

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Series 2026 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE
FULL BOOK-ENTRY ONLY

RATING: Moody's - Aa3

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2026

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants and subject to the conditions described herein in the section "TAX MATTERS", interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that interest income from the Bonds is exempt from income taxation by the Commonwealth of Virginia and any of its political subdivisions. See "TAX MATTERS" herein..

New River Valley Regional Jail Authority (Virginia)

\$31,260,000*

**Regional Jail Facility Refunding Revenue Bonds
Series 2026**

Dated: Date of Issuance

Due: October 1, as shown on the inside cover

The Series 2026 Bonds are being issued pursuant to a Master Indenture of Trust dated as of November 1, 1997 (the "Master Indenture"), as previously supplemented and amended, and as further supplemented respecting the Series 2026 Bonds by a Sixth Supplemental Indenture of Trust dated as of July 1, 2026 (the "Sixth Supplemental Indenture"), each between the Authority and U.S. Bank Trust Company, National Association (formerly U.S. Bank National Association), Richmond, Virginia, successor in interest to Crestar Bank, as trustee (the "Trustee"). The Series 2026 Bonds are being issued for the purpose of providing funds, together with other available funds, (i) to refund, defease and redeem all of the Authority's outstanding Regional Jail Facility Refunding Revenue Bonds, Series 2016 (the "Series 2016 Bonds") and (ii) to pay certain costs of issuance of the Series 2026 Bonds.

The Series 2026 Bonds are issuable as registered bonds without coupons and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), serving as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be available to purchasers in denominations of \$5,000 and any whole multiple thereof only under the book-entry system maintained by DTC through brokers and dealers which are, or which act through, DTC Participants. The purchaser of a beneficial ownership interest in the Series 2026 Bonds will not receive delivery of Series 2026 Bonds. For so long as any purchaser is the beneficial owner of a Series 2026 Bond, it must maintain an account with a broker or dealer which is, or acts through, a DTC Participant to receive payment of principal of and interest on the Series 2026 Bond. Principal and interest will be paid by the Trustee as bond registrar to DTC or its nominee which will remit the payments to the DTC Participants for subsequent disbursement. See "DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry Only System." Interest on the Series 2026 Bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2027.

The Series 2026 Bonds are subject to redemption prior to their respective maturities as described herein. See the section "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption."

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN NET REVENUES AND OTHER FUNDS DERIVED BY THE AUTHORITY FROM THE OWNERSHIP AND OPERATION OF THE REGIONAL JAIL AND PLEDGED TO SECURE THE SERIES 2026 BONDS UNDER THE INDENTURE. THE SERIES 2026 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF, INCLUDING THE MEMBER JURISDICTIONS. THE ISSUANCE OF THE SERIES 2026 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF, INCLUDING THE MEMBER JURISDICTIONS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE AUTHORITY HAS NO TAXING POWER. The Series 2026 Bonds will be secured equally and ratably by Net Revenues and certain other funds pledged therefor on parity with other obligations, if any, of the Authority issued under the Master Indenture as described herein.

This cover page contains certain information for quick reference only. Certain capitalized terms have the definitions assigned to them herein or in Appendix A. It is not a summary of the Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2026 Bonds are offered, subject to prior sale and withdrawal of such offer without notice, when, as, and if issued, by the Authority and delivered to and received by the Underwriters and subject to the approval of the legality of the issuance thereof by Kutak Rock LLP, Richmond, Virginia, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Authority by Sands, Anderson, Marks & Miller, a Professional Corporation, Blacksburg, Virginia, counsel to the Authority, and for the Underwriters by their counsel, Hunton Andrews Kurth LLP, and for each of the Member Jurisdictions by its respective County or City Attorney. It is expected that the Series 2026 Bonds will be available in definitive form for delivery in New York, New York through the facilities of The Depository Trust Company, on or about July 22, 2026.

Dated _____, 2026

RAYMOND JAMES

STIFEL

* Preliminary, subject to change.

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY (VIRGINIA)

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

(Base CUSIP Number 648470)**

\$31,260,000* Regional Jail Facility Refunding Revenue Bonds, Series 2026

<u>Year</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield or</u> <u>Price</u>	<u>CUSIP**</u> <u>Suffix</u>
2027	\$1,965,000			
2028	2,060,000			
2029	2,170,000			
2030	2,275,000			
2031	2,390,000			
2032	2,510,000			
2033	2,630,000			
2034	2,760,000			
2035	2,900,000			
2036	3,045,000			
2037	3,200,000			
2038	3,355,000			

Optional Redemption

The Series 2026 Bonds may not be redeemed by the Authority prior to maturity.

Extraordinary Optional [and Mandatory Sinking Fund] Redemption *

The Series 2026 Bonds are subject to extraordinary optional [and mandatory sinking fund] redemption prior to maturity as described in the section “**DESCRIPTION OF THE SERIES 2026 BONDS – Redemption of the Bonds.**”

* Preliminary, subject to change.

** A registered trademark of the American Bankers Association (“ABA”), used by Standard & Poor’s in its operation of the CUSIP Service Bureau for the ABA. The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority, and the Authority is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders, and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The Authority has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

**NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
BOARD MEMBERS**

Bland County

Sheriff Jason Ramsey
Cameron Burton

Carroll County

Sheriff Kevin Kemp, Vice-Chairman
Michael Watson

Floyd County

Sheriff Brian Craig
Joe D. Turman

Giles County

Sheriff Morgan Millirons
Richard Chidester, Chairman

Grayson County

Sheriff Gary Hash
Nikki Edwards

Pulaski County

Sheriff Michael Worrell
Jonathan Sweet, Treasurer

City of Radford

Sheriff Mark Armentrout
Bill Fleisher

Wythe County

Sheriff Anthony Cline
Jesse Burnette

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Arlington, VA 22203

TRUSTEE

U.S. Bank Trust Company,
National Association
Corporate Trust Services
1021 East Cary Street, 18th Floor
Richmond, VA 23219

No dealer, broker, salesman or any other person has been authorized by the Authority or the Underwriters to give any information or to make any representation, other than the information and representations contained in this Official Statement, in connection with the offering of the Series 2026 Bonds, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been obtained from the Authority, the Member Jurisdictions (herein defined) and other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof, or the date as of which particular information is given, if earlier. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners, from time to time, of any of the Series 2026 Bonds.

The Series 2026 Bonds are exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2026 Bonds are also exempt from registration under the securities laws of Virginia.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2026 Bonds, including transactions to (a) overallocate in arranging the sales of the Series 2026 Bonds and (b) make purchases in sales of Series 2026 Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the Underwriters may determine.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of SEC Rule 15c2-12.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY, COMPLETENESS OR FAIRNESS OF SUCH INFORMATION.

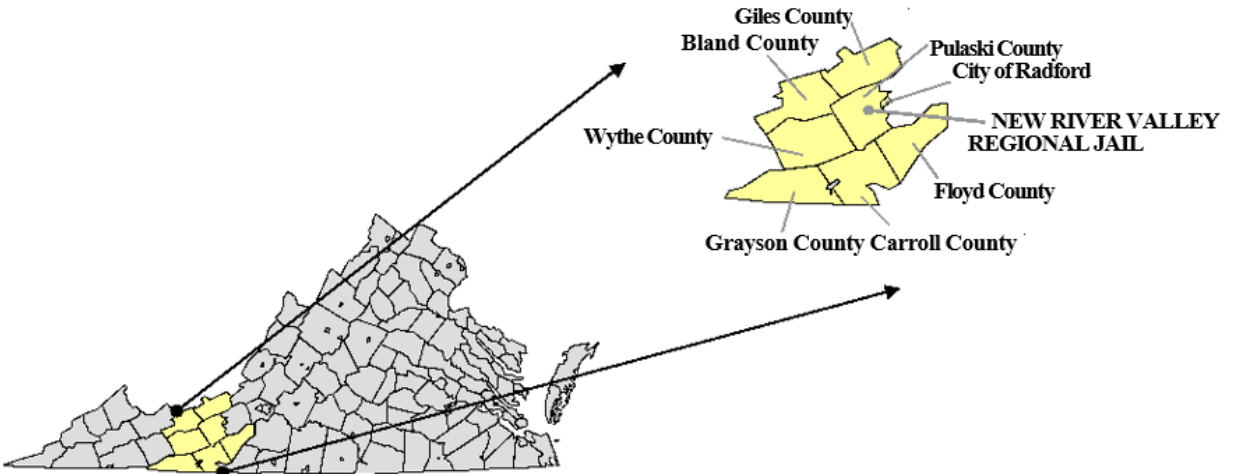
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NEW RIVER VALLEY REGIONAL JAIL AUTHORITY SERVICE AREA



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Official Statement
Of
NEW RIVER VALLEY REGIONAL JAIL AUTHORITY

Relating to its:
\$31,260,000*
Regional Jail Facility Refunding Revenue Bonds
Series 2026

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page hereof, the map and the appendices hereto, is to set forth information concerning the New River Valley Regional Jail Authority (the “Authority”) and the Authority’s \$31,260,000* Regional Jail Facility Refunding Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). This Official Statement provides information only as of its date, and the information contained herein is subject to change.

This Official Statement includes a brief description of the Series 2026 Bonds and the Authority, including a description of the New River Valley Regional Jail Authority Agreement dated February 28, 1995, as amended by agreements dated as of September 16, 1996, and February 18, 1997 (collectively, the “Service Agreement”), among the Authority and the Member Jurisdictions (as defined herein), and information regarding the Authority’s governance, operations and finances.

Appendix A contains definitions of certain terms and phrases used in this Official Statement and a summary of certain provisions of the Indenture (as defined herein). The Authority’s audited financial statements for the fiscal year ending June 30, 2025, are attached as **Appendix B**. **Appendices C through J** contain additional information regarding the Member Jurisdictions, including audited financial statements for the Fiscal Year ended June 30, 2025 for all Members Jurisdictions, except the County of Floyd and the City of Radford for which audited financial statements for the Fiscal Year ended June 30, 2024 are included. **Appendix L** contains the form of the approving opinion of Kutak Rock LLP, as Bond Counsel in connection with the issuance of the Series 2026 Bonds. A copy of the continuing disclosure agreement summarized below in “**CONTINUING DISCLOSURE**,” is included in **Appendix M**. The Series 2016 Bonds to be refunded are more particularly described in **Appendix N** (the “Refunded Bonds”). Unless otherwise defined, capitalized terms used herein have the definitions given to them in **Appendix A**.

This Official Statement contains forecasts, projections and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority’s

* Preliminary, subject to change.

expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

AUTHORIZATION AND PURPOSE

The Authority is an instrumentality of the Commonwealth, duly organized and existing under Article 3.1, Chapter 3, Title 53.1 of the Code of Virginia of 1950, as amended (the “Act”). The Authority authorized the issuance of the Series 2026 Bonds by resolution adopted on May 15, 2026.

The Series 2026 Bonds are being issued in accordance with the Act under a Master Indenture of Trust, dated as of November 1, 1997 as previously supplemented and amended (the “Master Indenture”), and as further supplemented with respect to the Series 2026 Bonds by a Sixth Supplemental Indenture of Trust dated as of July 1, 2026 (the “Sixth Supplemental Indenture”), by and between the Authority and U.S. Bank Trust Company National Association (formerly U.S. Bank, National Association), Richmond, Virginia, as successor trustee (the “Trustee”). The Master Indenture and the Sixth Supplemental Indenture are collectively referred to as the “Indenture.” The Series 2026 Bonds are being issued for the purpose of (i) refunding, defeasing and redeeming all of the Refunded Bonds as more particularly described in **Appendix N**; and (ii) paying the costs of issuing the Series 2026 Bonds.

MEMBER JURISDICTIONS

The members of the Authority (the “Member Jurisdictions”) are the County of Bland, Virginia, the County of Carroll, Virginia, the County of Floyd, Virginia, the County of Giles, Virginia, the County of Grayson, Virginia, the County of Pulaski, Virginia, the County of Wythe, Virginia, and the City of Radford, Virginia. Each Member Jurisdiction is a political subdivision of the Commonwealth, and each has adopted resolutions concerning the organization of the Authority and its participation therein under the terms of the Service Agreement. Certain information and audited financial statements and accompanying notes for the Fiscal Year ended June 30, 2025 are attached as **Appendices C through J** for all Members Jurisdictions, except the County of Floyd and the City of Radford for which audited financial statements for the Fiscal Year ended June 30, 2024 are included. The Member Jurisdictions will provide certificates to the Authority in connection with the issuance and sale of the Series 2026 Bonds to the effect that there has been no material adverse change in their financial condition from that shown in **Appendices C through J**. The information in the Appendices for the Member Jurisdictions is provided for the investors’ reference only. THE ISSUANCE OF THE SERIES 2026 BONDS DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF, INCLUDING THE MEMBER JURISDICTIONS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

THE REGIONAL JAIL

The New River Valley Regional Jail (the “Regional Jail”), located in the Town of Dublin, Virginia, is a 291,113 square-foot facility built beginning in August, 1997 and opened in April, 1999 with a rated capacity of 371 inmates. The original facility which consisted of 143,060 square feet was expanded beginning in 2007 with the expansion opening in 2009 in order to address rapid population growth. The expansion, consisting of a three story “mid-rise” tower, contains 148,053 square feet and raised the rated capacity to 859 inmates. Through double bunking, approximately 1,183 inmates can be housed in the Regional Jail. The original facility was designed as an “indirect supervision” facility, in which Regional Jail personnel operate from control rooms at all times and are present in the units of the Regional Jail for intermittent periods of time during each day. The expansion was designed as a “direct supervision” facility, in which Regional Jail personnel operate from posts within each housing unit and are present continuously throughout each day.

The Regional Jail's primary function is to provide incarceration capacity to the Member Jurisdictions which have no jail facilities of their own. It provides incarceration services for both pre-trial and sentenced inmates and, by practice, tends to handle a large portion of the medical, management problem and female inmates for the Member Jurisdictions. The Regional Jail employs over 200 persons and, for the fiscal year ended June 30, 2025 had an average daily inmate count of 612 inmates and, for the Fiscal Year 2027, adopted an operating budget of \$28 million. Its kitchen serves over 3,000 meals daily. The Regional Jail further serves the Member Jurisdictions through its alternative to incarceration programs, including home electronic incarceration and work release.

The jails in the Commonwealth are audited for compliance with all operating standards of the Virginia Board of Corrections every third year. In the intervening years, the jails are inspected by the Department of Corrections for compliance with life, health and safety standards. The Regional Jail was last audited in January 2025 during which it was found to be in full compliance with all requirements of the Virginia Board of Corrections and received "Unconditional Certification". The next life, health and safety standards inspection will be conducted in calendar year 2028 and is an unannounced inspection.

DESCRIPTION OF THE SERIES 2026 BONDS

The Series 2026 Bonds

The Series 2026 Bonds will be dated, bear interest and mature as set forth on the inside cover page of this Official Statement. The Series 2026 Bonds are issuable as registered bonds without coupons in the denomination of \$5,000 or any multiple thereof as provided in the Indenture. Interest on the Series 2026 Bonds will be payable on each April 1 and October 1, commencing April 1, 2027 (each, an "Interest Payment Date") to the registered owners of the Series 2026 Bonds as of the Record Date (herein defined). The principal of and the interest and redemption premium, if any, on the Series 2026 Bonds will be payable as described below under "*Book-Entry Only System.*"

Book-Entry Only System

The Series 2026 Bonds will be issued in fully registered form in the denominations of \$5,000 and multiples thereof and will be held by DTC or its nominee, as securities depository with respect to the Series 2026 Bonds. See **Appendix K "Book-Entry Only System"** to this Official Statement for a description of the book-entry system. Purchases of beneficial ownership interests in the Series 2026 Bonds will be made only in book-entry form and individual purchasers will not receive physical delivery of bond certificates. As long as the Series 2026 Bonds are held by DTC or its nominee, principal, premium, if any, and interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each Interest Payment Date by the Trustee in its capacity as registrar and paying agent (the "Paying Agent"). If the book-entry system is discontinued, bond certificates will be delivered as described in the Indenture, and Beneficial Owners (as defined in **Appendix K**) will become registered owners of the Series 2026 Bonds ("Bondholders"). Principal, premium, if any, and interest on the Series 2026 Bonds shall be payable by electronic funds transfer or by check or draft mailed to the registered owners at each owner's address as it appears on the fifteenth day of the month preceding an Interest Payment Date (each a "Record Date") on the registration books kept by the Paying Agent.

Redemption of the Series 2026 Bonds

Optional Redemption. The Series 2026 Bonds may not be redeemed by Authority prior to maturity.

Mandatory Sinking Fund Redemption. In the event any of the Series 2026 Bonds are term bonds with mandatory sinking fund payment requirements, the sinking fund payment schedule and procedures will be reflected in the final Official Statement for the Series 2026 Bonds.

Extraordinary Optional Redemption. The Series 2026 Bonds are subject to extraordinary optional redemption by the Authority, in whole; provided all other obligations secured on parity therewith are redeemed in whole, or in part, subject to the limitations set forth below, at any time upon payment of a redemption price of 100% of the principal amount of the Series 2026 Bonds being so redeemed, plus accrued interest to the redemption date, if all or substantially all of the Regional Jail is damaged or destroyed, suffers loss of title or loss due to condemnation, and it is the opinion of the Chairman of the Authority, delivered in writing to the Trustee and accompanied by a written certification of a Consultant acceptable to the Trustee confirming such opinion, that:

- (1) The Regional Jail cannot reasonably be repaired, restored or rebuilt within a period of one year to its condition immediately prior to such occurrence;
- (2) The Authority is prevented from carrying on the operations normally conducted at the Regional Jail for a period of one year; or
- (3) The cost of the repair, restoration or reconstruction would exceed the net proceeds of insurance coverage (excluding deductible amounts) on the Regional Jail, plus available amounts in the Repair and Replacement Reserve Account and in the General Reserve Account.

The Series 2026 Bonds may be redeemed in part, but only to the extent of any proceeds from any insurance recovery, title insurance policy or condemnation award and only if the Authority provides written certification to the Trustee, signed by its Chairman and a Consultant, to the effect that after the damage, destruction, loss of title or condemnation, the Regional Jail will provide the same level and character of service as provided immediately prior to the occurrence of any such event so as to allow the Authority to meet its Revenue Covenant (defined herein). In the event of any partial redemption of Series 2026 Bonds, such proceeds will be applied ratably to the Series 2026 Bonds and any other indebtedness then outstanding and secured equally and ratably therewith.

Redemption of Less Than All Outstanding Series 2026 Bonds. If less than all of the outstanding Series 2026 Bonds are to be called for extraordinary optional redemption, the maturities to be redeemed will be selected by the Paying Agent in a manner which the Paying Agent determines to be fair and appropriate to ratably redeem the Series 2026 Bonds and any parity obligations then outstanding. If less than all of the Series 2026 Bonds within a maturity are to be called for redemption, the Series 2026 Bonds (or portions thereof) to be redeemed will be selected (i) so long as a book-entry system is used for determining beneficial ownership of such Series 2026 Bonds, by the securities depository for the book-entry system, or (ii) if a book-entry system is not then being used, by the Paying Agent in a manner which the Paying Agent determines to be appropriate and fair.

Notice of Redemption

Notice of redemption will be provided by mail or otherwise at least thirty (30) but not more than sixty (60) days prior to the redemption date to each registered owner of the Series 2026 Bonds called for redemption at the address shown on the registration books, and to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or other means provided for such purpose. The notice of redemption will contain such information as is required by the Indenture, including CUSIP numbers and bond certificate numbers, amounts to be redeemed of each bond certificate, the redemption

date and the redemption price. Prior to providing any notice of redemption for the Series 2026 Bonds, the Authority must have irrevocably deposited with the Trustee sufficient funds for redemption or, in the alternative, the notice must expressly state that the redemption is subject to the deposit of such funds by the Authority. So long as a book-entry system is being used for determining beneficial ownership of the Series 2026 Bonds, the Paying Agent will send such notice with respect to the redemption of such Series 2026 Bonds to DTC (or its nominee) as registered owner of the Series 2026 Bonds. Any failure of DTC to notify any Direct Participant of any such notice, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2026 Bonds.

Effect of Redemption. After a redemption notice has been given and provided that the funds for such redemption are on deposit with the Trustee, interest on the Series 2026 Bonds so called for redemption will cease to accrue from and after the redemption date, such Series 2026 Bonds will cease to be entitled to any benefit or security under the Indenture and the Owners of such Series 2026 Bonds will have no rights with respect thereto except to receive payment of the redemption price and accrued interest to the redemption date.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM NET REVENUES AND OTHER RECEIPTS DERIVED BY THE AUTHORITY FROM THE OWNERSHIP AND OPERATION OF THE REGIONAL JAIL AND PLEDGED UNDER THE INDENTURE TO SECURE THE SERIES 2026 BONDS AND ANY ADDITIONAL BONDS AND PARITY INDEBTEDNESS. THE SERIES 2026 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION DEBT, OR A PLEDGE OF THE FAITH AND CREDIT, OF THE COMMONWEALTH OR OF ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF, INCLUDING THE MEMBER JURISDICTIONS. THE ISSUANCE OF THE SERIES 2026 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OR ANY COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION THEREOF, INCLUDING THE MEMBER JURISDICTIONS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE AUTHORITY HAS NO TAXING POWER.

Net Revenues are defined in the Indenture to be Revenues of the Authority derived from the ownership or operation of its Regional Jail (excluding certain restricted gifts or grants, insurance or condemnation proceeds, Reimbursement Payments and capital contribution payments from Member Jurisdictions), *less* its Operating Expenses consisting of all current expenses directly attributable to the ownership or operation of the Regional Jail, but not including depreciation, debt service payments or deposits to the Debt Service Reserve Account or the Repair and Replacement Reserve Account or capital expenditures.

The Series 2026 Bonds are not secured by a mortgage on the Regional Jail. However, the Authority has agreed not to lease, sell, encumber or otherwise dispose of any part of the Regional Jail except in limited circumstances and under the conditions provided in the Master Indenture. See **Appendix A**.

Revenues and Revenue Covenant

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

the funding requirements under the Master Indenture for the Operating Account, the Debt Service Reserve Account and the Repair and Replacement Reserve Account. See “**REVENUE COVENANT COMPLIANCE**” herein for a summary of the Authority’s compliance and non-compliance with the Revenue Covenant over the last five Fiscal Years.

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

- * Reimbursement Payments (1) pledged to pay indebtedness and scheduled to be paid in the upcoming Fiscal Year, *provided*, that the Authority has not been notified by or on behalf of the appropriate payor that it does not intend to make such payments, and (2) received in excess of the amount required to pay or redeem such indebtedness; and
- * Amounts in the Repair and Replacement Reserve Account in excess of the Replacement Reserve Requirement and amounts in the General Reserve Account, to the extent not committed, required or intended to be used for a particular purpose; *provided* such amounts in the aggregate do not exceed 15% of Operating Expenses plus Senior Debt Service budgeted to be paid during such Fiscal Year.

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

- * Payments from the Commonwealth Compensation Board due in such Fiscal Year but not yet paid; *provided*, that the Authority has not been notified that such payments will not be made;
- * Fees and other charges due for services furnished by the Authority to non-Member Jurisdictions in such Fiscal Year, but not yet paid and not overdue; *provided*, that the Authority has not been notified that such payments will not be made; and
- * Amounts in the Repair and Replacement Reserve Account in excess of the Replacement Reserve Requirement and amounts in the General Reserve Account, to the extent not committed, required or intended to be used for a particular purpose; *provided* such amounts in the aggregate do not exceed 15% of Operating Expenses plus Senior Debt Service budgeted to be paid during such Fiscal Year.

Debt Service Reserve Account

The Series 2026 Bonds will be secured by the Debt Service Reserve Account. The Debt Service Reserve Account is required to be used to the extent necessary to pay when due the principal of and interest on the Series 2026 Bonds if the amount on deposit in the Bond Account is insufficient for such purpose, and any amounts transferred from the General Reserve Account and the Repair and Replacement Reserve Account are insufficient to cure the deficit. The Debt Service Reserve Account securing the Series 2026 Bonds will secure equally and ratably any Additional Bonds that are issued and are intended to be secured by the Debt Service Reserve Account. See **Appendix A, “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Debt Service Reserve Account.”**

The Debt Service Reserve Requirement for the Series 2026 Bonds will be \$ _____, an amount equal to maximum annual debt service on the Series 2026 Bonds. The Debt Service Reserve Account will be funded upon the issuance of the Series 2026 Bonds from money on deposit in the Debt Service Reserve Account securing the Series 2016 Bonds. The Refunded Bonds will be defeased and

deemed no longer outstanding under the Master Indenture when the Series 2026 Bonds are issued. See **“SOURCES AND USES OF FUNDS – Plan of Refunding and Payment of Refunded Bonds.”** Upon the issuance of any Additional Bonds intended to be secured by the Debt Service Reserve Account, the amount in such account will be adjusted to an amount equal to maximum annual debt service in the aggregate on the Series 2026 Bonds and such Additional Bonds. Upon any extraordinary optional redemption [or mandatory sinking fund redemption] of any Bonds outstanding and secured by such account, the Debt Service Reserve Requirement may be reduced and recalculated based on the maximum annual amount of debt service on the Bonds outstanding following the redemption.

Outstanding Indebtedness

The Authority’s Series 2016 Bonds outstanding in the principal amount of \$35,990,000 are the only series of revenue bonds outstanding under the Master Indenture. All of the outstanding Series 2016 Bonds are scheduled to be refunded by the Series 2026 Bonds. The Authority entered into an Equipment Lease/Purchase Agreement dated August 5, 2020 (the “Equipment Lease”) with Banc of America Public Capital Corp in the amount of \$5,199,644 for the acquisition of certain energy-efficient cost-saving equipment. The Equipment Lease is payable in quarterly installments ending in February 2037, subject to prepayment. The outstanding balance as of the most recent quarterly payment in May 2026 is \$4,170,846.39. The Equipment Lease was deemed Parity Indebtedness under the Master Indenture secured on parity with the Series 2016 Bonds payable equally and ratably from Net Revenues. The Series 2026 Bonds, when issued, will be secured on parity with the Equipment Lease, payable equally and ratably from Net Revenues, excluding the Debt Service Reserve Account, and any other funds and accounts established under the Master Indenture. Debt service requirements on the outstanding Series 2016 Bonds and Parity Indebtedness are shown below under **“DEBT SERVICE REQUIREMENTS FOR OUTSTANDING SERIES 2016 BONDS AND PARITY INDEBTEDNESS.”**

Additional Indebtedness

Upon delivery to the Trustee of certain documentation, including certifications of the Authority, the Authority may issue one or more series of Additional Bonds or Parity Indebtedness, equally and ratably secured from all Net Revenues with the Series 2026 Bonds, on the terms and conditions set forth in the Master Indenture for the purpose of paying the costs of acquiring, renovating, equipping or constructing improvements, extensions, additions or replacements to the Regional Jail, or refunding any obligations previously issued by the Authority. Additional Bonds will not be secured by the Debt Service Reserve Account unless an amount equal to the Debt Service Reserve Requirement for such Additional Bonds is deposited into the Debt Service Reserve Account on or before the date such Additional Bonds are issued. Parity Indebtedness will not be secured by the Debt Service Reserve Account.

The Authority may also incur Subordinate Debt that is either unsecured or secured by a pledge of Net Revenues expressly made subordinate to the pledge of Net Revenues securing the Series 2026 Bonds, any Additional Bonds and any Parity Indebtedness. Subordinate Debt will not be secured by the Debt Service Reserve Account. See **Appendix A** for the requirements for the issuance of additional indebtedness.

Limitations on Owners’ Remedies

If an event of default occurs under the Indenture, the Trustee may, and upon the request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds (including the Series 2026 Bonds and any Additional Bonds) and any Parity Indebtedness then outstanding and upon indemnification as provided in the Indenture will, proceed to protect and enforce its rights and the rights of the owners of the Series 2026 Bonds by mandamus or other suit, action or proceeding at law or in equity,

including any action for specific performance of any agreement contained in the Indenture. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to enforce payment of the Series 2026 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies. See **Appendix A** for a discussion of remedies available to the Trustee and Bondholders. If the Authority issues Additional Bonds, the holders of such other obligations may constitute the owners of twenty-five percent (25%) or more in aggregate principal amount of Bonds then outstanding. As such, they could direct the remedies to be pursued by the Trustee, without obtaining the consent or approval of any of the owners of the Series 2026 Bonds.

Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) permits “municipalities,” if insolvent or otherwise unable to pay their debts as they become due, to file a voluntary petition for the adjustment of debts, provided that the municipality is “specifically authorized in its capacity as municipality or by name to be a debtor under [Chapter 9] by state law, or by a governmental officer or organization empowered by state law to authorize such entity to be a debtor under such chapter.” The Bankruptcy Code defines “municipality” as a “political subdivision or public agency or instrumentality of a State,” and governmental entities similar to the Authority have been found to be “municipalities” for the purposes of the Bankruptcy Code. Current Virginia statutes do not specifically authorize the Authority or municipalities generally to file under Chapter 9. Bankruptcy proceedings by the Authority could have adverse effects on owners of the Series 2026 Bonds, including (1) delay in the enforcement of their remedies, (2) subordination of their claims to claims of those supplying goods and services to the Authority after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (3) imposition without their consent of a plan of reorganization reducing or delaying payment of the Series 2026 Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any plan of reorganization not accepted by at least a majority of any class of creditors, such as the owners of the Series 2026 Bonds, the class of creditors will have the benefit of their original claim or the “indubitable equivalent,” although such “equivalent” may not provide for payment of the Series 2026 Bonds in full. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

SOURCES AND USES OF FUNDS

The estimated sources and uses of proceeds of the Series 2026 Bonds and other available funds are as follows:

Sources:

Principal Amount of Series 2026 Bonds	[\$ _____]
Plus Original Issue [Net Premium/(Discount)]	
Authority Funds	

Total Sources

Uses:

Escrow Fund	[\$ _____]
Debt Serve Reserve Account	
Financing Costs:	
Underwriting Discount	
Issuance Expenses	

Total Uses [\$ _____]

Plan of Refunding and Payment of Refunded Bonds

Upon delivery of the Series 2026 Bonds, the Authority will enter into an Escrow Agreement for the Refunded Bonds. The Escrow Agreement will create an irrevocable Escrow Fund funded with proceeds of the Series 2026 Bonds and other available funds, which will be held by U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”), and will be applied solely to the payment of the Refunded Bonds. The Authority will cause to be deposited with the Escrow Agent in the Escrow Fund cash and/or noncallable obligations of the United States government (“Government Obligations”) sufficient (i) to pay the interest on the Refunded Bonds accrued and unpaid to their stated redemption date, October 1, 2026, and (ii) to pay the principal of the Refunded Bonds on such redemption date. The Refunded Bonds are described in **Appendix N**. The Refunded Bonds will be irrevocably called for redemption on October 1, 2026, at a redemption price equal to the principal amount thereof together with accrued and unpaid interest to the redemption date. The Escrow Fund will be pledged solely for the benefit of the holders of the Refunded Bonds. Upon such deposits to the Escrow Fund, the Refunded Bonds will be deemed paid and no longer outstanding under the Indenture. As required by the Indenture, the sufficiency of the Escrow Fund to pay the redemption price of the Refunded Bonds will be independently verified in connection with the issuance, and prior to delivery, of the Series 2026 Bonds. See “**VERIFICATION**” herein.

DEBT SERVICE REQUIREMENTS FOR OUTSTANDING SERIES 2016 BONDS AND PARITY INDEBTEDNESS

The following table shows the interest and principal payments due on all outstanding indebtedness of the Authority on a Fiscal Year basis and includes the Series 2016 Bonds in the principal amount of \$2,025,000 paid at maturity on October 1, 2025.

Fiscal Year	Series 2016 Bonds			Equipment Lease			Total Parity Debt Service		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2026	\$ 2,025,000	\$ 1,636,331	\$ 3,661,331	\$247,087	\$117,646	\$ 364,733	\$ 2,272,087	\$ 1,753,977	\$ 4,026,064
2027	2,105,000	1,554,903	3,659,903	264,927	110,747	375,675	2,369,927	1,665,650	4,035,578
2028	2,190,000	1,469,350	3,659,350	283,589	103,356	386,945	2,473,589	1,572,706	4,046,295
2029	2,300,000	1,357,100	3,657,100	303,106	95,648	398,754	2,603,106	1,452,748	4,055,854
2030	2,420,000	1,239,100	3,659,100	323,510	87,000	410,510	2,743,510	1,326,100	4,069,610
2031	2,540,000	1,115,100	3,655,100	344,837	77,989	422,826	2,884,837	1,193,089	4,077,926
2032	2,665,000	984,975	3,649,975	367,123	68,388	435,511	3,032,123	1,053,363	4,085,486
2033	2,770,000	876,800	3,646,800	390,405	58,171	448,576	3,160,405	934,971	4,095,376
2034	2,850,000	792,500	3,642,500	414,723	47,310	462,033	3,264,723	839,810	4,104,533
2035	2,960,000	675,750	3,635,750	440,117	35,777	475,894	3,400,117	711,527	4,111,644
2036	3,080,000	553,625	3,633,625	466,628	23,543	490,171	3,546,628	577,168	4,123,796
2037	3,205,000	425,375	3,630,375	571,882	8,505	580,387	3,776,882	433,880	4,210,762
2038	3,370,000	261,000	3,631,000	-	-	-	3,370,000	261,000	3,631,000
2039	<u>3,535,000</u>	<u>88,375</u>	<u>3,623,375</u>				<u>3,535,000</u>	<u>88,375</u>	<u>3,623,375</u>
Total	\$38,015,000	\$13,030,284	\$51,045,284	\$4,417,933	\$834,079	\$5,252,012	\$42,432,933	\$13,864,363	\$56,297,297

REVENUE COVENANT COMPLIANCE

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

**Revenue Covenant History
Last Five Fiscal Years**

Fiscal Year	Revenue	Debt Service ¹	Debt Service Coverage	Subordinate Debt	Operating Expenses	Required Contributions to Various Reserves	Credit from Other Available Sources or Surplus in General Reserve Account ²	Covenant Surplus / (Deficit)
2025	\$24,662,623	\$4,019,866	\$4,622,845	\$ -	\$23,480,708	\$276,351	\$ 772,722	(\$2,944,559)
2024	24,056,151	4,011,476	4,613,198	-	22,375,304	760,400	2,143,163	(1,549,587)
2023	22,751,523	4,007,738	4,608,898	-	19,333,706	286,073	3,501,217	2,024,062
2022	22,190,221	4,059,712	4,668,669	-	18,189,413	317,864	3,337,369	2,351,644
2021	22,326,038	3,673,707	4,224,763	-	16,917,959	(84,114)	3,088,750	4,356,180

¹ Includes the Authority's Revenue Bonds and the Equipment Lease Purchase with Bank of America dated August 2020.

² Credits to Revenues permitted by the Master Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Revenues and Revenue Covenant."

Historically, the Authority has generated sufficient Revenues, which, together with certain reserves and surplus funds, have been more than sufficient to cover debt service and pay expenses of operation. However, as the table above shows, over the last five Fiscal Years, while the Authority has been able to pay its debt service and other obligations using a combination of Revenues and existing reserve funds, it has not generated sufficient Revenues alone to comply with the Revenue Covenant for the entire five-year period.

If as of the end of any Fiscal Year the Authority is not in compliance with the Revenue Covenant, the Master Indenture requires the Authority to immediately request that a Consultant submit a written report and recommendations regarding increases in rates, fees and charges, improvements in operations and services and in the Authority's accounting and billing procedures necessary to bring the Authority into compliance with the Revenue Covenant. The report is to be filed with the Trustee and the Authority within 120 days from the date non-compliance with the Revenue Covenant is discovered. If the Authority promptly revises its rates, fees, charges, operations and services in conformity with the Consultant's report so that when the actions become fully effective the Authority will be in compliance with the Revenue Covenant, then any failure to meet the Revenue Covenant will not constitute an Event of Default under the Master Indenture. In the Master Indenture, the Authority has agreed that it will promptly revise its rates, fees and charges, operations and services in conformity with the report and recommendations of the Consultant to the extent permitted by law unless the Authority determines that the Consultant's recommendations are impractical or inappropriate.

During preparation for the issuance of the Series 2016 Bonds, the Authority discovered there were several Fiscal Years during the five-year period preceding the issuance of the Series 2016 Bonds in which the Authority had not complied with the Revenue Covenant though it had timely paid debt service. Upon discovery of such non-compliance, the Authority retained a Consultant as required by the Master Indenture. PFM Financial Advisors, LLC ("PFM"), the Authority's financial advisor for the issuance of the Series 2016 Bonds, was engaged to serve in such capacity and provide the required Consultant's report (the "2016 Report") which made recommendations to bring the Authority into compliance with the Revenue Covenant going forward. The Authority accepted the 2016 Report on March 11, 2016, and caused a copy of the 2016 Report to be filed on the date of acceptance with the Trustee.

During preparation for the issuance of the Series 2026 Bonds, the Authority discovered it had not complied with the Revenue Covenant in Fiscal Years 2024 and 2025. Debt service in such years was timely paid. The Authority attributes the most recent non-compliance to the departure of key management and finance officials and the inadvertent loss of administrative continuity regarding certain information and procedures unrelated to prisoner housing and security issues, including the compliance procedures contained in the 2016 Report and other post-issuance compliance procedures related to its revenue bonds. When current officials became aware of the non-compliance in Fiscal Years 2024 and 2025, they caused the Authority to retain PFM as a Consultant to produce a report (the “2026 Report”) to address the non-compliance and make recommendations to assist with Revenue Covenant compliance going forward. The 2026 Report, as amended, was delivered to and accepted by the Authority on June 16, 2026, and filed with the Trustee on the date of acceptance.

Among the recommendations in the 2026 Report to bring the Authority into compliance in Fiscal Year 2027, is to undertake the refunding of the Refunded Bonds through the issuance of the Series 2026 Bonds and to structure the amortization of the Series 2026 Bonds to create debt service savings relative to the amount budgeted in Fiscal Year 2027. This will be reflected in the payment schedule for the Series 2026 Bonds. For ongoing compliance in future Fiscal Years, the 2026 Report recommended that in each budget, the Authority establish a per diem service charge that will ensure compliance with the Revenue Covenant and retain PFM annually to assist in this regard and to assist with verifying Revenue Covenant compliance. On June 10, 2026, as recommended, the Authority retained PFM to assist with on-going Revenue Covenant compliance. With this engagement providing third-party oversight, the Authority believes it will be better positioned to comply with the Revenue Covenant going forward.

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY

Purpose

The Authority was created pursuant to Article 3.1, Chapter 3, Title 53.1 of the Code of Virginia of 1950, as amended (the “Act”) by the Member Jurisdictions for the purpose of acquiring, constructing, equipping, maintaining and operating the Regional Jail. *See the section above “THE REGIONAL JAIL” for a description of the Regional Jail.*

Member Jurisdictions

The Member Jurisdictions are the County of Bland, Virginia, the County of Carroll, Virginia, the County of Floyd, Virginia, the County of Giles, Virginia, the County of Grayson, Virginia, the County of Pulaski, Virginia, the County of Wythe, Virginia, and the City of Radford, Virginia. Each Member Jurisdiction is a political subdivision of the Commonwealth, and the governing body of each has adopted resolutions concerning the organization of the Authority and its participation therein under the terms of the Service Agreement. Other Virginia localities may join the Authority as permitted by the Act, the Service Agreement and the Indenture. A Member Jurisdiction may withdraw from the Authority under the conditions provided in the Act and the Service Agreement. *See below “SERVICE AGREEMENT - Addition of New Members” and “- Withdrawal of Members.” See Appendices C through J for limited information regarding each of the Member Jurisdictions, including audited financial statements for the Fiscal Year ended June 30, 2025 for all Members Jurisdictions except the County of Floyd and the City of Radford for which audited financial statements for the Fiscal Year ended June 30, 2024 are included.*

Board Members

The Authority is governed by a board made up of 16 members (the “Board). Each Member Jurisdiction appoints two members. The current members of the Board are:

<u>Board Members</u>	<u>Jurisdiction Represented</u>	<u>Capacity in Member Jurisdiction</u>
Cameron Burton	Bland	County Administrator
Jason Ramsey	Bland	Sheriff
Michael Watson	Carroll	County Administrator
Kevin Kemp	Carroll	Sheriff
Joe D. Turman	Floyd	Board of Supervisors
Brian Craig	Floyd	Sheriff
Richard Chidester	Giles	County Attorney
Morgan Millirons	Giles	Sheriff
Nikki Edwards	Grayson	Director of Finance
Gary Hash	Grayson	Sheriff
Jonathan Sweet	Pulaski	County Administrator
Michael Worrell	Pulaski	Sheriff
Bill Fleisher	City of Radford	Citizen Representative
Mark Armentrout	City of Radford	Sheriff
Jesse Burnette	Wythe	Board of Supervisors Member
Anthony Cline	Wythe	Sheriff

Richard Chidester serves as the Chairman of the Authority, and Sheriff Kevin Kemp serves as the Vice Chairman.

Revenue and Expense Summary

The table on the following page shows the actual Revenues, expenses and changes in fund balances of the Authority for Fiscal Years 2021 through 2025. The table is derived from the Authority’s audited financial statements. The Authority’s financial statements for the Fiscal Year ended June 30, 2025, were audited by Robinson, Farmer, Cox Associates, the Authority’s accounting firm, and are included in **Appendix B**. These tables are intended to provide a broad overview of the Authority’s financial position and operating results. The auditor has not reviewed this Official Statement or any other matters in connection with the issuance of the Series 2026 Bonds.

Revenues for the Authority have been received primarily from the Commonwealth Compensation Board for salary and benefit reimbursement, from the Commonwealth for prisoner care, and from Per Diem Charges paid by the Member Jurisdictions. The payments from the Commonwealth for staff salaries and benefits and for prisoner care are described below in **“THE COMMONWEALTH’S INVOLVEMENT IN REGIONAL JAIL PROGRAMS.”**

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEARS 2021 THROUGH 2025
(Modified Accrual Basis)

	Fiscal Year Ending June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES:					
Revenue from use of money and property	\$28,391	\$6,159	\$390,289	\$577,623	\$473,986
Charges for services	9,646,114	8,297,896	8,401,021	8,459,464	8,142,620
Miscellaneous	1,174,185	1,597,065	1,522,863	1,429,466	1,427,771
Recovered costs	90,745	69,130	55,098	61,030	49,583
Intergovernmental	12,022,472	12,665,105	12,932,283	14,095,217	15,139,745
Total Revenues	\$22,961,907	\$22,635,355	\$23,301,554	\$24,622,800	\$25,233,705
EXPENDITURES:					
Public Safety					
Employee costs	\$12,208,418	\$12,384,313	\$12,531,414	\$14,045,030	\$14,706,232
Medical costs	1,879,660	1,946,517	2,225,093	2,442,236	3,131,534
Building Costs	1,070,809	891,041	983,696	1,065,748	1,039,945
Administrative Costs	36,468	43,861	38,024	30,218	38,488
Service contracts/treatment costs	361,859	386,709	461,464	660,928	776,915
Telecommunication costs	32,337	33,563	34,633	39,978	47,163
Vehicle/equipment costs	125,731	116,664	418,087	111,986	217,507
Inmate service costs	1,265,674	1,331,529	1,349,449	2,229,132	2,432,195
Custodial costs	63,036	70,750	73,408	52,840	42,417
Travel costs	3,977	15,351	7,919	9,279	5,496
Bad debts	1,649	35	423	20,699	163
Training & Operational costs	76,165	88,515	59,570	114,672	91,094
Capital Outlay	4,138,554	1,703,426	1,270,526	1,505,465	687,449
Debt Service:					
Principal retirement	1,705,000	1,913,874	2,040,234	2,123,815	2,391,325
Interest and other fiscal charges	1,988,707	2,160,526	1,993,212	1,932,976	1,906,787
Total expenditures	\$24,958,044	\$23,086,674	\$23,487,152	\$26,385,002	\$27,514,710
Excess (deficiency) of revenues over (under) expenditures	\$(1,996,137)	\$(451,319)	\$(185,598)	\$(1,762,202)	\$(2,281,005)
Other financing sources (uses)					
Transfers in	\$3,616,597	\$3,662,098	\$3,794,958	\$3,573,843	\$2,864,172
Transfers (out)	(3,616,597)	(3,662,098)	-3,794,958	(3,573,843)	(2,864,172)
Issuance of Leases	5,199,644	-	83,562	147,318	580,030
Total other financing sources (uses)	\$5,199,644	\$ -	\$83,562	\$147,318	\$580,030
Net changes in fund balances	\$3,203,507	\$(451,319)	\$(102,036)	\$(1,614,884)	\$(1,700,975)
Beginning Fund Balance	\$13,584,324	\$16,787,831	\$16,336,512	\$16,234,476	\$14,619,592
Ending Fund Balance	\$16,787,831	\$16,336,512	\$16,234,476	\$14,619,592	\$12,918,617

Source: New River Valley Regional Jail Authority, 2021-2025 Annual Comprehensive Financial Report.

Fiscal Year 2026 Performance (Unaudited)

The following table compares the budget for Fiscal Year 2026 (July 1, 2025 through June 30, 2026) against actual operating results on a preliminary, unaudited basis through May 31, 2026. Actual audited financial results for the full fiscal year may vary from such preliminary, unaudited results, and such variances may be material.

**NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
For Fiscal Year 2026 (Unaudited)**

	ANNUAL BUDGET	ACTUAL (as of May 2026)
REVENUES		
Revenue from use of money and property	\$155,000	\$86,996
Charge for Services	1,001,300	586,044
Miscellaneous	433,298	615,762
Recovered Costs	45,000	60,148
Intergovernmental		
Local	8,664,914	7,465,130
Commonwealth	15,700,489	16,196,468
Total Revenues	<u>\$26,000,000</u>	<u>\$25,010,548</u>
EXPENDITURES		
Employee Cost	\$15,462,101	\$13,074,502
Medical Cost	1,765,153	2,753,179
Building Cost	898,345	946,228
Admin Cost	33,600	44,867
Service Contract Cost	1,469,994	1,385,971
Telecommunication Cost	39,500	50,497
Vehicle Cost	103,500	91,789
Inmate Service Cost	1,700,007	2,075,481
Custodial Cost	65,000	20,706
Travel Cost	12,800	10,168
Training & Operational Cost	105,000	66,501
Debt Service Cost	3,850,000	3,773,056
Repair & Replacement	350,000	350,000
Vehicle Lease	145,000	268,410
Total Operating Expenses	<u>\$26,600,000</u>	<u>\$24,911,357</u>

For Fiscal Year 2026, based on unaudited financial results through May 31, 2026, the Authority forecasts that revenues and expenditures will both end the year in-line with budgeted levels, with no large variances anticipated at this time.

Readers should be aware that final, audited financial information for the full Fiscal Year 2026 may reflect differences in financial performance, and such differences may be material.

Member and Other Revenues, Rates and Utilization

The following table provides information on the Per Diem Charges paid by the Member Jurisdictions for the use of the Regional Jail for the last six fiscal years. Except for Fiscal Year 2026, the information is derived from the Authority’s audited financial statements. Fiscal Year 2026 information is preliminary and unaudited. See “**THE SERVICE AREA AND INMATE POPULATION – Regional Jail Inmate Population,**” herein for factors impacting use of the Regional Jail by the Member Jurisdictions and their associated payments.

Annual Payments Per Member Jurisdiction

Fiscal Year	County of Bland	County of Carroll	County of Floyd	County of Giles	County of Grayson	County of Pulaski	City of Radford	County of Wythe	Charge for State Inmates	Member Per Diem Total
2026*	\$ 80,520	\$ 630,325	\$143,143	\$261,409	\$361,169	\$1,173,469	\$ 583,550	\$ 832,504	-	\$4,066,089
2025	149,950	1,393,835	304,731	621,029	957,837	2,185,715	1,006,866	1,506,639	-	8,126,602
2024	109,657	1,746,336	358,694	639,433	996,917	2,319,102	896,166	1,376,156	-	8,442,461
2023	121,082	1,998,392	389,492	644,781	851,172	2,104,669	758,996	1,493,264	-	8,361,848
2022	88,557	1,714,101	363,368	709,431	781,944	1,845,576	868,324	1,579,360	-	7,950,661
2021	170,840	1,885,371	437,056	1,003,208	775,326	2,201,351	865,173	1,992,693	-	9,331,018

*Partial Year as of December 31, 2025, unaudited.

BUDGET AND OTHER OPERATING INFORMATION

Budget Comparison

The following table compares the budget for Fiscal Year 2026 and the budget for Fiscal Year 2027, which will commence July 1, 2026 and ends June 30, 2027. The Fiscal Year 2027 budget estimates and assumptions underlying the estimates are inherently subject to significant uncertainties and contingencies which are beyond the Authority’s control. Actual amounts may be higher or lower than those set forth below. The Fiscal Year 2027 Budget was adopted on May 15, 2026, and established a per diem of \$38.00 per day.

**NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
BUDGET COMPARISON**

	FY 2026	FY 2027
<i>Operating Revenues:</i>		
Revenue from use of money and property	\$155,000	\$155,000
Charges for services	1,001,300	652,000
Miscellaneous	433,298	430,000
Recovered Costs	45,000	78,000
Intergovernmental Revenue		
Local (includes Per Diem Charges)	8,664,914	7,797,861
Commonwealth	15,700,489	18,887,139
Total Revenues	\$26,000,000	\$28,000,000
<i>Expenditures:</i>		
Public Safety		
Employee Cost	\$15,462,101	\$15,850,475
Medical Cost	1,765,153	2,157,785
Building Cost	898,345	994,972
Admin Cost	33,600	98,000
Service Contracts Cost	1,469,994	1,703,600
Telecommunication Cost	39,500	43,500
Vehicle Cost	103,500	128,000
Inmate Service Cost	1,700,007	2,398,368
Custodial Cost	65,000	65,000
Travel Cost	12,800	12,800
Training & Operational Cost	105,000	105,000
Debt Service Cost*	3,850,000	3,850,000
Repair & Replacement	350,000	352,500
Vehicle Lease	145,000	240,000
Total Expenditures	\$26,000,000	\$28,000,000

*Debt Service Costs in the FY2027 budget do not reflect debt service savings from the issuance of the Series 2026 Bonds.

Operating Revenue Assumptions

Operating revenues for the Authority are projected from primarily three sources: salary and benefit reimbursements from the Compensation Board, per diem payments from the Commonwealth and Per Diem Charges from Member Jurisdictions. Revenue from holding inmates from the Commonwealth and other sources excluding the Member Jurisdictions are conservatively budgeted.

Commonwealth Compensation Board Salary and Fringe Benefit Reimbursement. The Commonwealth of Virginia Compensation Board (the “Compensation Board”) funds local and regional jail positions currently at a ratio of one jail staff to every three inmates in facilities that are not over capacity. The number of sworn staff corresponds to the 1:3 ratio used as the standard for reimbursing sworn personnel in these projections. Reimbursement for civilian personnel was estimated only for those positions identified by the Compensation Board as positions that could reasonably be allowed reimbursement (nurses, cooks and some clerical support). The amount of reimbursement for salaries is estimated based on the latest salary schedules available (Fiscal Year 2026) from the Compensation Board. The Compensation Board also reimburses a portion of fringe benefits (including FICA payments and retirement and life insurance benefits) paid to employees.

Commonwealth Per Diem Payments. Commonwealth per diem payments are set by statute. The current per diem rate is \$4 per day per inmate. The Authority receives these payments from the Commonwealth quarterly, based on the number of prisoner days reported to the Commonwealth for the previous quarter. The Commonwealth allows for an additional payment of \$8 per day per inmate for

inmates considered to be the Commonwealth's responsibility (convicted felons with sentences of one year or more). The Authority has based its revenue projections on receiving only \$4 per day for local inmates and \$12 per day for inmates who are the Commonwealth's responsibility. The Commonwealth also reduces the per diem by a percentage based on the number of federal prisoners incarcerated. The Authority does not currently house federal prisoners.

Member and Non-Member Per Diem Charges. In making Per Diem Charge projections, the Authority budgets based on actual Member Jurisdiction usage for the most recently completed audited Fiscal Year available at the time the budget is being prepared. Charges for non-Member Jurisdictions are projected based on averages over the preceding three or four Fiscal Years or as otherwise determined by the Authority. Member Jurisdiction Per Diem Charges are set on an annual basis as part of the budget process but are required under the Service Agreement to be increased to cover unanticipated expenditure increases or revenue shortfalls. See “**SERVICE AGREEMENT – Per Diem Charges**” herein.

Operating Expenditure Assumptions

Salaries and fringe benefits comprise the largest single category of expenditures in the Authority's operating budget. Staffing was projected based on required duty posts in the Regional Jail and the required relief factors to provide 24-hour-a-day coverage. The total number of approved positions is 267. Salaries are based on current market requirements in the region for these types of positions. Fringe benefits are standard for governmental entities in the area and include FICA, retirement (provided by the Virginia Retirement System), life insurance, and health insurance.

Operating costs are projected based on historical experience of the Regional Jail. Administrative costs include property insurance, staff training, maintenance contracts, telephone and utility expenses. Security expenses include inmate uniforms, linens, inmate personal supplies, staff uniforms, personal protection and restraints. Medical costs include expenses for prescriptions, mental health and hospitalization. Projections also include expenses for inmate food, kitchen supplies and maintenance supplies.

Retirement and Pension Plans

The Authority has elected to participate in the Virginia Retirement System (“VRS”). All full-time salaried permanent employees are covered by the VRS retirement plan. Plan members are required to contribute 5% of their annual salary to the VRS. If there are insufficient funds to meet the vested benefits of the employees, the Authority is liable.

The Authority's contributions are actuarially determined by the VRS every two years at rates that provide for both normal and accrued funding liability. The VRS basis calculation method is an entry age normal cost calculation with 30 year amortization of the unfunded accrued liability.

The entry age actuarial cost method is designed to produce normal costs over the working lifetime of the participating employees and to permit the amortization of any unfunded liability over a period of years. The unfunded liability arises because normal costs based on the current benefit formula have not been paid throughout the working lifetime of current employees. The value of the unpaid normal costs, adjusted for actuarial gains and losses, constitutes the unfunded liability.

The Authority's net pension position as taken from the Authority's audited financial statements for the Fiscal Year ended June 30, 2025 attached hereto as **Appendix B** is shown in the table below. See **Appendix B** for more detailed information on the pension plan.

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

Post-Employment Benefits Other Than Pension

The Authority administers a single-employer defined healthcare plan. The Authority provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the Authority's pension plans. The Authority may change, add or delete benefits (including contributions required of retired persons) as deemed appropriate. Employees are eligible for the program at age 50 with 10 years of service for general employees and 5 years of service for safety officers. The Authority currently has 174 employees that are eligible for the program.

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2025 was \$11,444.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability			
Service cost	\$ 158,727	\$ 186,161	\$ 177,582
Interest	89,869	80,943	52,441
Plan Changes	-	-	-
Economic Gains or Losses	-	(50,191)	-
Effect of assumptions changes	(70,066)	40,631	(339,299)
Benefit payments	(65,544)	(43,675)	(37,794)
Net change in total OPEB liability	\$ 112,986	\$ 213,869	\$ (147,070)
Total OPEB liability - beginning	2,335,885	2,122,016	2,269,086
Total OPEB liability - ending	<u>\$ 2,448,871</u>	<u>\$ 2,335,885</u>	<u>\$2,122,016</u>
Covered payroll	\$10,062,666	\$10,062,666	\$8,743,384
Authority's total OPEB liability (asset) as a percentage of covered payroll	24.34%	23.21%	24.27%

Additional information concerning the Authority's retiree post-employment benefits is included in the Authority's audited financial statements attached as **Appendix B**.

THE SERVICE AREA AND INMATE POPULATION

Demographic Information

The Authority's service area covers the eight Member Jurisdictions. The historical population information within the Authority's service area and projections of future population growth in the service area are presented in the tables below. As of May 1, 2026, the service area contained approximately 1.84% of the population of the Commonwealth.

The following table shows the total population of the eight Member Jurisdictions from 2000 through 2025.

Jurisdiction	2000	2010	2025	2000-2025 Changes
County of Bland	6,833	6,873	6,249	(8.55%)
County of Carroll	29,245	29,985	28,636	(2.08)
County of Floyd	16,881	15,030	15,459	(8.42)
County of Giles	13,874	17,205	16,640	19.94
County of Grayson	16,657	15,855	15,106	(9.31)
County of Pulaski	35,127	34,963	33,429	(4.83)
County of Wythe	27,599	29,005	28,152	2.00
City of Radford	15,859	16,318	16,541	4.30
Total	<u>164,075</u>	<u>167,244</u>	<u>162,237</u>	<u>(6.96%)</u>

Source: U.S. Census Bureau (2000 and 2010). 2025 projection from Weldon Cooper Center.

The following table shows the projected total population of the eight Member Jurisdictions over the 20-year period 2030 to 2050.

Jurisdiction	2030 (Projected)	2040 (Projected)	2050 (Projected)	2030-2050 Changes
County of Bland	5,938	5,350	5,019	(15.48%)
County of Carroll	27,872	26,813	26,608	(4.54)
County of Floyd	14,800	14,902	15,609	5.47
County of Giles	16,105	15,506	15,479	(3.89)
County of Grayson	14,861	14,568	13,197	(11.20)
County of Pulaski	31,960	30,690	29,848	(6.61)
County of Wythe	27,009	25,898	26,087	(3.41)
City of Radford	17,412	16,965	16,969	(2.54)
Total	157,987	152,732	150,866	(4.51%)

Source: Weldon Cooper Center.

Regional Jail Inmate Population

The tables below show the prisoner days and average daily population for the Regional Jail for Fiscal Years 2021 through 2025 and for the first six months of Fiscal Year 2026. The annual inmate population of the Member Jurisdictions in the Regional Jail is a function of criminal activity, arrests, prosecution of offenders, criminal convictions, sentencing and imposition of a period of incarceration in the Regional Jail, all of which are subject to fluctuation, and none of which are within the control of the Authority or Member Jurisdictions. Among the factors contributing to the decline in prisoner days and average daily population shown over the past several years are Commonwealth policy changes relating to decriminalization of marijuana and the expansion of sentencing credits and reduction of incarceration time for good behavior.

NEW RIVER VALLEY REGIONAL JAIL PRISONER DAYS FOR FISCAL YEARS 2021-2026

Fiscal Year	County of Bland	County of Carroll	County of Floyd	County of Giles	County of Grayson	County of Pulaski	County of Wythe	City of Radford	Total
2026*	2,136	22,255	4,451	7,834	8,902	33,293	18,872	13,353	111,095
2025	4,380	44,530	8,760	15,695	17,885	67,160	37,960	27,010	223,380
2024	2,987	47,557	9,768	17,412	27,150	63,157	37,478	24,404	229,913
2023	3,452	56,952	11,101	18,375	24,257	59,981	42,555	21,630	238,304
2022	3,224	62,415	13,231	25,834	28,473	67,205	57,512	31,620	289,515
2021	6,170	68,096	15,786	36,235	28,005	79,510	71,971	31,251	337,023

*Partial Year of 185 days

**NEW RIVER VALLEY REGIONAL JAIL
AVERAGE DAILY POPULATION
FOR FISCAL YEARS 2021-2026**

Fiscal Year	County of Bland	County of Carroll	County of Floyd	County of Giles	County of Grayson	County of Pulaski	County of Wythe	City of Radford	Total
2026*	12.00	125.00	25.00	44.00	50.00	187.00	106.00	75.00	624.00
2025	12.00	122.00	24.00	43.00	49.00	184.00	104.00	74.00	612.00
2024	8.16	129.90	26.68	47.56	74.16	172.51	102.37	66.66	628.00
2023	9.46	156.06	30.42	50.35	66.47	164.36	116.61	59.27	653.00
2022	8.83	170.96	36.24	70.76	77.99	184.08	157.53	86.61	793.00
2021	16.86	186.09	43.14	99.02	76.53	217.28	196.68	85.40	921.00

*Partial Year of 185 days

SERVICE AGREEMENT

Purpose

The Authority and the Member Jurisdictions entered into a Service Agreement dated February 28, 1995, as amended as of September 16, 1996 and February 18, 1997 (the “Service Agreement”), to provide funds to finance the final design, construction and other costs of the Regional Jail and to describe certain other obligations of the parties with respect to the ownership and operation of the Regional Jail.

Acceptance of Prisoners

The Authority has agreed to accept all prisoners from each Member Jurisdiction, and the Member Jurisdictions have agreed to commit all of their prisoners to the Regional Jail. To encourage compliance with this agreement by their Sheriff’s Departments, the Member Jurisdictions have agreed to refuse to pay for any prisoner committed to any other jail, including their own jails unless the Authority justifiably and for cause refuses to accept a prisoner, or a court order requires commitment of the prisoner elsewhere or the Member Jurisdiction is required by court order to make such payment.

To the extent that space is available, prisoners from non-Member Jurisdictions, including state and federal governments, will be accepted.

Budget Process

The Authority will provide to each Member Jurisdiction on or before each February 1 the Authority’s preliminary annual budget and on or before each April 1 its final budget for the next fiscal year (which shall begin on the immediately following July 1). For each Fiscal Year in which the Regional Jail will be in operation, such Annual Budget shall set forth the Per Diem Charge for each Prisoner committed to the Authority by the Member Jurisdictions. The Authority has agreed to set Per Diem Charge and revise it from time to time in an amount sufficient to pay net operating expenses (expenses, including debt service and reserve funding requirements, reduced by revenue from sources other than the Member Jurisdictions). The Authority is also required to establish in each Annual Budget an operating reserve fund equal to twenty-five percent (25%) of the projected Annual Budget. The Authority will promptly provide copies of any amendments to its Annual budget to each Member Jurisdiction.

Service Charges

Each Member Jurisdiction will pay a Per Diem Charge for each prisoner committed by it to the Authority. The Authority agrees to set the Per Diem Charge to generate revenue adequate to pay its net expenses, i.e. all expenses of operation including debt service and related payments, and reserve fund

requirements, principal and interest payments to creditors, less any Revenue received from sources other than the Member Jurisdictions. The Per Diem Charge is payable monthly no later than the 30th day of the month following the month in which the charge was incurred. The Authority is required to set a per diem charge for prisoners of non-Member Jurisdictions at a rate which may not be less than the charges for Member Jurisdictions. Non-members will be charged a late fee at a rate determined by the Authority if their bills are not paid monthly when due.

Addition and Withdrawal of Members

Additional members may join the Authority with the consent of all of the Member Jurisdictions upon terms to be negotiated. However, once the Authority has incurred obligations any of which are outstanding, no Member Jurisdiction may withdraw from the Authority without the unanimous consent of the Member Jurisdictions and the consent of any bondholders and other secured creditors. Notwithstanding the foregoing, any Member Jurisdiction is permitted to withdraw, if the Commonwealth fails to fund 50% of the Regional Jail's Commonwealth approved construction cost; provided the withdrawing member fulfills any financial commitments it has made to the Authority through the date of withdrawal. The Commonwealth has funded its 50% share of construction costs for the Regional Jail.

Sale or Conveyance

The Authority has agreed not to sell, lease, sublease, assign, convey or otherwise voluntarily dispose of the Regional Jail unless the Series 2026 Bonds and other indebtedness incurred by the Authority have been or will be paid or deemed defeased in accordance with the documents under which such obligations were issued. Under the Master Indenture, the Authority is permitted to dispose of property constituting a portion of the Regional Jail if it is no longer needed or useful on the conditions set forth in the Indenture. *See Appendix A, "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Particular Covenants – Sale or Encumbrance".*

Defaults and Remedies

The following are events of default by the Authority under the Service Agreement: (i) failure to make any payment on the Series 2026 Bonds or other financing for the Regional Jail when due, (ii) the Authority is rendered incapable for any reason of performing its material obligations, (iii) assignment of the Service Agreement without prior consent of the Member Jurisdictions, (iv) a default under any material obligation for borrowed money obtained pursuant to authority of the Service Agreement which is not timely cured, (v) the commencement of any proceeding against the Authority with the consent or acquiescence of the Authority with respect to certain events of bankruptcy, insolvency or reorganization or (vi) the breach of any other provision of the Service Agreement by the Authority which is not cured within 30 days after the receipt of notice thereof.

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

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

Modification or Amendment

The Service Agreement may not be modified or amended without the consent of all Member Jurisdictions and no modification or amendment is permitted which would adversely affect the payment of all obligations required to be paid thereunder or which would violate any provision of any document relating to the Series 2026 Bonds, or other indebtedness incurred for the Regional Jail.

THE COMMONWEALTH'S INVOLVEMENT IN REGIONAL JAIL PROGRAMS

Overview

The Commonwealth shares in the cost of developing and operating regional jails in three ways. First, the Commonwealth agrees, subject to the appropriation of funds by the Virginia General Assembly, to pay a portion of the capital costs of regional jails, as described below in the section **“Reimbursement of Capital Costs.”** Second, the Commonwealth agrees to pay a portion of the salaries and benefits of certain regional jail employees, as described below in the section **“Reimbursement for Operating Expenses and Other Payments.”** Third, the Commonwealth currently pays a per diem charge for all prisoners housed at regional jails and an additional per diem charge for prisoners who are the Commonwealth’s responsibility, as described below in the section **“Reimbursement for Operating Expenses and Other Payments.”**

Reimbursement of Capital Costs

Pursuant to Title 53.1, Chapter 3, Article 3 of the Code of Virginia of 1950, as amended (the “Jail Funding Act”), the Commonwealth, acting through the Treasury Board of the Commonwealth of Virginia (the “Treasury Board”), reimburses certain regional facilities, which consist of any combination of three or more cities or counties, for up to one-half of the capital costs of construction and a portion of any related interest expense. The Commonwealth reimbursed the Authority for such costs for the initial construction of the Regional Jail and for the construction of the addition.

Reimbursement for Operating Expenses and Other Payments

The Jail Funding Act requires the Commonwealth to fund a portion of operating costs of the Regional Jail. A portion of the salaries and benefits of the Superintendent, authorized correctional officers, authorized medical and authorized support staff are funded on a basis approved by the Compensation Board. The Compensation Board funds regional jail positions currently at a maximum ratio of one jail staff to every three inmates. The Authority received \$13,625,492 in Fiscal Year 2025 from the Commonwealth for employee salaries and benefits and \$1,514,253 for inmate medical reimbursement. The Authority has received \$8,061,926 from the Commonwealth for employee salaries and benefits through January 2026.

The Commonwealth also currently contributes \$4 per day for all local/state inmates and \$12 per day for inmates who are the Commonwealth’s responsibility. Generally, convicted felons with sentences of more than one year are the Commonwealth’s responsibility. The Commonwealth then reduces the per diem amount by an annually determined recovery per diem for the detention of federal detainees. The Authority received \$1,557,734 in Fiscal Year 2025 from the Commonwealth for prisoner per diems.

INVESTMENT CONSIDERATIONS

THE PURCHASE OF THE SERIES 2026 BONDS INVOLVES A DEGREE OF RISK.

Prospective purchasers of the Series 2026 Bonds should review this Official Statement in its entirety, including the cover page and the appendices hereto, in order to identify the risk factors and make an informed investment decision. The following factors in particular, which are not intended to be exclusive, should be considered:

Payments from Commonwealth

As shown above in “NEW RIVER VALLEY REGIONAL JAIL AUTHORITY – Revenue and Expense Summary” and as described in “THE COMMONWEALTH’S INVOLVEMENT IN REGIONAL JAIL PROGRAMS,” a significant portion of the Revenues of the Authority come from the Commonwealth. In Fiscal Year 2025 approximately 63.7% of the Authority’s Revenues were derived from operating expenses reimbursed by the Commonwealth and prisoner care charges to the Commonwealth. See the table under “NEW RIVER VALLEY REGIONAL JAIL AUTHORITY – Revenue and Expense Summary.” The Virginia General Assembly has the right to amend or eliminate the programs under which it funds salaries and benefits for jail staff, pays certain prisoner per diem charges or makes Reimbursement Payments. Even if the Virginia General Assembly appropriates for the benefit of the Authority sufficient moneys to pay salaries and benefits and per diem charges, changes in circumstances during the Commonwealth’s biennium may cause the Commonwealth to withhold such payments from the Authority. Thus, any such payments from the Commonwealth cannot be assured.

The Commonwealth has not adopted a budget for the 2026-2028 biennium, commencing July 1, 2026 and ending June 30, 2028. The Authority cannot predict the impact, if any, of the failure of the Commonwealth to adopt a budget for the 2026-2028 biennium on Commonwealth operating expense reimbursement payments to the Authority during such period. The Virginia Constitution provides that no funds are to be paid out of the state treasury unless appropriated by law by the General Assembly. The General Assembly has never failed to adopt a biennial budget in a timely fashion. There is no definitive guidance from the courts of the Commonwealth as to whatever emergency or implied executive spending powers the Governor of the Commonwealth may have, if any, to make such reimbursement payments to the Authority in the absence of a budget or other appropriation therefor having been enacted by the General Assembly.

Payments from Member Jurisdictions

Each Member Jurisdiction is obligated under the Service Agreement to pay a Per Diem Charge for each prisoner sent to the Regional Jail by that Member Jurisdiction. **THE ONLY OBLIGATION OF THE MEMBER JURISDICTIONS TO PAY FOR THE ESTABLISHMENT, OPERATIONS AND MAINTENANCE OF THE REGIONAL JAIL ARISES OUT OF THE SERVICE AGREEMENT. PAYMENTS BY MEMBER JURISDICTIONS PURSUANT TO THE SERVICE AGREEMENT DO NOT CONSTITUTE A DEBT OF SUCH MEMBER JURISDICTION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NOTHING IN THE SERVICE AGREEMENT CONSTITUTES A PLEDGE OF THE FULL FAITH AND CREDIT OF ANY MEMBER JURISDICTION UNDER ANY PROVISION OF ITS CHARTER, AS APPLICABLE, OR THE CONSTITUTION OF VIRGINIA.**

No Assets Pledged as Security Outside of Funds and Accounts

Except for revenues and receipts under the Indenture, neither the Regional Jail nor any other asset is being leased, mortgaged or pledged as security for payment of the Series 2026 Bonds. Any Event of Default under the Indenture will not give the holders of the Series 2026 Bonds any right to have the Regional Jail or any other asset of the Authority or of the Member Jurisdictions utilized to produce funds to be applied toward payment of the Series 2026 Bonds, except for funds and accounts pledged under the Indenture.

Additional Debt

The Indenture permits the Authority to issue Additional Bonds and Parity Indebtedness that may be equally and ratably secured with the Series 2026 Bonds. The holders of any such indebtedness would be entitled to share ratably with the holders of the Series 2026 Bonds in any moneys realized from the exercise of remedies as the result of an Event of Default by the Authority. See above “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Additional Indebtedness.**”

Limitations on Enforceability of Remedies

The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Indenture. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the legal and equitable remedies permitted under the Indenture may not be readily available. See above “**SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2026 BONDS – Limitation on Owners’ Remedies.**”

Operating Hazards and Environmental Risks

The Authority, through its operation of the Regional Jail, is subject to all risks normally incident to the operation of correctional facilities, including environmental risks. The occurrence of certain hazards could result in substantial losses to the Authority due to damage or destruction of the Regional Jail, damage or injury to other property and persons or suspension of operations. The Authority believes that it has adequate insurance coverage for such occurrences. The occurrence of an event not fully covered by insurance could, however, have a material adverse effect on the financial condition and operations of the Authority and the Regional Jail.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2026 Bonds are subject to the approving opinion of Kutak Rock LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the Series 2026 Bonds. This opinion will be limited to matters relating to the authorization and validity of the Series 2026 Bonds and to the tax-exempt status of interest on them as described in the section “**TAX MATTERS.**” The proposed form of the opinion of Bond Counsel is included as **Appendix L** to this Official Statement. Bond Counsel has not been engaged to investigate the financial resources of the Authority or its ability to provide for payment of the Series 2026 Bonds, and Bond Counsel’s opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making a decision to purchase the Series 2026 Bonds. Certain legal matters will be passed on for the Authority by its general counsel, Sands, Anderson, Marks & Miller, Blacksburg, Virginia, for the Underwriters by their counsel, Hunton Andrews Kurth LLP, Richmond, Virginia, and for each of the Member Jurisdictions by its respective County or City Attorney.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax for individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Authority with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2026 Bonds. Failure to comply with such requirements could cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Authority will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2026 Bonds. Interest on the Series 2026 Bonds may affect the federal alternative minimum tax imposed on certain corporations.

Bond Counsel is also of the opinion that, under existing statutes of the Commonwealth, interest income on the Series 2026 Bonds is exempt from taxation by the Commonwealth and its political subdivisions.

Original Issue Discount. The Series 2026 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount and market discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Bonds under the Code.

Original Issue Premium. The Series 2026 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2026 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2026 Bonds that fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Internal Revenue Service Audits. The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations such as the Series 2026 Bonds to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is included in the gross income for federal income tax purposes. It cannot be predicted whether or not the Internal Revenue Service will commence an audit of any of the Series 2026 Bonds. If an audit is commenced, under current procedures the Internal Revenue Service may treat the Transportation Board as the issuer of the Series 2026 Bonds as a taxpayer, and the registered owners of the Series 2026 Bonds may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the related Series 2026 Bonds until the audit is concluded, regardless of the ultimate outcome.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time

announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2026 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2026 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2026 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2026 BONDS.

LITIGATION

There is no litigation pending in any court (either state or federal) or, to the knowledge of the Authority, threatened against the Authority to restrain or enjoin the issuance and sale of the Series 2026 Bonds, or in any way questioning or affecting the validity of or the security for the Series 2026 Bonds, any proceeding of the Authority taken with respect to their issuance or sale, the power of the Authority with respect to the ownership or operation of the Regional Jail, including the ability of the Authority to collect and apply Revenues as set forth in the Indenture.

INDEPENDENT AUDITORS

The financial statements for the Authority for the Fiscal Year ended June 30, 2025 and for all Members Jurisdictions, except the County of Floyd and the City of Radford for which financial statements for the Fiscal Year ended June 30, 2024 have been provided, have been audited by independent accounting firms and included in **Appendices C through J** of this Official Statement. These basic financial statements, along with the related notes to the financial statements, are intended to provide a broad overview of the financial position and operating results of the various funds and account groups of the Authority and its Member Jurisdictions. No accounting firm will be reviewing this Official Statement or any other matters in connection with the issuance of the Series 2026 Bonds.

VERIFICATION

The arithmetical accuracy of certain computations made in connection with the Refunded Bonds and included in supporting schedules was verified by Bingham Arbitrage Rebate Services, Inc. (the "Verification Agent") relating to the sufficiency of the cash and/or Government Obligations in the Escrow Fund to pay the principal of and accrued and unpaid interest on the Refunded Bonds on their October 1, 2026 redemption date. Such computations were based solely on assumptions and information supplied by the financial advisor on behalf of the Authority. The Verification Agent has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

RATING

Moody's Investors Service ("Moody's") has assigned the Series 2026 Bonds a rating of Aa3. The Authority requested that the Series 2026 Bonds be rated and furnished to such rating agency the information contained in this Official Statement and certain other information, which may not be included in this Official Statement. The Moody's rating is based on such materials and information, as well as its own investigations, studies and assumptions. It should be noted that such rating may be changed at any time and that no assurance can be given that it will not be revised or withdrawn. Reference should be made to Moody's for a fuller description of the meaning of the rating. Any downward revision or withdrawal of the rating could have an adverse effect on market prices for the Series 2026 Bonds.

UNDERWRITING

The Series 2026 Bonds are being purchased for reoffering by Raymond James & Associates, Inc. and Stifel, Nicolaus & Company, Incorporated (together, the "Underwriters"). The Underwriters have agreed to purchase the Series 2026 Bonds from the Authority subject to the terms of a Bond Purchase Agreement between the Authority and the Underwriters (the "Bond Purchase Agreement") at a price of \$_____ reflecting [net original issue premium/discount] to the public of \$_____ less an underwriting discount of \$_____ (approximately ____% of the principal amount of the Series 2026 Bonds) from the initial public offering prices shown on the cover of this Official Statement. The obligation of the Underwriters to pay for the Series 2026 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement including delivery of certain opinions of counsel.

The Underwriters intend to offer the Series 2026 Bonds to the public initially at the offering prices or yields set forth on the cover of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters may offer and sell the Series 2026 Bonds to certain dealers (including dealer banks and dealers depositing the Series 2026 Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices or yields different from the public offering prices or yields stated on the cover of this Official Statement. The Underwriters may change the initial offering prices or yields from time to time. The Bond Purchase Agreement provides that the Underwriters will purchase all the Series 2026 Bonds if any are purchased and will make a public offering of the Series 2026 Bonds at the initial public offering prices or yields shown on the cover of this Official Statement.

FINANCIAL ADVISOR

The Authority has retained PFM Financial Advisors, LLC, Arlington, Virginia, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2026 Bonds. Under the terms of its engagement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is not a public accounting firm and has not been engaged by the Authority to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. The Financial Advisor will not participate in the underwriting of the Series 2026 Bonds.

CONTINUING DISCLOSURE

The issuance of the Series 2026 Bonds is subject to the continuing disclosure requirements of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Authority will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") in which the Authority, on behalf of itself and each Member Jurisdiction, will covenant, for the benefit of the holders of the Series 2026 Bonds, to provide

certain financial information, including audited financial statements prepared in accordance with generally accepted accounting principles applicable to governmental entities, and operating data relating to the Authority and each Member Jurisdiction, not later than March 31 of each year commencing March 31, 2027 for the Fiscal Year ended June 30, 2026 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events related to the Series 2026 Bonds and the Authority. The Annual Reports and any event notices will be filed by the Authority on behalf of itself and each Member Jurisdiction, with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”).

The specific nature of the information to be contained in the Annual Reports and the event notice requirement is set forth in the Disclosure Agreement, a copy of which is included in **Appendix M**. The Disclosure Agreement permits the Authority to use the services of a dissemination agent for required filings. These covenants have been made in order to assist the Underwriters in complying with the Rule. The Disclosure Agreement requires the provision of only limited information at specific times, and the information provided may not be all of the information necessary to value the Series 2026 Bonds at any particular time. Failure by the Authority to comply with the Disclosure Agreement is not an event of default under the Series 2026 Bonds or the Indenture. The sole remedy for a default is to bring a legal action for specific performance to compel production of the information.

During the past five Fiscal Years, the Authority has not complied in all material respects with its continuing disclosure undertaking made in connection with the Series 2016 Bonds, which is the only undertaking made by the Authority in effect. The Authority failed to timely file Annual Reports for itself, consisting of audited financial statements and certain operating data as set forth in **Appendix M**, for Fiscal Years 2022 through 2025, and failed to timely file all required Annual Reports, consisting of audited financial statements, for certain of its Member Jurisdictions in Fiscal Years 2021 through 2025. The Authority also failed to timely file notices as required by the Rule advising of its failure to timely file its Annual Reports and the audited financial statements of certain of its Member Jurisdictions.

The Authority subsequently filed with EMMA on June 15, 2026 a notice advising of the late filings for Fiscal Years 2021 through 2025 respecting itself and its Member Jurisdictions and as of June 15, 2026 had filed with EMMA on behalf of itself and the Member Jurisdictions all required Annual Reports that should have been filed for such Fiscal Years other than the Annual Reports for Fiscal Year 2025 for the County of Floyd and the City of Radford, whose audited financials for Fiscal Year 2025 are not yet available. To assist with corrective filings to cure past continuing disclosure non-compliance and to assist with continuing disclosure filing compliance going forward, the Authority retained Raymond James & Associates, Inc. on June 9, 2026 to serve as dissemination agent for all filings required by the Authority, on behalf of itself and the Member Jurisdictions, under the Disclosure Agreement. With this engagement, the Authority believes it will be positioned to comply with its continuing disclosure obligations.

The Authority is aware that certain Member Jurisdictions have made continuing disclosure undertakings pursuant to the Rule in financings that are unrelated to any bond or other financing of the Authority (“Unrelated Financings”). The undertakings in the Unrelated Financings require such Member Jurisdictions to file with EMMA, in a manner associated with such Unrelated Financings, annual financial information and material event notices upon the occurrence of certain specified events. The Authority is aware that there have been instances within the past five years where certain Member Jurisdictions have not filed or timely filed annual financial information and/or event notices as required by the undertakings made in connection with Unrelated Financings. The Authority has no responsibility related to continuing disclosure filings for Member Jurisdictions in Unrelated Financings.

CERTAIN RELATIONSHIPS

Certain professionals engaged by the Authority to provide services in connection with the issuance and sale of the Series 2026 Bonds have business relationships on other matters with certain of the Member Jurisdictions. Sands, Anderson, Marks & Miller also serves as County Attorney to several of the Member Jurisdictions and provides services to other Member Jurisdictions from time to time. Kutak Rock LLP also serves as counsel to the Underwriters and U.S. Bank Trust Company, National Association from time to time on matters unrelated to the Series 2026 Bonds. Hunton Andrews Kurth LLP also serves as counsel to U.S. Bank Trust Company, National Association from time to time on matters unrelated to the Series 2026 Bonds.

MISCELLANEOUS

All of the foregoing summaries or descriptions of the provisions of the Act, the Jail Funding Act, the Series 2026 Bonds, the Indenture, and the Service Agreement are made subject to all of the detailed provisions thereof to which reference is made for further information. The foregoing summaries do not purport to be complete statements of any or all of the provisions thereof. Copies of the documents referenced herein are available upon request to the Trustee at the following address: 1021 East Cary Street, 18th floor, Richmond, Virginia 23219, telephone (804) 343-1566.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions in this Official Statement have been made on the best information available and are believed to be reasonable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized.

Unless otherwise noted, all information in this Official Statement relating to the Authority and the Regional Jail, including financial and operating data, has been provided by the Authority.

APPROVAL OF PRELIMINARY OFFICIAL STATEMENT

The distribution of this Preliminary Official Statement has been duly authorized by the Authority. This Preliminary Official Statement has been deemed final as of its date within the meaning of the Rule except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule.

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY

By: _____
Chairman

APPENDIX A

**DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF
CERTAIN PROVISIONS OF THE INDENTURE**

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DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

DEFINITIONS OF CERTAIN TERMS

Unless otherwise defined in the foregoing Official Statement or in this Appendix, all capitalized terms used in the Official Statement and this Appendix have the meanings set forth under this heading “Definitions of Certain Terms.”

“**Accreted Value**” will have the meaning set forth in any Supplemental Indenture authorizing any Capital Appreciation Bonds.

“**Act**” means Article 3.1, Chapter 3 of Title 53.1 of the Code of Virginia of 1950, as amended, together with any amendments and supplements thereto.

“**Additional Bonds**” means any Series of Bonds issued pursuant to a Supplemental Indenture secured by the trust estate established in the Master Indenture.

“**Annual Budget**” means the budget adopted annually by the Authority for the Facilities pursuant to the Master Indenture.

“**Authority**” means the New River Valley Regional Jail Authority, a political subdivision of the Commonwealth, organized pursuant to the Act, and its successors or assigns.

“**Average Interest Rate**” means the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period), except that with respect to any Variable Rate Indebtedness the interest rate for such Variable Rate Indebtedness for the initial interest rate period will be the initial rate” at which such Variable Rate Indebtedness is issued and thereafter will be calculated as set forth above.

“**Balloon Indebtedness**” means any Indebtedness, 25% or more of the original principal amount of which matures or is subject to mandatory redemption during any consecutive twelve-month period, if the maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment before the twelve-month period. In determining the amount of principal and interest due on any Bonds which are Balloon Indebtedness (not including any Bond Anticipation Notes), the amount of principal and interest on the Balloon Indebtedness due in any year will be calculated by assuming that the original principal amount of the Balloon Indebtedness, together with interest at the rate applicable to such Balloon Indebtedness, will be repaid in equal annual installments over a period of 20 years from the date the Balloon Indebtedness was incurred. With respect to Bond Anticipation Notes, unless the payment of principal thereof is in default, principal thereof will be assumed to be repaid from Indebtedness to be issued to retire such notes.

“**Bond**” or “**Bonds**” mean any bond or all of the bonds, as the case may be (including the interest and/or principal of any notes if equally and ratably secured by the Master Indenture, issued pursuant to the Master Indenture and any Supplemental Indenture, but not including any Parity Indebtedness or Subordinate Debt or any bonds or other evidence of indebtedness of the Authority issued from time to time under any other indenture, trust agreement, ordinance, resolution or similar instrument.

“**Bond Account**” means the account established by the Master Indenture.

“Bond Anticipation Notes” mean notes or other obligations issued in anticipation of, and the principal of which is anticipated to be paid from, the issuance of Bonds.

“Bond Debt Service” means for any period of twelve consecutive months the Debt Service Requirement with respect to any Bonds then outstanding.

“Capital Appreciation Bonds” mean the Bonds in any Series designated as Capital Appreciation Bonds in the Supplemental Indenture authorizing the issuance of the Series.

“Capitalized Interest Subaccount” means the Capitalized Interest Subaccount of the Bond Account established in the Master Indenture.

“Code” means the Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations promulgated thereunder.

“Commonwealth” means the Commonwealth of Virginia.

“Commonwealth Compensation Board” means the supervisory board (including any successor, board, agency or department) established by the laws of the Commonwealth to establish compensation payable by the Commonwealth for all or a portion of the salaries of certain state and local government officers and employees.

“Completion Bonds” has the meaning given to it in this Appendix in paragraph (7) under the heading “Additional Bonds.”

“Compounding Date” for Bonds of any Series, will have the meaning set forth in the Supplemental Indenture authorizing the issuance of such Series.

“Consultant” means an independent architectural, engineering, accounting, investment banking, financial advisory or professional planning firm or individual that (i) is licensed to do business in the Commonwealth, (ii) is experienced with matters related to financial and operational planning of jail facilities similar to the Facilities, (iii) has particular expertise with respect to the advice to be given, and (iv) has been retained by the Authority as its “Consultant.”

“Cost(s)” or “Cost(s) of the Project” means all costs incurred by the Authority in connection with the acquisition, expansion, construction, improvement, renovation and equipping of the Facilities or any Project comprising a portion of the Facilities, as permitted by the Act, including, without limitation, the payment of costs of issuance of Bonds and the funding of such funds and accounts as provided in the Master Indenture or any Supplemental Indenture, the cost of all lands, properties, rights, easements, franchises and permits acquired, the cost of all machinery and equipment, amounts paid to purchase services from other entities which are required to be capitalized or which the Authority makes an election to capitalize, the cost of personnel expenses, overhead and other administrative expenses incurred by the Authority, in connection with the creation of any Project which are otherwise properly chargeable to a capital account under general federal income tax principles, financing charges, initial credit enhancement charges, interest before and during construction of any Project and for up to one year after completion of construction of any Project or longer if permissible, any amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code, any deposits to any bond interest and principal reserve accounts, the cost of engineering and legal services, plans, specifications, surveys, estimates of costs and of revenues, other expenses necessary or incidental to determining the feasibility or practicability of any acquisition, improvement or construction, administrative expenses, insurance premiums, working capital, the retirement of notes or other interim financing the proceeds of which were

used to pay Costs, and such other expenses as may be necessary or incidental to the improvement of the Facilities and placing them in operation.

“Credit Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar credit enhancement or liquidity facility established to provide credit or liquidity support for Bonds or Parity Indebtedness.

“Debt Service Requirement” means, for any period of twelve consecutive months for which such determination is made, the aggregate of the amounts required to be deposited, as the case may be, in the Bond Account, and for the payment of Parity Indebtedness and Subordinate Debt Service during such period, with respect to any Bonds, Parity Indebtedness or Subordinate Debt; provided, however, that:

(a) With respect to any Option Obligations, such Option Obligations will be, assumed to mature on their stated dates of maturity;

(b) With respect to Balloon Indebtedness (excluding Bond Anticipation Notes and Revenue Anticipation Notes), it will be assumed that the principal of such Balloon Indebtedness, together with interest at the rate applicable to such Balloon Indebtedness, will be amortized in equal annual installments over a period of twenty years from the date Balloon Indebtedness was incurred;

(c) With respect to Variable Rate Indebtedness, interest on such Indebtedness will be calculated at the Average Interest Rate;

(d) With respect to obligations related to any Credit Facility which constitute Parity Indebtedness or Subordinate Debt, to the extent that such Credit Facility has not been used or drawn upon, or any drawing or use has been reimbursed in full to the provider, the principal and interest relating to such Credit Facility will not be included in the Debt Service Requirement for such Parity indebtedness or Subordinate Debt.

“Debt Service Reserve Account” means the account established in the Master Indenture.

“Debt Service Reserve Requirement” shall mean the maximum annual principal and interest due on all Bonds Outstanding which are secured by the Debt Service Reserve Account.

“Defeased Municipal Obligations” mean obligations of state or local government municipal bond issuers, which are rated in the highest rating category by Moody’s Investors Service, Inc., and Standard & Poor’s Ratings Group, provision for the payment of the principal of and interest on which has been made by the deposit with a trustee or escrow agent of Government Obligations or Government Certificates, the maturing principal of and interest on which, when due and payable and without reinvestment, will provide sufficient money to pay the principal of redemption premium, if any, and interest on such obligations of state or local government municipal bond issuers.

“Defeased Municipal Obligation Certificate” means evidence of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any of its states acceptable to the Trustee in the capacity of custodian.

“Defeasance Obligations” mean noncallable (i) Government Obligations, (ii) Government Certificates, (iii) Defeased Municipal Obligations, and (iv) Defeased Municipal Obligation Certificates.

“Event of Default” means any Event of Default specified in this Appendix under the heading “Events of Default.”

“Facilities” mean the regional jail facilities owned or operated by or on behalf of the Authority, including, but not limited to, any Project and all additions, extensions, improvements and replacements to the Facilities, and any other jail facility which may be added by the Authority as a part of the Facilities pursuant to “Particular Covenants Sale of Encumbrance” in this Appendix.

“Sixth Supplemental Indenture” means the Sixth Supplemental Indenture of Trust, dated as of July 1, 2026, between the Authority and the Trustee, as it may be modified, altered, amended and supplemented.

“Fiscal Agent” means any person, firm or political subdivision, including a Member Jurisdiction, selected by the Authority to manage its financial affairs.

“Fiscal Year” means the period of twelve months established by the Authority as its annual accounting period, currently the 12 month period ending on June 30.

“General Reserve Account” means the account established in the Master Indenture.

“Government Certificates” mean evidences of ownership of a proportionate interest in specified Government Obligations which are held by a bank or trust company organized and existing under the laws of the United States of America or any of its states acceptable to the Trustee in the capacity of custodian.

“Government Obligations” mean bonds, notes and other direct obligations of the United States of America and securities unconditionally guaranteed as to timely payment by the United States of America.

“Indebtedness” means the Bonds, any Parity Indebtedness or any Subordinate Debt.

“Interest Payment Date” means any date on which a payment of interest on any Bonds or Parity Indebtedness or Subordinate Debt is due.

“Interest Period” means the period from and including an Interest Payment Date to and including the day before the next Interest Payment Date, except the first Interest Period for each Series of Bonds, Parity Indebtedness or Subordinate Debt will be the period from and including the date specified in the Supplemental Indenture authorizing the Series of Bonds or document authorizing the Parity Indebtedness or Subordinate Debt to begin to bear interest to and including the day before the first Interest Payment Date.

“Interest Subaccount” means the Interest Subaccount of the Bond Account established in the Master Indenture.

“Master Indenture” means the Master Indenture of Trust, dated as of November 1, 1997, between the Authority and the Trustee, as it may be modified, altered, amended and supplemented from time to time in accordance with its terms.

“Member Jurisdictions” mean the political subdivisions that are the members of the Authority as designated in the Service Agreement, subject to additions and withdrawals of members from time to time as permitted by the Act and the Service Agreement, and which at the time of issuance of the Series

2026 Bonds are the City of Radford, and the Counties of Bland, Carroll, Floyd, Giles, Grayson, Pulaski and Wythe.

“Net Proceeds” mean the proceeds from any insurance recovery remaining after payment of attorneys’ fees, fees and expenses of the Authority and the Trustee and all other expenses incurred in collection of the gross proceeds.

“Net Revenues” mean Revenues less Operating Expenses.

“Operating Expenses” mean all expenses which may reasonably be determined by the Authority in the Annual Budget to be directly or indirectly attributable to the ownership or operation of the Facilities and payable as Operating Expenses without regard to the treatment of such expenses under generally accepted accounting principles, including, without limitation, reasonable and usual expenses of administration, operation, maintenance and repair, which may include expenses not annually recurring, costs of billing and collecting the rates, fees and charges for the use of or the services furnished by the Facilities, insurance and surety bond premiums and reserves, other charges and fees necessary for the maintenance of adequate insurance coverage for the Authority and the Facilities, fees and payments for any Credit Facility, legal, engineering and auditing expenses, expenses and compensation of the Trustee, but will not include (i) any allowance for amortization or depreciation, (ii) deposits or transfers to the Bond Account, the Debt Service Reserve Account, to pay Subordinate Debt Service, the Repair and Replacement Reserve Account, or (iii) expenditures which the Authority makes an election to capitalize.

“Operating Account” means the account established by the Master Indenture.

“Operating Reserve Credits” mean the aggregate of moneys due (but not overdue) and not yet paid from (i) the Commonwealth or any of its agencies or instrumentalities for employee salaries and other Operating Expenses, (ii) the Commonwealth or any of its agencies or instrumentalities representing fees and charges payable by the Commonwealth for Prisoners held in the Authority’s Facilities, (iii) the Member Jurisdictions for services provided under the Service Agreement and (iv) all other services furnished by the Authority.

“Operating Reserve Requirement” means an amount to be maintained in the Operating Account equal to one-fourth of the expenditures contained in the Annual Budget, excluding Debt Service Requirements, such amount being subject to change from time to time through amendments to the Service Agreement.

“Option Obligations” mean any Indebtedness which by its terms may be tendered by and at the option of its Owner or holder for purchase before its stated maturity.

“Outstanding” means, at any date, the aggregate of all Indebtedness authorized, issued, authenticated and delivered under the Master Indenture and not paid and discharged, except:

- (a) Indebtedness canceled or surrendered to the Paying Agent for cancellation;
- (b) Indebtedness deemed to have been paid as provided under the heading “Discharge of Indenture” in this Appendix or in such instrument authorizing its issuance; and
- (c) Indebtedness in lieu of or in substitution for which other Indebtedness has been authenticated and delivered pursuant to the Master Indenture and any Supplemental Indenture unless proof satisfactory to the Paying Agent is presented that any such Indebtedness is held by a bona fide Owner.

In determining whether Owners of a requisite aggregate principal amount of the Outstanding Bonds or Parity Indebtedness have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Master Indenture or any Supplemental Indenture, the principal amount of Capital Appreciation Bonds will be their Accreted Value (as of the immediately preceding Compounding Date). Unless the Authority owns all of such Outstanding Bonds or Parity Indebtedness, Indebtedness which is owned by the Authority will be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee will be protected in relying upon any request, demand, authorization, direction notice, consent or waiver, only Indebtedness which the Trustee knows to be so owned will be disregarded.

“Owner” means the person in whose name a particular Bond is registered on the records of the Paying Agent or who is the holder of Parity Indebtedness.

“Parity Debt Service” means for any period of twelve consecutive months the Debt Service Requirement with respect to Parity Indebtedness.

“Parity Indebtedness” means (i) the parity debt service component of contracted services and (ii) any other Indebtedness incurred in accordance with the Master Indenture which is secured on a parity with the Bonds, including bonds or notes or other evidences of indebtedness issued pursuant to this Master Indenture and any Supplemental Indenture equally and ratably secured by a pledge of Net Revenues and, at the Authority’s option, any other security pledged to such bonds, notes or, other evidences of indebtedness but which are not secured by the Debt Service Reserve Account. Parity Indebtedness may also include Bond Anticipation Notes and Revenue Anticipation Notes or obligations with respect to Credit Facilities; provided, however, Parity Indebtedness does not include any Bonds or any other indebtedness of the Authority issued from time to time under any other indenture, trust agreement, ordinance, resolution or other instrument not secured by a pledge of Net Revenues.

“Paying Agent” means any paying agent for the Bonds (and may include the Trustee) and its successor or successors appointed pursuant to the provisions of any Supplemental Indenture. Unless otherwise provided in a Supplemental Indenture, the Trustee will be the Paying Agent.

“Principal Payment Date” means any date on which a payment of principal, including mandatory sinking fund redemption payments, or Accreted Value of any Bonds, Parity Indebtedness or Subordinate Debt is due.

“Principal Period” means the period from and including a Principal Payment Date to and including the day before the next Principal Payment Date, except the first Principal Period for each Series of Bonds, Parity Indebtedness or Subordinate Debt will be the twelve months immediately preceding the first Principal Payment Date unless some other period is specified in the Supplemental Indenture authorizing the Series of Bonds or the documents authorizing the Parity Indebtedness or Subordinate Debt.

“Principal Subaccount” means the Principal Subaccount of the Bond Account established by the Master Indenture.

“Project” as such term may be numerically or otherwise modified, means, a particular project undertaking with respect to the acquisition, construction, equipping, expansion, renovation or addition of the Facilities as specified in any Supplemental Indenture.

“Project Account” means the account established by the Master Indenture.

“Rating Agency” means any nationally recognized securities rating agency then rating any Series of Bonds at the request of the Authority, including Moody’s Investor’s Service, Inc. and Standard & Poor’s Rating Group, Inc.

“Redemption Subaccount” means the Redemption Subaccount of the Bond Account established by the Master Indenture.

“Refunding Bonds” mean a Series or portion of a Series of Bonds issued to retire or refund all or any portion of another Series of Bonds, Indebtedness or other obligations of the Authority.

“Regional Jail Reimbursement Act” means Article 3, Chapter 3, Title 53.1 of the Code of Virginia of 1950, as amended, together with any amendments, supplements or successor provisions thereto.

“Reimbursement Agreement” means an agreement entered into between the Authority and an agency, department or political subdivision of the Commonwealth pursuant to the Regional Jail Reimbursement Act providing for reimbursement, subject to the appropriation of funds, by the Commonwealth or such agency, department or political subdivision thereof in periodic installments or one or more lump sum payments of certain construction costs incurred by the Authority in connection with the acquisition, construction, equipping, renovation and/or expansion of the Facilities or any portion thereof.

“Reimbursement Payments” means either periodic installment payments or lump sum payments paid as a grant by the Commonwealth or any agency, department or political subdivision thereof to the Authority pursuant to the Regional Jail Reimbursement Act for reimbursement of certain construction and related costs paid by the Authority in connection with the acquisition, construction, equipping, renovation and/or expansion of the Facilities or any portion thereof.

“Repair and Replacement Reserve Account” means the account established by the Master Indenture.

“Replacement Reserve Requirement” means an amount to be determined by the Authority pursuant to the Master Indenture, but not less than \$100,000.

“Revenue Account” means the account established by the Master Indenture.

“Revenue Anticipation Notes” means notes or other obligations issued in anticipation of, and the principal of which is anticipated to be paid from, the receipt of Revenues, including obligations issued in anticipation of the receipt of grant funds.

“Revenue Covenant” means the Authority’s covenant contained under the heading “Particular Covenants--Revenue Covenant” in this Appendix.

“Revenues” mean all revenues, receipts and other income derived or received by the Authority from the ownership or operation of the Facilities, including but not limited to all amounts received from the Commonwealth as payment or reimbursement for the Commonwealth’s share of employee salaries and benefits, all payments received from the Commonwealth as a fee for prisoner care and Service Charges received by the Authority pursuant to the Service Agreement and any other fee received by the Authority for the housing of prisoners, but excluding (i) any gift, grant or contribution to the extent restricted by the donor or grantor to a particular purpose inconsistent with its use for the payment of Senior Debt Service or Subordinate Debt Service, (ii) proceeds derived from insurance or condemnation,

(iii) Reimbursement Payments and (iv) cash payments from any Member Jurisdiction for the purpose of prepaying any capital contribution to the Authority.

“Senior Debt Service” means for any period of twelve consecutive months the sum of Bond Debt Service and Parity Debt Service during the period.

“Series” or **“Series of Bonds”** mean a separate series of Bonds issued under the Master Indenture pursuant to a Supplemental Indenture.

“Service Agreement” means the Service Agreement dated as of February 28, 1995, as supplemented and amended by agreements dated as of August 26, 1996, and September 18, 1997, among the Authority and the Member Jurisdictions for the construction, operation and maintenance of the Facilities, as the same may be modified or amended from time to time.

“Service Charges” mean the per diem payments received by the Authority from the Member Jurisdictions under the Service Agreement for prisoner housing and care.

“Subordinate Debt” means bonds, notes or other evidences of indebtedness of the Authority, secured by a pledge of Revenues expressly made subordinate to the pledge of Revenues securing the Bonds and any Parity Indebtedness or which is unsecured.

“Subordinate Debt Service” means for any period of twelve consecutive months the Debt Service Requirement with respect to any Subordinate Debt.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Master Indenture as originally executed, which is duly executed and delivered in accordance with the provisions of the Master Indenture.

“Trustee” means U.S. Bank National Trust Company, Association (as successor in interest to Crestar Bank), Richmond, Virginia, and any successor thereto.

“Variable Rate Indebtedness” means any Indebtedness the interest on which is not established at the time of its issuance at a rate which is fixed until its maturity. In determining the amount of principal and interest due on any Bonds which are Variable Rate Indebtedness, interest will be calculated at a rate equal to the greater of (i) the actual interest rate on the Bonds in effect on the date of their issuance or (ii) the current average yield on municipal revenue bonds maturing in thirty years, according to the weekly index published by The Bond Buyer for the week immediately preceding the week in which the Bonds are issued. In the event The Bond Buyer is not published as of the date of any determination, or if published, does not publish an index of the current yield on municipal revenue bonds maturing in thirty years, an alternative index or other source of current bond yields may be selected by the Authority with the consent of the Trustee.

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE SIXTH SUPPLEMENTAL INDENTURE

The following is a brief summary of certain provisions contained in the Master Indenture and the Sixth Supplemental Indenture and does not purport to be a complete statement of all of the provisions of those documents. REFERENCE IS MADE TO THE MASTER INDENTURE AND THE SIXTH SUPPLEMENTAL INDENTURE, COPIES OF WHICH CAN BE OBTAINED FROM THE AUTHORITY, IN THEIR ENTIRETY FOR COMPLETE INFORMATION ON THEIR TERMS AND ON THE TERMS OF THE SERIES 2026 BONDS, THE APPLICABLE SECURITY PROVISIONS

AND THE APPLICATION OF THE REVENUES. *See also* “DESCRIPTION OF THE SERIES 2026 BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS” in the Official Statement.

Trust Estate

To provide for the payment of the principal of and the premium, if any, and interest on a Series of Bonds and any Parity Indebtedness, and to secure the performance of all of the obligations of the Authority under such Series of Bonds and any Parity Indebtedness, and the Master Indenture and the Supplemental Indentures, the Authority pledges, assigns and grants to the Trustee a security interest in the following:

(1) All Net Revenues and all rights of the Authority under the Service Agreement to receive Service Charges from the Member Jurisdictions;

(2) The funds, accounts, money and investments held by the Trustee and the Paying Agent pursuant to the terms of the Master Indenture and the Supplemental Indentures; provided, however, unless otherwise provided in any Supplemental Indenture, money in funds and accounts held for a particular Series of Bonds or other Indebtedness shall only secure such Series of Bonds or Indebtedness;

(3) All Reimbursement Payments; provided however Reimbursement payments which have been pledged to a particular Series Indebtedness will be deposited by the Authority with the Trustee to be held by the Trustee as security for the Series of Bonds or Indebtedness to which such payments have been pledged;

(4) Any Credit Facility given as security for the payment of any amounts owing under or with respect to any Bonds or Parity Indebtedness (other than a letter of credit, bond insurance, policy or surety bond deposited to fund the Debt Service Reserve Account), together with all money drawn or paid under the Credit Facility; provided, that with respect to any Credit Facility which is given to secure some, but not all, of the Bonds or Parity Indebtedness, such Credit Facility, together with money drawn or paid under it, will be held by the Trustee solely as security for the Bonds or Parity Indebtedness for which such Credit Facility was given as security and neither such Credit Facility nor any money drawn or paid under it will secure the payment of any other Bonds or Parity Indebtedness; and

(5) All other property of any kind mortgaged, pledged or hypothecated by the Authority or by anyone on its behalf and with its written consent at any time as and for additional security under the Master Indenture and any Supplemental Indentures in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of the Master Indenture and the Supplemental Indentures.

Additional Bonds

In connection with the issuance of Additional Bonds, the Authority is required to file, among other things, the following documents with the Trustee:

(1) A certificate signed by the Chairman of the Authority and dated the date of issuance, to the effect that to the best of his or her knowledge, upon and immediately following the issuance of the Additional Bonds no Event of Default under the Master Indenture and no event or condition which, with the giving of notice or lapse of time or both, would become an Event of Default, will have occurred and be continuing or, if such an Event of Default or event or condition has occurred and is continuing, it will

be cured upon the issuance of the Additional Bonds or upon completion of the Project to be financed with the Additional Bonds.

(2) A copy of the resolution or ordinance and an executed counterpart of the Supplemental Indenture authorizing the Additional Bonds, which Supplemental indenture will specify, among other things, the details of the Additional Bonds and the amount, if any, to be deposited from the proceeds of sale of the Additional Bonds into the Debt Service Reserve Account.

(3) An opinion of bond counsel, subject to customary exceptions and qualifications, to the effect that the issuance of the Additional Bonds has been duly authorized, that the Additional Bonds are valid and binding obligations of the Authority entitled to the benefits and security of the Master Indenture and that the interest on the Additional Bonds is excludable from gross income for purposes of federal income taxation or, if the interest is not excludable, that the issuance and the intended use of the proceeds of the Additional Bonds will have no adverse effect on the tax-exempt status of the interest on any other Bonds then Outstanding the interest on which was excludable from gross income when issued.

(4) If the Bonds (other than the initial Series of Bonds or Completion Bonds) issued under the Master Indenture are issued to pay the cost of acquiring, renovating, equipping or constructing improvements, extensions, additions or replacements to the Facilities:

(a) written certificates from (i) the Chairman setting forth the Authority's estimate of the cost of the acquisition, renovation, equipping or construction based on plans and specifications therefor (including all financing, reserves and related costs) and the date on which such acquisition, renovation, equipping or construction is expected to be completed and (ii) the Authority's Director of Finance or Treasurer or Fiscal Agent setting forth such person's opinion that the proceeds of the Bonds, together with any other money available or anticipated to be available for such purpose, will be sufficient to pay the cost of the acquisition, renovation, equipping or construction;

(b) if the Service Agreement then in effect does not provide for the imposition of Service Charges which will be sufficient for timely payment of principal and interest on such Bonds, a duly authorized and fully executed amendment or supplement to the Service Agreement or other comparable agreement among the Authority and the Member Jurisdictions pursuant to which the parties have agreed to adjust Service Charges to all or one or more Member Jurisdictions so that the Authority can provide for timely payment of the principal of and interest on such Bonds.

(5) If the Bonds are Refunding Bonds issued to refund any of the Bonds or Parity Indebtedness of the Authority issued under the Master Indenture,

(a) evidence satisfactory to the Trustee that the Authority has made provision as required by the Master Indenture for the payment or redemption of all Bonds or Parity Indebtedness of the Authority to be refunded;

(b) a written determination by the Trustee or by a firm of independent certified public accountants that the proceeds (excluding accrued interest) of the Refunding Bonds, together with any other money to be deposited for such purpose with the Trustee, or in escrow for the benefit of the Trustee, upon the issuance of the Refunding Bonds and the investment income to be earned on funds held by, or in escrow for the benefit of, the Trustee for the payment or redemption of Bonds or Parity Indebtedness, will be sufficient without reinvestment to pay, whether upon redemption or at maturity the principal of and premium, if any, and interest on the

Bonds or Parity Indebtedness to be refunded and the estimated expenses incident to the refunding.

(6) If the Bonds are Refunding Bonds issued to refund obligations of the Authority issued with respect to the Facilities other than Bonds or Parity Indebtedness issued under the Master Indenture,

(a) evidence satisfactory to the Trustee that the Authority has made provision for the payment or redemption of the other obligations to the Authority to be refunded; and

(b) compliance with 5(b) above.

(7) If the Additional Bonds are to be issued to provide funds to complete construction of any Project (“Completion Bonds”),

(a) a certificate signed by the Chairman and the Authority’s Consultant which:

(i) states that the proceeds of the Bonds (and any other obligations) issued under the Master Indenture have been or will be applied only to Costs of such Project and that such proceeds are not sufficient to complete the Project to a level of completion that would permit the Project to be placed in service and to generate Revenues in accordance with its intended purpose based on the Authority’s plans and specifications therefor;

(ii) estimates the Costs of completing the Project, including financing and related Costs;

(iii) states that the proceeds of such Bonds, together with other money, if any, which may be available for such purpose, will be sufficient to complete the Project substantially in accordance with the plans and specifications therefor; and

(iv) estimates the completion date of the Project after giving effect to the utilization of the proceeds of the Bonds to be issued to complete construction; and

(b) if the Service Agreement then in effect does not provide for the imposition of Service Charges which will be sufficient for timely payment of principal and interest on such Bonds, a duly authorized and fully executed amendment or supplement to the Service Agreement or other comparable agreement among the Authority and the Member Jurisdictions pursuant to which the parties have agreed to adjust Service Charges to all or one or more Member Jurisdictions so that the Authority can provide for timely payment of the principal of and interest on such Bonds.

The proceeds of Additional Bonds (including accrued interest) will be applied as set forth in the Supplemental Indenture authorizing their issuance.

Parity Indebtedness

The Authority, with notification of the terms thereof to the Trustee, may designate all or a portion of any payments to be made under any service contract as a debt service component to be included as Parity Indebtedness and may issue or refinance other Parity Indebtedness provided the requirements similar to those for the issuance of Additional Bonds are met as if the Parity Indebtedness was a series of Additional Bonds. Parity Indebtedness will be secured by the pledge of Net Revenues and the allocable portion of Service Charges received by the Authority under the Service Agreement designated for the

payment of debt service under the Master Indenture on a parity with Bonds issued under the Master Indenture, except Parity Indebtedness will not be secured by money in the Project Account, the Bond Account or the Debt Service Reserve Account.

Subordinate Debt

Subject to any consent requirements in any Supplemental Indenture, nothing in the Master Indenture prohibits or prevents the Authority from issuing Subordinate Debt for any lawful purpose payable from and secured by a pledge of Revenues subject and subordinate to the payment of any Bonds and any Parity Indebtedness; provided, however, any Subordinate Debt may only be declared immediately due and payable upon the occurrence of a default thereunder if payment of the Bonds and any Parity Indebtedness has been accelerated in accordance with the Master Indenture.

Project Account

The Authority will establish with the Trustee for each Project to be financed with a Series of Bonds a separate subaccount within the Project Account. Net Proceeds used to repair or reconstruct the Facilities will also be deposited in the Project Account and maintained within separate subaccounts for each Series of Bonds.

Revenue Account

The Authority will collect and deposit in the Revenue Account as received all Revenues (other than Reimbursement Payments pledged as security for a particular Series of Indebtedness), derived from the ownership or operation of the Facilities, except as otherwise provided for in the Master Indenture. Money on deposit in the Revenue Account will be used not later than the tenth business day before the end of each month in the priority set forth below:

(1) to make deposits to the Operating Account an amount such that the balance on deposit in the Operating Account will be equal to the Operating Reserve Requirement less Operating Reserve Credits plus one-twelfth of the Operating Expenses budgeted to be paid from the Account in the then current Fiscal Year as set forth in the Annual Budget;

(2) to make monthly deposits to the Bond Account and to the Payment of Parity Indebtedness so that there will be sufficient money on deposit to pay the Bonds and any Parity Indebtedness, at least ten business days before the applicable due date;

(3) to restore any deficit in the Debt Service Reserve Account;

(4) to make deposits for the payment of Subordinate Debt Service of amounts determined by the Authority to be necessary to pay Subordinate Debt when due;

(5) to make deposits to the Repair and Replacement Reserve Account, commencing the month following the month the Facilities are placed in service to accumulate the Replacement Reserve Requirement in not more than 24 approximately equal monthly installments and then to restore any deficit in not more than twelve approximately equal monthly installments;

(6) to make other deposits to the Repair and Replacement Account in amounts determined by the Authority; and

(7) to deposit any remaining balance to the General Reserve Account.

Operating Account

The Authority will pay Operating Expenses from the Operating Account as they become due and in accordance, with the purposes and amounts provided in the Annual Budget. Interest received on and any profit realized from the investment of money in the Operating Account will be transferred to the Revenue Account.

Bond Account

The Trustee will pay the principal of and interest on the Bonds when due from the Principal Subaccount and the Interest Subaccount, respectively. The Trustee will use money in the Redemption Subaccount of the Bond Account to redeem Bonds pursuant to any optional redemption provision exercised by the Authority. The Authority will receive a credit against payments required to be made with respect to any Series of Bonds on any mandatory redemption date in an amount equal to the principal amount of any Bonds of such Series subject to mandatory redemption on such date that have been redeemed before such mandatory redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least 70 days before such mandatory redemption date. In the event the balances on deposit in the Principal Subaccount or the Interest Subaccount are insufficient, the Trustee will transfer to such Subaccounts the amount necessary to pay the Bonds from the Debt Service Reserve Account but only to the extent amounts paid by the Authority from the General Reserve Account and from the Repair and Replacement Reserve Account are insufficient for that purpose. Interest received on and any profit realized from the investment of money in the Bond Account, except the Capitalized Interest Subaccount, will become a part of the subaccount in the Bond Account in which the investment is held. Interest in the Capitalized Interest Subaccount will be transferred to the appropriate Project Account unless otherwise directed by any Supplemental Indenture.

Debt Service Reserve Account

The Debt Service Reserve Account will be used by the Trustee to make transfers to the Bond Account to the extent necessary to pay the principal of and interest on any Series of Bonds which are secured by the Debt Service Reserve Account when due if the amounts on deposit in the Principal and Interest Subaccounts of the Bond Account and amounts transferred by the Authority from the General Reserve Account and from the Repair and Replacement Reserve Account are insufficient for such purpose. In the event the amount on deposit in the Debt Service Reserve Account in the aggregate is less than the Debt Service Reserve Requirement for the Bonds secured thereby, the Authority will transfer funds from the General Reserve Account and from the Repair and Replacement Reserve Account to the Debt Service Reserve Account to restore the Debt Service Reserve Requirement in the manner provided in the Master Indenture. Within five days after each Principal Payment Date and Interest Payment Date and at such other times as the Authority may request, the Trustee will determine if the balance on deposit in the Debt Service Reserve Account is at least equal to the Debt Service Reserve Requirement. If a deficit exists in the Debt Service Reserve Account, the Trustee will immediately notify the Authority of the deficit. If the balance in the Debt Service Reserve Account is equal to the Debt Service Reserve Account Requirement, any interest received and profit realized from the investment of money in the Debt Service Reserve Account will be transferred to the Interest Subaccount of the Bond Account, unless otherwise provided in any Supplemental Indenture.

In lieu of maintaining and depositing money or securities in the Debt Service Reserve Account, the Authority may deposit with the Trustee an irrevocable letter of credit, bond insurance policy or surety bond in an amount equal to all or a portion of the Debt Service Reserve Requirement, provided the issuer

of the letter of credit, bond insurance policy or surety bond, as appropriate, is rated in one of the two highest long-term debt rating categories by the Rating Agencies then rating the Bonds, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise. Any letter of credit or bond insurance policy or surety bond will permit the Trustee to draw or obtain amounts under it for deposit in the Debt Service Reserve Account that, together with any money already on deposit in the Debt Service Reserve Account, are not less than the Debt Service Reserve Requirement.

The Trustee will make a drawing on any letter of credit or obtain funds under the bond insurance policy before its expiration or termination (i) whenever money is required for the purposes for which Debt Service Reserve Account money may be applied and (ii) at least two business days preceding the expiration or termination of the letter of credit or bond insurance policy unless the letter of credit, bond insurance policy or surety bond has been, extended or a qualified replacement for it delivered to the Trustee or the Authority has deposited money in immediately available funds equal to the Debt Service Reserve Requirement.

Repair and Replacement Reserve Account

The Authority may use amounts in the Repair and Replacement Reserve Account for any of the following purposes:

- (1) reasonable and necessary expenses with respect to the Facilities for major repairs, replacement or maintenance of items of a type not recurring annually;
- (2) to pay costs of construction of, addition to or extension of the Facilities;
- (3) to pay costs of reconstruction of parts of the Facilities;
- (4) to pay any capital costs with respect to the Facilities; or
- (5) to make deposits to the Operating Account, the Bond Account, the Debt Service Reserve Account or the Debt Service Reserve Account.

The Authority agrees to annually review the adequacy of the amount of the Replacement Reserve Requirement under then current operating conditions, and in light of then applicable operating, replacement and maintenance costs of the major components of comparable facilities. If at any time the Authority determines in its judgment that the amount of the Replacement Reserve Requirement should be increased or decreased, it will notify the Trustee of its determination setting forth the amount of the new Replacement Reserve Requirement. The new Replacement Reserve Requirement will take effect on the date of the receipt of the notice by the Trustee unless some other effective date is specified in the notice in which case the date specified in the notice will control. In no event will such, requirement be reduced below \$100,000.

General Reserve Account

The money in the General Reserve Account may be used for any lawful purpose of the Authority. The Authority has agreed to use the money therein to cure any deficiencies in the other accounts of the Authority if Revenues are otherwise unavailable for such purposes. The General Reserve Account is not pledged to the payment of any Bonds or Parity Indebtedness.

Investments

Any money held in any accounts and subaccounts established by the Master Indenture or any Supplemental Indenture may be separately invested and reinvested by the Trustee, at the request of and as directed by an authorized Authority representative, in certain investments which are at the time legal investments for public funds under the Investment of Public Accounts Act, Chapter 18 of Title 2.1, Code of Virginia of 1950, as amended, or any subsequent provision of law applicable to such investments.

Particular Covenants

Payment of Bonds. In the Master Indenture, the Authority covenants to pay the Bonds, but only from the money, funds, accounts and other property specifically pledged for such purpose.

Revenue Covenant. The Authority will establish, fix, charge and collect rates, fees and other charges for the use of and for the services furnished by the Facilities, as described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Revenues and Revenue Covenant” in this Official Statement.

Consultant’s Report. The Authority is required to retain a Consultant to review and make recommendations as to its operations, fees and charges if the Authority (i) is not in compliance with its Revenue Covenant at the end of the Fiscal Year, (ii) fails to make for four consecutive months deposits to the Bond Account as required by the Master Indenture, or (iii) money is transferred from the Debt Service Reserve Account to the Bond Account and the Debt Service Reserve Account is not replenished within 180 days of the transfer. The Authority is required to file the Consultant’s report with the Trustee and promptly implement the Consultant’s recommendations. If the Authority believes the Consultant’s recommendations are inappropriate or impractical, the Authority may in lieu of following such advice, file its own corrective plan with the Trustee with an explanation of the Authority’s reason or reasons for rejecting the Consultant’s recommendations. If the Authority follows the above course of action, noncompliance with the Revenue Covenant at the end of the Fiscal Year will not result in an Event of Default, so long as no other Event of Default has occurred and is continuing.

Billing; Enforcement of Charges; Free Service. The Authority will bill the users of the services of the Facilities in accordance with procedures in the Service Agreement as the same may be revised or amended. The Authority will take all appropriate steps to enforce collection of any overdue charges by any remedy available at law or in equity. The Authority will not permit the use of the Facilities for other than community service oriented uses, or furnish any services of the Facilities, without making a charge based on the Authority’s schedule of rates, fees and charges.

Sale or Encumbrance. The Authority may grant easements, licenses or permits across, over or under parts of the Facilities for streets, roads and utilities so long as they will not adversely affect the use of the Facilities. Subject to the provisions of any Reimbursement Agreement, the Authority may sell or otherwise dispose of any property constituting a part of the Facilities which is either no longer needed or useful or is replaced from the proceeds of the disposition and any other necessary money with property serving the same or similar function. If the proceeds received from a sale or disposition not used to replace property exceeds \$100,000, the proceeds will at the option of the Authority be (i) applied ratably to the payment or redemption of Outstanding Bonds in a manner which in the opinion of bond counsel will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on any Bonds the interest on which was excludable on the date of their issuance or (ii) deposited in the Repair and Replacement Account and applied solely to pay the costs of capital improvements to the Facilities; provided that the Authority provides evidence that such sale or disposition will not cause the Authority to violate the Revenue Covenant. The Authority may transfer all or substantially all of the

Facilities to an authority or special purpose political subdivision; provided, the Authority's obligations under the Master Indenture are assumed in writing, the Authority receives an opinion of Bond Counsel that the exempt status of the interest income on the Bonds will not be adversely affected and upon compliance with certain other conditions in the Master Indenture.

Addition of Other Jails. The Authority may add additional jail facilities to the Facilities as long as the Trustee receives (i) an opinion of bond counsel that such addition will not adversely affect the tax-exempt status of any Bonds then outstanding and (ii) confirmation from the Rating Agency that the ratings on the Bonds then outstanding will not be adversely affected.

Creation of Liens. The Authority has agreed not to create or suffer to be created any lien or charge upon the Facilities, except as provided in the Master Indenture.

Insurance. The Authority will continuously maintain and pay the premiums on insurance against such risks as are customarily insured against by similar jail facilities. For as long as the Series 2026 Bonds are Outstanding, the Authority will maintain insurance against property loss or damage in an amount not less than the full replacement cost of the Facilities.

Damage, Destruction, Condemnation, and Loss of Title. If all or any part of the Facilities is destroyed or damaged by fire or other casualty or condemned or lost by failure of title, the Authority will promptly repair, reconstruct and restore the Facilities to substantially the same condition as before the damage, destruction, condemnation or loss of title, with such alterations and additions as the Authority may determine and which will not impair the capacity or character of its intended use. If the damage, destruction or loss of title is \$250,000 or less, the Authority will keep and apply the Net Proceeds to repair, reconstruct, restore or replace the portion of the Facilities so affected. Net Proceeds in excess of \$250,000 are required to be deposited to the Project Account and requisitioned for the purpose of repair, reconstruction, restoration or replacement. If all of the Facilities cannot be so repaired, restored and reconstructed, the Authority may acquire land or other improvements, approximately equivalent in value to such portion of the Facilities and suitable for operation of the Facilities. Such land or improvements shall become part of the Facilities. If the Net Proceeds are not sufficient to pay in full the costs of such reconstruction and restoration or acquisition, the Authority will pay from the Repair and Replacement Reserve Account and/or the General Reserve Account any excess costs. Any balance of Net Proceeds remaining after payment of the cost of restoration will be deposited in the Repair and Replacement Account.

Under certain conditions set forth in the Sixth Supplemental Indenture, the Series 2026 Bonds will be subject to extraordinary optional redemption in whole or in part upon damage, destruction or loss of title to all or substantially all of the Facilities. See "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption of the Series 2026 Bonds - Extraordinary Optional Redemption" in the Official Statement.

Financial Records and Statements. The Authority will keep proper books of records and accounts, in which full and correct entries will be made in accordance with generally accepted accounting principles of all of its business and affairs of the Facilities. The Authority will cause an audit of its records and accounts to be made by an independent certified public accountant at the end of each Fiscal Year.

Arbitrage and Tax Covenants. The Authority will not take any action, or direct the Trustee to make any investment or use of the proceeds of any Bonds, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. The Authority will not engage in any activities or take any action which might result in the income of the Authority becoming taxable by any governmental entity or take or omit to take any action that would cause interest on any of the Bonds to be or to become includable in the gross income of the Owners for purposes of federal income taxation.

Secondary Market Disclosure Covenant. The Authority will at all times while any Bonds are outstanding comply with applicable ongoing disclosure requirements of Rule 15c2-12(b)(5) (including all amendments or successor provisions thereto) promulgated by the Securities and Exchange Commission requiring disclosure of annual financial information and notification of the occurrence of certain events with respect to the Authority and any other obligated persons with respect to the Bonds. See “CONTINUING DISCLOSURE” in the Official Statement.

Events of Default

Each of the following events is an Event of Default under the Master Indenture:

- (1) Payment of interest on any Bond or Parity Indebtedness is not made when due and payable;
- (2) Payment of the principal of or premium, if any, on any Bond or any Parity Indebtedness is not made when due and payable;
- (3) Subject to certain rights of the Authority to cure such defaults as set forth in the Master Indenture, default in the observance or performance of any other covenant, condition or agreement, other than the secondary market disclosure covenant described above, on the part of the Authority under the Master Indenture or any Supplemental Indenture, or in the Bonds or under any document under which any Parity Indebtedness has been issued; or
- (4) Appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues and other funds of the Authority pledged pursuant to the Master Indenture, or the filing or commencement by the Authority of any case or petition for reorganization or liquidation of the Authority or rearrangement or readjustment of the obligations, of the Authority under provisions of any applicable bankruptcy, liquidation or insolvency law.

Remedies; Rights of Bondholders

Upon the occurrence and continuation of an Event of Default under the Master Indenture, the Trustee may, and if requested by the Owners of not less than 25% in aggregate principal amount of Bonds and Parity Indebtedness then Outstanding will, by notice to the Authority, declare the entire unpaid principal of and interest on the Bonds and Parity Indebtedness due and payable. Upon any such declaration, the Authority will pay to the Owners the entire unpaid principal of and accrued interest on the Bonds and Parity Indebtedness, but only from the Revenues and the other funds of the Authority and property specifically pledged in the Master Indenture for such purpose.

Upon the occurrence and continuation of an Event of Default under the Master Indenture, the Trustee may pursue any available remedy, at law or in equity, to enforce the payment of the principal of, premium, if any, and interest on the Bonds and Parity Indebtedness, to enforce any covenant or condition under the Master Indenture or to remedy any Event of Default.

Upon the occurrence and continuation of an Event of Default under the Master Indenture, if requested to do so by the Owners of at least 25% in aggregate principal amount of Bonds and Parity Indebtedness then Outstanding and if indemnified as provided in the Master Indenture, the Trustee will exercise such of the rights and powers conferred by the Master Indenture as the Trustee, upon being advised by counsel, deems most effective to enforce and protect the interests of the Owners.

The Owners of a majority in aggregate principal amount of Bonds and Parity Indebtedness then Outstanding will have the right, upon providing satisfactory security and indemnity to the Trustee, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Master Indenture and any Supplemental Indenture.

No owner of any Bonds or Parity Indebtedness will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or any Supplemental Indenture or any remedy thereunder or under the Bonds or Parity Indebtedness, except as expressly provided in the Master Indenture.

Waiver of Events of Default

The Trustee will waive any Event of Default under the Master Indenture and its consequences and rescind any declaration of acceleration upon the written request of the Owners of a majority in aggregate principal amount of all Outstanding Bonds and Parity Indebtedness; provided, however, the Trustee will not waive a payment default without the consent of all Owners of Outstanding Bonds or Parity Indebtedness. If any Event of Default has been waived, as provided in the Master Indenture, the Trustee will promptly give written notice of the waiver to the Authority and by first class mail, postage prepaid, to all Owners of Outstanding Bonds and Parity Indebtedness if the Owners had previously been given notice of the Event of Default. No waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under the Master Indenture.

Discharge of Indebtedness

If (a) all Bonds and Parity Indebtedness secured by the Master Indenture have become due and payable or irrevocable instructions to redeem the Bonds and Parity Indebtedness or to pay them at maturity have been given by the Authority to the Trustee and (b) the Trustee holds cash or noncallable Defeasance Obligations the principal of and the interest on which at maturity will be sufficient without reinvestment (i) to redeem in accordance with the relevant sections of the Master Indenture and any Supplemental Indenture all Bonds and Parity Indebtedness that have been called for redemption on the date set for such redemption, (ii) to pay at maturity all Outstanding Bonds and Parity Indebtedness not called for redemption, (iii) to pay interest accruing on all Bonds and Parity Indebtedness until their redemption or payment at maturity, and (iv) to pay to the Trustee its reasonable fees and expenses, including the costs and expenses of canceling and discharging the Master Indenture, then the Trustee will cancel and discharge the Master Indenture, and assign and deliver to the Authority any property at the time subject to the Master Indenture that may then be in its possession, except funds or securities which are held by the Trustee for the payment of principal of, premium, if any, and interest on the Bonds and Parity Indebtedness.

Bonds and Parity Indebtedness will be deemed paid and no longer Outstanding for the purposes of the Master Indenture when there has been deposited with the Trustee cash or noncallable Defeasance Obligations the principal of and interest on which will be sufficient to pay or redeem such Bonds and Parity Indebtedness and to pay interest accruing on them to their payment or redemption date (whether on or before the date of their maturity or their redemption date); provided, however, that if such Bonds and Parity Indebtedness are to be redeemed before their maturity, notice of the redemption must have been duly given or irrevocable instructions to redeem such Bonds and Parity Indebtedness must have been given by the Authority to the Trustee.

Modification or Amendment of the Master Indenture

The Authority and the Trustee may, without consent of any of the Owners, enter into a Supplemental Indenture which thereafter will form a part of the Master Indenture, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in the Master Indenture and any Supplemental Indentures other covenants and agreements, and to surrender any right or power in the Master Indenture and any Supplemental Indentures reserved to or conferred upon the Authority;

(2) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect in the Master Indenture or any Supplemental Indenture;

(3) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(4) to subject to the Master Indenture and the Supplemental Indentures additional collateral;

(5) to modify the Master Indenture, any Supplemental Indenture, the Bonds or Parity Indebtedness to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute at the time in effect, or to permit the qualification of the Bonds or Parity Indebtedness for sale under the securities laws of any state of the United States;

(6) to provide for certificated or uncertificated Bonds or Parity Indebtedness;

(7) to evidence the succession of a new Trustee or Paying Agent or the appointment by the Trustee or the Authority of a Co-Trustee or a Co-Paying Agent and to specify the rights and obligations of such Co-Trustee or Co-Paying Agent;

(8) to make any change (including but not limited to a change to comply with the Code or interpretations of it by the Treasury Department or the Internal Revenue Service) that in the opinion of the Trustee does not materially adversely affect the rights of any Owner of any Bonds or Parity Indebtedness then Outstanding;

(9) to make any modifications or changes necessary or appropriate to issue an additional Series of Bonds or any Parity Indebtedness;

(10) to make any modifications or changes necessary or appropriate to permit Bonds of any Series or Parity Indebtedness to be secured by a Credit Facility or to accommodate the issuance of Bonds or any Parity Indebtedness bearing variable interest rates, including the addition of provisions for the appointment of tender agents and similar parties and the specification of the duties and powers of such parties; or

(11) to obtain, maintain or enhance a credit rating on any Series of Bonds or Parity Indebtedness.

Any other modification or alteration of the Master Indenture and any Supplemental Indenture or of rights and obligations of the Authority or of the Owners of the Bonds or Parity Indebtedness may be made by the Authority and the Trustee with the consent of (a) the Owners of a majority in aggregate

principal amount of the Bonds and Parity Indebtedness then Outstanding; or (b) in case less than all of the Bonds and Parity Indebtedness then Outstanding are affected by the modifications or amendments, the Owners of a majority in aggregate principal amount of the Bonds and Parity Indebtedness so affected then Outstanding. However, without the consent of each Owner affected, no modification or alteration may (i) extend the maturity of the principal of or interest on any Bond or Parity Indebtedness, (ii) reduce the principal amount of, or rate of interest on, any Bond or Parity Indebtedness, (iii) effect a privilege or priority of any Bond or Bonds or Parity Indebtedness over any other Bond or Bonds or Parity Indebtedness, (iv) reduce the percentage of the principal amount of the Bonds or Parity Indebtedness required for consent to such modification or alteration, (v) if applicable, impair the exclusion of interest on any Bonds or Parity Indebtedness from gross income for purposes of federal income taxation, (vi) eliminate or extend the mandatory redemption date of any Bonds or Parity Indebtedness or reduce the redemption price of any Bonds or Parity Indebtedness, (vii) create a lien ranking prior to or on a parity with the lien of the Master Indenture or (viii) deprive any owner of the lien created by the Master Indenture on such property.

APPENDIX B

**NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
AUDITED FINANCIAL STATEMENTS FY 2025**

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis of Opinions

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

Change in Accounting Principle

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

Restatement of Beginning Balance

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of New River Valley Regional Jail Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New River Valley Regional Jail Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New River Valley Regional Jail Authority's internal control over financial reporting and compliance.

Polina, Fane, Cox Associates

Blacksburg, Virginia
December 30, 2025

Basic Financial Statements

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

Exhibit 1

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

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

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

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

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

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

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

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

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

Amounts reported for governmental activities in the statement of net position are different because:

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

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

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

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

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

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	(1,700,975)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital asset purchases in the current period.

Capital outlay	\$	744,178	
Depreciation/amortization expense		<u>(2,389,105)</u>	(1,644,927)

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Issuance of leases	\$	(580,030)	
Principal payments on loan payable		230,037	
Principal payments on leases		221,288	
Principal payments on revenue bond		<u>1,940,000</u>	1,811,295

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Increase (decrease) in deferred charge on refunding	\$	(277,739)	
(Increase) decrease in premium on revenue refunding bond		376,200	
(Increase) decrease in compensated absences		38,131	
(Increase) decrease in accrued interest payable		20,033	
Change in pension related items		1,065,475	
Change in OPEB related items		<u>40,572</u>	<u>1,262,672</u>

Change in net position of governmental activities	\$	<u>(271,935)</u>
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The accompanying notes to the financial statements are an integral part of this statement.

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

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

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

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

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

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

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

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

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

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

The Authority reports the following major governmental funds:

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

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

Additionally, the Authority reports the following fund types:

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

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

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

1. *Cash and Cash Equivalents*

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

2. *Investments*

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

3. *Use of Estimates*

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

4. *Capital Assets*

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

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

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

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

5. *Accounts Receivable*

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

6. *Compensated Absences*

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

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

7. *Restricted Assets*

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

8. *Long-term Obligations*

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

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

9. *Deferred Outflows/Inflows of Resources*

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

9. *Deferred Outflows/Inflows of Resources (Continued)*

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

10. *Pensions*

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

11. *Other Post Employment Benefits (OPEB)*

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

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

12. *Net Position*

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

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

12. *Net Position (Continued)*

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

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

13. *Fund Balance*

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

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

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

14. *Deficit Net Position*

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

15. *Leases*

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

Lessee

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

Key Estimates and Judgments

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

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

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

Note 2-Deposits and Investments:

Deposits:

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 2-Deposits and Investments: (Continued)

Investments:

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

Custodial Credit Risk (Investments):

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

Credit Risk of Debt Securities:

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

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

Concentration of Credit Risk:

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

Interest Rate Risk:

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

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 2-Deposits and Investments: (Continued)

External Investment Pool:

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

Note 3-Fair Value Measurements:

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

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

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

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

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

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 4-Receivables:

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

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

Note 5-Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,864,172
Debt Service Fund	2,864,172	-
Total	<u>\$ 2,864,172</u>	<u>\$ 2,864,172</u>

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

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New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 6-Long-Term Obligations:

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

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

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

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

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

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New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 6-Long-Term Obligations: (Continued)

Details of long-term obligations:

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

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

Covenants and default provisions:

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 6-Long-Term Obligations: (Continued)

Covenants and default provisions: (Continued)

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

- Reimbursement Payments (1) pledged to pay indebtedness and scheduled to be paid in the upcoming Fiscal Year, *provided*, that the Authority has not been notified by or on behalf of the appropriate payor that it does not intend to make such payments, and (2) received in excess of the amount required to pay or redeem such indebtedness; and
- Amounts in the Repair and Replacement Reserve Account in excess of the Replacement Reserve Requirement and amounts in the General Reserve Account, to the extent not committed, required or intended to be used for a particular purposes; *provided* such amounts in the aggregate do not exceed 15% of Operating Expenses plus Senior Debt Service budgeted to be paid during such Fiscal Year.

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

- Payments from the Commonwealth Compensation Board due in such Fiscal Year but not year paid; *provided*, that the Authority has not been notified that such payments will not be made;
- Fees and other charges due for services furnished by the Authority to non-Member Jurisdictions in such Fiscal Year, but not yet paid and not overdue; *provided*, that the Authority has not been notified that such payments will not be made; and
- Amounts in the Repair and Replacement Reserve Account in excess of the Replacement Reserve Requirement and amounts in the General Reserve Account, to the extend not committed, required or intended to be used for a particular purpose; *provided* such amounts in the aggregate do not exceed 15% of Operating Expenses plus Senior Debt Service budgeted to be paid during such Fiscal year.

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 6-Long-Term Obligations: (Continued)

Covenants and default provisions: (Continued)

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

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

Note 7-Pension Plan:

Plan Description

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

Benefit Structures

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

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

Benefit Structures (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

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**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

Employees Covered by Benefit Terms

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

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

Contributions

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

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

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

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

Net Pension Asset

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

Actuarial Assumptions - General Employees

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

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

Mortality rates: (Continued)

Mortality Improvement:

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

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

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

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

Long-Term Expected Rate of Return

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

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**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

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

Discount Rate

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 7-Pension Plan: (Continued)

Changes in Net Pension Liability (Asset)

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

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

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

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

Note 7-Pension Plan: (Continued)

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

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

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

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

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

Pension Plan Data

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

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New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 8-Capital Assets:

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

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

Note 9-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; injuries to employees; and natural disasters. The Authority participates with other government entities in a public entity risk pool for its coverage of liability insurance through VAcop insurance pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Authority pays contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10-Other Postemployment Benefits - Health Insurance:

Plan Description

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

Benefits Provided

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

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

Plan Membership

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

Total active employees	174
Total retired employees	-
Total	<u>174</u>

Contributions

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2025 was \$11,444.

Total OPEB Liability

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

Actuarial Assumptions

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

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

Mortality Rates:

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

Actuarial Assumptions (Continued)

Mortality Rates: (Continued)

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

Discount Rate

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

Changes in Total OPEB Liability

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

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

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

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

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New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing to an ultimate rate of 2.90%) or one percentage point higher (7.50% decreasing to an ultimate rate of 4.90%) than the current healthcare cost trend rates:

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

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

For the year ended June 30, 2025, the Authority recognized OPEB expense in the amount of \$31,505. At June 30, 2025, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	72,429	\$	758,558
Change in assumptions		62,669		357,974
Total	\$	<u>135,098</u>	\$	<u>1,116,532</u>

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

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

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

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**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

Contributions

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

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

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

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

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

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

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

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

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

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

Actuarial Assumptions (Continued)

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

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

Actuarial Assumptions (Continued)

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

NET GLI OPEB Liability

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

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	<u>\$ 1,115,922</u>

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability (Asset)	73.41%
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The total GLI OPEB liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

**New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)**

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

Long-Term Expected Rate of Return (Continued)

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

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

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

Discount Rate

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

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

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

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

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

GLI Plan Fiduciary Net Position

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

Note 12-Summary of OPEB Plans:

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

Note 13-Litigation:

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

Note 14-Adoption of Accounting Principles:

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

New River Valley Regional Jail Authority
Notes to the Financial Statements
June 30, 2025 (continued)

Note 14-Adoption of Accounting Principles: (Continued)

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

Note 15-Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Methods and assumptions used to determine OPEB liability:

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

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

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

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

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

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

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

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

APPENDIX C

INFORMATION REGARDING THE COUNTY OF BLAND

(The inclusion of this information does not imply that the County of Bland, Virginia,
is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF BLAND, VIRGINIA

DEMOGRAPHIC, FINANCIAL AND OTHER INFORMATION

Introduction

Located in the southwest section of Virginia, Bland County (the “County”) is bounded on the north by the State of West Virginia, on the south by the County of Wythe, on the west by the Counties of Tazewell and Wythe, and on the east by the Counties of Giles and Pulaski, the County is approximately 255 miles southwest of Richmond and 311 miles southwest of Washington, D.C.

The County was formed in 1861 from sections of the Counties of Giles, Wythe and Tazewell. It was named in honor of Richard Bland, a prominent Virginia patriot of the Revolutionary period. The name of the County seat is also Bland. There are no large towns in Bland County.

Bland County has a land area of 369 square miles and an estimated population of 6,199 in 2024 as shown herein.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of four members, who are elected for four-year terms; however terms are staggered with two terms expiring in one year and two terms expiring two years thereafter. There are currently no vacancies on the Board. The Board members select from among themselves a Chairman and a Vice-Chairman for one-year terms.

The County functions under the traditional form of government with a County Administrator. Under this form of government, the elected officials include the members of the Board, the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth’s Attorney. Mental Health/Mental Retardation Services are provided by the Community Services Board. The Health Department and the Court System are under the control of the Commonwealth of Virginia. All other functions of the County government are managed by department directors that in turn report to the County Administrator. The County Administrator also serves as head of the Social Services Administrative Board.

The County Administrator is appointed by the Board to act as the Board’s agent in the administration and operation of the departments and agencies. All departments directly responsible to the Board report to the County Administrator, and he or she acts as the Board’s liaison to all other departments and agencies. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ended June 30, 2025 are included in this Appendix C. Copies of future audited financial statements may be obtained from the County Administrator’s office, P.O. Box 510, Bland, Virginia 24315, Telephone (276) 688-4622, Facsimile (276) 688-9758.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental ⁽²⁾	Total
2024-25	\$5,870,700	\$1,513,029	\$17,650	\$1,318,630	\$376,000	\$792,300	\$1,048,861	\$398,079	\$14,647,058	\$25,982,307
2023-24	5,649,360	1,455,712	23,100	509,739	280,675	778,814	871,838	465,682	13,628,003	23,662,923
2022-23	5,476,585	1,457,320	17,935	363,555	85,280	729,778	927,596	374,066	14,592,147	24,024,262
2021-22	5,229,221	1,259,100	18,986	240,852	24,202	703,645	707,065	306,313	11,832,822	20,322,206
2020-21	5,036,261	1,066,246	20,017	194,798	56,866	542,712	691,335	240,061	10,135,991	17,984,287

Source: County of Bland ACFR, 2025

(1) Includes General and Debt Service funds of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Parks, Recreation and Cultural	Community Development	Debt Service ⁽³⁾	Total
2024-25	\$1,690,716	\$708,431	\$3,106,831	\$1,380,175	\$2,006,944	\$14,139,393	\$639,969	\$757,050	\$201,361	\$24,630,870
2023-24	1,405,176	610,868	2,500,961	1,320,599	1,864,138	11,699,091	608,452	1,039,167	203,423	21,251,875
2022-23	1,415,687	656,055	2,363,540	1,407,284	1,559,446	11,840,299	632,320	901,671	234,545	21,010,847
2021-22	1,343,552	630,839	1,975,201	1,529,150	1,452,412	9,774,006	898,783	760,092	235,910	18,599,945
2020-21	1,319,036	541,340	2,711,980	968,800	1,537,210	9,227,355	349,580	680,033	222,113	17,557,447

Source: County of Bland ACFR, 2025

(1) Includes General Fund of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit and capital projects.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2021	2022	2023	2024	2025
Revenues					
General property taxes	\$5,036,261	\$5,229,221	\$5,476,585	\$5,649,360	\$5,870,700
Other local taxes	1,066,246	1,259,100	1,457,320	1,455,712	1,513,029
Permits, privilege fees and regulatory licenses	20,017	18,986	17,935	23,100	17,650
Fines and forfeitures	194,798	240,852	363,555	509,739	1,318,630
Revenue from the use of money and property	51,049	19,908	44,125	190,309	300,862
Charges for services	333,556	433,989	421,390	442,757	438,672
Miscellaneous	461,124	367,551	549,936	513,256	478,100
Recovered costs	224,347	230,235	247,715	332,134	290,092
Intergovernmental:					
Commonwealth	2,201,504	2,413,917	3,067,774	3,593,388	4,192,124
Federal	1,982,304	2,082,534	1,963,975	1,388,709	1,247,022
Total revenues	\$11,571,206	\$12,296,293	\$13,610,310	\$14,098,464	\$15,666,881
Expenditures					
Current:	1,319,036	\$1,343,552	\$1,415,687	\$1,405,176	\$1,690,716
General government administration	541,340	630,839	656,055	610,868	708,431
Judicial administration	2,711,980	1,975,201	2,363,540	2,500,961	3,106,831
Public safety	968,800	1,529,150	1,407,284	1,320,599	1,380,175
Public works	1,537,210	1,452,412	1,559,446	1,864,138	2,006,944
Health and welfare	3,123,786	2,139,580	2,825,188	2,928,176	3,279,043
Education	349,580	893,783	632,320	608,452	639,969
Parks, recreation and cultural	680,033	760,092	901,671	1,039,167	757,050
Community development	1,319,036	68,800	1,415,687	728	13,231
Capital projects					
Debt Service:					
Principal retirement	150,000	169,516	174,600	149,688	153,138
Interest and other fiscal charges	72,113	66,394	59,945	53,735	48,223
Total Expenditures	\$11,453,878	\$11,029,319	\$11,995,736	\$12,481,688	\$13,783,751
Excess (deficiency) of revenues over (under) expenditures	\$117,328	\$1,266,974	\$1,614,574	\$1,616,776	\$1,883,130
Other Financing Sources (Uses)					
Transfers in	\$3,613	\$89	\$329,650	\$76,101	
Transfers out	(708,345)	(504,097)	(963,789)	(445,606)	\$(420,766)
Total other financing sources (uses)	\$(704,732)	\$(504,008)	\$(634,139)	\$(369,505)	\$(420,766)
Net change in fund balances⁽¹⁾	\$(587,404)	\$762,966	\$980,435	\$1,247,271	\$1,462,364

Source: County of Bland ACFR, 2021-2025

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	6,873
2020	6,334
2021	6,278
2022	6,241
2023	6,211
2024	6,199

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bland County	\$54,091	\$59,049	\$67,350	\$67,375	\$72,222
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bland County	\$23,664	\$24,486	\$27,904	\$29,128	\$30,833
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bland County	3.9%	2.9%	2.5%	2.6%	2.6%	3.6% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Merchant's Capital	Machinery and Tools
2024-25	\$0.60	\$2.29	\$0.60	\$0.73	\$1.05
2023-24	0.60	2.29	0.60	0.73	1.05
2022-23	0.60	2.29	0.60	0.73	1.05
2021-22	0.60	2.29	0.60	0.73	0.89
2020-21	0.60	2.29	0.60	0.73	0.89

Source: County of Bland ACFR, 2025

**ASSESSED VALUE OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year	Real Estate⁽¹⁾	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility⁽²⁾	Total
2024-25	\$486,614,200	\$91,278,126	\$36,438,040	\$25,528,061	\$106,953,316	\$746,811,743
2023-24	476,011,100	90,505,569	30,488,489	23,042,357	93,884,112	713,931,627
2022-23	473,643,800	95,570,189	26,362,445	29,307,911	99,681,043	724,565,388
2021-22	470,573,200	75,139,178	27,716,715	19,231,761	105,305,361	697,966,215
2020-21	470,148,200	69,069,704	26,999,772	21,122,131	100,564,605	687,904,412
2019-20	457,625,087	69,605,562	27,177,808	22,348,909	99,214,574	675,971,940
2018-19	450,969,800	66,175,285	28,144,295	23,492,950	102,918,933	671,701,263
2017-18	445,458,400	64,891,400	26,428,235	32,410,760	74,565,512	643,754,307
2016-17	440,938,400	65,406,832	22,601,860	40,886,880	68,192,057	638,026,029
2015-16	438,559,100	63,434,327	21,173,188	17,999,660	68,887,711	610,053,986

Source: County of Bland ACFR, 2025

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy⁽¹⁾	Current Tax Collections⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections⁽¹⁾	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes⁽¹⁾	Percent of Delinquent Taxes to Tax Levy
2024-25	\$6,040,067	\$5,774,995	95.61%	\$305,137	\$6,080,132	100.66%	\$754,412	12.49%
2023-24	5,853,250	5,609,676	95.84%	262,463	5,872,139	100.32%	840,021	14.35%
2022-23	5,892,953	5,579,636	94.68%	189,005	5,768,641	97.89%	820,440	13.92%
2021-22	5,462,445	5,245,387	96.03%	254,460	5,499,847	100.68%	709,612	12.99%
2020-21	5,316,014	5,086,052	95.67%	232,494	5,318,546	100.05%	778,377	14.64%
2019-20	5,238,394	5,005,980	95.56%	219,122	5,225,102	99.75%	841,194	16.06%
2018-19	5,162,574	4,784,280	92.67%	343,142	5,127,422	99.32%	815,923	15.80%
2017-18	4,971,556	4,706,906	94.68%	266,254	4,976,160	100.09%	950,340	19.12%
2016-17	4,948,494	4,759,267	96.18%	203,170	4,962,437	100.28%	918,708	18.57%
2015-16	4,867,612	4,554,021	93.56%	239,686	4,793,707	98.48%	906,887	18.63%

Source: County of Bland ACFR, 2025

(1) Exclusive of penalties and interest. Includes payments from the State under the PPTRA Program.

**TEN LARGEST TAXPAYERS
June 30, 2025**

<u>Name</u>	<u>Type of Business</u>	<u>Amount of Tax</u>
Appalachian Power Company	Utility	\$572,513
Hitachi Energy USA Inc	Energy Manufacturing	261,193
Henry Schein Inc.	Healthcare	218,031
Love's Travel Shop	Travel	84,566
Wilderness Assets Holdings LLC	Real Estate	73,532
Bland Co Medical Clinic	Healthcare	47,822
United Central Ind Supply Co	Mining	39,547
Circle K Stores	Travel	37,267
Venco Business Solutions	Manufacturing	30,052
Roselands Farms LLC	Tourism	26,701

Source: County Administration

APPENDIX D

INFORMATION REGARDING THE COUNTY OF CARROLL

(The inclusion of this information does not imply that the County of Carroll, Virginia,
is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF CARROLL, VIRGINIA

DEMOGRAPHIC, FINANCIAL AND OTHER INFORMATION

Introduction

Located on the crest of the Blue Ridge Mountains in the southwest section of Virginia, Carroll County (the “County”) is bounded on the north by the Counties of Pulaski and Wythe, on the south by the County of Surry (NC), on the southeast by the County of Patrick, on the west by the County of Grayson and the City of Galax, and on the east by the County of Floyd. The County is approximately 265 miles southwest of Richmond, Virginia and 315 miles southwest of Washington, D.C.

The County was formed in 1842 from a section of the County of Grayson. A part of Patrick County was added later. It was named in honor of Charles Carroll, a signer of the Declaration of Independence, from Maryland. The name of the County seat is Hillsville. The County is also home to the Towns of Cana, Fancy Gap, Fries and Woodlawn.

Carroll County has a land area of 494 square miles and had an estimated population of 29,157 in 2024 as shown herein.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of six members, who are elected for four-year terms. There are currently no vacancies on the Board. The Board members select, from among themselves, a Chairman and a Vice-Chairman for one-year terms.

The County functions under the traditional form of government with a County Administrator. Under this form of government, the elected officials include the members of the Board, the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth’s Attorney. Mental Health/Mental Retardation Services are provided by the Community Services Board. The Health Department and the Court System are under the control of the Commonwealth of Virginia. All other functions of the County government are managed by department directors that in turn report to the County Administrator. The County Administrator also serves as head of the Social Services Administrative Board.

The County Administrator is appointed by the Board to act as the Board’s agent in the administration and operation of the departments and agencies. All departments directly responsible to the Board report to the County Administrator, and he or she acts as the Board’s liaison to all other departments and agencies. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ended June 30, 2025 are included in this Appendix D. Copies of future audited financial statements may be obtained from the County Administrator’s office, 605 Pine Street, Hillsville, Virginia 24343, Telephone (276) 730-3001, Facsimile (276) 730-3004.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental ⁽²⁾	Total
2024-25	\$27,462,418	\$6,133,499	\$182,078	\$931,615	\$738,038	\$3,236,835	\$1,147,703	\$3,153,744	\$63,189,901	\$106,175,831
2023-24	24,811,305	5,913,959	193,445	1,025,341	977,951	3,153,061	554,669	2,734,091	73,466,230	112,830,052
2022-23	24,917,446	5,302,584	162,904	1,073,504	408,847	3,967,783	538,792	3,275,306	58,640,305	98,287,471
2021-22	23,909,213	5,570,790	184,896	945,041	130,828	4,240,978	242,200	2,896,282	56,041,089	94,161,317
2020-21	24,236,738	5,212,645	183,270	892,657	86,069	2,397,784	271,487	2,705,475	52,006,226	87,992,351

Source: County of Carroll ACFR, 2025

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board, excludes Capital Projects Fund.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects ⁽³⁾	Debt Service	Total
2024-25	\$2,984,715	\$1,940,141	\$12,228,617	\$2,501,402	\$9,140,586	\$63,413,414	\$1,380,465	\$1,810,758	\$ -	\$ -	\$2,798,226	\$98,198,324
2023-24	2,952,189	1,743,197	12,538,977	2,478,203	8,822,632	71,804,307	1,361,877	2,887,843	61,935	-	2,809,973	107,461,133
2022-23	2,918,890	1,594,005	10,332,062	2,361,056	8,809,977	56,040,325	1,327,820	2,493,128	307,148	-	3,979,880	90,164,291
2021-22	2,535,825	1,407,513	10,318,301	2,042,257	9,173,348	53,241,085	1,112,251	1,506,170	-	-	4,250,171	85,586,921
2020-21	2,610,084	1,337,577	11,654,184	2,215,374	8,816,470	46,484,806	822,553	1,664,321	-	-	4,813,706	80,419,075

Source: County of Carroll ACFR, 2025

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board, excludes Capital Projects Funds.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

(3) Expenditures posted to capital projects department in General Fund.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2021	2022	2023	2024	2025
Revenues					
General property taxes	\$24,236,738	\$23,909,213	\$24,917,446	\$24,811,305	\$27,462,418
Other local taxes	5,212,645	5,570,790	5,302,584	5,913,959	6,133,499
Permits, privilege fees and regulatory licenses	183,270	184,896	162,904	193,445	182,078
Fines and forfeitures	892,657	945,041	1,073,504	1,025,341	931,615
Revenue from the use of money and property	58,709	93,259	335,912	635,305	680,433
Charges for services	1,708,136	1,669,503	1,623,945	1,856,988	1,848,630
Miscellaneous	119,632	174,352	286,324	384,155	409,862
Recovered costs	2,122,534	2,093,167	2,465,283	2,300,471	2,599,886
Intergovernmental:					
Commonwealth	8,577,446	8,886,231	8,765,686	9,683,623	9,867,092
Federal	9,003,575	6,911,162	6,945,421	4,281,387	3,971,687
Total revenues	\$52,115,342	\$50,437,614	\$51,879,009	\$51,085,979	\$54,087,200
Expenditures					
Current:					
General government administration	\$2,610,084	\$2,535,825	\$2,918,890	\$2,952,189	\$2,984,715
Judicial administration	1,337,577	1,407,513	1,594,005	1,743,197	1,940,141
Public safety	11,654,184	10,318,301	10,332,062	12,538,977	12,228,617
Public works	2,215,374	2,042,257	2,361,056	2,478,203	2,501,402
Health and welfare	8,816,470	9,173,348	8,809,977	8,822,632	9,140,586
Education	11,823,163	10,108,232	9,926,736	10,033,182	12,026,418
Parks, recreation and cultural	822,553	1,112,251	1,327,820	1,361,877	1,380,465
Community development	1,664,321	1,506,170	2,493,128	2,887,843	1,810,758
Nondepartmental	1,337,577	1,407,513	307,148	61,935	-
Capital projects					
Debt Service:					
Principal retirement	3,612,154	3,192,019	2,963,895	1,845,882	1,856,347
Interest and other fiscal charges	1,201,552	1,058,152	1,015,985	964,091	941,879
Bond issuance costs		145,298			
Total Expenditures	\$45,757,432	\$42,599,366	\$44,050,702	\$45,690,008	\$46,811,328
Excess (deficiency) of revenues over (under) expenditures	\$6,357,910	\$7,838,248	\$7,828,307	\$5,395,971	\$7,275,872
Other Financing Sources (Uses)					
Transfers in					\$5,500,000
Transfers out		\$(4,144,623)	\$(3,752,771)	\$(3,725,000)	(4,700,000)
Issuance of SBITA			229,735		
Debt Service - principal		(5,344,894)			
Proceeds from refunding bonds		5,444,000			
Total other financing sources (uses)	\$ -	\$(4,045,517)	\$(3,523,036)	\$(3,725,000)	\$800,000
Net change in fund balances⁽¹⁾	\$6,357,910	\$3,792,731	\$4,305,271	\$1,670,971	\$8,075,872

Source: County of Carroll ACFR, 2021-2025

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	29,985
2020	29,911
2021	29,123
2022	29,126
2023	29,158
2024	29,157

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Carroll County	\$55,304	\$56,416	\$61,754	\$67,491	\$67,152
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Carroll County	\$24,476	\$26,254	\$27,972	\$29,946	\$31,609
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Carroll County	5.1%	2.9%	3.3%	3.3%	3.2%	3.9% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate (3)	Personal Property (4)	Machinery and Tools (1)	Merchant's Capital (2)	Farm Equipment
2024-25	\$0.490	\$2.30	\$2.00	\$0.69	\$ -
2023-24	0.590	2.30	2.00	0.69	-
2022-23	0.590	2.30	2.00	0.69	-
2021-22	0.640	2.30	2.00	0.69	-
2020-21	0.640	2.30	2.00	0.69	-

Source: County of Carroll ACFR, 2024

(1) Personal property is assessed at 100% of fair market value.

(2) Starting in fiscal year 2016, the County started assessing merchant's capital at 100%. Prior to this, it was assessed at 30%.

(3) Rate reflects amounts due in June of fiscal year.

(4) For fiscal year 2023, property qualifying for PPTR was taxed at \$2.15.

**ASSESSED VALUE OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year	Real Estate⁽¹⁾	Personal Property^(1,3)	Machinery and Tools⁽³⁾	Merchant's Capital⁽³⁾	Farm Equipment⁽⁴⁾	Public Service Corporations⁽²⁾	Total
2024-25	\$2,870,522,751	\$389,764,486	\$36,819,990	\$45,358,233	\$ -	\$125,681,100	\$3,468,146,560
2023-24	2,414,650,130	417,241,720	60,131,835	32,389,465	-	132,505,903	3,056,919,053
2022-23	2,428,733,780	385,799,300	72,511,735	46,359,320	-	128,086,843	3,061,490,978
2021-22	2,395,388,314	327,009,750	55,607,740	30,998,375	-	143,109,248	2,952,113,427
2020-21	2,273,499,481	303,857,365	56,020,095	33,601,985	-	137,843,332	2,804,822,258
2019-20 ⁽⁴⁾	3,241,667,267	297,040,170	55,356,480	33,517,105	-	137,102,552	3,764,683,574
2018-19	2,151,278,637	286,290,823	49,228,375	33,695,852	-	134,970,964	2,655,464,651
2017-18	2,144,702,296	269,900,405	51,231,145	31,299,875	-	129,718,424	2,626,852,145
2016-17	2,177,124,027	269,848,776	53,794,835	29,157,025	-	125,696,739	2,655,621,402
2015-16	2,171,983,967	260,253,329	52,156,600	29,892,051	-	118,794,393	2,633,080,340

Source: County of Carroll ACFR, 2025

(1) Real estate and personal property are assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

(3) Prior to 2015 taxes, the County assessed merchant's capital tax at 30%. The 2015 taxes were assessed at 100%.

(4) For fiscal year 2020, the County went to twice-year collections for real estate property taxes.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections ⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections ⁽¹⁾	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes ^(1,2)	Percent of Delinquent Taxes to Tax Levy
2024-25	\$26,198,776	\$24,024,958	91.70%	\$2,591,796	\$26,616,754	101.60%	\$6,151,198	23.48%
2023-24	25,316,916	23,162,801	91.49%	1,713,349	24,876,150	98.26%	7,487,487	29.58%
2022-23	25,867,221	23,957,777	92.62%	1,245,460	25,203,237	97.43%	8,859,555	34.25%
2021-22	24,706,912	23,077,405	93.40%	1,132,197	24,209,602	97.99%	6,187,261	25.04%
2020-21	24,489,550	23,018,221	93.99%	1,439,482	24,457,703	99.87%	6,233,800	25.45%
2019-20 ⁽³⁾	30,377,311	27,891,896	91.82%	1,522,449	29,414,345	96.83%	5,759,293	18.96%
2018-19	22,244,137	20,846,566	93.72%	1,030,236	21,876,802	98.35%	5,366,792	24.13%
2017-18	21,830,013	20,577,677	94.26%	1,366,803	21,944,480	100.52%	5,165,172	23.66%
2016-17	21,738,710	19,919,233	91.63%	1,172,082	21,091,315	97.02%	5,490,004	25.25%
2015-16	20,961,120	19,500,727	93.03%	918,697	20,419,424	97.42%	5,321,466	25.39%

Source: County of Carroll ACFR, 2025

(1) Exclusive of penalties and interest.

(2) Does not include land redemption.

(3) For fiscal year 2020, the County went to twice-year collections for real estate property taxes.

TEN LARGEST TAXPAYERS

Current information on the County's ten largest taxpayers is not available.

APPENDIX E

INFORMATION REGARDING THE COUNTY OF FLOYD

(The inclusion of this information does not imply that the County of Floyd, Virginia,
is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF FLOYD, VIRGINIA
DEMOGRAPHIC, FINANCIAL AND
OTHER INFORMATION

Introduction

Located in the New River Valley of the southwest section of Virginia, Floyd County (the “County”) is bounded on the north by the Counties of Montgomery and Pulaski, on the south by the County of Patrick, on the west by the Counties of Carroll and Pulaski, and on the east by the County of Franklin. The County is approximately 225 miles west of Richmond and 280 miles southwest of Washington, D.C.

The County was formed in 1831 from a section of the County of Montgomery. It was named in honor of the then Governor of Virginia, John Floyd. The name of the County seat is also Floyd. There are no other towns in the County.

Floyd County has a land area of 383 square miles. In 2024 it had an estimated population of 15,593 as shown herein. Buffalo Mountain, at 3,971 feet, is the highest point in the County.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of five members, representing the five electoral districts of the County, who are elected for four-year terms on staggered two-year intervals. There are currently no vacancies on the Board. Terms begin on January 1 following elections held in November. At the annual organizational meeting, the Board elects a Chairman and a Vice Chairman and establishes the calendar of meeting dates for the year. The Chairman and Vice Chairman continue to be voting members of the governing body.

The County functions under the traditional form of government with a County Administrator. In general the duties of the County Administrator, who serves at the pleasure of the Board, are to be responsible to the Board for the proper administration of all affairs of the County which the Board has authority to control. He or she shall keep the Board advised as to the financial condition of the County and shall submit to the Board monthly, and at such other times as may be required, reports concerning the administrative affairs of the County. The County Administrator shall, from time to time, submit to the Board recommendations concerning the affairs of the County and its departments, officers and agencies as he or she deems proper. Under the direction of the Board, the County Administrator, for informative and fiscal planning purposes only, shall prepare and submit to the Board a proposed annual budget for the County.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ended June 30, 2024 are included in this Appendix E. Copies of future audited financial statements may be obtained from the County Administrator’s office, P.O. Box 218, Floyd, Virginia 24091, Telephone (540) 745-9300, Facsimile (540) 745-9305.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
2023-24	\$16,554,264	\$3,089,667	\$152,512	\$30,339	\$1,134,451	\$1,205,994	\$924,036	\$351,508	\$27,907,000	\$51,349,771
2022-23	17,402,826	2,776,310	141,232	24,982	632,439	1,419,223	931,833	392,372	27,658,083	51,379,300
2021-22	15,402,845	2,625,367	138,505	6,059	283,664	1,202,531	647,113	247,795	26,831,885	47,385,764
2020-21	14,024,692	2,459,551	124,000	19,774	265,311	1,130,516	355,932	501,115	25,079,285	43,960,176
2019-20	13,385,339	2,205,679	105,809	5,775	380,191	1,280,745	128,029	281,790	21,393,614	39,166,971

Source: County of Floyd ACFR, 2024

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit – School Board.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Government Administration ⁽³⁾	Judicial Administration ⁽⁴⁾	Public Safety ⁽⁴⁾	Public Works ⁽³⁾	Health and Welfare	Education ⁽²⁾	Parks, Recreation and Cultural	Community Development ⁽⁵⁾	Interest on Long-Term Debt	Total
2023-24	\$1,673,971	\$1,404,646	\$5,486,249	\$3,523,825	\$3,719,202	\$8,878,952	\$669,533	\$1,900,400	\$846,905	\$28,103,683
2022-23	1,700,456	1,115,010	5,811,195	2,651,824	3,444,164	9,133,197	589,282	2,306,329	770,393	27,521,850
2021-22	1,735,845	1,125,066	5,545,961	2,789,445	2,906,744	8,001,411	528,649	3,360,572	772,872	26,766,565
2020-21	1,616,708	1,177,104	6,436,732	2,439,481	2,967,842	7,752,963	473,733	2,190,753	1,303,744	26,359,060
2019-20	1,716,080	1,084,697	4,959,184	2,023,420	3,334,788	7,925,654	440,308	688,725	727,851	22,900,707

Source: County of Floyd ACFR, 2024

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2020	2021	2022	2023	2024
Revenues					
General property taxes	\$13,113,550	\$13,737,534	\$15,088,573	\$17,049,682	\$16,208,363
Other local taxes	2,025,828	2,279,655	2,441,728	2,576,314	2,873,111
Permits, privilege fees and regulatory licenses	105,809	124,000	138,505	141,232	152,512
Fines and forfeitures	5,775	19,774	6,059	24,982	14,806
Revenue from the use of money and property	380,156	265,285	283,637	632,424	1,134,417
Charges for services	944,269	1,083,370	1,119,654	1,264,856	1,089,249
Miscellaneous	44,918	49,664	35,942	109,592	120,524
Recovered costs	110,013	270,290	116,906	210,552	142,013
Intergovernmental:					
Commonwealth	4,801,421	4,773,479	4,544,096	4,722,965	4,517,998
Federal	1,236,548	4,045,133	2,333,535	2,654,768	4,401,154
Total revenues	\$22,768,287	\$26,648,184	\$26,108,635	\$29,387,367	\$30,654,147
Expenditures					
Current:					
General government administration	\$1,635,292	\$1,699,826	\$1,745,320	\$1,929,325	\$1,691,499
Judicial administration	1,005,806	1,074,125	1,164,736	1,146,216	1,421,227
Public safety	4,211,778	6,346,806	4,672,237	5,304,009	4,742,625
Public works	1,982,252	2,197,621	3,186,783	2,474,762	3,100,973
Health and welfare	3,322,370	2,947,573	2,980,660	3,486,392	3,760,532
Education	7,119,187	6,987,787	7,227,727	7,769,713	7,616,783
Parks, recreation and cultural	378,195	426,418	526,041	753,370	585,892
Community development	673,757	1,921,095	3,370,400	1,662,893	
Capital Projects	3,385,299	7,627,467	6,792,350	19,319	1,909,512
Debt Service:					
Principal retirement	1,637,804	1,698,946	1,905,877	2,295,164	1,713,481
Bond Issuance Costs	97,813	469,624	1,099,794	140,290	2,033,196
Interest and other fiscal charges	558,424	684,326		1,007,779	761,178
Total Expenditures	\$26,007,977	\$34,081,614	\$34,671,925	\$31,877,623	\$29,336,898
Excess (deficiency) of revenues over (under) expenditures	\$(3,239,690)	\$(7,433,430)	\$(8,562,290)	\$(2,490,256)	\$1,317,249
Other Financing Sources (Uses)					
Transfers in		\$46,631	\$48,074		
Transfers out	\$(225,804)	140,667			
Issuance of capital leases		8,250,000			
Issuance of lease liabilities			77,739	\$141,732	\$799
Issuance of lease revenue bonds	7,580,935	1,873,114		2,000,000	
Issuance of current refunding bond premium		(15,659,000)			
Debt service – current refunding		21,664,000			
Total other financing sources (uses)	\$7,355,131	\$16,315,412	\$125,813	\$2,141,732	\$799
Net change in fund balances⁽¹⁾	\$4,115,441	\$8,881,982	\$(8,437,477)	\$(348,524)	\$1,318,048

Source: County of Floyd ACFR, 2020-2024

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	15,030
2020	15,766
2021	15,536
2022	15,532
2023	15,560
2024	15,593

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Floyd County	\$63,378	\$66,735	\$76,534	\$81,781	\$83,881
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Floyd County	\$27,306	\$28,832	\$31,788	\$36,681	\$37,791
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2010-2014 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Floyd County	3.5%	1.9%	2.1%	2.2%	2.2%	3.0% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Merchant's Capital	Machinery and Tools
2023-24	\$0.67	\$3.20	\$0.65	\$3.50	\$1.55
2022-23	0.65	3.20	0.65	3.50	1.55
2021-22	0.63/65	3.20	0.63/65	3.50	1.55
2020-21	0.60/63	2.95	0.60/63	3.50	1.55
2019-20	0.60	2.95	0.65	3.50	1.55

Source: County of Floyd ACFR, 2024

**ASSESSED VALUE OF ALL TAXABLE PROPERTY⁽¹⁾
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital	Public Service Corporations	Mobile Homes	Total
2023-24	\$1,750,598,328	\$172,689,093	\$19,827,820	\$2,370,008	\$65,157,819	\$9,960,264	\$2,020,603,332
2022-23	1,724,615,179	186,352,743	25,906,166	1,968,732	73,486,342	9,505,080	2,021,834,242
2021-22	1,705,100,775	141,283,883	13,866,529	2,205,190	71,746,251	9,200,344	1,943,402,972
2020-21	1,690,241,663	127,351,279	14,974,542	2,260,643	69,950,158	9,110,101	1,913,888,386
2019-20	1,639,678,717	121,949,141	17,162,535	2,152,888	60,073,354	9,612,230	1,850,628,865
2018-19	1,588,111,267	116,778,191	14,850,736	1,622,331	62,753,816	9,294,008	1,793,410,349
2017-18	1,576,284,399	113,534,666	11,834,401	1,836,526	60,397,417	8,960,280	1,772,847,689
2016-17	1,563,613,514	108,545,983	12,221,078	1,835,453	58,852,393	8,827,356	1,753,895,777
2015-16	1,550,895,264	101,444,306	8,498,992	1,798,177	58,207,051	8,610,200	1,729,453,990
2014-15	1,538,446,182	100,337,126	9,001,502	2,166,141	56,699,842	9,805,608	1,716,456,401

Source: County of Floyd ACFR, 2024

(1) Assessed value is as of January 1 of the previous fiscal year; does not include tax exempt property.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy⁽¹⁾	Current Tax Collections⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections⁽¹⁾	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2023-24	\$16,340,950	\$15,953,164	97.63%	\$507,636	\$16,460,800	100.73%
2022-23	18,194,884	18,145,693	99.73%	519,404	18,665,097	102.58%
2021-22	16,247,982	16,128,162	99.26%	363,449	16,491,611	101.50%
2020-21	14,950,369	14,763,465	98.75%	436,504	15,199,969	101.67%
2019-20	13,696,223	12,895,241	94.15%	314,352	13,209,593	96.45%
2018-19	12,780,768	12,526,551	98.01%	189,690	12,716,241	99.50%
2017-18	12,133,218	11,921,139	98.25%	242,154	12,163,293	100.25%
2016-17	11,525,353	11,321,050	98.23%	196,835	11,517,885	99.94%
2015-16	11,145,856	10,715,502	96.14%	428,572	11,144,074	99.98%
2014-15	10,667,263	10,382,783	97.33%	395,208	10,777,991	101.04%

Source: County of Floyd ACFR, 2024

(1) Exclusive of penalties and interest.

**TEN LARGEST TAXPAYERS
June 30, 2024**

<u>Name</u>	<u>Amount of Tax</u>
Hollingsworth & Vose Company	\$59,489
Eagles Nest Regeneration Inc.	32,770
Welltower NNN Group LLC	24,972
Chateau Morrisette, Inc.	22,601
Yarrow Way LLC	22,369
Wall Residences Properties LLC	22,176
Floyd Farm Associates	22,007
Phillips & Turman Tree Farms	21,998
Blackberry Land Company	21,532
Industrial Devel of Floyd Co. VA	19,530
Slaughter, Lonnie J. & Joyce R.	18,955

APPENDIX F

INFORMATION REGARDING THE COUNTY OF GILES

(The inclusion of this information does not imply that the County of Giles, Virginia, is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF GILES, VIRGINIA

DEMOGRAPHIC, FINANCIAL AND OTHER INFORMATION

Introduction

Located in the New River Valley of the southwest section of Virginia, Giles County (the “County”) is bounded on the south by the Counties of Pulaski and Montgomery, on the west by the County of Bland, on the east by the County of Craig, and on the north by the State of West Virginia. Approximately 37 miles of the New River runs through the heart of the County. The County is approximately 240 miles west of Richmond and 293 miles southwest of Washington, D.C.

The first permanent settlement (Eggleston), in what would become the County, was formed in 1745. The County, itself, was formed in 1806 from parts of neighboring localities – the Counties of Montgomery, Monroe (WV), Wythe, and Tazewell. It was named in honor of William Branch Giles, who was elected Governor of Virginia in 1827. The County is home to a number of towns and villages, including Pearisburg (the County seat), Pembroke, Rich Creek, Glen Lyn, Narrows, Newport, Eggleston, Staffordsville, White Gate and Mountain Lake.

The County has a land area of 363 square miles and had an estimated population of 16,533 in 2024 as shown herein. The highest point in the County reaches approximately 4,348 feet above sea level.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of five members, representing the three electoral districts of the County, who are elected for four-year terms on staggered two-year intervals. There are currently no vacancies on the Board. Terms begin on January 1 following elections held in November. At the annual organizational meeting, the Board elects a Chairman and a Vice Chairman and establishes the calendar of meeting dates for the year. The Chairman and Vice Chairman continue to be voting members of the governing body.

The County functions under the traditional form of government with a County Administrator. In general the duties of the County Administrator, who serves at the pleasure of the Board, are to be responsible to the Board for the proper administration of all affairs of the County which the Board has authority to control. The County Administrator shall keep the Board advised as to the financial condition of the County and shall submit to the Board monthly, and at such other times as may be required, reports concerning the administrative affairs of the County. The County Administrator shall, from time to time, submit to the Board recommendations concerning the affairs of the County and its departments, officers and agencies as he or she deems proper. Under the direction of the Board, the County Administrator, for informative and fiscal planning purposes only, shall prepare and submit to the Board a proposed annual budget for the County.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ending June 30, 2025, are included in this Appendix F. Copies of future audited financial statements may be obtained from the County Administrator’s office, 315 North Main Street, Pearisburg, Virginia 24134, Telephone (540) 921-2525, Facsimile (540) 921-1329.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental ⁽²⁾	Total
2024-25	\$19,908,840	\$2,991,272	\$36,218	\$17,440	\$1,609,144	\$1,946,383	\$961,663	\$3,588,285	\$60,603,323	\$91,662,568
2023-24	19,172,278	3,421,116	40,508	33,392	1,462,430	2,058,809	490,364	3,358,373	51,940,596	81,977,866
2022-23	18,625,624	2,875,709	64,167	50,280	676,763	1,869,899	326,144	2,958,780	45,442,920	72,890,286
2021-22	17,692,791	2,822,477	42,247	25,595	71,236	1,455,402	674,498	2,516,073	44,825,780	70,126,099
2020-21	17,026,144	2,583,191	46,169	29,879	81,428	1,029,120	91,580	2,194,822	34,110,117	57,192,450

Source: County of Giles ACFR, 2025

(1) Includes General, Special Revenue and Capital Projects funds of the Primary Government and its Discretely Presented Component Unit – School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit – School Board.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Parks, Recreation and Cultural	Community Development	Non-Departmental	Debt Service	Total
2024-25	\$2,948,964	\$1,296,399	\$7,261,953	\$2,212,636	\$7,135,471	\$65,695,241	\$1,016,315	\$1,628,767	\$826,546	\$2,266,891	\$92,289,183
2023-24	2,960,793	1,156,294	6,971,366	2,099,831	8,869,153	51,424,627	835,515	2,521,761	732,246	1,686,590	79,258,176
2022-23	2,454,031	1,102,297	5,558,212	2,014,675	6,169,943	45,681,410	1,077,072	1,650,133	501,706	1,674,533	67,884,012
2021-22	2,296,532	1,011,947	5,523,583	1,514,065	5,901,453	41,042,818	798,345	1,972,166	490,599	1,816,302	62,367,810
2020-21	2,076,832	1,001,162	5,339,207	2,393,291	6,212,624	30,434,983	714,507	1,421,693	322,004	1,696,243	51,612,546

Source: County of Giles ACFR, 2025

(1) Includes General, Special Revenue, and Capital Projects funds of the Primary Government and its Discretely Presented Component Unit - School Board. Excludes non-operating capital project expenditures.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board and contribution from School Board to the Capital Improvements Fund.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2021	2022	2023	2024	2025
Revenues					
General property taxes	\$17,026,144	\$17,692,791	\$18,625,624	\$19,172,278	\$19,908,840
Other local taxes	2,583,191	2,822,477	2,875,709	3,421,116	2,991,272
Permits, privilege fees and regulatory licenses	46,169	42,247	64,167	40,508	36,218
Fines and forfeitures	29,879	25,595	50,280	33,392	17,440
Revenue from the use of money and property	81,065	66,599	672,100	1,457,683	1,360,809
Charges for services	613,153	625,017	643,444	731,877	753,306
Miscellaneous	63,503	257,255	3,015,599	4,719,662	936,738
Recovered costs	1,963,670	2,172,297	2,236,621	2,414,821	2,681,325
Intergovernmental:					
Local Government	\$46,137				
Commonwealth	6,214,733	6,341,424	6,370,396	6,859,779	7,417,640
Federal	5,624,725	5,093,142	4,740,274	3,315,170	2,595,585
Total revenues	\$34,292,369	\$35,138,844	\$36,580,214	\$37,918,586	\$38,699,173
Expenditures					
Current:	\$2,076,832	\$2,260,447	\$2,415,724	\$2,689,095	\$2,948,964
General government administration	1,001,162	1,011,947	1,102,297	1,156,294	1,296,399
Judicial administration	5,339,207	5,523,583	5,558,212	6,029,564	7,261,953
Public safety	2,286,423	1,514,065	1,977,253	2,099,831	2,212,636
Public works	6,166,276	5,901,453	6,169,943	8,869,153	7,135,471
Health and welfare	7,627,479	7,045,579	9,033,161	5,755,232	11,899,207
Education	714,507	798,345	1,077,072	835,515	1,016,315
Parks, recreation and cultural	1,415,093	1,816,672	1,444,422	1,834,515	1,516,000
Community development	322,004	490,599	501,706	732,246	826,546
Nondepartmental					
Debt Service:					
Principal retirement	445,000	545,518	549,389	571,937	728,897
Interest and other fiscal charges	282,940	283,711	270,610	267,552	295,467
Total Expenditures	\$27,676,923	\$27,191,919	\$30,099,789	\$30,840,934	\$37,137,855
Excess (deficiency) of revenues over (under) expenditures	\$6,615,446	\$7,946,925	\$6,480,425	\$7,077,652	\$1,561,318
Other Financing Sources (Uses)					
Transfers in	\$270,623				
Transfers out	(1,247,665)	\$(2,240,032)	\$(2,463,377)	\$(4,945,577)	\$(5,742,284)
Issuance of bond and loan Premium on bond issuance					
Issuance of leases				2,339,533	412,442
Total other financing sources (uses)	\$(977,042)	\$(2,240,032)	\$(2,463,377)	\$(2,606,044)	\$(5,329,842)
Net change in fund balances⁽¹⁾	\$5,638,404	\$5,706,893	\$4,017,048	\$4,471,608	\$(3,768,524)

Source: County of Giles ACFR, 2021-2025

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	17,320
2020	16,786
2021	16,574
2022	16,430
2023	16,461
2024	16,533

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Giles County	\$63,276	\$65,792	\$71,061	\$80,086	\$80,997
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Giles County	\$27,679	\$28,945	\$31,917	\$33,792	\$34,766
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Giles County	4.0%	2.3%	2.7%	2.4%	2.9%	3.3% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate⁽¹⁾	Personal Property	Machinery and Tools	Merchant's Capital	Common Carrier
2024-25	\$0.68	\$2.02/2.05	\$2.05	\$0.86	\$1.12
2023-24	0.68	2.02/2.05	2.05	0.86	1.12
2022-23	0.68	2.02/2.05	2.05	0.86	1.12
2021-22	0.65/0.68	2.02	2.02	0.83	1.12
2020-21	0.65	2.02	2.02	0.83	1.12

Source: County of Giles ACFR, 2025

(1) Mobile home tax rates are the same as the real estate rate.

**ASSESSED VALUE OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year	Real Estate⁽¹⁾	Personal Property and Mobile Homes⁽¹⁾	Machinery and Tools	Public Utilities⁽²⁾	Merchant's Capital	Common Carrier	Total
2024-25	\$1,184,676,600	\$297,310,595	\$298,344,762	\$101,150,892	\$29,501,531	\$1,030,805	\$1,912,015,185
2023-24	1,186,820,550	257,286,071	296,347,906	102,458,470	28,829,412	1,247,900	1,872,990,309
2022-23	1,177,278,300	246,221,309	282,074,559	111,446,868	25,749,538	1,185,900	1,843,956,474
2021-22	1,166,485,500	218,716,740	282,099,746	114,175,028	24,677,414	8 15,400	1,806,969,828
2020-21	1,159,388,800	202,931,965	265,367,284	117,299,750	28,787,458	1,233,548	1,775,008,805
2019-20	1,116,738,150	201,373,670	260,510,116	115,919,234	25,340,459	1,185,600	1,721,067,229
2018-19	1,071,431,550	190,409,034	253,406,732	110,651,785	26,009,136	1,068,967	1,652,977,204
2017-18	1,065,428,900	188,297,356	219,296,669	110,106,196	24,865,920	1,172,100	1,609,167,141
2016-17	1,060,918,050	186,038,501	225,237,446	107,143,331	25,021,646	1,062,601	1,605,421,575
2015-16	1,057,108,100	179,900,764	359,672,173	141,544,743	23,023,871	9 54,318	1,762,203,969

Source: County of Giles ACFR, 2025

(1) Real estate and personal property is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy^(1,2)	Current Tax Collections⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections^(1,2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes^(1,3)	Percent of Delinquent Taxes to Tax Levy
2024-25	\$21,068,533	\$20,437,242	97.00%	\$474,821	\$20,912,063	99.26%	\$977,098	4.64%
2023-24	20,226,954	19,639,774	97.10%	525,408	20,165,182	99.69%	867,529	4.29%
2022-23	19,683,392	19,111,932	97.10%	507,322	19,619,254	99.67%	840,442	4.27%
2021-22	18,647,820	18,249,457	97.86%	489,764	18,739,221	100.49%	794,236	4.26%
2020-21	17,884,624	17,256,992	96.49%	798,177	18,055,169	100.95%	807,697	4.52%
2019-20	17,435,939	17,016,483	97.59%	536,018	17,552,501	100.67%	1,125,011	6.45%
2018-19	16,470,042	16,002,227	97.16%	524,127	16,526,354	100.34%	901,506	5.47%
2017-18	15,880,882	15,508,069	97.65%	534,678	16,042,747	101.02%	904,894	5.70%
2016-17	15,928,638	15,379,762	96.55%	563,468	15,943,230	100.09%	913,294	5.73%
2015-16	14,755,944	14,342,221	97.20%	454,873	14,797,094	100.28%	897,336	6.08%

Source: County of Giles ACFR, 2025

(1) Exclusive of penalties and interest.

(2) Includes amounts paid under the Personal Property Tax Relief Act.

(3) Amounts have not been reduced for taxes deemed uncollectible under audit.

**TEN LARGEST TAXPAYERS
June 30, 2025**

Name

Celanese Acetate LLC
 Mountain Valley Pipeline
 Appalachian Power Company
 Lhoist North America of VA
 Norfolk & Western Railway Company
 Columbia Gas of Virginia
 Jenmar Corp of East Virginia
 WalMart Real Estate Business Trust
 Patrick Enterprises Corp
 Cogar Pearisburg LLC

APPENDIX G

INFORMATION REGARDING THE COUNTY OF GRAYSON

(The inclusion of this information does not imply that the County of Grayson, Virginia,
is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF GRAYSON, VIRGINIA

DEMOGRAPHIC, FINANCIAL AND OTHER INFORMATION

Introduction

Located in the southwest section of Virginia, Grayson County (the “County”) is bounded on the north by the County of Wythe, it borders the State of North Carolina to the south, on the west, it borders the County of Washington, and on the east, Grayson borders the County of Carroll. The County is approximately 281 miles west of Richmond and 339 miles southwest of Washington, D.C.

Grayson County was founded in 1793 from part of Wythe County. It was named for William Grayson, delegate to the Continental Congress from 1784 to 1787 and one of the first two U.S. Senators from Virginia. The County’s estimated population was 15,287 in 2024 as shown herein.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of five members, who are elected for four-year terms staggered in two year intervals. There are currently no vacancies on the Board. The Board members from among themselves select a Chairman and a Vice-Chairman for one-year terms.

The County functions under the traditional form of government with a County Administrator. Under this form of government, the elected officials include the members of the Board, the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth’s Attorney. Mental Health/Mental Retardation Services are provided by the Community Services Board. The Health Department and the Court System are under the control of the Commonwealth of Virginia. All other functions of the County government are managed by department directors that in turn report to the County Administrator. The County Administrator also serves as head of the Social Services Administrative Board.

The County Administrator is appointed by the Board to act as the Board’s agent in the administration and operation of the departments and agencies. All departments directly responsible to the Board report to the County Administrator, and he or she acts as the Board’s liaison to all other departments and agencies. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ended June 30, 2025 are included in this Appendix G. Copies of future audited financial statements may be obtained from the County Administrator, Stephen A. Boyer, of the County of Grayson, Telephone (276) 773-2471, and Facsimile (276) 773-3673.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental ⁽²⁾	Total
2024-25	\$14,719,181	\$1,945,656	\$77,868	\$6,286	\$774,948	\$2,506,106	\$2,227,847	\$1,272,529	\$34,007,971	\$57,538,392
2023-24	14,510,417	1,931,413	85,452	10,883	836,055	2,424,662	1,354,810	1,166,735	31,776,965	54,097,392
2022-23	14,239,891	1,909,441	89,314	14,252	430,710	2,293,156	1,070,209	1,100,895	32,494,236	53,642,104
2021-22	13,315,868	1,710,961	74,333	14,528	98,249	2,381,066	1,133,923	962,261	28,592,232	48,283,421
2020-21	13,408,757	1,654,440	75,810	13,965	114,521	2,248,686	790,034	927,652	26,020,538	45,254,403

Source: County of Grayson ACFR, 2025

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Units. Exclusive of Capital Projects.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Parks, Recreation and Cultural	Community Development	Debt Service	Total
2024-25	\$2,487,831	\$1,347,011	\$7,421,329	\$2,479,502	\$5,566,537	\$32,113,736	\$851,267	\$1,807,714	\$1,768,230	\$55,843,157
2023-24	2,539,505	1,235,831	7,420,618	2,504,834	4,810,746	30,806,649	913,719	1,434,029	837,864	52,503,795
2022-23	2,034,556	1,174,482	5,808,917	2,499,495	4,373,319	29,043,026	828,559	1,818,362	2,087,460	49,668,176
2021-22	2,126,432	1,133,351	4,938,748	2,392,130	4,109,286	27,142,213	607,916	1,261,377	1,280,278	44,991,731
2020-21	1,874,975	1,032,482	5,536,722	2,215,426	3,919,430	23,451,397	548,284	1,509,077	1,255,959	41,343,752

Source: County of Grayson ACFR, 2025

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Units. Exclusive of Capital Projects.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2021	2022	2023	2024	2025
Revenues					
General property taxes	\$13,408,757	\$13,315,868	14,239,891	\$14,510,417	\$14,719,181
Other local taxes	1,654,440	1,710,961	1,909,441	1,931,413	1,945,656
Permits, privilege fees and regulatory licenses	75,810	74,333	89,314	85,452	77,868
Fines and forfeitures	13,965	14,528	14,252	10,883	6,286
Revenue from the use of money and property	74,737	54,211	355,268	795,272	699,939
Charges for services	2,131,851	2,279,953	2,265,274	2,388,061	2,471,394
Miscellaneous	197,378	345,520	334,012	542,863	1,356,197
Recovered costs	414,638	400,731	478,481	581,408	710,927
Intergovernmental:					
Commonwealth	4,629,500	5,276,343	6,135,715	7,117,425	7,055,114
Federal	4,353,016	2,647,642	2,776,249	3,309,944	4,833,150
Total revenues	\$26,954,092	\$26,120,090	28,597,897	\$31,273,138	\$33,875,712
Expenditures					
Current:					
General government administration	\$1,874,975	\$2,126,432	\$2,034,556	\$2,539,505	\$2,487,831
Judicial administration	1,032,482	1,133,351	1,174,482	1,235,831	1,347,011
Public safety	5,536,722	4,938,748	5,808,917	7,420,618	7,421,329
Public works	2,215,426	2,392,130	2,499,495	2,504,834	2,479,502
Health and welfare	3,919,430	4,109,286	4,373,319	4,810,746	5,566,537
Education	6,814,895	5,837,971	6,184,719	7,370,773	7,254,930
Parks, recreation and cultural	548,284	607,916	828,559	913,719	851,267
Community development	987,183	1,251,377	1,346,483	1,223,472	1,301,739
Capital projects	172,334	1,784,515	1,082,250	2,449,283	3,576,431
Debt Service:					
Principal retirement		800,439	1,420,599	549,074	1,021,363
Interest and other fiscal charges		479,839	666,861	104,337	495,740
Bond issuance costs				184,453	
Total Expenditures	\$24,357,690	\$25,462,004	\$27,420,240	\$31,306,645	\$33,803,680
Excess (deficiency) of revenues over (under) expenditures	\$2,596,402	\$658,086	\$1,177,657	\$(33,507)	\$72,032
Other Financing Sources (Uses)					
Transfers in					
Transfers out	\$(423,000)		\$(290,000)	\$(356,741)	\$(449,695)
Proceeds of general obligation bonds					
Sale of capital assets		\$23,852	45,686		
Issuance of lease revenue bonds				2,300,000	
Premium on issuance				289,745	
Total other financing sources (uses)	\$(423,000)	\$23,852	\$(244,314)	\$2,233,004	\$(449,695)
Net change in fund balances⁽¹⁾	\$2,173,402	\$681,938	\$933,343	\$2,199,497	\$(377,663)

Source: County of Grayson ACFR, 2021-2025

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has declined as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	15,855
2020	15,651
2021	15,418
2022	15,356
2023	15,323
2024	15,287

(1) Population figures (2010 and 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Grayson County	\$54,596	\$56,823	\$58,588	\$58,638	\$61,893
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Grayson County	\$24,770	\$24,822	\$26,270	\$27,087	\$31,205
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Grayson County	4.4%	2.4%	2.8%	2.4%	2.5%	3.3% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital
2024-25	\$0.54	\$2.25	\$1.75	\$6.70
2023-24	0.54	2.25	1.75	6.70
2022-23	0.54	2.25	1.75	6.70
2021-22	0.59	2.25	1.75	6.70
2020-21	0.58	2.25	1.70	6.70

Source: County of Grayson ACFR, 2025

**ASSESSED VALUE OF ALL TAXABLE PROPERTY⁽¹⁾
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property and Mobile Homes	Merchant's Capital	Machinery and Tools	Public Utility⁽²⁾		Total
					Real Estate	Personal Property	
2024-25	\$1,899,141,500	\$193,955,340	\$1,794,214	\$20,140,742	\$62,894,530	\$ -	\$2,177,926,326
2023-24	1,893,918,300	187,828,537	1,478,463	19,763,537	65,062,268	-	2,168,051,105
2022-23	1,882,416,100	182,641,459	796,778	19,579,213	63,681,875	-	2,149,115,425
2021-22	1,669,828,600	197,982,175	605,167	14,130,812	58,735,161	-	1,941,281,915
2020-21	1,671,187,800	152,857,370	536,592	11,921,467	53,723,582	-	1,890,226,811
2019-20	1,670,223,100	130,022,384	499,532	13,025,501	54,863,799	-	1,868,634,316
2018-19	1,664,078,600	127,786,990	796,294	21,724,721	51,516,064	-	1,865,902,669
2017-18	1,663,763,300	254,155,821	1,716,629	28,317,329	53,498,280	-	2,001,451,359
2016-17	1,661,250,900	113,102,005	458,676	11,169,205	49,120,441	-	1,835,101,227
2015-16	1,677,434,500	100,886,499	658,664	9,507,998	53,443,671	-	1,841,931,332

Source: County of Grayson ACFR, 2025

(1) All property types are assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

(3) Fiscal year 2018 included a change in due date for personal property resulting in two years of assessments.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy⁽¹⁾	Current Tax Collections⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections^(1,2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes⁽¹⁾	Percent of Delinquent Taxes to Tax Levy
2024-25	\$14,140,712	\$13,212,636	93.44%	\$1,230,033	\$14,442,669	102.14%	\$1,776,032	12.56%
2023-24	14,230,641	13,204,251	92.79%	1,024,600	14,228,851	99.99%	1,947,180	13.68%
2022-23	14,117,997	13,071,229	92.59%	896,278	13,967,507	98.93%	2,010,191	14.24%
2021-22	13,131,623	12,282,258	93.53%	726,114	13,008,372	99.06%	2,151,122	16.38%
2020-21	13,077,821	12,181,064	93.14%	971,383	13,152,447	100.57%	1,856,544	14.20%
2019-20	12,310,378	10,633,218	86.38%	994,071	11,627,289	94.45%	2,112,848	17.16%
2018-19	10,513,631	9,434,854	89.74%	1,036,369	10,471,223	99.60%	1,841,477	17.52%
2017-18	12,301,485	10,875,900	88.41%	615,601	11,491,501	93.42%	1,843,214	14.98%
2016-17	9,924,601	9,312,581	93.83%	658,611	9,971,192	100.47%	1,323,643	13.34%
2015-16	9,826,512	9,146,131	93.08%	650,180	9,796,311	99.69%	1,344,578	13.68%

Source: County of Grayson ACFR, 2025

(1) Exclusive of penalties and interest.

(2) Fiscal year 2018 included a change in due date for personal property resulting in two years of levies.

**TEN LARGEST TAXPAYERS
June 30, 2025**

Name	Business Type	Real Estate Assessed Valuation	Percent of Levy
BOTTOMLEY PROPERTIES NC, LLC	Christmas Tree Farming	18,744,300	0.78%
STOCKNER, THOMAS C & CHERIE	Farming	8,205,800	0.39%
WELLTOWER NNN GROUP LLC	Nursing Home	7,970,600	0.34%
BAKER, DONALD D	Farming	6,727,900	0.34%
SEALAKE ASSOCIATES LLC	Manufacturing	6,481,000	0.29%
MARATHON REALTY CORP	Shopping Center	5,622,900	0.23%
VANNOY FAMILY FARMS LLC	Farming	5,327,300	0.25%
RIVER RIDGE LAND AND CATTLE COMPANY	Farming	4,284,600	0.19%
NEW RIVER LAND AND TIMBER LLC	Timber	3,681,700	0.15%
SHATLEY, DANIEL P	Christmas Tree Farming	3,637,600	0.15%

Source: County Administration

APPENDIX H

INFORMATION REGARDING THE COUNTY OF PULASKI

(The inclusion of this information does not imply that the County of Pulaski, Virginia,
is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF PULASKI, VIRGINIA

DEMOGRAPHIC, FINANCIAL AND OTHER INFORMATION

Introduction

Located in the southwest section of Virginia, Pulaski County (the “County”) is bounded on the north by the County of Giles, on the south by the Counties of Floyd and Carroll, on the west by Counties of Bland and Wythe, and on the east by Montgomery County. The County is approximately 229 miles southwest of Richmond and 282 miles southwest of Washington, D.C.

The County was created from portions of Montgomery and Wythe Counties on March 30, 1839 when the County became the 87th county of the Commonwealth of Virginia. The County was named in honor of Count Casimir Pulaski, an exiled Polish nobleman who came to America and joined George Washington’s army in 1777.

The County’s estimated population in 2024 was 33,687 as shown herein. There are five magisterial districts (Robinson, Massie, Cloyd, Draper, and Ingles) within the County. Five members of the Board of Supervisors serve as the governing body, each representing one of the above noted districts.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board members are elected for four-year terms, with all 5 terms expiring the same year. There are currently no vacancies on the Board. The Board members select a Chairman and a Vice-Chairman from among themselves for two-year terms.

The County functions under the traditional form of government with a County Administrator. Under this form of government, the elected officials include the members of the Board, the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth’s Attorney. Mental Health/Mental Retardation Services are provided by the Community Services Board. The Health Department and the Court System are under the control of the Commonwealth of Virginia. All other functions of the County government are managed by department directors that in turn report to the County Administrator.

The County Administrator is appointed by the Board to act as the Board’s agent in the administration and operation of the departments and agencies. All departments directly responsible to the Board report to the County Administrator, and he or she acts as the Board’s liaison to all other departments and agencies. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ended June 30, 2025 are included in this Appendix H. Copies of future audited financial statements may be obtained from the Director of Finance of the County, Justin Martin, justin.martin@pulaskicounty.org.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental ⁽²⁾	Total
2024-25	\$39,340,899	\$10,597,070	\$161,305	\$70,909	\$1,795,000	\$2,632,174	\$1,541,932	\$2,670,902	\$69,114,576	\$127,924,767
2023-24	38,855,885	10,766,378	147,648	108,171	2,638,280	1,883,828	455,618	3,189,590	68,571,013	126,616,411
2022-23	38,271,387	10,468,228	155,002	112,776	1,082,527	2,365,947	882,712	4,347,688	64,576,410	122,262,677
2021-22	35,810,946	9,381,335	182,475	116,647	335,996	1,748,918	444,670	2,009,560	57,969,864	108,000,411
2020-21	33,047,088	8,666,350	149,347	159,901	479,241	1,979,569	185,779	2,187,056	57,710,522	104,564,853

Source: County of Pulaski ACFR, 2025

(1) Includes Primary Government (excluding School Construction) and its Discretely Presented Component Unit-School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit-School Board.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Debt Service	Total
2024-25	\$4,421,448	\$2,759,423	\$19,457,980	\$5,436,624	\$10,918,767	\$70,180,321	\$6,441,681	\$14,442,101	\$9,829	\$5,260,755	\$139,328,929
2023-24	4,117,432	2,615,559	17,471,487	5,770,737	10,569,444	65,036,745	3,235,703	10,326,074	8,388	5,250,325	124,401,894
2022-23	3,776,515	2,400,505	16,261,710	3,507,102	9,621,703	65,520,111	2,924,040	3,230,147	8,316	5,820,362	113,070,511
2021-22	4,055,510	2,163,468	16,137,470	3,051,879	9,484,449	55,209,956	2,366,297	2,062,799	7,825	5,805,515	100,345,168
2020-21	3,763,728	2,110,508	17,481,716	2,709,910	9,447,348	51,058,145	2,909,632	3,015,242	-	6,378,184	98,874,413

Source: County of Pulaski ACFR, 2025

(1) Includes Primary Government (excluding School Construction) and its Discretely Presented Component Unit-School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit-School Board.

(3) Community Development includes contributions to the EDA from the County totaling \$6,131,001 related predominately to the buyout of a lessee from their lease obligation.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2021	2022	2023	2024	2025
Revenues					
General property taxes	\$33,047,088	\$35,810,946	\$38,271,387	\$38,855,885	\$39,340,899
Other local taxes	8,666,350	9,381,335	10,468,228	10,766,378	10,597,070
Permits, privilege fees and regulatory licenses	149,347	182,475	155,002	147,648	161,305
Fines and forfeitures	159,901	116,647	112,776	108,171	70,909
Revenue from the use of money and property	462,766	319,452	1,032,298	2,536,538	1,703,701
Charges for services	1,456,704	1,101,021	1,731,266	1,665,066	2,430,650
Miscellaneous	87,400	381,424	677,461	361,929	1,069,539
Recovered costs	1,589,604	1,353,922	3,684,171	1,980,935	1,681,516
Intergovernmental:	20,828,170	18,227,228	16,594,463	19,622,683	17,001,827
Total revenues	\$66,447,330	\$66,874,450	\$72,727,052	\$76,045,233	\$74,057,416
Expenditures					
Current:					
General government administration	\$3,219,819	\$3,402,729	\$3,645,599	\$3,793,591	\$4,204,732
Judicial administration	2,110,508	2,163,468	2,390,066	2,573,897	2,745,197
Public safety	16,477,575	15,473,695	15,749,625	16,676,946	18,278,905
Public works	2,420,599	2,417,085	2,940,244	3,310,476	3,868,568
Health and welfare	9,419,244	9,484,449	9,465,899	10,560,641	10,854,858
Education	15,590,153	16,208,176	15,973,212	16,558,613	17,414,389
Parks, recreation and cultural	1,630,231	1,978,966	2,463,814	2,654,442	3,116,191
Community development	2,648,534	1,822,005	2,290,083	9,673,161	13,652,853
Non-Departmental		7,825	8,316	8,388	9,829
Debt Service:					
Principal retirement	4,271,367	3,853,487	4,020,379	3,617,592	3,784,007
Interest and other fiscal charges	2,055,266	1,897,585	1,737,804	1,570,557	1,435,043
Bond Issuance Costs					
Total Expenditures	\$59,843,296	\$58,709,470	\$60,685,041	\$70,998,304	\$79,367,572
Excess (deficiency) of revenues over (under) expenditures	\$6,604,034	\$8,164,980	\$12,042,011	\$5,046,929	\$(5,310,156)
Other Financing Sources (Uses)					
Transfers in					
Transfers out	\$(4,177,447)	\$(4,642,557)	\$(7,594,389)	\$(9,310,231)	\$(5,152,628)
Issuance of debt					
Issuance of subscription liability			106,696		
Issuance of capital lease		274,350		42,357	
Issuance of leases payable					11,219,625
Total other financing sources (uses)	\$(4,177,447)	\$(4,368,207)	\$(7,487,693)	\$(9,267,874)	\$6,066,997
Net change in fund balances⁽¹⁾	\$2,426,587	\$3,796,773	\$4,554,318	\$(4,220,945)	\$756,841

Source: County of Pulaski ACFR, 2021-2025

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	34,963
2020	34,113
2021	33,893
2022	33,841
2023	33,771
2024	33,687

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Pulaski County	\$64,057	\$70,762	\$75,956	\$79,338	\$83,034
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Pulaski County	\$28,067	\$31,071	\$34,870	\$35,650	\$37,242
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Pulaski County	5.0%	2.5%	2.5%	2.4%	2.5%	3.6% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes
2024-25	\$0.74	\$2.35	\$1.50	\$0.74
2023-24	0.74	2.35	1.50	0.74
2022-23	0.74	2.35	1.50	0.74
2021-22	0.74	2.35	1.50	0.74
2020-21	0.77	2.35	1.50	0.77

Source: County of Pulaski ACFR, 2025

**ASSESSED VALUE OF ALL TAXABLE PROPERTY⁽¹⁾
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property and Mobile Homes	Machinery and Tools	Public Service⁽²⁾	Total
2024-25	\$3,122,166,100	\$499,373,707	\$350,020,454	\$148,110,597	\$4,119,670,858
2023-24	3,093,290,950	496,305,040	359,740,008	139,324,955	4,088,660,953
2022-23	3,036,147,200	501,905,066	318,635,475	121,820,183	3,978,507,924
2021-22	2,977,599,900	413,442,372	301,191,744	178,056,052	3,870,290,068
2020-21	2,786,596,625	368,610,820	290,271,558	149,943,179	3,595,422,182
2019-20	2,601,630,003	351,551,716	275,139,003	138,554,825	3,366,875,547
2018-19	2,575,140,103	342,672,126	280,377,041	138,533,409	3,336,722,679
2017-18	2,550,432,050	332,759,391	260,827,009	145,064,073	3,289,082,523
2016-17	2,537,515,050	319,208,214	236,896,594	149,228,267	3,242,848,125
2015-16	2,524,308,875	308,155,852	228,505,168	144,390,827	3,205,360,722

Source: County of Pulaski ACFR, 2025

(1) Assessments at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy⁽¹⁾	Current Tax Collections⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections⁽¹⁾	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes⁽¹⁾	Percent of Delinquent Taxes to Tax Levy
2024-25	\$40,907,777	\$38,837,669	94.94%	\$182,163	\$39,019,832	95.38%	\$4,890,547	11.96%
2023-24	40,711,731	39,388,228	96.75%	229,544	39,617,772	97.31%	4,841,432	11.89%
2022-23	39,713,416	38,651,657	97.33%	252,455	38,904,112	97.96%	4,528,278	11.40%
2021-22	37,370,050	36,532,960	97.76%	101,584	36,634,544	98.03%	4,814,435	12.88%
2020-21	34,955,086	33,907,541	97.00%	173,420	34,080,961	97.50%	5,233,629	14.97%
2019-20	33,288,666	32,043,223	96.26%	101,596	32,144,819	96.56%	4,494,676	13.50%
2018-19	32,948,802	32,161,771	97.61%	104,256	32,266,027	97.93%	4,187,829	12.71%
2017-18	30,535,084	29,717,045	97.32%	110,615	29,827,660	97.68%	3,749,643	12.28%
2016-17	28,049,095	27,267,139	97.21%	8 2,924	27,350,063	97.51%	3,634,099	12.96%
2015-16	27,548,852	26,677,079	96.84%	170,543	26,847,622	97.45%	3,232,106	11.73%

Source: County of Pulaski ACFR, 2025

(1) Includes penalty and interest.

**TEN LARGEST TAXPAYERS
June 30, 2025**

<u>Name</u>	<u>Amount of Tax</u>
Volvo	\$3,835,437
James Hardie Building Products Inc.	1,616,991
Phoenix Packaging Operations LLC	1,007,099
Patton Logistics	200,846
Red Sun Farm	169,958
Walmart	161,999
Northrop Grumman Systems Corp	113,789
Imperial Group Manufacturing	74,588
Mar-Bal Inc	67,004
Lowe's	66,198

APPENDIX I

INFORMATION REGARDING THE COUNTY OF WYTHE

(The inclusion of this information does not imply that the County of Wythe, Virginia,
is legally obligated to make payments on the Series 2026 Bonds.)

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THE COUNTY OF WYTHE, VIRGINIA

DEMOGRAPHIC, FINANCIAL AND OTHER INFORMATION

Introduction

Located in the southwest section of Virginia, Wythe County (the “County”) is bounded on the north by the County of Bland, on the south by the County of Grayson, on the west by the County of Smyth, and on the east by the Counties of Pulaski and Carroll. The County is approximately 253 miles southwest of Richmond and 306 miles southwest of Washington, D.C.

The County was formed from Montgomery County in 1790. It was named after George Wythe, the first Virginian signer of the Declaration of Independence. In 2024, the County had an estimated population of 28,188 as shown herein.

Government

The Board of Supervisors (the “Board”) is the governing body of the County. The Board is comprised of seven (7) members who are elected for four-year terms, however terms are staggered with 4 terms expiring one year and 3 terms expiring two years thereafter. There are currently no vacancies on the Board. The Board members select a Chairman and a Vice-Chairman from among themselves for one-year terms.

The County functions under the traditional form of government with a County Administrator. Under this form of government, the elected officials include the members of the Board, the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth’s Attorney. Mental Health/Mental Retardation Services are provided by the Community Services Board. The Health Department and the Court System are under the control of the Commonwealth of Virginia. All other functions of the County government are managed by department directors that in turn report to the County Administrator. The County Administrator also serves as head of the Social Services Administrative Board.

The County Administrator is appointed by the Board to act as the Board’s agent in the administration and operation of the departments and agencies. All departments directly responsible to the Board report to the County Administrator, and he or she acts as the Board’s liaison to all other departments and agencies. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures.

Audited Financial Statements

The County’s audited financial statements for the fiscal year ended June 30, 2025 are included in this Appendix I. Copies of future audited financial statements may be obtained from the County Administrator, R. Cellell Dalton, Telephone (276) 223-6020, Facsimile (276) 223-6030.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the County.

GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental ⁽²⁾	Total
2024-25	\$26,815,003	\$9,341,939	\$331,356	\$530,404	\$2,928,567	\$3,280,560	\$1,351,372	\$2,716,405	\$62,957,945	\$110,253,551
2023-24	26,009,099	9,327,467	526,672	672,743	3,867,863	3,331,658	1,388,899	2,777,378	66,649,700	114,551,479
2022-23	25,469,935	9,053,575	936,233	543,401	2,465,844	3,102,957	816,309	2,506,009	59,105,148	103,999,411
2021-22	22,672,294	8,265,108	370,711	609,517	665,462	2,396,002	44,436	1,273,622	49,636,856	85,934,008
2020-21	22,397,874	7,226,182	192,555	962,297	991,369	1,547,241	34,292	1,105,480	49,858,054	84,315,344

Source: County of Wythe ACFR, 2025

(1) Includes General and Capital Projects Funds of the Primary Government and includes discretely presented Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Parks, Recreation & Cultural	Community Development	Non-Departmental	Debt Service	Capital Projects	Total
2024-25	\$3,218,837	\$1,943,275	\$14,211,734	\$3,691,447	\$10,091,268	\$61,969,828	\$900,732	\$1,267,837	\$6,228	\$4,848,639	\$8,476,007	\$110,288,692
2023-24	2,976,725	1,982,513	9,565,086	3,510,233	9,866,753	58,324,411	756,657	1,330,255	338	4,889,888	23,530,430	116,670,871
2022-23	2,677,487	1,568,025	8,085,761	2,728,311	9,411,685	54,831,456	705,829	1,892,650	-	5,189,549	19,945,447	106,473,805
2021-22	2,846,117	1,566,899	7,429,137	2,403,973	9,093,591	50,060,277	689,078	1,267,837	-	5,068,602	2,991,666	82,971,284
2020-21	2,929,124	1,478,694	8,517,010	2,206,047	10,881,405	46,741,585	461,101	1,330,255	-	4,575,675	2,854,185	82,537,476

Source: County of Wythe ACFR, 2025

(1) Includes General and Capital Projects Funds of the Primary Government and Discretely Presented Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board.

**Summary of Revenues, Expenditures and Changes in Fund Balance: General Fund
Last Five Fiscal Years**

	2021	2022	2023	2024	2025
Revenues					
General property taxes	\$22,397,874	\$22,672,294	\$25,469,935	\$26,009,099	\$26,815,003
Other local taxes	7,226,182	8,265,108	9,053,575	9,327,467	9,341,939
Permits, privilege fees and regulatory licenses	192,555	370,711	936,233	526,672	331,356
Fines and forfeitures	962,297	609,517	543,401	672,743	530,404
Revenue from the use of money and property	813,083	550,663	2,107,580	3,208,587	2,491,332
Charges for services	346,654	290,343	356,328	551,017	543,594
Miscellaneous	14,695	33,869	803,875	1,103,597	1,347,319
Recovered costs	655,849	646,573	1,965,973	1,825,961	2,092,044
Intergovernmental:	16,813,569	15,141,981	14,854,309	15,875,989	15,894,574
Total revenues	\$49,422,758	\$48,581,059	\$56,091,209	\$59,101,132	\$59,387,565
Expenditures					
Current:	\$2,929,124	\$2,846,117	\$2,677,487	\$2,976,725	\$3,218,837
General government administration	1,478,694	1,566,899	1,568,025	1,982,513	1,943,275
Judicial administration	8,517,010	7,429,137	8,085,761	9,565,086	14,211,734
Public safety	2,206,047	2,403,973	2,728,311	3,510,233	3,691,447
Public works	10,881,405	9,093,591	9,441,685	9,866,753	10,091,268
Health and welfare	12,259,661	14,096,431	19,126,034	18,626,345	16,072,923
Education	561,101	689,078	705,829	756,657	900,732
Parks, recreation and cultural	1,892,650	821,944	1,330,255	1,267,837	930,697
Community development	2,854,185	2,991,666	2,170	338	6,228
Capital projects	2,929,124	2,846,117	8,494,351	7,882,029	4,655,344
Debt Service:					
Principal retirement		3,846,898	3,938,370	3,640,366	3,548,620
Interest and other fiscal charges	2,936,600	1,093,712	1,238,157	1,185,089	1,297,067
Bond issuance costs	1,639,075	114,720			
Total Expenditures	\$48,155,552	\$46,994,166	\$59,336,435	\$61,315,603	\$60,568,172
Excess (deficiency) of revenues over (under) expenditures	\$1,267,206	\$1,586,893	\$(3,245,226)	\$(2,214,471)	\$(1,180,607)
Other Financing Sources (Uses)					
Transfers in	\$5,760,912	\$2,274,306	\$1,948,621	\$3,030,782	\$605,220
Transfers out	(5,324,941)	(3,613,867)	(3,500,111)		(2,496,355)
Issuance of general obligation bonds	26,365,882	12,915,000		2,900,000	1,495,000
Debt service principal (current refunding)	(24,555,603)				
Issuance of lease liabilities		92,116		670,339	
Proceeds of capital leases	21,595				
Sale of capital assets	29,302	22,502	1,940	67,858	20,399
Total other financing sources (uses)	\$2,297,147	\$11,690,057	\$(1,549,550)	\$6,668,979	\$(375,736)
Net change in fund balances⁽¹⁾	\$3,564,353	\$13,276,950	\$(4,794,776)	\$4,454,508	\$(1,566,343)

Source: County of Wythe ACFR, 2021-2025

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the County has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	29,005
2020	28,725
2021	28,347
2022	28,275
2023	28,219
2024	28,188

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Wythe County	\$67,535	\$66,886	\$72,828	\$77,571	\$80,084
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Wythe County	\$31,645	\$28,926	\$31,810	\$33,564	\$34,875
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Wythe County	4.7%	2.5%	2.4%	2.3%	2.5%	3.4% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital
2024-25	\$0.51	\$2.22	\$1.50	\$0.56
2023-24	0.51	2.22	1.50	0.56
2022-23	0.51	2.22	1.50	0.56
2021-22	0.54	2.32	1.50	0.56
2020-21	0.54	2.32	1.50	0.56

Source: County of Wythe ACFR, 2025

**ASSESSED VALUE OF ALL TAXABLE PROPERTY⁽¹⁾
Last Ten Fiscal Years**

Fiscal Year	Real Estate / Mobile Homes	Personal Property	Public Service Companies	Total
2024-25	\$2,922,651,513	\$754,362,320	\$325,881,626	\$4,002,895,459
2023-24	2,916,200,695	672,511,447	371,776,072	3,960,488,214
2022-23	2,886,776,786	674,415,785	428,181,910	3,989,374,481
2021-22	2,382,771,817	549,388,227	365,607,316	3,297,767,360
2020-21	2,378,550,000	523,473,212	360,075,487	3,262,098,699
2019-20	2,358,339,797	497,596,841	359,338,718	3,215,275,356
2018-19	2,350,208,822	477,594,738	322,166,589	3,149,970,149
2017-18	2,335,399,637	478,348,830	310,470,506	3,124,218,973
2016-17	2,282,641,328	474,626,902	260,499,067	3,017,767,297
2015-16	2,274,033,452	475,988,249	229,662,169	2,979,683,870

Source: County of Wythe ACFR, 2025

(1) Assessed at 100% of fair market value.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy⁽¹⁾	Current Tax Collections⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections⁽¹⁾	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2024-25	\$27,576,737	\$25,119,058	91.09%	\$1,227,025	\$26,346,083	95.54%	\$3,405,555	12.35%
2023-24	26,297,266	24,513,003	93.22%	1,044,833	25,557,836	97.19%	2,644,119	10.05%
2022-23	26,884,873	25,002,059	93.00%	236,004	25,238,063	93.87%	2,686,631	9.99%
2021-22	22,745,190	21,807,401	95.88%	482,534	22,289,935	98.00%	2,063,315	9.07%
2020-21	21,958,017	21,405,886	97.49%	610,333	22,016,219	100.27%	2,014,265	9.17%
2019-20	21,632,076	20,804,933	96.18%	483,929	21,288,862	98.41%	2,050,519	9.48%
2018-19	20,968,362	20,299,321	96.81%	572,654	20,871,975	99.54%	1,850,051	8.82%
2017-18	19,463,749	18,875,600	96.98%	451,463	19,327,063	99.30%	1,797,257	9.23%
2016-17	18,774,651	18,215,033	97.02%	473,797	18,688,830	99.54%	1,597,819	8.51%
2015-16	18,627,762	17,781,494	95.46%	465,647	18,247,141	97.96%	1,474,061	7.91%

Source: County of Wythe ACFR, 2025

(1) Exclusive of penalties and interest. Reduced by tax sharing payments.

**TEN LARGEST TAXPAYERS
June 30, 2025**

<u>Name</u>	<u>Real Estate Assessed Value</u>
SVC Manufacturing Inc.	\$46,920,900
Terraza 3 LLC	35,810,900
PFJ Southeast LLC	24,674,800
Klockner Pentaplast	19,025,000
Wythe County Community	16,175,900
Bottling Group LLC	15,949,100
990 Holston Rd SNF Real Estate LLC	12,978,600
Wal-Mart Real Estate Bus	11,887,500
Somic America, Inc.	11,228,100
Lowe's Home Centers Inc.	11,094,700

APPENDIX J

INFORMATION REGARDING THE CITY OF RADFORD

(The inclusion of this information does not imply that the City of Radford, Virginia, is legally obligated to make payments on the Series 2026 Bonds.)

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THE CITY OF RADFORD VIRGINIA
DEMOGRAPHIC, FINANCIAL AND
OTHER INFORMATION

Introduction

Located in the southwest section of Virginia, Radford City (the “City”) is bordered by Pulaski County on the west, Giles County on the north, Montgomery County on the east and Floyd County on the south. The City is approximately 223 miles west of Richmond and 276 miles southwest of Washington, D.C.

The City was originally named Ingles Ferry in 1762 and was incorporated by the Charter of the General Assembly in 1892 as an independent city of the Commonwealth of Virginia. The estimated population in 2024 was 16,726 as shown herein. The Bureau of Economic Analysis combines the City with neighboring Montgomery County for statistical purposes.

Government

The City is governed by a 5 member City Council, which includes the Mayor, that establishes policies for the administration of the City. The Mayor and each of the members of the City Council are elected at large in the City. The Mayor is elected by the citizens of the City and serves as ceremonial head of the City. Members of the City Council and the Mayor are elected for four year terms; however, terms are staggered with 2 terms expiring one year and 3 terms expiring two years thereafter.

Audited Financial Statements

The City’s audited financial statements for the fiscal year ended June 30, 2024 are included in this Appendix J. Copies of future audited financial statements may be obtained from the Director of Finance/CFO of the City, Patricia Cox, Telephone (540) 731-3603 and radfordva.gov/1056/Budget.

Financial and Demographic Information

Shown on the following pages is certain financial and demographic information regarding the City.

**GOVERNMENTAL REVENUES BY SOURCE
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS**

	2020	2021	2022	2023	2024	2025*
General property taxes	\$8,461,229	\$9,093,682	\$9,614,552	\$10,311,689	\$10,444,845	\$11,631,611
Other local taxes	3,945,693	4,390,012	4,880,990	4,984,339	5,329,760	5,392,219
Permits, privilege fees and regulatory licenses	77,650	88,871	122,475	87,237	76,157	50,118
Fines and forfeitures	174,885	133,220	193,727	159,582	163,868	101,374
Revenue from use of money and property	198,371	174,092	186,924	236,246	196,628	208,938
Charges for services	716,572	687,914	713,859	742,019	833,526	865,879
Miscellaneous	1,902,015	1,973,168	1,502,665	1,710,960	1,713,646	1,883,963
Recovered costs	2,100	7,417	32,711	12,621	27,396	1,061,925
Intergovernmental:	6,358,347	8,422,778	10,431,152	10,758,057	6,644,703	7,218,615
Total revenues	\$21,836,862	\$24,971,154	\$27,679,055	\$29,002,750	\$25,430,529	\$28,414,641

*Unaudited

Source: City of Radford ACFR, 2024

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
(ALL GOVERNMENTAL FUND TYPES)
LAST FIVE FISCAL YEARS**

	2020	2021	2022	2023	2024	2025*
General government administration	\$3,099,326	\$3,320,813	\$3,323,535	\$3,853,498	\$4,158,480	\$4,844,604
Judicial administration	1,371,156	1,382,662	1,497,953	1,569,346	1,782,277	2,062,357
Public safety	8,014,177	9,148,610	9,671,406	10,622,615	10,241,300	10,500,552
Public works	736,885	637,813	775,790	1,487,227	1,160,321	1,286,118
Health and welfare	3,751,114	4,655,074	4,463,029	4,153,758	3,915,669	4,065,358
Education	6,282,926	12,502,814	2,203,829	6,082,892	5,470,111	7,251,346
Parks, recreation and cultural	2,098,339	2,089,532	2,533,165	2,633,159	2,697,780	2,901,255
Community development	513,467	869,164	482,492	584,734	735,511	564,062
Capital projects	14,407				250,000	442,433
Debt service:						
Principal retirement	855,042	885,728	1,382,689	1,497,413	1,556,284	1,325,649
Interest and other fiscal charges	89,875	729,859	1,198,139	1,072,233	1,143,052	1,192,931
Bond issuance cost	766,166	151,309	139,377		33,950	174,494
Total expenditures	\$27,592,880	\$36,373,378	\$37,671,404	\$34,159,365	\$33,144,735	\$36,611,158

*Unaudited

Source: City of Radford ACFR, 2024

**Summary of Revenues, Expenditures and Changes in Fund Balance: Governmental Funds
Last Five Fiscal Years**

Revenues	2020	2021	2022	2023	2024	2025*
General property taxes	\$8,461,229	\$9,093,682	\$9,614,552	\$10,311,689	\$10,444,845	\$11,631,611
Other local taxes	3,945,693	4,390,012	4,880,990	4,984,339	5,329,760	5,392,219
Permits, privilege fees and regulatory licenses	77,650	88,871	122,475	87,237	76,157	50,118
Fines and forfeitures	174,885	133,220	193,727	159,582	163,868	101,374
Revenue from use of money and property	198,371	174,092	186,924	236,246	196,628	208,938
Charges for services	716,572	687,914	713,859	742,019	833,526	865,879
Miscellaneous	1,902,015	1,973,168	1,502,665	1,710,960	1,713,646	1,883,963
Recovered costs	2,100	7,417	32,711	12,621	27,396	1,061,925
Intergovernmental:	6,358,347	8,422,778	10,431,152	10,758,057	6,644,703	7,218,615
Total revenues	\$21,836,862	\$24,971,154	\$27,679,055	\$29,002,750	\$25,430,529	\$28,414,642
Expenditures						
General government administration	\$3,099,326	\$3,320,813	\$3,323,535	\$3,853,498	\$4,158,480	\$4,844,604
Judicial administration	1,371,156	1,382,662	1,497,953	1,569,346	1,782,277	2,062,357
Public safety	8,014,177	9,148,610	9,671,406	10,622,615	10,241,300	10,500,552
Public works	736,885	637,813	775,790	1,487,227	1,160,321	1,286,118
Health and welfare	3,751,114	4,655,074	4,463,029	4,153,758	3,915,669	4,065,358
Education	6,282,926	12,502,814	2,203,829	6,082,892	5,470,111	7,251,346
Parks, recreation and cultural	2,098,339	2,089,532	2,533,165	2,633,159	2,697,780	2,901,255
Community development	513,467	869,164	482,492	584,734	735,511	564,062
Capital projects	14,407				250,000	442,433
Debt service:						
Principal retirement	855,042	885,728	1,382,689	1,497,413	1,556,284	1,325,649
Interest and other fiscal charges	89,875	729,859	1,198,139	1,072,233	1,143,052	1,192,931
Bond issuance cost	766,166	151,309	139,377		33,950	174,494
Total expenditures	\$27,592,880	\$36,373,378	\$37,671,404	\$34,159,365	\$33,144,735	\$36,611,159
Excess (deficiency) of revenues over (under) expenditures	\$(5,756,018)	\$(11,402,224)	\$(9,992,349)	\$(5,156,615)	\$(7,714,203)	\$(8,196,517)
Other financing sources (uses)						
Transfers in	\$4,079,599	\$3,163,477	\$4,365,597	\$4,279,563	\$3,974,796	\$3,575,000
Transfers out	(321,509)	(1,957,052)	(1,245,418)		(505,351)	(735,846)
Issuance of general obligation bonds		13,695,472				4,380,000
Debt service - current refunding - principal		(1,467,970)	(7,307,976)			
Refunded bonds issued		1,475,434	7,240,000			1,620,000
Premium on refunding bonds issued		1,514,055	246,738			
Issuance of lease liabilities			637,058	217,160		
Issuance of BANs	807,064					
Sale of capital assets		46,096			13,301	99,650
Total other financing sources (uses)	\$4,565,154	\$16,469,512	\$3,935,999	\$4,496,723	\$3,482,746	\$8,938,804
Net change in fund balances⁽¹⁾	\$(1,190,864)	\$5,067,288	\$(6,056,350)	\$(659,892)	\$(4,231,460)	\$742,287

*Unaudited

Source: City of Radford ACFR, 2024

⁽¹⁾Additional information concerning fund balance is contained in the ACFR attached hereto.

Selected Demographic Information

Population in the City has grown as follows:

<u>Year</u>	<u>Population</u> ⁽¹⁾
2010	16,318
2020	17,833
2021	16,205
2022	16,379
2023	16,505
2024	16,726

(1) Population figures (2010 - 2020) provided by the U.S. Census Count; 2021 through 2024 provided by U.S. Census Bureau, 2020-2024 American Community Survey

**Median Family Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Radford City	\$70,864	\$76,516	\$88,125	\$83,998	\$85,993
Commonwealth of Virginia	\$93,284	\$98,771	\$107,504	\$112,146	\$115,213

Source: U.S. Census Bureau, 2020-2024 American Community Survey

**Per Capita Income
2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Radford City	\$22,637	\$23,229	\$24,835	\$25,220	\$26,815
Commonwealth of Virginia	41,255	43,267	47,210	49,217	50,666
United States	35,384	37,638	28,051	41,261	44,673

Source: U.S. Census Bureau, 2020-2024 American Community Survey

Unemployment Rates

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Radford City	4.5%	2.4%	2.6%	2.8%	3.0%	4.1% ⁺
Commonwealth of Virginia	5.0	2.8	2.9	2.8	3.1	3.6 ⁺
United States	6.7	3.9	3.5	3.8	4.1	4.4 ^{*+}

Source: Virginia Employment Commission

⁺As of December 2025

^{*}Source: Bureau of Labor Statistics

Selected Financial Information

**PROPERTY TAX RATES
(Per \$100 Assessed Value)**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2025 (4)	\$0.82/\$0.69	\$2.44	\$0.76	\$1.76
2024 (3)	0.84/0.69	2.44	0.76	1.76
2023	0.84	2.44	0.76	1.76
2022	0.84	2.44	0.76	1.76
2021 (2)	0.78/0.84	2.44	0.76	1.76
2020 (1)	0.78/0.84	2.44	0.76	1.76

Source: City of Radford ACFR, 2024

- (1) In Fiscal Year 2020 the tax rate increased \$0.04 between billing 2nd half of 2019 and 1st half of 2020.
- (2) In Fiscal Year 2021 the tax rate increased \$0.04 between billing 2nd half of 2019 and 1st half of 2021.
- (3) In Fiscal Year 2024 the tax rate increased \$0.04 between billing 2nd half of 2019 and 1st half of 2024.
- (4) Unaudited

**ASSESSED VALUE OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total
2025*	\$1,202,076,550	\$94,257,058	\$444,066	\$39,494,106	\$36,772,260	\$1,373,044,040
2024	1,053,526,950	94,971,364	388,904	40,988,205	20,486,575	1,210,361,998
2023	896,913,800	103,487,056	388,904	40,604,831	26,957,505	1,068,352,096
2022	880,661,600	71,671,743	392,554	38,345,628	25,249,147	1,016,320,672
2021	883,254,150	65,361,084	392,554	32,092,089	27,222,511	1,008,322,388
2020	854,663,600	65,374,065	448,753	27,989,058	25,302,652	973,778,128
2019	818,248,370	61,007,699	496,685	28,114,839	24,138,449	932,006,042
2018	814,039,590	60,677,222	414,795	28,852,780	31,090,075	935,074,462
2017	811,013,940	59,689,263	416,055	26,797,155	25,670,591	923,587,004
2016	801,830,240	56,690,538	445,667	33,252,807	24,074,163	916,293,415
2015	790,264,040	55,504,264	458,451	37,129,238	23,467,522	906,823,515

*Unaudited

Source: City of Radford ACFR, 2024

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount⁽¹⁾	Percentage of Levy		Amount	Percentage of Levy
2025*	\$11,877,145	\$11,397,727	95.96%	\$ -	\$11,397,727	95.96%
2024	10,681,185	10,348,869	96.89%	153,972	10,502,841	98.33
2023	10,327,442	9,977,799	96.61%	148,164	10,125,963	98.05
2022	9,551,954	9,405,440	98.47%	106,462	9,511,902	99.58
2021	9,058,361	9,025,769	99.64%	164,785	9,190,554	101.46
2020	9,157,469	8,909,630	97.29%	162,366	9,071,996	99.07
2019	9,037,440	8,583,989	94.98%	161,089	8,745,078	96.76
2018	8,359,097	8,173,887	97.78%	157,001	8,330,888	99.66
2017	8,256,573	8,090,332	97.99%	162,361	8,252,693	99.95
2016	8,257,887	8,105,351	98.15%	159,117	8,264,468	100.08
2015	8,135,011	7,963,037	97.89%	149,871	8,112,908	99.73

*Unaudited

Source: City of Radford ACFR, 2024

(1) Includes collections and assessments under the Commonwealth’s personal property tax relief program.

TEN LARGEST TAXPAYERS

June 30, 2025

Name	Type of Business	Percent of Total Levy
Collegiate Development	Residential Housing	2.80%
Black & Bondurant/Bondurant	Residential Housing	2.20
RUF Hotel Land, LLC	Residential Housing	1.92
RAD Apartments, LLC	Residential Housing	1.31
Kollmorgen Corporation	Manufacturer	1.22
Copper Beech Townhomes	Residential Housing	1.08
Highlander APTS, LLC	Residential Housing	1.01
Radford Center Realty, LLC	Residential Housing	1.01
NRV Triple J, LLC	Residential Housing	0.95
Highland Village, LLC	Residential Housing	0.84

**BOOK-ENTRY ONLY SYSTEM
INFORMATION REGARDING THE DEPOSITORY
TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM**

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BOOK-ENTRY ONLY SYSTEM**INFORMATION REGARDING THE DEPOSITORY
TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM**

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2026 Bonds, payments of principal of and interest on the Series 2026 Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Series 2026 Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds and notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for the Series 2026 Bonds will be issued for each maturity as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade-settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and

Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to issuers of obligations such as the Series 2026 Bonds as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, Series 2026 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2026 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST AGREEMENT TO BE GIVEN TO SERIES 2026 BONDHOLDERS; OR (D) ANY OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS SERIES 2026 BONDHOLDER, INCLUDING THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.

So long as Cede & Co. is the registered owner of the Series 2026 Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2026 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Series 2026 Bonds for all purposes under the Trust Agreement.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2026 Bonds without the consent of Beneficial Owners or Series 2026 Bondholders.

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FORM OF OPINION OF BOND COUNSEL

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_____, 2026

New River Valley Regional Jail Authority
Dublin, Virginia

U.S. Bank Trust Company, National Association, as Trustee
Richmond, Virginia

New River Valley Regional Jail Authority
\$ _____ Regional Jail Facility Refunding Revenue Bonds, Series 2026

Ladies and Gentlemen:

We have served as Bond Counsel to the New River Valley Regional Jail Authority (the “Authority”) in connection with the issuance and sale of its \$ _____ Regional Jail Facility Refunding Revenue Bonds, Series 2026 (the “Bonds”). In connection with this opinion, we have examined Article 3.1, Chapter 3, Title 53.1 of the Code of Virginia of 1950, as amended (the “Act”), a Service Agreement dated as of February 28, 1995, as amended (the “Service Agreement”), among the Authority and the member jurisdictions therein named, the Indenture (herein defined) and copies of proceedings and other papers relating to the issuance and sale of the Bonds by the Authority.

Proceeds of the Bonds will be used to (a) refund, defease and redeem all of the Authority’s outstanding Regional Jail Facility Revenue and Refunding Bonds, Series 2016 (the “Refunded Bonds”); and (b) pay certain costs of issuance. The Bonds are issued pursuant to a Master Indenture of Trust, dated as of November 1, 1997 (the “Master Indenture”), between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as previously supplemented and amended, and as further supplemented in connection with the issuance of the Bonds, by the Sixth Supplemental Indenture of Trust dated as of July 1, 2026 (the “Sixth Supplemental Indenture” and, together with the Master Indenture, as previously supplemented and amended, the “Indenture”), between the Authority and the Trustee. All capitalized terms used herein, unless otherwise defined, have the meanings assigned in the Master Indenture or the Sixth Supplemental Indenture, as applicable.

The Bonds are dated the date hereof, are issuable in denominations of \$5,000, or any integral multiple of \$5,000, and bear interest from their date, payable on each April 1 and October 1, beginning on April 1, 2027. We refer you to the Bonds for information concerning their terms, security and redemption provisions.

Without undertaking to verify the same by independent investigation, we have relied on (a) computations provided to The Arbitrage Group, Inc., independent arbitrage consultants, the mathematical accuracy of which has been verified by them, relating to the yield of the investments in the escrow fund established in connection with the refunding of the Refunded Bonds, the sufficiency of the escrow fund to pay the principal of and interest on the Refunded Bonds on redemption date thereof and the yield on the Bonds, and (b) certifications by representatives of the Authority and other public officials furnished to us as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), including (i) the proceedings authorizing issuance of the Refunded Bonds and the Bonds, (ii) the use, investment and expenditure of proceeds of the Refunded Bonds and the Bonds and (iii) the projects refinanced with proceeds of the Refunded Bonds and the Bonds, and (c) certain other computations provided by financial consultants relating to the refunding purpose of the Bonds. The Authority has covenanted to comply with provisions of the Code regarding, among other matters, the use, expenditure and investment of proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds, all as set forth in proceedings and documents relating to issuance of the Bonds (the “Covenants”).

We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine, all documents, certificates, and instruments submitted to us as originals are authentic, and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties to them other than the Authority, and we have further assumed the due organization, existence, and powers of all parties other than the Authority.

Based on the foregoing, in our opinion, under current law:

1. The Authority is a public instrumentality of the Commonwealth of Virginia (the “Commonwealth”) duly created pursuant to the Act and vested with all of the rights and powers conferred by the Act.
2. The Authority has the requisite authority and power to enter into the Service Agreement and the Indenture, to issue and sell the Bonds, and to apply the proceeds from the issuance and sale of the Bonds as set forth in the Sixth Supplemental Indenture. Neither the faith and credit of the Commonwealth nor the faith and credit of the Authority or any other political subdivision of the Commonwealth are pledged to the payment of the principal of or premium, if any, or interest on the Bonds.
3. The Bonds have been duly authorized, executed, and delivered in accordance with the Constitution and statutes of the Commonwealth, including the Act, and the Indenture, and

constitute valid and binding limited obligations of the Authority, payable solely from the Net Revenues and other funds pledged for such purpose under the Indenture as security for the Bonds.

4. The Indenture and the Service Agreement have been duly authorized, executed, and delivered by the Authority, constitute valid and binding agreements of the Authority, and are enforceable against the Authority in accordance with their terms.

5. The obligations of the Authority under the Bonds, the Indenture and the Service Agreement are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights generally. Such obligations are also subject to usual equitable principles, which may limit the specific enforcement of certain remedies but which do not affect the validity of the obligations. Certain indemnity provisions may be unenforceable pursuant to judicial decisions invalidating or limiting such indemnity provisions on grounds of public policy.

6. The Master Indenture requires the Authority to fix, revise, and collect rates, fees, and other charges for the use of and for the services furnished by the Authority's regional jail facilities so that Revenues will be sufficient to pay, among other things, Operating Expenses and the principal of and interest on the Bonds when due.

7. Additional Bonds and Parity Indebtedness may be issued from time to time under the conditions, limitations, and restrictions set forth in the Master Indenture, and will be secured equally and ratably by the pledge of the Net Revenues under the Master Indenture with the Bonds.

8. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax for individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. The opinion set forth above is subject to the condition that all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest on the Bonds be, or continue to be, not included in gross income for federal income tax purposes are so satisfied and, therefore, failure by the Authority to comply with the Covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest on the Bonds.

9. Under existing statutes, interest (including any accrued original issue discount) on the Bonds is not subject to income taxation by the Commonwealth or any of its political subdivisions.

Our services as Bond Counsel to the Authority have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to

New River Valley Regional Jail Authority
U.S. Bank Trust Company, National Association
_____, 2026

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approve the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We have not been engaged and have not undertaken to review the accuracy, completeness, or sufficiency of the Authority's Preliminary Official Statement dated June 17, 2026, its Official Statement dated _____, 2026, or other offering material relating to the Bonds and, therefore, we express no opinion as to the accuracy or completeness of any information that may have been relied upon by anyone in making a decision to purchase Bonds.

The opinion expressed herein is given as of the date hereof only, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that hereafter may come to our attention or any changes in law that hereafter may occur or become effective. We have not been asked to, and we do not, express any opinion as to any matter except as specifically set forth herein.

Very truly yours,

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the “Agreement”) is executed and delivered as of _____, 2026, by the **NEW RIVER VALLEY REGIONAL JAIL AUTHORITY** (the “Authority”), in connection with the issuance of the Authority’s \$ _____ Regional Jail Facility Refunding Revenue Bonds, Series 2026 (the “2026 Bonds”). The Authority covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement; Representation. This Agreement is being executed and delivered by the Authority for the benefit of the Bondholders (as defined below) and in order to assist the Participating Underwriters (as defined below) in complying with the Rule (as defined below). The Authority acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement. The Authority further acknowledges the undertaking under this Agreement is for itself and on behalf of the member jurisdictions of the Authority: the County of Bland, Virginia, the County of Carroll, Virginia, the County of Floyd, Virginia, the County of Giles, Virginia, the County of Grayson, Virginia, the County of Pulaski, Virginia, the City of Radford, Virginia and the County of Wythe, Virginia (collectively, the “Member Jurisdictions”). The Authority and the Member Jurisdictions are Obligated Persons (herein defined) for the purposes of this Agreement.

Section 2. Definitions. Unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided for the Authority and for a Member Jurisdiction pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Bondholders” or “Holders of the 2026 Bonds” shall mean holders of the 2026 Bonds, including holders of beneficial interests in the 2026 Bonds, which are persons having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2026 Bonds (including persons holding 2026 Bonds through nominees, depositories or other intermediaries) or treated as the owner of any 2026 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System of the MSRB.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“Make Public” or “Made Public” shall mean the filing of information required to be disseminated under this Agreement with the MSRB via EMMA or as otherwise required by the MSRB.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Obligated Person” shall mean the Authority and any party who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the 2026 Bonds (other than the provider of any Credit Facility or any other credit enhancement or liquidity facility). The Obligated Persons with respect to the 2026 Bonds on the date of this Agreement are the Authority and the Member Jurisdictions.

“Participating Underwriters” shall mean Raymond James & Associates, Inc. and Stifel, Nicolaus & Company, Incorporated, which are the original underwriters of the 2026 Bonds required to comply with the Rule in connection with the offering of the 2026 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the U.S. Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The Authority shall, on behalf of itself and each Member Jurisdiction, Make Public or cause to be Made Public, directly, or indirectly through any Dissemination Agent, by not later than March 31 of each year, commencing March 31, 2027, an Annual Report for itself and each Member Jurisdiction which is consistent with the requirements of Section 4. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 below; *provided*, that the audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the fiscal year changes for the Authority or any Member Jurisdiction, notice shall be given of such change in the same manner as for a Listed Event under Section 5.

(b) If any Annual Report has not been Made Public by the date required in subsection (a), the Authority shall Make Public or cause to be Made Public a notice in substantially the form attached as Exhibit A to this Agreement.

Section 4. Content of Annual Reports.

(a) The Authority’s Annual Report shall contain or incorporate by reference the following:

(i) the Authority’s annual audited financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles applicable to governmental entities from time to time; and

(ii) operating data with respect to the Authority described in the Authority's Official Statement for the 2026 Bonds under the headings "DEBT SERVICE REQUIREMENTS FOR THE OUTSTANDING SERIES 2026 BONDS," "NEW RIVER VALLEY REGIONAL JAIL AUTHORITY – Revenue and Expense Summary," "BUDGET AND OTHER OPERATING INFORMATION – Budget Comparison," and "NEW RIVER VALLEY REGIONAL JAIL AUTHORITY – Member and Other Revenues, Rates and Utilization."

(b) For each Member Jurisdiction, the Annual Report shall contain or incorporate by reference the Member Jurisdiction's annual audited financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles applicable to governmental entities from time to time;

(c) Any or all of the items listed in subsections (a) and (b) may be included by specific reference to other documents, including official statements of debt issues of the Authority or the Member Jurisdictions or related public entities that have been Made Public. If the document included by reference is a final official statement, it must be available from the MSRB and shall be clearly identified as being included by reference.

Section 5. Reporting of Significant Events.

(a) The Authority shall Make Public or cause to be Made Public notice of any of the following events that may from time to time occur with respect to the 2026 Bonds within ten (10) days after the occurrence thereof:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) 2026 Bond calls, if material, and tender offers;
- (ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the 2026 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Authority;

Note to paragraph (xii): For the purposes of the event identified in paragraph (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(xiii) the consummation of a merger, consolidation or acquisition involving the Authority or sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect Holders of the 2026 Bonds, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

Section 6. Termination of Reporting Obligation. The obligations of the Authority under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2026 Bonds. If such termination occurs prior to the final maturity of the 2026 Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event.

Section 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may be amended, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws addressed to the Authority and the Member Jurisdictions to the effect that such amendment is required by or not prohibited by the Rule.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority or a Member Jurisdiction from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Authority or a Member Jurisdiction chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, there shall be no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. Any Bondholder, whether acting jointly or severally, may take such action as may be permitted by law against the appropriate public official to secure compliance with the obligations of the Authority under this Agreement. In addition, any Bondholder, whether acting jointly or severally, may take such action as may be permitted by law to challenge the adequacy of any information provided pursuant to this Agreement, or to enforce any other obligation of the Authority hereunder. A default under this Agreement shall not be deemed an event of default under any document related to the 2026 Bonds, and the sole remedy under this Agreement in the event of any failure of the Authority to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Bondholder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

Section 11. Notices. Any notices or communications to the Authority under this Agreement may be given as follows:

New River Valley Regional Jail Authority
P.O. Box 1067
Dublin, VA 24084
Telephone: (540) 643-2000
Facsimile: (540) 643-2010
Attention: Superintendent

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Authority and the Member Jurisdictions, the Participating Underwriters and the Bondholders from time to time of the 2026 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Virginia.

**NEW RIVER VALLEY REGIONAL JAIL
AUTHORITY**

By: _____
Name: _____
Title: _____

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Authority: NEW RIVER VALLEY REGIONAL JAIL AUTHORITY

Name of Issue: \$ _____ REGIONAL JAIL FACILITY REFUNDING REVENUE
BONDS, SERIES 2026

CUSIP Number: 648470 ____

NOTICE IS HEREBY GIVEN that the New River Valley Regional Jail Authority has not provided [Describe the nature of the deficiency – late filing and/or incomplete filing] with respect to the above-named 2026 Bonds as required by Section 3 of the Continuing Disclosure Agreement executed and delivered by the Authority, on behalf of itself and the County of Bland, Virginia, the County of Carroll, Virginia, the County of Floyd, Virginia, the County of Giles, Virginia, the County of Grayson, Virginia, the County of Pulaski, Virginia, the City of Radford, Virginia and the County of Wythe, Virginia.

Dated: _____

**NEW RIVER VALLEY REGIONAL JAIL
AUTHORITY**

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**NEW RIVER VALLEY REGIONAL JAIL AUTHORITY
SUMMARY OF REFUNDED BONDS**

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APPENDIX N

NEW RIVER VALLEY REGIONAL JAIL AUTHORITY

SUMMARY OF REFUNDED BONDS*

(Base CUSIP No. 648470)

Bonds	Maturity Date (Oct 1)	CUSIP Suffix	Interest Rate	Par Amount	Call Date	Call Price
	2026	BY7	4.000%	\$ 900,000	10/1/2026	100.00%
	2026	CP5	2.125%	1,205,000	10/1/2026	100.00%
Regional Jail Facility	2027	BZ4	5.000%	2,190,000	10/1/2026	100.00%
Refunding Revenue	2028	CA8	5.000%	2,300,000	10/1/2026	100.00%
Bonds, Series 2016	2029	CB6	5.000%	2,420,000	10/1/2026	100.00%
	2030	CC4	5.000%	2,540,000	10/1/2026	100.00%
	2031	CD2	5.000%	2,665,000	10/1/2026	100.00%
	2032	CE0	3.000%	2,770,000	10/1/2026	100.00%
	2033	CF7	3.000%	2,850,000	10/1/2026	100.00%
	2034	CG5	5.000%	2,960,000	10/1/2026	100.00%
	2035	CH3	3.125%	3,080,000	10/1/2026	100.00%
	2036	CJ9	5.000%	3,205,000	10/1/2026	100.00%
	2037	CK6	5.000%	3,370,000	10/1/2026	100.00%
	2038	CL4	5.000%	3,535,000	10/1/2026	100.00%

* Preliminary, subject to change.

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