In fiscal year 2021, the average daily population (ADP) of inmates was 828. This ADP represents a 5.23% decrease from the fiscal year 2020 average of 874. For the past five years, the ADP has ranged between 828 and 883.

For the past several fiscal years, significant jail population from non-member jurisdictions have significantly contributed to the strong financial condition of the Jail Authority. Inmates held for the The U.S. Marshals Service and Alleghany County provided significant population levels during the fiscal year.

MAJOR ACCOMPLISHMENTS AND INITIATIVES

Each year, numerous accomplishments, program implementations and community involvements by jail staff demonstrate the continued high quality of the jail's operations.

The Jail Authority was faced with unforeseen challenges when the Covid-19 pandemic struck in March 2020.

Quick action and procedures were put into place to limit exposure risk for inmates and staff. Closing facilities to outside visitors, social distancing and quarantine procedures, increased sanitation, purchase of personal protective equipment, reduced inmate numbers, facilitating video hearings and temporary work from home directives were just a few of the changes initiated.

The Jail Authority continues to place importance in community involvement.

Jail Authority employees participated in various community events during the past fiscal year which include the Carillion Children's Miracle Network Toy Collection, New River Valley's Touch a Truck, a National Night Out Community event, Boys and Girls Club Charity Golf Tournament, Ironman Competition and 4K Marathon.

The Jail's support for Special Olympics continued with employee involvement in various events including, the Law Enforcement Torch Run, Cover the Cruiser, Car Show, and the Polar Plunge.

The Jail Authority continually seeks rehabilitation and educational opportunities for inmates.

The Jail's GED and Special Education programs continue to provide inmates with this certification and educational opportunities inside the jail setting.

The Residential Substance Abuse Treatment (RSAT) grant, awarded by the Virginia Department of Criminal Justice Services, continues to provide resources to provide substance abuse treatment to applicable inmates. Evidence-based Medication Assisted Treatment (MAT) was implemented within this program during 2019 and continued during 2021. This program enhances the likelihood of participants living alcohol and drug free in the community after release.

Provision of mental health services to inmates through a Virginia Department of Criminal Justice Services grant continued during 2021. The Jail Authority is one of six jails in Virginia selected to participate in this program whose objective is to help inmates understand and address their mental illness and make the long-term changes necessary to become healthy and productive citizens after their release.

The birth certificates program where certificates are ordered by Jail staff from state agencies and provided to inmates upon request continues to be popular.

Through a Smart tablet program introduced during 2019, inmates are able to purchase music and books as well as receive jail communications.

Staff driven initiatives continue to be a focus of the agency.

Mental health first aid training continued to be provided to all staff. This training provided staff with the skills and knowledge to address situations with our mentally ill inmates.

Our employee recognition program continues to evolve with the selection of four Employee of the Quarter recognitions and recognition of our Employee of the Year.

A career development program continues whereby officers who exhibit certain skills and abilities and who regularly participate in community activities are given the designation of Master Officer I or Master Officer II.

A Health and Wellness center continues to provide employees with a no cost option for medical treatment of minor illnesses. This center also is an excellent resource for various wellness programs.

Jail management continually monitors and evaluates new technological opportunities that can improve operational efficiency.

A body scanner installed in 2019 in the intake area continues to enhance the ability to detect contraband and prevent it from being brought into the Jail. As a further limitation to unauthorized articles entering the Jail, the receipt of inmate mail continues to be handled by an offsite location. A third party vendor opens the mail and produces an electronic document that is then provided to inmates for viewing.

An inmate imaging system installed in 2019 provides better quality pictures of inmates during the booking process. Capabilities of the Jail's Offender Management Systems were utilized during the year with the electronic replacement of paper incidence reports and Duty Post logs.

SMART kiosks implemented in 2018 continue to allow inmates to send and receive electronic messages to their friends and family. In addition, through the kiosks family visitation is available as well as electronic inmate requests.

An agreement with the Roanoke Valley Broadband Authority provides the Jail with network expansion, internet redundancy and off site data backup capabilities.

The creation of a Disaster Recovery Site allows data to be sent to an external site to replicate the facility's mission critical production applications. Having data stored off-site provides the ability to access and restore functionality to its operations in the event of damage, destruction or loss to on site software or hardware systems.

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.

FINANCIAL INFORMATION AND CONTROLS

Budgetary controls are established to ensure compliance with annual operating budgets approved by the Jail Authority's Board. Monthly reports containing comparisons between actual and budgeted amounts are prepared and presented to the Jail Authority's management and the Board.

The Jail Authority usually initiates its annual operating budget preparations in November of each fiscal year with a final budget approval occurring by April.

AWARDS AND ACKNOWLEDGMENTS

The Western Virginia Regional Jail Authority received its eighth consecutive Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its fiscal year ended June 30, 2020 Comprehensive Annual Financial Report (Annual Report). In order to be awarded this prestigious honor, the Authority must publish an easily readable and efficiently organized Annual Report that satisfies both generally accepted accounting principles and applicable legal requirements.

The Jail Authority continues to demonstrate excellence in its processes and procedures. The jail received two Board of Corrections inspections where we were found to be in full compliance with a score of 100% on both inspections. The Jail continues to operate under procedures which were 100% certified during the most recent Prison Rape Elimination Act (PREA) audit in 2017. In addition, an audit of inmate data records by the Virginia Compensation Board resulted in a 100% compliance rating.

In 2021, the Jail Authority was re-accredited by the American Correctional Association (ACA) with a score of 100%. This was the fourth audit since the jail opened in 2009 with each one achieving this highest level of certification. The Jail Authority is one of over 1,500 correctional organizations currently involved in the accreditation process across the nation and represents one of only a few of the state's 68 jails to be certified by ACA.

Appreciation is extended to members of the Western Virginia Regional Jail Authority for their continued interest, dedication and support.

Respectfully submitted,

Colonel David F. Cox, Superintendent

Deborah Parks, CPA Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Western Virginia Regional Jail Authority

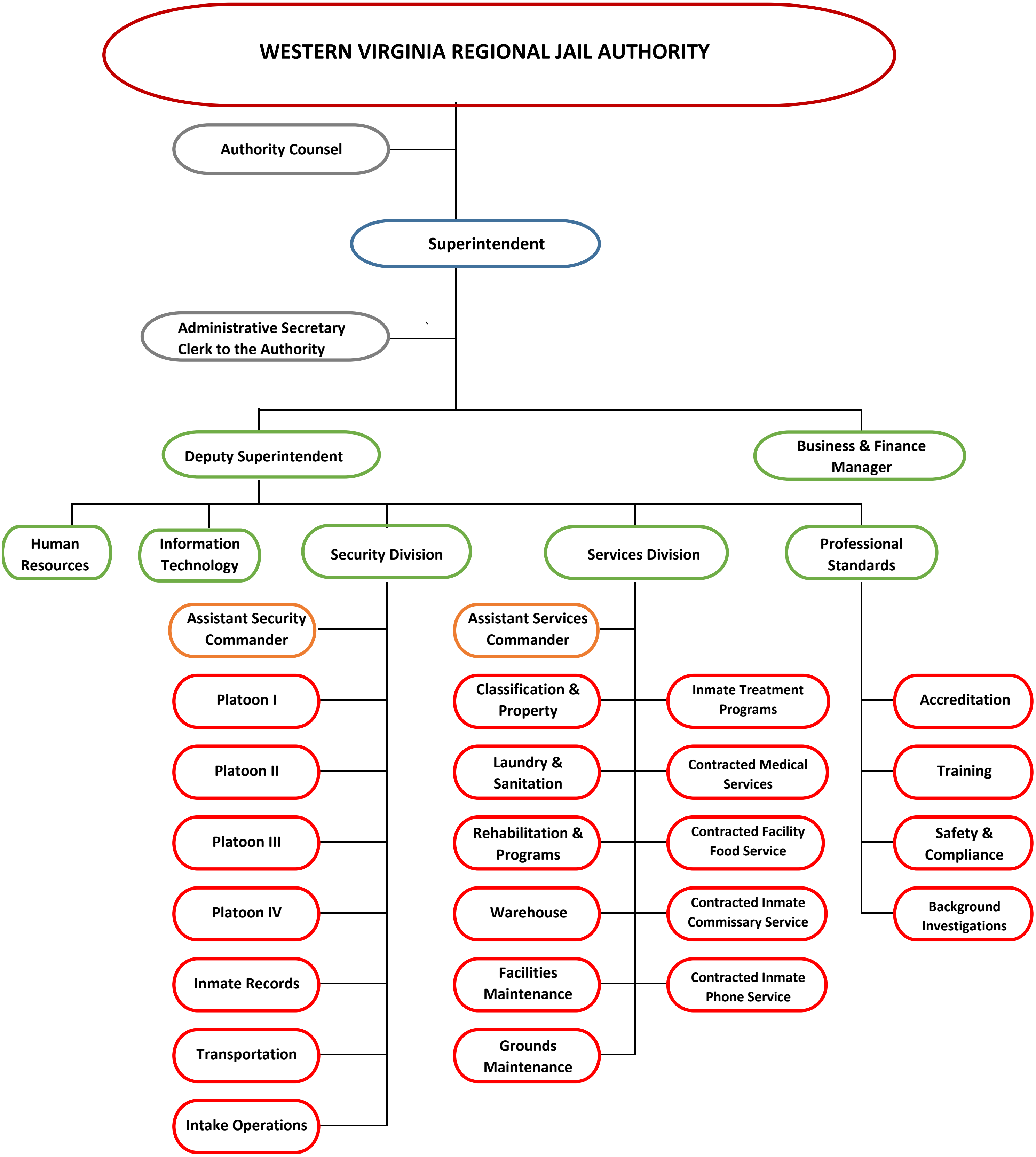
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

WESTERN VIRGINIA REGIONAL JAIL
Organization Chart



Western Virginia Regional Jail Authority
List of Appointed Officials

Board Members

Locality/Title	Primary	Alternate
City of Salem		
Sheriff	April Staton	Todd Clingenpeel
Administrator or Designee	James E. Taliaferro, Chair	Rosie Jordan
Council Member	Bill Jones	Randy Foley
County of Franklin		
Sheriff	Bill Overton	Duane Amos
Administrator or Designee	Christopher L. Whitlow, Vice Chair	Brian Carter
Board Member	Ron Thompson	Timothy Tatum
County of Montgomery		
Sheriff	C.H. Partin	Kim Houg
Administrator or Designee	F. Craig Meadows, Secretary	Angela Hill
Board Member	Steve Fijalkowski	Mary Biggs
County of Roanoke		
Sheriff	Eric Orange	Steve Turner
Administrator or Designee	Rebecca Owens, Treasurer	Richard Caywood
Board Member	Paul Mahoney	Martha Hooker

Officials

David F. Cox .... Superintendent
Christopher Hayes .... Deputy Superintendent
Derek Stokes .... Security Division Commander
Chad Keller .... Services Division Commander
James Hollingsworth .... Professional Standards Unit
Kim Thompson .... Human Resources Manager
Deborah Parks .... Finance Manager
Debbie Clark .... I.T. Manager
Jodi Bishop .... Clerk to the Authority

Financial Section

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
CPAs | CONSULTANTS

Independent Auditors' Report

To the Members of the Board
Western Virginia Regional Jail Authority
Roanoke, Virginia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and remaining fund information of the Western Virginia Regional Jail Authority, as of June 30, 2021, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 12 to the financial statements, in 2021, the Authority adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 12 to the financial statements, in 2021, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 12-15 and 53-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Western Virginia Regional Jail Authority's basic financial statements. The introductory section and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, on our consideration of the Western Virginia Regional Jail Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Western Virginia Regional Jail Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Western Virginia Regional Jail Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
September 17, 2021

Western Virginia Regional Jail Authority

Management's Discussion and Analysis

The following discussion and analysis of the Western Virginia Regional Jail Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter, at the introductory section of this report, and the basic financial statements, which follow this section.

Financial Highlights

- The total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of June 30, 2021 by $33,349,200 (Net Position). Of this amount, $17,119,262 (unrestricted net position) may be used to meet the Authority's future obligations to members and creditors.
- Operating revenues decreased by $39,247 or 0.2% from 2020. This decrease resulted primarily from lower net housing revenues from the member jurisdictions due to the necessity to limit the number of inmates that could safely be housed during to the COVID-19 pandemic.
- Operating expenses increased by $708,588, a 3.1% increase from 2020. This increase is mainly attributable to expected levels in personnel and the cost of increased inmate medical services reflecting an escalating trend throughout the corrections industry.

Using This Annual Report

The Financial Section of the Comprehensive Annual Financial Report consists of Management's Discussion and Analysis and the basic financial statements, including notes that explain in more detail some of the information in the financial statements. This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements as well as management's examination and analysis of financial condition and performance.

The Authority's financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer both short and long-range financial information about its activities. The Statement of Net Position includes the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority.

The Statement of Revenues, Expenses and Changes in Net Position contains all of the current year's revenue and expenses. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its per diem charges and other revenues, profitability, and credit worthiness.

The Statement of Cash Flows. The primary purpose of this statement is to provide information about the cash receipts and cash payments made by the Authority during the fiscal year. The statement reports cash receipts and cash payments and net changes in cash and cash equivalents resulting from operations, investing, and capital, and non-capital financing activities, without consideration of the earnings event, when an obligation arises or depreciation of capital assets.

The Fiduciary Fund financial statements are used to account for and report activity related to amounts held for inmates. Fiduciary funds are not reflected in the enterprise fund financial statements because the funds are not available to support the Authority's programs.

Attachment 1 - Western Virginia Regional Jail Financial Report

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 financial statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Financial Analysis

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help to determine its financial health. These two statements report the net position of the Authority and changes to it. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, net position, is one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, population and service area growth, and new or changed legislation.

The Authority's total net position decreased from last year by $459,050. Our analysis of the condensed Statement of Net Position below focuses on the changes in assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position as compared to prior year:

		2021		2020
ASSETS				
Current assets	$	21,831,838	$	22,757,129
Noncurrent assets and investments		4,331,221		4,883,437
Capital assets, net		66,034,950		68,402,179
Total assets	$	92,198,009	$	96,042,745
DEFERRED OUTFLOWS OF RESOURCES	$	5,486,915	$	5,250,814
LIABILITIES				
Other liabilities	$	4,236,049	$	4,255,862
Long term liabilities		59,253,347		61,965,994
Total liabilities	$	63,489,396	$	66,221,856
DEFERRED INFLOWS OF RESOURCES	$	846,328	$	1,263,453
NET POSITION				
Net investment in capital assets	$	9,100,633	$	9,083,393
Restricted		7,129,305		2,130,471
Unrestricted		17,119,262		22,594,386
Total net position	$	33,349,200	$	33,808,250

Net Position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $33,349,200 at the close of fiscal year 2021. This is a decrease compared to last year's Net Position of $33,808,250.

A portion of the Authority's Net Position, 27.3%, reflects its investment in capital assets (e.g. land, buildings, and equipment); less any related debt used to acquire those assets that are outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. The Authority's investment in capital assets is reported net of related debt, if applicable, and it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Authority's Net Position, 51.3%, represents resources that are not subject to restrictions on how they may be used. This unrestricted remaining balance of Net Position may be used to meet the Authority's ongoing obligations to customers and creditors.

The changes in the Authority's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position:

	2021	2020
REVENUES:		
OPERATING REVENUES		
Charges for services - member jurisdictions	$ 11,010,223	$ 11,480,980
Charges for services - nonmember jurisdictions	387,756	379,891
Charges for services - U.S. Marshal Service	2,645,060	3,018,138
Commonwealth of Virginia - per diem charges	991,999	721,103
Payphone commissions	691,053	360,989
Commissary revenue	832,917	682,353
Other operating revenue	335,900	290,701
Total operating revenues	$ 16,894,908	$ 16,934,155
NONOPERATING REVENUES		
Commonwealth of Virginia - Compensation Board	7,367,645	7,285,284
State and federal grant revenue	608,647	614,342
Interest income	30,998	325,229
Total revenues	$ 24,902,198	$ 25,159,010
EXPENSES:		
OPERATING EXPENSES		
Salaries, wages and fringe benefits	$ 12,731,360	$ 12,093,861
Medical services	4,270,833	4,166,860
Food services	918,643	963,083
Contractual services	546,061	483,737
Repairs and maintenance	287,943	310,835
Utilities	752,463	755,078
Materials and supplies	646,528	597,222
Other operating expenses	564,036	620,346
Depreciation	2,633,892	2,652,149
Total operating expenses	$ 23,351,759	$ 22,643,171
NONOPERATING EXPENSES		
Gain (loss) on disposal of assets	$ -	$ (2,279)
Bond issuance costs	-	353,956
Interest expense	2,009,489	1,991,237
Total expenses	$ 25,361,248	$ 24,986,085
Change in net position	$ (459,050)	$ 172,925
Total net position, beginning of year	$ 33,808,250	$ 33,635,325
Total net position, end of year	$ 33,349,200	$ 33,808,250

- Operating revenues decreased by $39,247 or 0.2% from 2020. This decrease resulted primarily from lower net housing revenues from the member jurisdictions due to the necessity to limit the number of inmates that could safely be housed during to the COVID-19 pandemic.
- Operating expenses increased by $708,588, a 3.1% increase from 2020. This increase is mainly attributable to expected levels in personnel and the cost of increased inmate medical services reflecting an escalating trend throughout the corrections industry.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the Authority had invested $66,034,950 net of accumulated depreciation, in a variety of capital assets including land, buildings, machinery, equipment and vehicles. The decrease in capital assets from the prior year is primarily attributed to the current year depreciation expense of $2,633,892.

Additional information on the Authority's capital assets can be found in Note 5 in the notes to the basic financial statements. Capital assets net of accumulated depreciation are illustrated in the following table:

		2021		2020
Capital Assets				
Land	$	2,351,807	$	2,351,807
Land Improvements		86,826		86,826
Buildings		89,770,295		89,770,295
Machinery, equipment and vehicles		5,303,736		5,049,360
Less: accumulated depreciation		(31,477,714)		(28,856,109)
Total capital assets	$	66,034,950	$	68,402,179

Debt

At June 30, 2021, the Authority had $57,080,000 in revenue bonds outstanding, a decrease of $2,090,000 from June 30, 2020.

On January 1, 2007, the Authority issued $75,850,000 in revenue bonds to finance the construction and equipping of the regional jail facility. On May 19, 2015, the Authority issued $30,605,000 of refunding bonds to advance refund $34,270,000 of the 2007 revenue bonds. Another bond refunding occurred on July 21, 2016 when the Authority issued $28,075,000 to advance refund the remaining $30,605,000 of the 2007 revenue bonds. On December 5, 2019, the Authority issued $24,640,000 in revenue refunding bonds to advance refund $20,435,000 of the Authority's 2015 and 2016 refunding revenue bonds.

Additional information on the bonds is contained in Note 4 to the financial statements.

Requests for Information

This financial report is designed to provide our citizens, members, potential investors and creditors with a general overview of the Authority's finances and to demonstrate accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Finance Manager, Western Virginia Regional Jail Authority, 5885 W River Rd , Salem, VA 24153, telephone (540) 378-3700, or visit the Authority's web site at www.wvarj.org.

Basic Financial Statements

Exhibit 1

Western Virginia Regional Jail Authority
Statement of Net Position
June 30, 2021

ASSETS		
Current Assets:		
Cash and cash equivalents	$	19,123,153
Interest receivable		1,503
Accounts receivable		1,190,657
Due from the Commonwealth		990,028
Due from the Federal Government		423,431
Inventories		103,066
Total current assets	$	21,831,838
Noncurrent Assets:		
Cash and cash equivalents - restricted	$	2,293
Net pension asset		4,328,928
Capital assets:		
Land		2,351,807
Land improvements		86,826
Buildings		89,770,295
Equipment		5,303,736
Accumulated depreciation		(31,477,714)
Net capital assets	$	66,034,950
Total noncurrent assets	$	70,366,171
Total assets	$	92,198,009
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	$	3,604,132
Pension related items		1,724,735
OPEB related items		158,048
Total deferred outflows of resources	$	5,486,915
LIABILITIES		
Current liabilities:		
Accounts payable	$	404,260
Accrued payroll and withholdings		600,509
Accrued interest payable		189,094
Compensated absences - current portion		369,785
Revenue bonds payable - current portion		2,672,401
Total current liabilities	$	4,236,049
Noncurrent liabilities:		
Compensated absences - net of current portion	$	668,698
Revenue bonds payable - net of current portion		57,866,048
Net OPEB liability		718,601
Total noncurrent liabilities	$	59,253,347
Total liabilities	$	63,489,396
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$	821,565
OPEB related items		24,763
Total deferred inflows of resources	$	846,328
NET POSITION		
Net investment in capital assets	$	9,100,633
Restricted - net pension asset		4,328,928
Restricted - jail fees		1,302,548
Restricted - commissary revenue		1,497,829
Unrestricted		17,119,262
Total net position	$	33,349,200

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

Attachment 1 - Western Virginia Regional Jail Financial Report

Exhibit 2

Western Virginia Regional Jail Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES		
Charges for services - member jurisdictions	$	11,010,223
Charges for services - nonmember jurisdictions		387,756
Charges for services - U.S. Marshal Service		2,645,060
Commonwealth of Virginia - per diem charges		991,999
Payphone commissions		691,053
Commissary revenue		832,917
Miscellaneous income		104,430
Miscellaneous fees		231,470
Total operating revenues	$	16,894,908
OPERATING EXPENSES		
Salaries and wages	$	9,720,783
Fringe benefits		3,010,577
Medical services		4,270,833
Food services		918,643
Contractual services		546,061
Repairs and maintenance		287,943
Utilities		752,463
Materials and supplies		646,528
Other		564,036
Depreciation		2,633,892
Total operating expenses	$	23,351,759
Operating income (loss)	$	(6,456,851)
NONOPERATING REVENUES (EXPENSES)		
Commonwealth of Virginia - Compensation Board	$	7,367,645
Federal grant revenue		207,563
State grant revenue		401,084
Interest income		30,998
Interest expense		(2,009,489)
Total nonoperating revenues (expenses)	$	5,997,801
Change in net position	$	(459,050)
Total net position, beginning of year		33,808,250
Total net position, end of year	$	33,349,200

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

Exhibit 3

Western Virginia Regional Jail Authority
Statement of Cash Flows
For the Year Ended June 30, 2021

Cash Flows from Operating Activities		
Receipts from customers	$	16,173,049
Payments to suppliers		(7,876,751)
Payments to employees		(13,124,745)
Net cash provided by (used for) operating activities	$	(4,828,447)
Cash Flows from Noncapital Financing Activities		
Operating grants	$	7,799,006
Net cash provided by (used for) noncapital financing activities	$	7,799,006
Cash Flows from Capital and Related Financing Activities		
Purchase and construction of capital assets	$	(266,663)
Principal paid on revenue bonds		(2,090,000)
Interest expense		(2,310,924)
Net cash provided by (used for) capital and related financing activities	$	(4,667,587)
Cash Flows from Investing Activities		
Interest income	$	34,820
Net cash provided by (used for) investing activities	$	34,820
Net increase (decrease) in cash and cash equivalents	$	(1,662,208)
Cash and cash equivalents at the beginning of the year (includes restricted of $8,964)		20,787,654
Cash and cash equivalents at the end of the year (includes restricted of $2,293)	$	19,125,446
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$	(6,456,851)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		2,633,892
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable		(681,859)
Inventories		18,677
Prepaid items		20,230
Net pension asset		545,545
Deferred outflows of resources related to pension and OPEB plans		(485,782)
Accounts payable (operating)		70,849
Accrued payroll and withholdings		585
Unearned revenue		(40,000)
Compensated absences		(55,484)
Net OPEB liability		18,876
Deferred inflows of resources related to pension and OPEB plans		(417,125)
Net cash provided by (used for) operating activities	$	(4,828,447)

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

Exhibit 4

Western Virginia Regional Jail Authority
Statement of Fiduciary Net Position
June 30, 2021

		Custodial Fund Inmate Account
ASSETS		
Cash and cash equivalents	$	190,421
Accounts receivable		14,291
Total assets	$	204,712
LIABILITIES		
Accounts payable	$	96,232
Total liabilities	$	96,232
NET POSITION		
Restricted - held for inmates	$	108,480
Total net position	$	108,480

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

Exhibit 5

Western Virginia Regional Jail Authority
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

		Custodial Fund Inmate Account
ADDITIONS		
Inmate deposits	$	2,873,864
Miscellaneous		28
Total additions	$	2,873,892
DEDUCTIONS		
Vendor payments for the benefit of inmates	$	1,139,977
Phone charges		411,080
Inmate refunds		160,116
Payments to the commissary account		1,139,088
Miscellaneous		1,321
Total deductions	$	2,851,582
Net increase (decrease) in fidcuiary net position	$	22,310
Total net position, beginning of year, as restated	$	86,170
Total net position, end of year	$	108,480

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

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies:

The financial statements of Western Virginia Regional Jail Authority (the Authority) have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The Authority was created by concurrent resolutions of the City of Salem and Counties of Franklin, Montgomery, and Roanoke. The Authority was created under the provisions of Section 53.1-95.2 of the *Code of Virginia 1950*, as amended. The Authority was created to construct and operate a jail facility for the participating jurisdictions.

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

B. Basis of Accounting

The Authority operates as an enterprise fund and is reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for inmate housing. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds account for assets held by the Authority in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which consist of the inmate funds. Fiduciary funds are not included in the enterprise fund financial statements.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

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

C. Basic Financial Statements

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

- Management's Discussion and Analysis
- Enterprise fund financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to the Financial Statements
- Fiduciary fund financial statements
  - Statement of Fiduciary Net Position
  - Statement of Changes in Fiduciary Net Position
- Required Supplementary Information
  - OPEB and Pension Schedules including notes thereto

D. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources expenditure until then. The Authority has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding 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. The other item is comprised of certain items related to the measurement of the net pension asset and net OPEB liability and contributions to the pension and OPEB plan made during the current year and subsequent to the net pension asset and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

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

E. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Western Virginia Regional Jail Authority's Retirement Plan and the additions to/deductions from the Western Virginia Regional Jail Authority's Retirement 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.

F. Other Postemployment Benefits (OPEB)

Group Life Insurance

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

G. Capital Assets

Capital assets are stated at cost or historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Maintenance, repairs and minor renewals are charged to expense as incurred, while major renewals and replacements are capitalized. Upon the sale or retirement of a capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the related accounts, and any resulting gain or loss is included in income.

The Authority defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life of at least one year. Assets are depreciated over their estimated useful lives as presented below.

Assets	Years
Land improvements	10
Buildings	10-40
Machinery and equipment	3-10

H. Interest on Indebtedness

Interest expense applicable to that portion of indebtedness, the proceeds of which are used to construct new facilities, is capitalized during the period of construction as part of the cost of such facilities. Other interest costs of the Authority are treated as nonoperating expenses. No interest was capitalized during the current or prior fiscal year.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

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

I. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. As of June 30, 2021, short-term investments reported as cash and cash equivalents totaled $2,286.

J. Investments

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

K. Budgets and Budgetary Accounting

A budget is prepared for information, fiscal planning purposes, and to provide the basis for setting per diem rates. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses.

L. Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Primary customers consist of the Counties of Franklin, Montgomery and Roanoke, the City of Salem and the U.S. Marshal Service. Management does not feel that an allowance of balances is necessary so the direct write-off method of accounting for uncollectible accounts is used.

M. Inventories and Prepaid Items

Inventory is recorded using the first-in, first-out method (FIFO) and is valued at cost. Inventory consists of parts and supplies utilized in the daily operation of the jail.

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

N. Use of Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

O. Restricted Cash and Investments

Restricted cash and cash equivalents consist of funds totaling $108,480 held for inmates and $2,293 restricted for the payment of bonds.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

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

P. Long-Term Obligations

Long-term obligations are reported as liabilities in the statement of net position at face value, net of any applicable premiums and discounts.

Q. Compensated Absences

The liability for compensated absences consists of unpaid accumulated vacation leave balances. The liability is based on vacation leave accumulated at June 30. Limited vacation leave may be accumulated until retirement or termination. Accumulated vacation is paid at the employee's current wage upon retirement or termination.

R. Net Position

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

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

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

Note 2-Deposits and Investments:

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

Investments – Statutes authorize 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 that has received at least two of the following ratings: P-1 by Moody’s Investor’s Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), bankers’ acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The Authority’s investment policy provides that securities purchased for the Authority shall be held by the Authority Treasurer or by the Treasurer’s custodian. If held by a custodian, the securities must be in the Authority’s name or in the custodian’s name and identifiable on the custodian’s books as belonging to the Authority. Further, if held by a custodian, the custodian must be a third party, not a counterparty (buyer or seller) to the transaction. At June 30, 2021, all of the Authority’s investments were held in accordance with this policy.

Credit Risk of Debt Securities

The Authority’s investment policy for credit risk is consistent with the investments allowed by statute as previously detailed.

The Authority’s rated debt investments as of June 30, 2021 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

Rated Debt Investments' Values

Rated Debt Investments		Fair Quality Ratings AAAm
Money Market Funds	$	2,286
Total	$	2,286

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 2-Deposits and Investments: (continued)

Interest Rate Risk

The Authority's policy with regard to interest rate risk requires that all investments mature within five years of their purchase date. The policy further requires maturity scheduling be timed to anticipated need and scheduled to coincide with projected cash flow needs.

Investment Maturities (in years)

Investment Type	Fair Value	1 Year or less
Money Market Funds	$ 2,286	$ 2,286
Total	$ 2,286	$ 2,286

Note 3-Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Authority maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

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

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

The Authority has the following recurring fair value measurements as of June 30, 2021:

	Fair Value Measurement Using Level 1 - Quoted Prices in Active Markets for Identical Assets
Money Market Funds	$ 2,286
Total	$ 2,286

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 4-Long-Term Obligations:

Changes in long-term obligations for the year are as follows:

	Balance July 1, 2020	Issuances/ Additions	Retirements/ Reductions	Balance June 30, 2021	Amount Due Within One Year
Revenue Bonds	$ 59,170,000	$ -	$ (2,090,000)	$ 57,080,000	$ 2,185,000
Unamortized Premiums	4,064,187	-	(547,779)	3,516,408	491,030
Original Issuance Discount	(61,588)	-	3,629	(57,959)	(3,629)
Compensated Absences	1,093,967	423,685	(479,169)	1,038,483	369,785
Net OPEB Liability (GLI)	699,725	189,421	(170,545)	718,601	-
Total	$ 64,966,291	$ 613,106	$ (3,283,864)	$ 62,295,533	$ 3,042,186

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

Year Ending	Revenue Bonds	
June 30,	Principal	Interest
2022	$ 2,185,000	$ 2,214,500
2023	2,285,000	2,114,174
2024	2,390,000	2,008,724
2025	2,510,000	1,886,224
2026	2,640,000	1,757,474
2027-2031	14,880,000	7,202,300
2032-2036	17,720,000	4,365,684
2037-2039	12,470,000	781,519
Totals	$ 57,080,000	$ 22,330,599

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Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 4-Long-Term Obligations: (continued)

Details of long-term indebtedness:

		Total Amount
Revenue Bonds:		
$30,605,000 refunding revenue bond issued on May 19, 2015 for a partial refunding of the Authority's 2007 revenue bonds. Interest payments began on December 1, 2015 and continue semi-annually until December 1, 2032, with interest accruing at rates between 3.00% and 5.00%. Principal payments varying from $535,000 to $2,090,000 begin on December 1, 2021 and continue until December 1, 2032.	$	18,405,000
$28,075,000 refunding revenue bond issued on July 21, 2016 for a partial refunding of the Authority's 2007 revenue bonds. Interest payments began on December 1, 2016 and continue semi-annually until December 1, 2038, with interest accruing at rates between 4.00% and 5.00%. Principal payments varying from $815,000 to $1,985,000 begin on December 1, 2029 and continue until December 1, 2038.		14,035,000
$24,640,000 refunding revenue bond issued on December 5, 2019 for a partial refunding of the Authority's 2015 and 2016 refunding revenue bonds. Interest payments began on June 1, 2020 and continue semi-annually until December 1, 2038, with interest accruruing at rates between 2.418% and 3.350%. Principal payments varying from $1,390,000 to $2,345,000 begin on December 1, 2026 and continue until December 1, 2038.		24,640,000
Plus: Unamortized Premium		3,516,408
Less: Original Issuance Discount		(57,959)
Total Revenue Bonds	$	60,538,449
Other Liabilities:		
Compensated Absences		1,038,483
Net OPEB Liability (GLI)		718,601
Total Long-term Obligations	$	62,295,533

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 5-Capital Assets:

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,351,807	$ -	$ -	$ 2,351,807
Total capital assets not being depreciated	$ 2,351,807	$ -	$ -	$ 2,351,807
Capital assets, being depreciated:				
Land improvements	$ 86,826	$ -	$ -	$ 86,826
Buildings	89,770,295	-	-	89,770,295
Machinery and equipment	5,049,360	266,663	(12,287)	5,303,736
Total capital assets being depreciated	$ 94,906,481	$ 266,663	$ (12,287)	$ 95,160,857
Accumulated depreciation:				
Land improvements	$ (10,657)	$ (8,683)	$ -	$ (19,340)
Buildings	(25,175,489)	(2,245,711)	-	(27,421,200)
Machinery and equipment	(3,669,963)	(379,498)	12,287	(4,037,174)
Total accumulated depreciation	$ (28,856,109)	$ (2,633,892)	$ 12,287	$ (31,477,714)
Capital assets being depreciated, net	$ 66,050,372	$ (2,367,229)	$ -	$ 63,683,143
Capital assets, net of depreciation	$ 68,402,179	$ (2,367,229)	$ -	$ 66,034,950

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Note 6-Pension Plan:

Plan Description

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

Benefit Structures

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

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

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

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

Note 6-Pension Plan: (continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	16
Inactive members:	
Vested inactive members	28
Non-vested inactive members	86
Active elsewhere in VRS	118
Total inactive members	232
Active members	195
Total covered employees	443

Note 6-Pension Plan: (continued)

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 Western Virginia Regional Jail Authority's contractually required employer contribution rate for the year ended June 30, 2021 was 9.31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Western Virginia Regional Jail Authority were $779,941 and $804,847 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability (Asset)

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

Actuarial Assumptions – General Employees

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

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 6-Pension Plan: (continued)

Actuarial Assumptions - General Employees (continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

<u>Note 6-Pension Plan</u>: (continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 6-Pension Plan: (continued)

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

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Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 6-Pension Plan: (continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.39%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

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

Note 6-Pension Plan: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Western Virginia Regional Jail Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2019	$ 14,033,273	$ 18,907,746	$ (4,874,473)
Changes for the year:			
Service cost	$ 1,476,898	$ -	$ 1,476,898
Interest	941,362	-	941,362
Differences between expected and actual experience	(273,899)	-	(273,899)
Contributions - employer	-	804,847	(804,847)
Contributions - employee	-	436,161	(436,161)
Net investment income	-	369,706	(369,706)
Benefit payments, including refunds of employee contributions	(174,353)	(174,353)	-
Administrative expenses	-	(11,440)	11,440
Other changes	-	(458)	458
Net changes	$ 1,970,008	$ 1,424,463	$ 545,545
Balances at June 30, 2020	$ 16,003,281	$ 20,332,209	$ (4,328,928)

Note 6-Pension Plan: (continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	$(1,410,284)	$ (4,328,928)	$(6,646,671)

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

For the year ended June 30, 2021, the Western Virginia Regional Jail Authority recognized pension expense of $459,389. At June 30, 2021, the Western Virginia Regional Jail Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 791,048
Changes of assumptions	327,734	30,517
Net difference between projected and actual earnings on pension plan investments	617,060	-
Employer contributions subsequent to the measurement date	779,941	-
Total	$ 1,724,735	$ 821,565

Note 6-Pension Plan: (continued)

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

$779,941 reported as deferred outflows of resources related to pensions resulting from the Western Virginia Regional Jail Authority's contributions subsequent to the measurement date will be recognized as an addition to the Net Pension Asset in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2022	$ (255,804)
2023	26,654
2024	189,973
2025	162,406
2026	-
Thereafter	-

Pension Plan Data

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

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Plan Description (continued)

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

Eligible Employees

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

Benefit Amounts

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $46,646 and $46,075 for the years ended June 30, 2021 and June 30, 2020, respectively.

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

At June 30, 2021, the entity reported a liability of $718,601 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.04306% as compared to 0.04300% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of $28,818. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,092	$ 6,454
Net difference between projected and actual earnings on GLI OPEB program investments	21,586	-
Change in assumptions	35,938	15,005
Changes in proportionate share	7,786	3,304
Employer contributions subsequent to the measurement date	46,646	-
Total	$ 158,048	$ 24,763

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

$46,646 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	
2022	$ 12,238
2023	18,334
2024	24,638
2025	24,803
2026	6,182
Thereafter	444

Actuarial Assumptions

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

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

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

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

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

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

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

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

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

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

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

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

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

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

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

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

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

NET GLI OPEB Liability

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

		Group Life Insurance OPEB Plan
Total GLI OPEB Liability	$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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

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Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.59%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

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

Note 7-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	$ 944,656	$ 718,601	$ 535,023

GLI Plan Fiduciary Net Position

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

Note 8-Line of Duty Act (LODA) (OPEB Benefits):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by Title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

Note 8-Line of Duty Act (LODA) (OPEB Benefits): (continued)

The Authority has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Authority to VACORP. VACORP assumes all liability for the Authority's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Authority's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The Authority's LODA premium for the year ended June 30, 2021 was $58,354.

Note 9-Due from the Commonwealth and Federal Government:

Amounts reported as due from the Commonwealth and Federal Government at year end are as follows:

	Amounts
Due from Commonwealth	
Compensation Board Reimbursements	$ 975,128
Department of Corrections	13,060
Mental Health Grant Reimbursement	1,840
Total	$ 990,028
Due from Federal Government	
FEMA Reimbursement	$ 85,761
RSAT Grant Reimbursement	25,430
US Marshal	312,240
Total	$ 423,431

Note 10-Arbitrage Rebate Liability:

The Internal Revenue Code of 1986 (the Code) establishes rules and regulations for arbitrage rebates which are applicable to the Authority. At present, the Authority has no arbitrage rebate liability. This estimated arbitrage rebate liability is subject to change based on future investment earnings of the Authority.

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 11-Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates with other organizations in the Virginia Association of Counties public entity risk pool. Each member of the risk pool jointly and severally agrees to assume, pay and discharge any liability. The Authority pays the risk pool contributions and assessments based upon classifications and rates into designated cash reserve funds out of which expenses of the pools, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available funds and/or excess insurance, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Authority carries insurance coverage for all other risk of loss. Settled claims have not exceeded coverage in the current or prior two fiscal years.

Note 12-Adoption of Accounting Principles and Restatement:

The Authority implemented provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. Previously the enterprise fund reported cash and amounts held for inmates in the amount of $86,170, which are now reported as custodial funds. The implementation of this Statement resulted in the following restatement:

	Fiduciary
Net position, July 1, 2020, as previously stated	$ -
Creation of new fund due to GASB 84 implementation	86,170
Net position, July 1, 2020, as restated	$ 86,170

Note 13-Subsequent Event:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the release date of this report. As such, the full magnitude that the pandemic will have on the Authority's financial condition, liquidity, and future results of operations is uncertain. Management is monitoring the global situation and impact that it may have on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and global responses to curb its spread, the Authority is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

Note 14-Upcoming Pronouncements:

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 14-Upcoming Pronouncements: (continued)

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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

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

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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

Western Virginia Regional Jail Authority
Notes to the Financial Statements
June 30, 2021 (continued)

Note 14-Upcoming Pronouncements: (continued)

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement. No 32,* (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

Required Supplementary Information

Exhibit 6

Western Virginia Regional Jail Authority
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	$ 1,476,898	$ 1,373,897	$ 1,389,630	$ 1,361,538	$ 1,359,306	$ 1,292,320	$ 1,263,991
Interest	941,362	809,013	721,204	644,883	532,601	455,486	348,082
Changes of assumptions	-	565,223	-	(128,173)	-	-	-
Differences between expected and actual experience	(273,899)	(202,658)	(705,293)	(656,756)	(170,538)	(543,492)	-
Benefit payments	(174,353)	(139,067)	(163,170)	(99,226)	(135,448)	(69,890)	(85,572)
Net change in total pension liability	$ 1,970,008	$ 2,406,408	$ 1,242,371	$ 1,122,266	$ 1,585,921	$ 1,134,424	$ 1,526,501
Total pension liability - beginning	14,033,273	11,626,865	10,384,494	9,262,228	7,676,307	6,541,883	5,015,382
Total pension liability - ending (a)	$ 16,003,281	$ 14,033,273	$ 11,626,865	$ 10,384,494	$ 9,262,228	$ 7,676,307	$ 6,541,883
Plan fiduciary net position							
Contributions - employer	$ 804,847	$ 767,926	$ 778,934	$ 742,395	$ 883,707	$ 869,478	$ 1,048,423
Contributions - employee	436,161	415,969	405,105	384,203	381,831	375,680	354,596
Net investment income	369,706	1,176,879	1,107,497	1,541,333	225,981	449,948	1,148,916
Benefit payments	(174,353)	(139,067)	(163,170)	(99,226)	(135,448)	(69,890)	(85,572)
Administrator charges	(11,440)	(10,186)	(8,533)	(7,730)	(5,919)	(4,878)	(5,043)
Other	(458)	(754)	(1,036)	(1,425)	(87)	(99)	60
Net change in plan fiduciary net position	$ 1,424,463	$ 2,210,767	$ 2,118,797	$ 2,559,550	$ 1,350,065	$ 1,620,239	$ 2,461,380
Plan fiduciary net position - beginning	18,907,746	16,696,979	14,578,182	12,018,632	10,668,567	9,048,328	6,586,948
Plan fiduciary net position - ending (b)	$ 20,332,209	$ 18,907,746	$ 16,696,979	$ 14,578,182	$ 12,018,632	$ 10,668,567	$ 9,048,328
Authority's net pension liability (asset) - ending (a) - (b)	$ (4,328,928)	$ (4,874,473)	$ (5,070,114)	$ (4,193,688)	$ (2,756,404)	$ (2,992,260)	$ (2,506,445)
Plan fiduciary net position as a percentage of the total pension asset	127.05%	134.74%	143.61%	140.38%	129.76%	138.98%	138.31%
Covered payroll	$ 8,808,953	$ 8,377,749	$ 8,079,335	$ 7,674,184	$ 7,649,867	$ 7,523,787	$ 7,214,192
Authority's net pension asset as a percentage of covered payroll	49.14%	58.18%	62.75%	54.65%	36.03%	39.77%	34.74%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 7

Western Virginia Regional Jail Authority
Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 779,941	$ 779,941	$ -	$ 8,500,460	9.18%
2020	804,847	804,847	-	8,808,953	9.14%
2019	767,926	767,926	-	8,377,749	9.17%
2018	778,934	778,934	-	8,079,335	9.64%
2017	737,898	737,898	-	7,674,184	9.62%
2016	883,707	883,707	-	7,649,867	11.55%
2015	869,478	869,478	-	7,523,787	11.56%
2014	1,048,423	1,048,423	-	7,214,192	14.53%
2013	997,388	997,388	-	6,748,227	14.78%
2012	839,178	839,178	-	6,367,060	13.18%

Current year contributions are form Authority records and prior year contributions are from VRS actuarial valuation performed each year.

Western Virginia Regional Jail Authority
Notes to Required Supplementary Information - Pension Plan
For the Year Ended June 30, 2021

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Exhibit 9

Western Virginia Regional Jail Authority
Schedule of Authority's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2020	0.04306%	$ 718,601	$ 8,808,953	8.16%	52.64%
2019	0.04300%	699,725	8,377,749	8.35%	52.00%
2018	0.04270%	648,000	8,079,335	8.02%	51.22%
2017	0.04228%	636,000	7,674,184	8.29%	48.86%

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

Exhibit 10

Western Virginia Regional Jail Authority
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2014 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 46,646	$ 46,646	$ -	$ 8,500,460	0.55%
2020	46,075	46,075	-	8,808,953	0.52%
2019	48,835	48,835	-	8,377,749	0.58%
2018	42,221	42,221	-	8,079,335	0.52%
2017	40,552	40,552	-	7,674,184	0.53%
2016	36,668	36,668	-	7,649,867	0.48%
2015	36,296	36,296	-	7,523,787	0.48%
2014	34,004	34,004	-	7,214,192	0.47%

Schedule is intended to show information for 10 years. Information is only available for the years shown.

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Statistical Section

Table 1

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Net Position By Component
Last Ten Fiscal Years

	2021	2020	2019	2018 (3)	2017	2016	2015 (2)	2014	2013 (1)	2012
Net investment in capital assets	$ 9,100,633	$ 9,083,393	$ 9,329,764	$ 8,782,199	$ 10,283,788	$ 11,268,790	$ 13,029,929	$ 15,536,059	$ 17,891,850	$ 20,441,043
Restricted	7,129,305	2,130,471	2,268,173	2,094,556	2,237,792	1,704,780	1,152,705	913,713	963,568	780,421
Unrestricted	17,119,262	22,594,386	22,037,388	22,749,835	21,085,410	19,844,362	18,795,101	15,299,651	12,772,502	11,049,895
Total Net Position	$ 33,349,200	$ 33,808,250	$ 33,635,325	$ 33,626,590	$ 33,606,990	$ 32,817,932	$ 32,977,735	$ 31,749,423	$ 31,627,920	$ 32,271,359

(1) The Authority implemented provisions of GASB Statements 63 and 65 during the 2013 fiscal year, and applied all changes required thereof retroactively to statistical information, as necessary.

(2) The Authority implemented provisions of GASB Statement 68 during the 2015 fiscal year and restated beginning net position accordingly. Information relative to GASB Statement 68 was not available for prior fiscal years and therefore provisions of this statement were not applied retroactively in this table.

(3) The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year and restated beginning net position accordingly. Information relative to GASB Statement 75 was not available for prior fiscal years and therefore provisions of this statement were not applied retroactively in this table.

Source: Financial Statements

Table 2

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Changes in Net Position
Last Ten Fiscal Years

	2021	2020	2019	2018 (3)	2017	2016	2015 (2)	2014	2013(1)	2012
OPERATING REVENUES										
Charges for services - member jurisdictions	$ 11,010,223	$ 11,480,980	$ 10,222,549	$ 9,949,801	$ 11,066,808	$ 10,527,638	$ 9,688,094	$ 11,050,624	$ 10,196,515	$ 10,398,697
Charges for services - nonmember jurisdictions	387,756	379,891	766,137	1,002,858	280,765	214,411	235,477	147,277	123,620	267,997
Charges for services - U.S. Marshal Service	2,645,060	3,018,138	2,630,977	1,949,666	1,874,784	1,866,586	1,426,201	1,923,142	1,205,827	708,960
Commonwealth of Virginia - per diem charges	991,999	721,103	743,376	1,091,476	1,368,079	1,363,398	1,444,158	1,371,214	1,537,690	1,807,185
Payphone commissions	691,053	360,989	344,629	339,525	335,936	323,440	301,128	314,530	276,887	219,362
Commissary sales	832,917	682,353	658,071	578,509	561,670	515,740	340,326	345,247	286,953	263,408
Miscellaneous income	104,430	97,247	117,614	141,480	88,400	73,773	66,920	53,964	9,043	78,222
Miscellaneous fees	231,470	193,454	205,051	159,132	190,999	163,200	150,317	156,844	143,833	136,601
Total operating revenues	$ 16,894,908	$ 16,934,155	$ 15,688,404	$ 15,212,447	$ 15,767,441	$ 15,048,186	$ 13,652,621	$ 15,362,842	$ 13,780,368	$ 13,880,432
OPERATING EXPENSES										
Salaries and wages	$ 9,720,783	$ 9,798,424	$ 9,231,567	$ 8,732,154	$ 8,483,616	$ 8,213,176	$ 8,009,082	$ 7,670,454	$ 7,170,572	$ 6,869,372
Fringe benefits	3,010,577	2,295,437	2,161,006	2,446,859	2,636,700	3,366,800	2,092,789	2,684,337	2,254,860	2,850,188
Medical services	4,270,833	4,166,860	3,647,240	2,621,543	2,429,664	2,357,869	2,288,041	2,259,643	2,144,299	2,125,197
Food services	918,643	963,083	949,480	883,814	916,869	868,241	820,193	853,970	799,069	767,695
Contractual services	546,061	483,737	676,406	782,839	569,217	473,696	484,453	464,319	439,473	283,967
Repairs and maintenance	287,943	310,835	305,184	323,899	324,399	343,591	306,443	405,736	356,219	313,364
Utilities	752,463	755,078	795,360	742,261	762,705	728,303	788,695	804,359	727,801	628,545
Materials and supplies	646,528	597,222	611,434	463,717	696,235	564,684	593,876	761,685	600,909	717,766
Other	564,036	620,346	557,909	569,858	396,763	327,814	301,569	334,105	340,639	506,243
Depreciation	2,633,892	2,652,149	2,651,023	2,537,231	2,509,691	2,556,593	2,544,982	2,586,446	2,590,704	2,663,065
Total operating expenses	$ 23,351,759	$ 22,643,171	$ 21,586,609	$ 20,104,175	$ 19,725,859	$ 19,800,767	$ 18,230,123	$ 18,825,054	$ 17,424,545	$ 17,725,402
Operating income (loss)	$ (6,456,851)	$ (5,709,016)	$ (5,898,205)	$ (4,891,728)	$ (3,958,418)	$ (4,752,581)	$ (4,577,502)	$ (3,462,212)	$ (3,644,177)	$ (3,844,970)
NONOPERATING REVENUES (EXPENSES)										
Commonwealth of Virginia - Compensation Board	$ 7,367,645	$ 7,285,284	$ 7,028,478	$ 6,999,033	$ 6,780,508	$ 6,840,359	$ 6,484,186	$ 6,647,957	$ 6,079,393	$ 6,033,332
Federal grant revenue	207,563	190,857	133,280	50,379	76,607	69,024	23,707	24,703	151,382	118,740
State grant revenue	401,084	423,485	383,571	355,284	89,181	-	-	-	-	-
Gain (loss) on disposal of assets	-	2,279	-	-	-	-	-	17,083	(20,502)	-
Bond issuance costs	-	(353,956)	-	-	(252,849)	-	(272,088)	-	-	-
Interest income	30,998	325,229	374,710	240,852	123,277	110,762	85,017	74,433	27,715	87,795
Interest expense	(2,009,489)	(1,991,237)	(2,013,099)	(2,027,772)	(2,069,248)	(2,427,367)	(3,134,997)	(3,180,461)	(3,237,250)	(3,291,852)
Total nonoperating revenues (expenses)	$ 5,997,801	$ 5,881,941	$ 5,906,940	$ 5,617,776	$ 4,747,476	$ 4,592,778	$ 3,185,825	$ 3,583,715	$ 3,000,738	$ 2,948,015
Change in net position	$ (459,050)	$ 172,925	$ 8,735	$ 726,048	$ 789,058	$ (159,803)	$ (1,391,677)	$ 121,503	$ (643,439)	$ (896,955)
Total net position, beginning of year	$ 33,808,250	$ 33,635,325	$ 33,626,590	$ 32,900,542	$ 32,817,932	$ 32,977,735	$ 34,369,412	$ 31,627,920	$ 32,271,359	$ 33,168,314
Total net position, end of year	$ 33,349,200	$ 33,808,250	$ 33,635,325	$ 33,626,590	$ 33,606,990	$ 32,817,932	$ 32,977,735	$ 31,749,423	$ 31,627,920	$ 32,271,359

(1) The Authority implemented provisions of GASB Statements 63 and 65 during the 2013 fiscal year, and applied all changes required thereof retroactively to statistical information, as necessary.

(2) The Authority implemented provisions of GASB Statement 68 during the 2015 fiscal year, resulting in a restatement of beginning net position for the 2015 fiscal year. Information prior to 2015 was not available and therefore changes as a result of the implementation of this standard have not been applied retroactively.

(3) The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year, resulting in a restatement of beginning net position for the 2018 fiscal year. Information prior to 2018 was not available and therefore changes as a result of the implementation of this standard have not been applied retroactively.

Source: Financial Statements

Table 3

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Revenues & Billed Inmate Days - By Major Customer
Last Ten Fiscal Years

Fiscal Year	Franklin County Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)
2021	$ 3,004,931	$ 2,497,000	$ 34.14	73,140	$ 507,931	$ 9.61	145
2020	2,724,252	2,110,471	34.14	61,818	613,781	9.88	170
2019	2,147,644	1,651,347	32.19	51,300	496,297	8.52	160
2018	2,309,049	1,774,828	32.19	55,136	534,221	10.28	142
2017	2,589,506	1,964,813	32.19	61,038	624,693	11.97	143
2016	2,189,895	1,514,539	32.19	47,050	675,356	13.31	139
2015	2,036,314	1,391,358	32.19	43,223	644,956	14.37	123
2014	2,577,914	1,893,866	32.19	58,834	684,048	15.45	121
2013	2,271,240	1,554,584	32.19	48,294	716,656	17.79	110
2012	2,118,280	1,464,409	32.19	45,493	653,871	14.45	124

Fiscal Year	Montgomery County Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)
2021	$ 3,186,624	$ 2,565,655	$ 34.14	75,151	$ 620,969	$ 9.61	177
2020	3,439,081	2,851,310	34.14	83,518	587,771	9.88	163
2019	3,010,631	2,380,708	32.19	73,958	629,923	8.52	203
2018	2,909,338	2,041,071	32.19	63,407	868,267	10.28	231
2017	3,610,552	2,645,117	32.19	82,172	965,435	11.97	221
2016	3,613,256	2,588,076	32.19	80,400	1,025,180	13.31	211
2015	3,408,033	2,439,726	32.19	75,791	968,307	14.37	185
2014	3,916,445	2,969,302	32.19	92,243	947,143	15.45	168
2013	3,243,980	2,217,859	32.19	68,899	1,026,121	17.79	158
2012	3,267,047	2,259,874	32.19	70,204	1,007,173	14.45	191

Fiscal Year	Roanoke County Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)
2021	$ 3,571,608	$ 2,649,571	$ 34.14	77,609	$ 922,037	$ 9.61	263
2020	3,776,931	2,838,809	34.14	83,152	938,122	9.88	260
2019	3,485,397	2,855,350	32.19	88,703	630,047	8.52	203
2018	3,217,626	2,547,034	32.19	79,125	670,592	10.28	179
2017	3,123,464	2,358,980	32.19	73,283	764,484	11.97	175
2016	3,168,886	2,276,509	32.19	70,721	892,377	13.31	184
2015	2,748,160	1,732,661	32.19	53,826	1,015,499	14.37	194
2014	3,062,304	1,983,613	32.19	61,622	1,078,691	15.45	191
2013	3,155,254	2,156,279	32.19	66,986	998,975	17.79	154
2012	3,353,292	2,309,207	32.19	71,737	1,044,085	14.45	198

Fiscal Year	City of Salem Total Revenue	Billed Inmate Days	Per Diem Rate	Inmate Days Billed	Debt Service	Rate per Day	Average Daily Population (1)
2021	$ 1,247,060	$ 878,900	$ 34.14	25,744	$ 368,160	$ 9.61	105
2020	1,540,716	1,103,233	34.14	32,315	437,483	9.88	121
2019	1,578,877	1,195,858	32.19	37,150	383,019	8.52	123
2018	1,513,788	1,173,487	32.19	36,455	340,301	10.28	91
2017	1,743,286	1,354,491	32.19	42,078	388,795	11.97	89
2016	1,555,601	1,111,842	32.19	34,540	443,759	13.31	91
2015	1,495,587	1,014,929	32.19	31,529	480,658	14.37	92
2014	1,493,962	1,035,424	32.19	32,166	458,538	15.45	81
2013	1,526,040	1,042,840	32.19	32,396	483,200	17.79	74
2012	1,660,078	1,148,582	32.19	35,681	511,496	14.45	97

Fiscal Year	Commonwealth of Virginia Total Revenue	Debt Service	Billed Inmate Days	Per Diem Rate	Inmate Days Billed
2021	$ 991,999	N/A	$ 991,999	Various	N/A
2020	721,103	N/A	721,103	Various	N/A
2019	743,376	N/A	743,376	Various	N/A
2018	1,091,476	N/A	1,091,476	Various	N/A
2017	1,368,079	N/A	1,368,079	Various	N/A
2016	1,363,398	N/A	1,363,398	Various	N/A
2015	1,444,158	N/A	1,444,158	Various	N/A
2014	1,371,214	N/A	1,371,214	Various	N/A
2013	1,537,690	N/A	1,537,690	Various	N/A
2012	1,807,185	N/A	1,807,185	Various	N/A

Fiscal Year	U.S. Marshal Service Total Revenue	Inmate Transportation	Billed Inmate Days	Per Diem Rate	Inmate Days Billed
2021	$ 2,645,060	$ 103,628	$ 2,541,432	$ 68.00	37,374
2020	3,018,138	152,362	2,865,776	56.59	50,641
2019	2,630,977	137,622	2,493,355	56.59	44,060
2018	1,949,666	102,625	1,847,041	56.59	32,639
2017	1,874,784	136,849	1,737,935	56.59	30,711
2016	1,866,586	105,109	1,761,477	56.59	31,127
2015	1,426,201	111,049	1,315,152	56.59	23,240
2014	1,923,142	121,393	1,801,749	56.59	31,839
2013	1,205,827	52,919	1,152,908	56.59	20,373
2012	708,960	29,937	679,023	56.59	11,999

(1) Debt service billings are based on each jurisdications average daily population on a rolling basis that takes into account three years of historical data.

Source: Billing records of the Authority.

Table 4

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Largest Revenue Sources
Current Year and Nine Years Ago

Inmate Operating and Debt Per Diem Fees	Fiscal Year 2021 Amount	Fiscal Year 2021 %	Fiscal Year 2012 Amount	Fiscal Year 2012 %
County of Franklin	$ 3,004,931	19.99%	$ 2,118,280	16.07%
County of Montgomery	3,186,624	21.19%	3,267,047	24.78%
County of Roanoke	3,571,608	23.76%	3,353,292	25.44%
City of Salem	1,247,060	8.29%	1,660,078	12.59%
Commonweath of Virginia	991,999	6.60%	1,807,185	13.71%
U.S. Marshals Service	2,645,060	17.59%	708,960	5.38%
Subtotal	$ 14,647,282	97.42%	$ 12,914,842	97.97%
Balance from other sources	$ 387,756	2.58%	$ 267,997	2.03%
Grand Total	$ 15,035,038	100.00%	$ 13,182,839	100.00%

Source: Billing reports

Table 5

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Total Revenue Bonds	Annual Total Personal Income (1)	Outstanding Debt to Personal Income	Total Population	Per Capita Personal Income	Outstanding Debt Per Capita
2021	$ 60,538,449	$ 12,936,997	0.468%	276,473	$ 46,793	$ 218.97
2020	63,172,599	12,288,393	0.514%	275,023	44,681	229.70
2019	64,763,186	11,774,350	0.550%	274,936	42,826	235.56
2018	67,299,901	11,761,003	0.572%	274,583	42,832	245.10
2017	68,151,692	11,635,240	0.586%	274,207	42,432	248.54
2016	68,275,276	9,713,699	0.703%	273,701	35,490	249.45
2015	68,767,515	10,077,840	0.682%	272,052	37,044	252.77
2014	69,880,574	10,028,550	0.697%	270,825	37,030	258.03
2013	71,357,377	9,808,983	0.727%	270,765	36,227	263.54
2012	72,774,180	9,470,351	0.768%	269,247	35,173	270.29

(1) Amount reported in thousands (000 omitted).

Sources: Financial Statements and Comprehensive Annual Financial Reports of the Counties of Franklin, Montgomery and Roanoke and the City of Salem
U.S. Census Bureau

Table 6

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses (Excl. Depr.)	Other Available Revenues	Excess Reserves Balances	Net Revenue Available for Debt Service	Principal (P)	Interest (I)	Total (P)(I)	Bond Coverage
2021	$ 16,894,908	$ (20,717,867)	$ 8,007,290	$ 8,999,419	$ 13,183,750	$ 2,090,000	$ 2,009,489	$ 4,099,489	3.22
2020 (3)	16,934,155	(19,991,022)	8,224,855	10,184,426	15,352,414	2,015,000	1,991,237	4,006,237	3.83
2019	15,688,404	(18,935,586)	7,920,039	11,185,388	15,858,245	1,700,000	2,013,099	3,713,099	4.27
2018	15,212,447	(17,566,944)	7,645,548	11,808,282	17,099,333	-	2,027,772	2,027,772	8.43
2017 (2)	15,767,441	(17,216,168)	7,069,573	9,536,958	15,157,804	-	2,069,248	2,069,248	7.33
2016	15,048,186	(17,244,174)	7,020,145	8,278,957	13,103,114	-	2,427,367	2,427,367	5.40
2015 (1)	13,652,621	(15,685,141)	6,592,910	8,668,715	13,229,105	1,530,000	3,134,997	4,664,997	2.84
2014	15,362,842	(16,238,608)	6,764,176	11,108,650	16,997,060	1,475,000	3,180,461	4,655,461	3.65
2013	13,780,368	(14,833,841)	6,258,490	11,789,174	16,994,191	1,415,000	3,237,250	4,652,250	3.65
2012	13,880,432	(15,062,337)	6,239,867	11,363,916	16,421,878	1,360,000	3,291,852	4,651,852	3.53

(1) In 2015, the Authority refunded approximately 34 million dollars of bonds. The above amounts represent normal principal and interest payments.
(2) In 2017, the Authority refunded approximately 33 million dollars of bonds. The above amounts represent normal principal and interest payments.
(3) In 2020, the Authority refunded approximately 25 million dollars of bonds. The above amounts represent normal principal and interest payments.
Net revenue of the Authority is pledged for the Authority's revenue bonds. Net revenue is defined as all revenue of the Authority less operating expenses, excluding depreciation.

Source: Financial Statements

Table 7

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Number of Employees by Identifiable Activity
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Civilian	23	15	16	10	8	8	9	8	9	9
Sworn	171	182	184	188	182	183	183	183	166	173
Total Employees	194	197	200	198	190	191	192	191	175	182

Source: WVRJA Human Resources

Table 8

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Inmate Booking Statistics
Last Ten Fiscal Years

County of Franklin			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2021	200	91	55
2020	169	81	50
2019	140	61	52
2018	151	73	48
2017	168	80	52
2016	129	72	44
2015	137	71	46
2014	161	77	51
2013	132	67	49
2012	124	66	51

County of Montgomery			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2021	206	95	49
2020	229	86	59
2019	203	83	62
2018	174	78	53
2017	225	96	51
2016	220	98	51
2015	221	102	47
2014	253	96	63
2013	189	86	53
2012	191	97	47

County of Roanoke			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2021	212	82	63
2020	228	78	59
2019	243	64	85
2018	217	67	80
2017	201	70	69
2016	194	70	67
2015	173	66	64
2014	169	62	67
2013	184	61	76
2012	198	76	65

City of Salem			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2021	71	78	22
2020	94	69	33
2019	102	63	36
2018	100	61	39
2017	115	68	43
2016	95	63	39
2015	89	62	35
2014	88	56	41
2013	89	52	43
2012	97	67	38

Other			
Fiscal Year	Average Daily Population	Average Length of Stay (days)	Average Monthly Bookings
2021	131	85	35
2020	157	58	68
2019	195	53	94
2018	189	49	102
2017	147	70	75
2016	169	69	61
2015	134	60	55
2014	145	53	70
2013	140	38	51
2012	118	35	44

Source: Daily Population Counts.

Table 9

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Capital Asset Statistics
Last Ten Fiscal Years

Function/Program/Asset	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety:										
Jail:										
Buildings	1	1	1	1	1	1	1	1	1	1
Machinery & Equipment	66	60	54	50	52	44	46	45	45	44
Vehicles	26	26	25	21	20	19	19	20	16	16
Total	93	87	80	72	73	64	66	66	62	61

Source: Capital Asset Listings

Table 10

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Demographic Statistics for Member Jurisdictions
Last Ten Fiscal Years

	County of Franklin		County of Montgomery		County of Roanoke		City of Salem	
Fiscal Year	Population	Unemployment rate	Population	Unemployment rate	Population	Unemployment rate	Population	Unemployment rate
2021	54,477	5.50	99,721	4.80	96,929	5.10	25,346	5.80
2020	55,782	7.00	100,073	6.60	93,805	6.80	25,363	7.70
2019	56,127	2.90	99,433	3.10	93,672	2.70	25,704	3.00
2018	56,427	3.40	98,559	3.50	93,735	3.10	25,862	3.40
2017	56,205	4.10	98,602	4.20	93,924	3.60	25,476	4.10
2016	56,373	4.20	98,121	4.50	93,775	3.50	25,432	4.00
2015	56,793	5.20	96,207	5.50	93,569	4.50	25,483	5.20
2014	56,616	5.20	96,207	5.50	92,703	5.20	25,299	5.20
2013	56,616	4.90	95,626	6.50	93,256	5.50	25,267	6.60
2012	56,419	6.20	94,996	6.40	92,687	5.60	25,145	6.50

Sources: Financial statements and Comprehensive Annual Financial Reports of the Counties of Franklin, Montgomery and Roanoke and the City of Salem
Weldon Cooper Center for Public Sevice Demographics Research Group
U. S. Bureau of Labor Statistics

Table 11

WESTERN VIRGINIA REGIONAL JAIL AUTHORITY
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2021 Number of Employees	2021 Rank	2012 Number of Employees	2012 Rank
Virginia Polytechnic Institute and State University	State University	5,000 +	1	5,000 +	1
Roanoke County Schools	Local Government	2,000 +	2	1,000 +	2
Wells Fargo Operations Center	Private	2,000 +	3	1,000 +	4
Veterans Administration Medical Center	Federal Hospital	2,000 +	4	1,000 +	6
Lewis-Gale Hospital HCA	Private	1,000 +	5	1,000 +	7
Virginia Tech Corporate Research Center	Private	1,000 +	6	1,000 +	3
Montgomery County School Board	Local Government	1,000 +	7	1,000 +	5
Franklin County Public Schools	Local Government	1,000 +	8	1,000 +	9
County of Roanoke	Local Government	1,000 +	9	1,000 +	8
BAE Systems	Private	1,000 +	10	-	-

Sources: Financial statements and Comprehensive Annual Financial Reports of the Counties of Franklin, Montgomery and Roanoke and the City of Sa
Montgomery County Economic Development Department
Franklin County Economic Development Department, Individual Companies
Roanoke County Economic Development Department
City of Salem Planning and Economic Development Department

Compliance Section

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

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

To the Members of the Board
Western Virginia Regional Jail Authority
Roanoke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and the remaining fund information of the Western Virginia Regional Jail Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Western Virginia Regional Jail Authority's basic financial statements and have issued our report thereon dated September 17, 2021

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
September 17, 2021

ROANOKE VALLEY GREENWAY COMMISSION

FINANCIAL REPORT

For the Year Ended June 30, 2021

Prepared by: Roanoke County Department of Finance and Management Services

Attachment 2 - Greenway Commission Financial Report

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Financial Section

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report

To the Honorable Members of
Roanoke Valley Greenway Commission
Roanoke, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Roanoke Valley Greenway Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Roanoke Valley Greenway Commission, as of June 30, 2021, and the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules related to pension and OPEB funding on pages 31 and 32-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2021, on our consideration of Roanoke Valley Greenway Commission'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 Roanoke Valley Greenway Commission'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 Roanoke Valley Greenway Commission's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
September 13, 2021

Basic Financial Statements

Exhibit 1

Roanoke Valley Greenway Commission
Statement of Net Position
At June 30, 2021

		Primary Government Governmental Activities
ASSETS		
Cash and cash equivalents	$	86,992
Interest receivable		9
Restricted cash		14,526
Total assets	$	101,527
Deferred Outflows of Resources		
Pension related items	$	27,076
OPEB related items		1,187
Total deferred outflows of resources	$	28,263
LIABILITIES		
Accrued salaries	$	606
Unearned revenue		2,469
Net pension liability		78,062
Net OPEB liability		5,501
Compensated absences:		
Due within one year		5,283
Due in more than one year		5,822
Total liabilities	$	97,743
Deferred Inflows of Resources		
Pension related items	$	1,056
OPEB related items		278
Total deferred inflows of resources	$	1,334
NET POSITION		
Restricted	$	14,526
Unrestricted		16,187
Total net position	$	30,713

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

Exhibit 2

Roanoke Valley Greenway Commission
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					Roanoke Valley Greenway Commission
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government:					
Governmental activities:					
Parks, recreation, and cultural	$ 109,750	$ -	$ 115,700	$ -	$ 5,950
General revenues:					
Unrestricted revenues from use of money and property					$ 109
Total general revenues					$ 109
Change in net position					$ 6,059
Net position - beginning					24,654
Net position - ending					$ 30,713

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

Exhibit 3

Roanoke Valley Greenway Commission
Balance Sheet
Governmental Funds
At June 30, 2021

		General Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$	86,992
Interest receivable		9
Restricted cash		14,526
Total assets	$	101,527
LIABILITIES		
Current liabilities:		
Accrued salaries	$	606
Unearned revenue		2,469
Total liabilities	$	3,075
FUND BALANCES		
Restricted	$	14,526
Unassigned		83,926
Total fund balances	$	98,452
Total liabilities and fund balances	$	101,527

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

Exhibit 4

Roanoke Valley Greenway Commission
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
At June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:				
Total fund balances per Exhibit 3 - governmental funds			$	98,452
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items	$	27,076		
OPEB related items		1,187		28,263
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences	$	(11,105)		
Net pension liability		(78,062)		
Net OPEB liability		(5,501)		(94,668)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items	$	(1,056)		
OPEB related items		(278)		(1,334)
Net position of governmental activities			$	30,713

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

Exhibit 5

Roanoke Valley Greenway Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

		General Fund
Revenues:		
Revenue from local sources:		
Contributions from localities	$	110,700
Local grants and contributions		5,000
Interest income		109
Total revenues	$	115,809
Expenditures:		
Parks, recreation, and cultural	$	101,752
Total expenditures	$	101,752
Excess (deficiency) of revenues over (under) expenditures	$	14,057
Fund balances, beginning of year		84,395
Fund balances, end of year	$	98,452

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

Exhibit 6

Roanoke Valley Greenway Commission
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2021

		2021
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	14,057
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred inflows related to the net pension liability		4,232
Change in deferred inflows related to the net OPEB liability		130
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in compensated absences		(2,967)
Change in net pension liability		(19,402)
Change in net OPEB liability		(10)
Change in deferred outflows related to the net pension liability		9,935
Change in deferred outflows related to the net OPEB liability		84
Change in net position of governmental activities	$	6,059

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

Roanoke Valley Greenway Commission
Notes to the Financial Statements
At June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Financial Reporting Entity

The Roanoke Valley Greenway Commission ("the Commission") was established on April 19, 1997 by the signing of an intergovernmental agreement that included the following jurisdictions: the Town of Vinton; the Cities of Salem and Roanoke; and the County of Roanoke, Virginia. The Commission was established pursuant to section 15.2-1300 of the Code of Virginia, 1950 as amended to promote and facilitate coordinated direction and guidance in the planning, development, and maintenance of a system of greenways throughout the Roanoke Valley.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission. Governmental activities normally are supported by intergovernmental revenues.

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

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB). The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

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

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

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

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

Interest associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period.

The Commission reports the following major governmental fund:

The general fund is the Commission's primary operating fund. This fund is used to account for and report all financial resources of the Commission. The general fund is the sole fund of the Commission.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

D. Cash and Cash Equivalents

The Commission's cash and cash equivalents consist of cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

At June 30, 2021, the Commission had no investments.

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

E. Accounts Receivable

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

F. Use of Estimates

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

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has one type of item that qualifies for reporting in the category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liability and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information on these items, please refer to the related notes.

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

H. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

H. Net Position (Continued)

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

I. Fund Balance

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

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

The Commission considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unassigned, assigned, or committed fund balances are available, unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the Commission considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

Roanoke Valley Greenway Commission
Notes to the Financial Statements (Continued)
At June 30, 2021

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

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Roanoke Valley Greenway Commission’s Retirement Plan and the additions to/deductions from the Roanoke Valley Greenway Commission’s Retirement 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.

L. Other Postemployment Benefits (OPEB)

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

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

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Roanoke Valley Greenway Commission
Notes to the Financial Statements (Continued)
At June 30, 2021

NOTE 2-DEPOSITS AND INVESMENTS:

Deposits

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

The County of Roanoke, Virginia holds deposits of the Commission in a pooled account. Information relative to this pooled account is presented in the County's audited financial statements.

At year end, the Commission's cash and cash equivalents balances were as follows:

	2021
Total deposits with the County of Roanoke, Virginia	$ 101,518

Investments

At June 30, 2021, the Commission had no investments.

NOTE 3 – UNEARNED REVENUE:

Unearned revenue represents government mandated and voluntary nonexchange transactions where the Commission has received the funds but have not met the eligibility requirements. Unearned revenue totaling $2,469 for 2021 is comprised solely of unearned grant revenue.

NOTE 4 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year are as follows:

	Beginning Balance July 1, 2020	Increases	Decreases	Ending Balance June 30, 2021	Due Within One Year
Compensated Absences	$ 8,138	$ 4,647	$ 1,680	$ 11,105	$ 5,283
Net Pension Liability	58,660	36,937	17,535	78,062	-
Net OPEB Liability	5,491	1,427	1,417	5,501	-
Total Long-tern Obligations	$ 72,289	$ 43,011	$ 20,632	$ 94,668	$ 5,283

Roanoke Valley Greenway Commission
Notes to the Financial Statements (Continued)
At June 30, 2021

NOTE 5 – FISCAL AGENT:

The County of Roanoke, Virginia serves as the Commission's fiscal agent; therefore all assets, liabilities, receipts, and disbursements of the Commission are accounted for separately through the County's accounting and financial systems. Employees of the Commission are eligible to participate in programs offered by the County.

NOTE 6 – FUND EQUITY:

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General Fund
Fund Balances:	
Restricted	
Greenway planning, construction and maintenance	$ 14,526
Unassigned	$ 83,926
Total Fund Balances	$ 98,452

NOTE 7 – PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

NOTE 7 – PENSION PLAN: (CONTINUED)

Benefit Structures (Continued)

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

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

NOTE 7 – PENSION PLAN: (CONTINUED)

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 Roanoke Valley Greenway Commission's contractually required employer contribution rate for the year ended June 30, 2021 was 14.38% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Roanoke Valley Greenway Commission were $9,736 and $8,341 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

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

Actuarial Assumptions – General Employees

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

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

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

NOTE 7 – PENSION PLAN: (CONTINUED)

Actuarial Assumptions (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Roanoke Valley Greenway Commission
Notes to the Financial Statements (Continued)
At June 30, 2021

NOTE 7 – PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

NOTE 7 – PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Roanoke Valley Greenway Commission's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Roanoke County Pension Plan Net Pension Liability (Asset)	$ 126,422	$ 78,062	$ 37,847

NOTE 7 – PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2021, the Roanoke Valley Greenway Commission recognized pension expense of $14,662. At June 30, 2021, the Roanoke Valley Greenway Commission 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	$ 3,951	$ 587
Changes in assumptions between expected and actual experience	4,441	-
Change in proportion and differences between contributions and proportionate share of same	-	469
Net difference between projected and actual earnings on pension plan investments	8,948	-
Employer contributions subsequent to the measurement date	9,736	-
Total	$ 27,076	$ 1,056

$9,736 reported as deferred outflows of resources related to pensions resulting from the Roanoke Valley Greenway Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2022	$ 4,132
2023	5,724
2024	3,530
2025	2,898
Thereafter	-

Pension Plan Data

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

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

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

Eligible Employees

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

Benefit Amounts

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

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $366 and $353 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the entity reported a liability of $5,501 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.000333% as compared to 0.000330% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of $202. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 353	$ 49
Net difference between projected and actual earnings on GLI OPEB plan investments	165	-
Change in assumptions	275	115
Changes in proportion	28	114
Employer contributions subsequent to the measurement date	366	-
Total	$ 1,187	$ 278

$366 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30	
2022	$ 75
2023	122
2024	160
2025	157
2026	29
Thereafter	-

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

Actuarial Assumptions

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

Inflation	2.5%
Salary increases, including inflation:	
Locality - General employees	3.50% - 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation*

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

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

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

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

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

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

Mortality Rates – Non-Largest Ten Locality Employers – General Employees (Continued)

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

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

NET GLI OPEB Liability

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

	Group Life Insurance OPEB Plan
Total GLI OPEB Liability	$ 3,523,937
Plan Fiduciary Net Position	1,855,102
GLI Net OPEB Liability (Asset)	$ 1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%

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

Roanoke Valley Greenway Commission
Notes to the Financial Statements (Continued)
At June 30, 2021

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

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Commission's proportionate share of the GLI Plan Net OPEB Liability	$ 7,232	$ 5,501	$ 4,096

GLI Program Fiduciary Net Position

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

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MEDICAL:

The Commission participates in Roanoke County's health insurance plan. As noted by the actuarial plan, the Commission's portion of the OPEB liability is immaterial. Therefore, no liability and related deferrals is reported by the Commission.

NOTE 10 – SUBSEQUENT EVENTS:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the release date of this report. As such, the full magnitude that the pandemic will have on the Commission's financial condition, liquidity, and future results of operations is uncertain. Management is monitoring the global situation and impact that it may have on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and global responses to curb its spread, the Commission is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

NOTE 11 – UPCOMING PRONOUNCEMENTS:

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

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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

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

NOTE 11 – UPCOMING PRONOUNCEMENTS: (Continued)

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement. No 32,* (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

Required Supplementary Information

Exhibit 7

Roanoke Valley Greenway Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Revenue from local sources:				
Contributions from localities	$ 112,880	$ 112,880	$ 110,700	$ (2,180)
Local grant and contributions	289	289	5,000	4,711
Interest income	-	-	109	109
Total revenues	$ 113,169	$ 113,169	$ 115,809	$ 2,640
Expenditures:				
Parks, recreation, and cultural:				
Salaries and wages	$ 69,061	$ 69,061	$ 68,505	$ 556
Fringe benefits	22,959	22,959	23,476	(517)
Postage	25	25	-	25
Telephone	100	100	337	(237)
Cell phones	700	700	588	112
Insurance	340	340	340	-
Travel	2,300	2,300	9	2,291
Gas, oil, and grease	-	-	431	(431)
Maintenance and repairs	-	-	141	(141)
Small equipment and supplies	100	100	96	4
Dinner meeting and luncheons	125	125	-	125
Dues and association memberships	50	50	-	50
Office supplies	1,100	1,100	247	853
Books and subscriptions	50	50	89	(39)
Special events	1,000	1,000	-	1,000
Professional services	14,071	14,071	5,940	8,131
Training and education	1,100	1,100	-	1,100
Site improvements	17,125	17,125	1,454	15,671
Miscellaneous	230	230	99	131
Total expenditures	$ 130,436	$ 130,436	$ 101,752	$ 28,684
Excess (deficiency) of revenues over(under) expenditures	$ (17,267)	$ (17,267)	$ 14,057	$ 31,324
Fund balance, beginning of year	17,267	17,267	84,395	67,128
Fund balance, end of year	$ -	$ -	$ 98,452	$ 98,452

Exhibit 8

Roanoke Valley Greenway Commission
Schedule of Commission's Proportionate Share of the Net Pension Liability
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

Roanoke County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)

Date	Proportion of the Net Pension Liability (NPL)	Proportionate Share of the NPL	Covered Payroll	Proportionate Share of the NPL as a Percentage of Covered Payroll (3)/(4)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2020	0.1349%	$ 78,062	$ 68,134	114.57%	79.55%
2019	0.1358%	58,660	65,894	89.02%	83.96%
2018	0.1352%	45,614	64,603	70.61%	86.53%
2017	0.1382%	51,277	63,648	80.56%	84.76%
2016	0.1420%	64,921	62,288	104.23%	80.43%
2015	0.1384%	48,471	59,470	81.50%	84.31%
2014	0.1439%	47,920	58,397	82.06%	84.61%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Roanoke Valley Greenway Commission
Schedule of Employer Contributions
Pension Plan
For the Years Ended June 30, 2015 through June 30, 2021

Roanoke County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess) (1) - (2)	Employer's Covered Payroll	Contributions as a % of Covered Payroll (2)/(4)
(1)	(1)	(2)	(3)	(4)	(5)
2021	$ 9,736	$ 9,736	-	$ 67,707	14.38%
2020	8,341	8,341	-	68,134	12.24%
2019	8,118	8,118	-	65,894	12.32%
2018	7,223	7,223	-	64,603	11.18%
2017	7,116	7,116	-	63,648	11.18%
2016	6,926	6,926	-	62,288	11.12%
2015	6,608	6,608	-	59,470	11.11%

Current year contributions are from Commission records and prior year contributions are from the VRS actuarial valuation performed each year.

Schedule is intended to show information for 10 years. Because the Commission participates in the County of Roanoke, Virginia's retirement plan, prior to 2015 the Commission's information was included in the County's schedules. Therefore, no additional data is currently available. Additional years will be included as they become available.

Exhibit 10

Roanoke Valley Greenway Commission
Notes to Required Supplementary Information
Pension Plan
June 30, 2021

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

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

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

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

Exhibit 11

Roanoke Valley Greenway Commission
Schedule of Commission's Share of Net OPEB Liability (Asset)
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2020

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
2020	0.000333%	$ 5,501	$ 68,134	8.07%	52.64%
2019	0.000330%	5,491	65,894	8.33%	52.00%
2018	0.000340%	5,160	64,603	7.99%	51.22%
2017	0.000345%	5,192	63,648	8.16%	48.86%

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

Exhibit 12

Roanoke Valley Greenway Commission
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2017 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 366	$ 366	$ -	$ 67,707	0.54%
2020	353	353	-	68,134	0.52%
2019	343	343	-	65,894	0.52%
2018	846	846	-	64,603	1.31%
2017	834	834	-	63,648	1.31%

Schedule is intended to show information for 10 years. Because the Commission participates in the County of Roanoke, Virginia's OPEB plan, prior to 2017 the Commission's information was included in the County's schedules. Therefore, no additional data is currently available. Additional years will be included as they become available.

Exhibit 13

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

Compliance

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

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

To the Honorable Members of
Roanoke Valley Greenway Commission
Roanoke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and each major fund of Roanoke Valley Greenway Commission as of and for the year ended June 30, 2021, and the related noted to the financial statements which collectively comprise Roanoke Valley Greenway Commission's basic financial statements and have issued our report thereon dated September 13, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Roanoke Valley Greenway Commission'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 Roanoke Valley Greenway Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Roanoke Valley Greenway Commission's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
September 13, 2021