

# **Pamunkey Regional Jail**

Hanover County, Virginia

## **Comprehensive Annual Financial Report**



**For the years ending June 30, 2008 and 2009**

Colonel James C. Willett, CJM, CCm  
Superintendent

Major Mark A. Bennett, CCM  
Deputy Superintendent

Mr. F. Keith Spicer, CPA  
Accounting Manager

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## **INTRODUCTORY SECTION**

# PAMUNKEY REGIONAL JAIL COMPREHENSIVE ANNUAL FINANCIAL REPORT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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November 7, 2009

The Honorable Members of the  
Pamunkey Regional Jail Authority Board  
Hanover, VA 23069

Dear Authority Board Members:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Pamunkey Regional Jail Authority (Jail Authority) for the fiscal year ended June 30, 2009. The report was prepared by the Superintendent and the Accounting Manager, who assume full responsibility for the accuracy of information, and the completeness and fairness of preparation. We believe the financial information, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations as measured by the financial activity of the Jail Authority's Enterprise Funds. This letter should be read in conjunction with the *Management's Discussion and Analysis*, which can be found in the Financial Section of the report.

#### FINANCIAL REPORTING ENTITY

The Jail Authority is required to undergo an annual audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. In the performance of this audit, consideration is given to the adequacy of the Jail Authority's internal accounting control structure. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of an internal control structure should not exceed the benefits likely to be derived, and therefore, management must continuously evaluate the benefits of various controls given the related costs of implementation. We believe that the Jail Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Jail Authority, a political subdivision of the Commonwealth of Virginia, was authorized by Chapter 726 of the 1990 Acts of the General Assembly of Virginia and formed on December 30, 1992. The participating jurisdictions of the Authority are the Counties of Caroline and Hanover and the Town of Ashland. The Authority is governed by a five-member board comprised of two members each from the Counties of Caroline and Hanover and one from the Town of Ashland. In an agreement between the County of Hanover (the "County") and the Jail Authority, the County serves as fiscal agent for the Jail Authority for which the Jail Authority reimburses the County for services provided in the areas of purchasing, finance, personnel and data processing; however, the Jail Authority formulates and approves its own budget. Complete financial statements for the County of Hanover can be obtained from the Director of Finance at P.O. Box 470, Hanover, Virginia 23069.

The general purpose of the Jail Authority is to maintain and operate a regional jail facility to meet the needs of the participating jurisdictions. The facility has 437-beds, consisting of 403 general-purpose beds, a 16-bed work release center, a 6-bed medical infirmary and 12 special management cells. The Jail's core services such as the infirmary, kitchen, and laundry services are designed for future expansion to accommodate a total inmate population of 665.

The legislation that created the Jail Authority requires there be a service agreement between the Jail Authority and its participating jurisdictions. The service agreement is a long-term contract regulating usage of the Jail Authority and establishing payment terms applicable to participating jurisdictions. It guarantees that the facility will be used and provides a basis for the issuance of revenue bonds to fund the final design and construction of the Jail. The board members of the Jail Authority signed the Service Agreement on April 7, 1995.

The payments by the participating jurisdictions are subject to the appropriation of funds for such purpose by the governing bodies of the participating jurisdictions.

### ECONOMIC CONDITIONS

Serving the member jurisdictions as Pamunkey Regional Jail does, the overall inmate population is indirectly related to the populations of these localities. Caroline County, Hanover County and the Town of Ashland are all areas that are continually experiencing growth and increased development. This, in turn, serves as an indicator for the number of persons likely to be incarcerated from those jurisdictions.

Hanover County's population growth rate is expected to be approximately .9%, with a total population of 103,025 estimated for 2009. These figures include the Town of Ashland. Caroline County's population growth rate is expected to be 1.0%, with a total population of 27,900 estimated for 2009.

The inmate population for the past year was 278. Projections for the upcoming fiscal year are 315 and by the 2011 fiscal year, we anticipate an inmate population of approximately 315.

### MAJOR ACCOMPLISHMENTS AND INITIATIVES

Over the past year, many accomplishments were realized within Pamunkey Regional Jail. The sliding Pay for Performance (satisfactory evaluation result: 3%) was in place as well as the Career Development Program. The Jail received 100% compliance for the eleventh consecutive year by the Board of Corrections. In January 2009, the Jail was also re-accredited by the American Correctional Association with a 99.7% compliance rate of the 4<sup>th</sup> edition standards. The standards for the 4<sup>th</sup> edition dealt with performance based documentation, which required the staff to keep track of statistical

information on every aspect of their performance. This statistical documentation proved that the facility was following the Policy and Procedures manual and ensuring quality of life for the inmates.

Federal bed rentals continued to be a source of additional revenue over the past year. This further accomplishes the goal of maintaining a low per-diem rate. This was done while maintaining a high level of service to the member jurisdictions and providing a safe living environment for the inmates at the facility.

Once again, the staff of the Pamunkey Regional Jail continues to give back to the community. Over the course of the past year the charitable and community based outreach activities have continued to make the facility shine amongst the citizens of our user jurisdictions. Our participation with the Special Olympics continued again this year. The Superintendent and several members of our Emergency Response Team participated in the Law Enforcement Torch Run. These dedicated staff members toughed out the heat and extreme humidity to represent our facility in this worthy cause. We also continued our support of the Special Olympics of Virginia by having several staff members volunteer at their annual fundraising event at the North Richmond Harley Davidson dealership located just outside of Ashland.

The facility also continues to give back to the community through a partnership with the Hanover County and Caroline County Departments of Social Services. During the holiday season the staff of the Pamunkey Regional Jail participates in the “Adopt-a-Family” program that benefits local families in need of assistance. We have found this program to be a great success which allows us to give back to the citizens of our user jurisdictions and shed a positive light on our organization. We also have continued our community work program that affords inmates the opportunity to provide area beautification services to our local communities. This program has been expanded to provide trash pick-up five days a week increasing the cleanliness of the roads and highways of our user jurisdictions. We strive to maintain a high level of professionalism with the Law Enforcement Community. Senior Public Safety Staff Meetings and User Group meetings with our localities have broadened the presence of our facility in the Law Enforcement Community and increased cooperation with the Sheriff’s Offices, Courts, and Magistrates of the jurisdictions in which we serve.

## FINANCIAL INFORMATION AND CONTROLS

The Jail Authority’s management is responsible for establishing and maintaining internal controls sufficient to ensure safeguarding of jail assets. In developing and evaluating the Jail’s accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and the benefits requires estimates and judgments by management.

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

In addition to the internal controls described above, budgetary controls are also established to ensure compliance with annual operating budgets approved by the Jail Board. Monthly reports containing

comparisons between actual and budget and current and prior year amounts are prepared and presented to the jail management and the Board.

The Jail Authority usually initiates its annual operating budget preparations in August of each fiscal year (July 1 through June 30). The Accounting Manager, with input from other departments, prepares a draft budget for the Jail Authority to review. After the initial review, a final budget is submitted to the Jail Authority by January 1 of each year.

### INVESTMENT MANAGEMENT

The Hanover County Treasurer is responsible for investing the Jail Authority's funds. Investments and deposits during the year consisted of a variety of securities, durations and increments as allowable by the Code of Virginia and further restricted by the County's investment policy. The allowable investments include savings accounts, certificates of deposit, U.S. government agency securities, corporate notes, banker's acceptances, commercial paper, money market accounts, mutual funds, state bonds, local bonds, mortgage-backed securities and repurchase agreements. The Hanover County Treasurer and Board of Supervisors have a jointly adopted investment policy that seeks to safeguard principal, meet liquidity objectives and seek fair value rates of returns. The Jail Authority's funds are managed in accordance with this policy.

Investment income earned for the fiscal year for the Jail Authority's operating funds was \$269,845 representing a decrease of \$108,241 from fiscal year 2007-08. This decrease was mainly attributable to the market return rates decreasing from the prior year.

### RISK MANAGEMENT

The Jail Authority's risk management program involves maintaining comprehensive insurance policies, and identifying and monitoring loss exposure. The Jail Authority's comprehensive property, boiler and machinery, automobile, business interruption, inland marine and worker's compensation insurance is provided through the Virginia Association of Counties Insurance Programs (VACO). The purpose of the association is to create and administer group self-insurance pools for political subdivisions of the Commonwealth of Virginia pursuant to the authority provided in Chapter 11.1 of Title 15.1 of the Code of Virginia. The association is managed by a seven member supervisory Board, who is elected by members at their annual meeting. Annual rates are based on estimated claims and reserve requirements. Pool deficits, should they materialize, will be eliminated through the levying of an additional assessment upon association members.

The Commonwealth of Virginia, Department of General Services, and Division of Risk Management provides the Jail Authority's general liability, and faithful performance of duty bond coverage.

### INDEPENDENT AUDIT

The certified public accounting firm of Cherry, Bekaert, and Holland, L.L.P. has audited the June 30, 2009 financial statements. Their opinion on the financial statements is presented in the financial section of this report.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pamunkey Regional Jail for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the seventh consecutive year that the Jail has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Jail Authority published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the employees of the Pamunkey Regional Jail.

Further appreciation is extended to each member of the Jail Authority for their continued interest, dedication, and support.

Respectfully submitted,

James C. Willett, CJM, CCM  
Superintendent

F. Keith Spicer, CPA  
Accounting Manager

**Pamunkey Regional Jail Authority Members  
Year 2009**

Chairman Charles Hartgrove  
Ashland Town Manager

Vice Chairman Percy Ashcraft  
Caroline County Administrator

Other Members

Tony Lippa  
Caroline County Sheriff

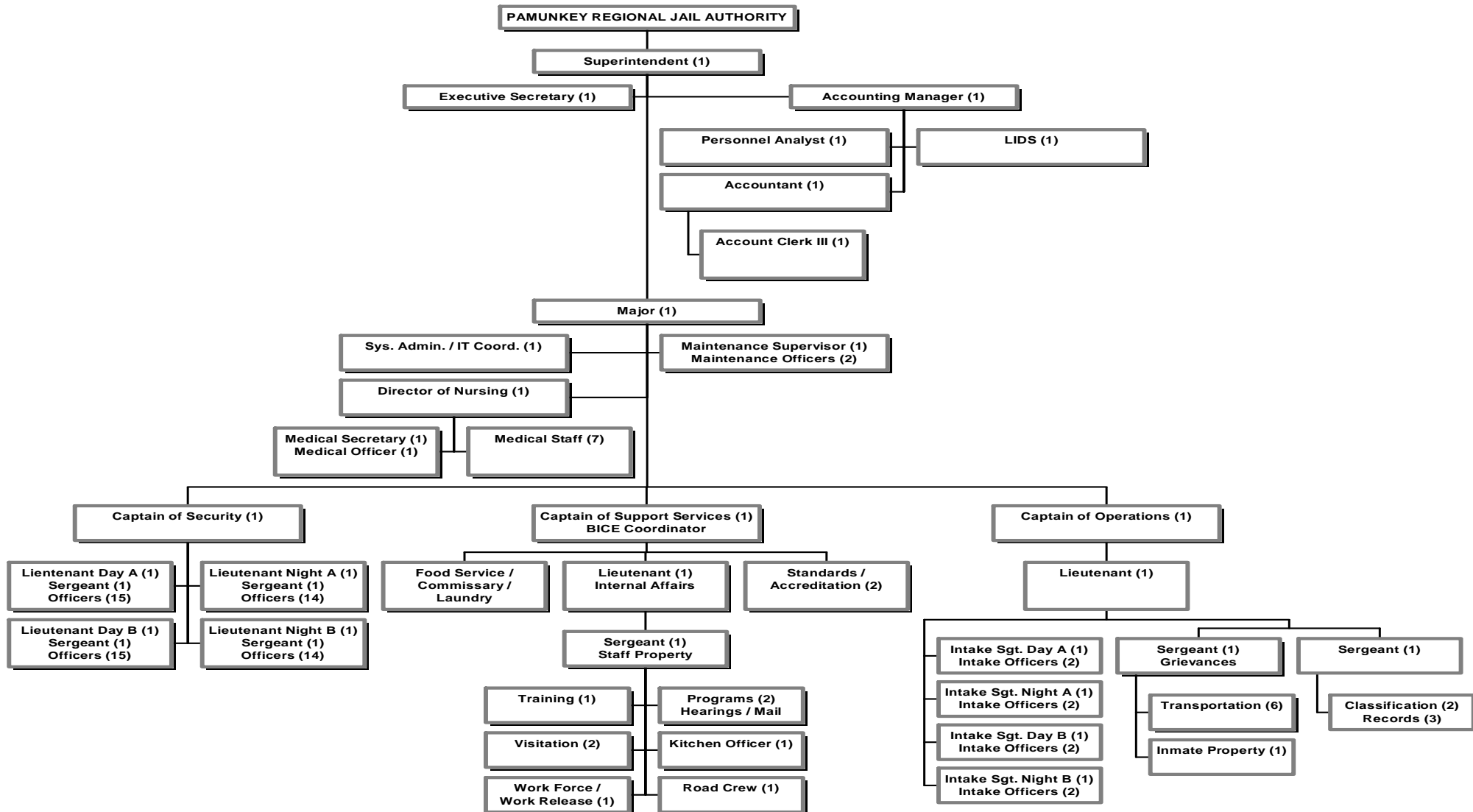
Jim Taylor  
Hanover County Acting Assistant Administrator

Dave Hines  
Lt. Colonel, Hanover County Sheriff's Department

Counsel

William H. Hefty, Esq.

# Pamunkey Regional Jail Organizational Structure



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Pamunkey Regional Jail Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

## **FINANCIAL SECTION**



## Independent Auditor's Report

Members of the Board  
Pamunkey Regional Jail Authority  
Hanover, Virginia

We have audited the financial statements of the Pamunkey Regional Jail Authority (the "Authority") as of and for the years ended June 30, 2009 and 2008, as listed in the forgoing table of contents. The financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pamunkey Regional Jail Authority as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2009, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-7 and the Schedule of Funding Progress – Virginia Retirement System on page 27 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Pamunkey Regional Jail's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Pamunkey Regional Jail. The schedule of expenditures of federal awards 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Cherry, Bekaert + Holland, LLP*

Richmond, Virginia  
October 23, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements of the Pamunkey Regional Jail include all business activities and include notes to the financial statements that explain and provide detail data on information in the financial statements.

The following is management's discussion and analysis of the Jail Authority's financial performance for the years ended June 30, 2009 and 2008. It should be read in conjunction with the letter of transmittal in the Introductory Section, the Jail Authority's financial statements and supplemental information included in the Financial Section and financial performance in the Statistical Section.

### FINANCIAL HIGHLIGHTS

- The Jail's net assets decreased \$72,643 during FY09.
- The total revenues of the Jail decreased \$191,270 or 1.6% from FY08. This decrease is primarily due to the reduction in revenue from the State and the decrease in other localities bed rental revenue.
- Total expenses in FY09 increased by \$543,193 or 5.0%, primarily from an increase in food service and supplies, as well as medical services and supplies and an increase in wages and benefits.
- The Jail's net assets increased \$661,820 during FY08.
- The total revenues of the Jail increased \$424,900 or 3.9% from FY07. This increase is primarily due to the increase in revenue from the State, the increase in operational per diem from the localities and the increase in Federal bed rental revenue.
- Total expenses in FY08 increased by \$419,284 or 3.9%, primarily from an increase in interest expense, as well as medical services and supplies and an increase in wages and benefits.

The Jail Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on the accrual basis, recognizing revenue when earned and expenses when incurred, and include all of the business activities of the Jail Authority. Assets are designated as restricted in accordance with debt and other agreements. See notes to financial statements for a summary of significant accounting policies.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Jail's basic financial statements. The Jail's basic financial statements consist of the statement of net assets, the statement of revenues, expenses and changes in net assets, and the statement of cash flows. The first two statements report the jail's net assets and how they have changed. Net assets are the difference between the Jail's total assets and liabilities. Measuring net assets is one way to gauge the Jail's financial condition.

The following table summarizes the net assets of the Jail at June 30, 2009, 2008, and 2007:

NET ASSETS	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>			
Cash and cash equivalents – unrestricted	\$ 3,689,731	\$ 4,015,637	\$ 3,411,169
Cash and cash equivalents – restricted	4,451,520	4,451,520	4,438,718
Receivables	850,686	998,194	1,059,758
Capital assets, net	<u>18,790,427</u>	<u>19,470,224</u>	<u>19,969,228</u>
<b>Total Assets</b>	<b><u>27,782,364</u></b>	<b><u>28,935,575</u></b>	<b><u>28,878,873</u></b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	320,919	432,764	94,463
Accrued liabilities	270,250	256,944	242,010
Current portion of compensated absences	69,440	54,000	68,000
Current portion of long-term debt	1,215,000	1,180,000	1,130,000
Accrued bond interest	<u>250,773</u>	<u>264,690</u>	<u>293,095</u>
<b>Total current liabilities</b>	<b><u>2,126,382</u></b>	<b><u>2,188,398</u></b>	<b><u>1,827,568</u></b>
<b>Long-Term Liabilities</b>			
Revenue bonds	12,258,287	13,330,839	14,368,391
Compensated absences	<u>409,924</u>	<u>355,924</u>	<u>284,320</u>
<b>Total long-term liabilities</b>	<b><u>12,668,211</u></b>	<b><u>13,686,763</u></b>	<b><u>14,652,711</u></b>
<b>Total Liabilities</b>	<b><u>14,794,593</u></b>	<b><u>15,875,161</u></b>	<b><u>16,480,279</u></b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	5,317,140	4,959,385	4,470,837
Restricted	4,451,520	4,451,520	4,438,718
Unrestricted	<u>3,219,111</u>	<u>3,649,509</u>	<u>3,489,039</u>
<b>Total Net Assets</b>	<b><u>\$ 12,987,771</u></b>	<b><u>\$ 13,060,414</u></b>	<b><u>\$ 12,398,594</u></b>

Overall net assets increased 5.3% in 2008 and decreased .6% in 2009, with unrestricted net assets increasing 4.6% for 2008 and decreasing 11.8% for 2009.

**REVENUES**

Operating and non-operating revenues for the Jail Authority totaled \$11,413,120 for the year ended June 30, 2009, which equates to a \$191,270 decrease over fiscal year 2008. Of this total, per-diem billings to member jurisdictions totaled \$4,820,384 or 42 percent of total revenues. Per-diem billings to non-member jurisdictions totaled \$2,483,139 and accounted for 22 percent of total revenues. Non-inmate revenues totaled \$4,109,598 or 36 percent of total revenues.

Operating and non-operating revenues for the Jail Authority totaled \$11,604,391 for the year ended June 30, 2008, which equates to a \$424,900 increase over fiscal year 2007. Of this total, per-diem billings to member jurisdictions totaled \$4,496,011 or 39 percent of total revenues. Per-diem billings to non-member jurisdictions totaled \$2,725,781 and accounted for 23 percent of total revenues. Non-inmate revenues totaled \$4,382,598 or 38 percent of total revenues.

A summary of revenues is provided in the following tabulation:

<b>Revenue Source</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Operating Revenue:			
Hanover County	\$ 3,516,100	\$ 3,437,092	\$ 3,194,685
Town of Ashland	189,123	172,225	158,260
Caroline County	1,115,161	886,694	814,865
Subtotal	<u>4,820,384</u>	<u>4,496,011</u>	<u>4,167,810</u>
United State's Marshal's Service	1,580,446	1,188,065	918,350
Immigration/Naturalization Service	1,192,271	1,523,822	1,067,382
Other Local and Regional Jails	15,314	252,528	508,428
Subtotal	<u>2,788,031</u>	<u>2,964,415</u>	<u>2,494,160</u>
Compensation Board	2,499,450	3,673,562	3,596,539
Commonwealth of Virginia	(304,892)	(238,633)	212,030
Federal ARRA Stimulus Funds	1,033,566	-	-
Work Release	13,088	20,426	26,658
Miscellaneous	293,648	310,524	324,741
Subtotal	<u>3,534,860</u>	<u>3,765,879</u>	<u>4,159,968</u>
Total Operating Revenue	11,143,275	11,226,305	10,821,938
Nonoperating Revenue:			
Interest Revenue	<u>269,845</u>	<u>378,086</u>	<u>357,552</u>
Total Revenue	<u>\$ 11,413,120</u>	<u>\$ 11,604,391</u>	<u>\$ 11,179,490</u>

## EXPENSES

Operating and non-operating expenses totaled \$11,485,763 for the year ended June 30, 2009, which represents a \$543,193 increase over fiscal year 2008. Of this amount, salaries and employee benefits totaled \$7,314,332, medical services and supplies totaled \$434,575, food service and supplies totaled \$637,835 and interest payments on debt totaled \$505,415.

Operating and non-operating expenses totaled \$10,942,571 for the year ended June 30, 2008, which represents a \$419,284 increase over fiscal year 2007. Of this amount, salaries and employee benefits totaled \$6,816,734, medical services and supplies totaled \$400,012, food services and supplies totaled \$599,672 and interest payments on debt totaled \$533,249.

Summary data is presented in the following tabulation:

<u>Expense Classification</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Expenses:			
Personal services	\$ 5,344,127	\$ 4,963,757	\$ 4,693,277
Fringe benefits	1,970,205	1,852,977	1,743,206
Contractual services	766,234	794,196	798,869
Materials and supplies	526,501	578,519	579,504
Medical services and supplies	434,575	400,012	383,158
Food services and supplies	637,835	599,672	560,148
Utilities	417,411	365,151	330,623
Depreciation	883,460	855,038	844,444
Total Operating Expenses	<u>10,980,348</u>	<u>10,409,322</u>	<u>9,933,229</u>
Total Non-operating Expenses:			
Interest expense	<u>505,415</u>	<u>533,249</u>	<u>590,058</u>
Total expenses	11,485,763	10,942,571	10,523,287
Total excess or (deficiency) of revenues and expenses	<u>(72,643)</u>	<u>661,820</u>	<u>656,203</u>
Net assets, beginning	<u>13,060,414</u>	<u>12,398,594</u>	<u>11,742,391</u>
Net assets, ending	<u>\$ 12,987,771</u>	<u>\$ 13,060,414</u>	<u>\$ 12,398,594</u>

## FINANCIAL ANALYSIS OF JAIL FUNDS

The financial statements are prepared on the accrual basis, recognizing revenue when earned and expenses when incurred, and include all of the business activities of the Jail Authority. Assets are designated as restricted in accordance with debt and other agreements.

Jail operations ended the year with a decrease in total net assets of \$72,643. Net assets increased by \$661,820 in 2008. The decrease for FY09 can be attributed to the reduction in revenues from the State and the decrease in other localities bed rental revenue.

The Jail's cash position remains strong with \$3,689,731 in unrestricted funds.

## DEBT ADMINISTRATION

On July 1, 2003 the Jail Authority issued \$6,305,000 Jail Facility Refunding Bonds, Series 2003, to advance refund a portion of the Jail Authority's \$21,745,000 Jail Facility Revenue Bonds, Series 1996. The total proceeds of the bond issue were expended as follows: \$36,401 was deposited in a special account created for the payment of the costs of issuing the Bonds, \$6,268,599 was deposited in an escrow fund with the Jail Authority's trustee, SunTrust Bank to defease and refund \$5,470,000 of the 1996 bonds on July 1, 2006, the redemption date and to pay the interest coming due on all of the 1996 bonds until this redemption date. The proceeds of the \$6,305,000 bond issue are invested in United States Treasury Time Deposit Securities – State and Local Government Series (SLGs), and will generate sufficient revenues for principal and interest payments. The defeased bonds have been removed from the statement of net assets of the jail. For more detailed information on long-term debt activity refer to Note 5 of the notes to these financial statements.

## CAPITAL ASSETS

Operating Fund assets with a cost of \$5,000 or more are capitalized and depreciated over their useful lives using the straight-line method. As of June 30, 2009, capital assets, accumulated depreciation and depreciation expense totaled \$28,188,564, \$9,398,139 and \$883,460 respectively. As of June 30, 2008, capital assets, accumulated depreciation and depreciation expense totaled \$28,005,494, \$8,535,270 and \$855,038 respectively. For more detailed information on capital assets activity refer to Note 3 of the notes to these financial statements.

## JAIL AUTHORITY'S PER DIEM RATES

Operational per diem and debt service per diem rates are set for the localities through the annual budget process. The operational per diem rate is calculated by the total operational per diem due from the localities divided by the total number of inmates projected for the year divided by 365 days. The operational per diem rates were \$29.30 and \$25.75 for 2008 and 2007, respectively; and \$33.58 for 2009. The debt service per diem rate is calculated by the total debt service divided by the total number of projected inmates for the year divided by 365 days. The debt service per diem rates were \$13.27 and \$12.63 for 2008 and 2007, respectively; and \$14.13 for 2009. The per diem rate that has been set for all other bed space, such as federal and other local county inmates is \$54.00.

## REQUEST FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the Jail Authority's finances. Should you have any questions about this report or need additional information, please contact the Accounting Manager, 7240 Courtland Farm Road, Hanover, VA 23069.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Statements of Net Assets June 30, 2009 and 2008

(Continued)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current Assets:	\$ 3,689,731	\$ 4,015,637
Cash and cash equivalents - unrestricted	4,451,520	4,451,520
Cash and cash equivalents - restricted		
Receivables:		
Due from Federal Government	391,848	457,368
Due from Commonwealth of Virginia - Operations	317,571	319,462
Accrued interest receivable - member jurisdictions	48,057	48,056
Accounts receivable - member jurisdictions	<u>93,210</u>	<u>173,308</u>
Total current assets	8,991,937	9,465,351
Capital Assets:		
Non depreciable assests	70,825	318,860
Depreciable assets, net of accumulated depreciation of \$9,398,139 for FY2009 and \$8,535,270 for FY2008, respectively	<u>18,719,602</u>	<u>19,151,364</u>
Total capital assets	<u>18,790,427</u>	<u>19,470,224</u>
Total assets	<u><u>\$ 27,782,364</u></u>	<u><u>\$ 28,935,575</u></u>

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Statements of Net Assets**  
**June 30, 2009 and 2008**

**(Concluded)**

	<u>2009</u>	<u>2008</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 320,919	\$ 432,764
Accrued liabilities	270,250	256,944
Current portion of compensated absences	69,440	54,000
Current portion of long-term debt	1,215,000	1,180,000
Accrued bond interest	250,773	264,690
	<u>2,126,382</u>	<u>2,188,398</u>
Total current liabilities		
Long-term Liabilities:		
Revenue bonds, net of unamortized deferred loss and bond discount	12,258,287	13,330,839
Compensated absences	409,924	355,924
	<u>12,668,211</u>	<u>13,686,763</u>
Total long-term liabilities		
	<u>14,794,593</u>	<u>15,875,161</u>
Total liabilities		
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	5,317,140	4,959,385
Restricted:		
Debt service and repair reserve - per Debt Covenant	1,730,501	1,730,501
Operating reserve - per Jail Service Agreement	2,721,019	2,721,019
Unrestricted	3,219,111	3,649,509
	<u>12,987,771</u>	<u>13,060,414</u>
Total net assets	<u>\$ 12,987,771</u>	<u>\$ 13,060,414</u>

See notes to financial statements.

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Years Ended June 30, 2009 and 2008**

	2009	2008
<b>OPERATING REVENUES:</b>		
Charges for services:		
County of Hanover	\$ 3,516,100	\$ 3,437,092
Town of Ashland	189,123	172,225
County of Caroline	1,115,161	886,694
Charges to other governments	2,788,031	2,964,415
Other	306,736	330,950
Intergovernmental:		
Federal ARRA Stimulus Funds	1,033,566	-
Revenue from the Commonwealth of Virginia:		
Categorical aid: Shared expenses and fees	2,194,558	3,434,929
Total operating revenues	<u>11,143,275</u>	<u>11,226,305</u>
<b>OPERATING EXPENSES:</b>		
Personal services	5,344,127	4,963,757
Fringe benefits	1,970,205	1,852,977
Contractual services	766,234	794,196
Other operating expenses and supplies	2,016,322	1,943,354
Depreciation	883,460	855,038
Total operating expenses	<u>10,980,348</u>	<u>10,409,322</u>
Operating income	162,927	816,983
<b>NONOPERATING REVENUES (expenses):</b>		
Interest income	269,845	378,086
Interest on long-term debt	(505,415)	(533,249)
Net nonoperating expenses	<u>(235,570)</u>	<u>(155,163)</u>
Change in net assets	(72,643)	661,820
Net assets at beginning of year	<u>13,060,414</u>	<u>12,398,594</u>
Net assets at end of year	<u>\$ 12,987,771</u>	<u>\$ 13,060,414</u>

See notes to financial statements.

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Statements of Cash Flows**  
**Years Ended June 30, 2009 and 2008**

**(Continued)**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Charges to governments for inmates	\$ 7,754,033	\$ 7,462,072
Intergovernmental revenue	3,230,014	3,490,920
Other revenues	306,736	330,950
Payments to suppliers	(2,751,953)	(2,488,835)
Payments to employees	<u>(7,231,586)</u>	<u>(6,744,196)</u>
Net cash provided by operating activities	<u>1,307,244</u>	<u>2,050,910</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments for capital asset additions	(203,663)	(124,000)
Principal payments on long-term debt	(1,180,000)	(1,130,000)
Interest paid on long-term debt	<u>(519,332)</u>	<u>(561,654)</u>
Net cash used for capital and related financing activities	<u>(1,902,995)</u>	<u>(1,815,654)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on cash and cash equivalents	<u>269,845</u>	<u>382,012</u>
Net cash provided by investing activities	<u>269,845</u>	<u>382,012</u>
Net increase (decrease) in cash and cash equivalents	(325,906)	617,270
Cash and cash equivalents at beginning of year	<u>8,467,157</u>	<u>7,849,887</u>
Cash and cash equivalents at end of year	<u><u>\$ 8,141,251</u></u>	<u><u>\$ 8,467,157</u></u>

See notes to financial statements.

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Statements of Cash Flows**  
**Years Ended June 30, 2009 and 2008**

**(Concluded)**

	<u>2009</u>	<u>2008</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 162,927	\$ 816,983
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	883,460	855,038
Amortization	142,448	142,448
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	80,098	(4,409)
Due from Commonwealth of Virginia - Operations	1,890	55,991
Due from Federal Government	65,520	9,981
Increase (decrease) in:		
Accounts payable	(111,845)	102,340
Accrued liabilities	13,306	14,934
Compensated absences	69,440	57,604
Net cash provided by operating activities	<u>\$ 1,307,244</u>	<u>\$ 2,050,910</u>

See notes to financial statements.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 1 – Summary of significant account policies

- A. **Reporting Entity** – The Jail Authority, a political subdivision of the Commonwealth of Virginia, was authorized by Chapter 726 of the 1990 Acts of the General Assembly of Virginia and formed on December 30, 1992. The participating jurisdictions of the Authority are the Counties of Caroline and Hanover and the Town of Ashland. The Authority is governed by a five-member board comprised of two members each from the Counties of Caroline and Hanover and one from the Town of Ashland. In an agreement between the County of Hanover the (“County”) and the Jail Authority, the County serves as fiscal agent for the Jail Authority for which the Jail Authority reimburses the County for services provided in the areas of purchasing, finance, personnel and data processing. The Jail is not a component unit of Hanover County and is not reported in Hanover County’s Comprehensive Annual Financial Report as a component unit.
- B. **Financial Statement Presentation** – The financial statements of the Jail Authority are prepared in accordance with generally accepted accounting principles for an enterprise fund. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Jail Authority is that the cost of providing services to the participating jurisdictions be financed or recovered through user charges to participating jurisdictions.
- C. **Basis of Accounting** – The financial statements are presented on the accrual basis of accounting, wherein revenues are recognized when earned and expenses are recognized when incurred. Government Accounting Standards Board (“GASB”) Statement No. 20 requires proprietary activities to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (“FASB”) pronouncements, Accounting Principles Board (“APB”) Opinions, and Accounting Research Bulletins (“ARBs”) issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 20, management has elected not to apply FASB pronouncements issued after November 30, 1989.
- D. **Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, deposits in bank and short-term investments with maturities of three months or less when purchased. Cash and cash equivalents also include amounts held in restricted accounts in accordance with the Series 1996 Jail Facility Revenue Bonds, 2001 Jail Facility Revenue Bonds, and 2003 Jail Facility Revenue Bonds.
- E. **Restricted Assets** – The Jail Authority’s restricted assets consists of debt service and operating reserves. Reserves were as follows:

	<u>2009</u>	<u>2008</u>
Debt service and repair reserve	\$ 1,730,501	\$ 1,730,501
Operating reserve	\$ 2,721,019	\$ 2,721,019

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 1 – Summary of significant account policies (continued)

F. **Allowances for Uncollectibles** – In accordance with prior history and given the Jail Authority’s relationship with member jurisdictions, no allowance has been established for uncollectible accounts.

G. **Capital Assets** – All property, plant and equipment is recorded at cost. The capitalization threshold is \$5,000. Depreciation for operating facilities and equipment is computed over useful lives of 5 to 35 years using the straight-line method and half-year convention. Interest expense that relates to the cost of acquiring or constructing capital assets is capitalized. Interest expense incurred in connection with construction of capital assets has been reduced by interest earned on the investment of funds borrowed for construction. No interest costs were capitalized during the fiscal years of 2009 and 2008, respectively.

Land	5	years
Buildings	35	years
Improvements other than buildings	15	years
Equipment	5	years

H. **Bond Issuance Costs and Discounts** – Bond issuance costs and discounts are amortized over the life of the bonds using the bonds outstanding method.

I. **Vacation, Sick, and Holiday Leave** – Jail Authority employees will earn vacation and sick leave in varying amounts on a semi-monthly basis, based upon length of service. Annual carry over limitations apply to vacation hours but not to sick leave. Employees are compensated for unused vacation and sick leave upon separation, retirement or death based upon years of service and limited to a maximum dollar amount. Holidays earned by an employee, classified as essential personnel, will be those days specified by the Pamunkey Regional Jail Authority to be taken. All non-essential personnel, as designated by the Superintendent, will take the twelve scheduled holidays granted per year unless ordered otherwise.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 1 – Summary of significant account policies (continued)

- J. **Operating and non-operating revenues and expenses** – The Jail Authority reports as operating revenues charges for bed rentals for inmates from the jurisdictions of Hanover, Caroline and the Town of Ashland as well as bed rentals of federal prisoners from the U.S. Department of Homeland Securities and the United States Marshals. The Jail also reports categorical aid from the Commonwealth of Virginia as operating revenues. The Jail reports as operating expenses those costs such as salaries for personnel to operate the Jail, contractual services for outside contractors and depreciation expense. The Jail Authority reports as non-operating revenue and expense amounts arising from interest on cash held and interest paid on the outstanding debt.
- K. **Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- L. **Budget** – The Superintendent must annually submit a balanced budget to the Jail Authority in October. The budget denotes per diem rates charged to member jurisdictions, and line item revenues and expenses. The Jail Authority must adopt a final budget on or before January 1.

The Jail Authority designates, in accordance with its bond covenants, an operating reserve fund in each of its annual budgets in an amount equal to not less than 90 days of its projected annual budget for each year less debt service. This operating reserve amount was \$2,721,019 for the both years ended June 30, 2009 and 2008.

- M. **Risk Management** – The Jail Authority's risk management program involves maintaining comprehensive insurance coverage and identifying and monitoring loss exposure. The Jail Authority's comprehensive property, boiler and machinery, automobile, business interruption, inland marine and worker's compensation insurance is provided through VACO.

General liability and faithful performance of duty bond coverages are provided by the Commonwealth of Virginia, Department of General Services, and Division of Risk Management. There was no reduction in insurance coverage for the year ended June 30, 2009.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 2 – Deposits and Investments

Hanover County acts as a fiscal agent for the Pamunkey Regional Jail Authority. Accordingly, the Authority's assets held by Hanover County at June 30, 2009 are:

<u>Assets held by Hanover County</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Cash Deposits	\$1,673,517	N/A
Demand and Time Deposits	66,133	A-1+
Money Market Mutual Funds	343,584	AAA
U.S. Government and Agency Bonds	4,110,934	AAA,N/A
Corporate Notes and Bonds	316,583	AAA,AA,AA+,A+
Guaranteed Investment Contracts	<u>1,630,500</u>	Not Rated
Total deposits and investments	<u>\$8,141,251</u>	

Deposits: Hanover County acts as a fiscal agent for the Jail Authority; accordingly, the Jail Authority's cash balance is invested by the County. All cash of the Jail Authority is maintained by the fiscal agent in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by Federal depository insurance. The Act requires any public depository that receives or holds public deposits to pledge collateral, ranging from 50 to 100 percent of the public deposits, to the State Treasury Board to cover public deposits in excess of Federal deposit insurance. The Act further provides for the pooling of the collateral pledged by financial institutions with the Treasurer of Virginia to secure public deposits as a class. If any member financial institution fails, the entire, collateral pool becomes available to satisfy the claims of government entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts are assessed on a pro-rata basis to the members of the pool. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. A municipal financial institution collateral pool that provides for additional assessments is similar to depository insurance; therefore, funds deposited in accordance with the Act are considered to be fully insured.

Investments: The Jail Authority has adopted the investment policy of its fiscal agent. In accordance with Section 2.2-4500 of the Code of Virginia and other applicable law and regulations, the County's Investment policy (Policy) permits investments in obligations of the United States or agencies thereof, held directly, by collateralized repurchase agreement, or in mutual funds registered under the Investment Company Act of 1940, whose portfolios are restricted to U.S. and U.S. agency obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, savings

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 2 – Deposits and Investments (continued)

accounts or time deposits in approved banks or savings institutions within the Commonwealth and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, a 2a-7 like pool).

The County's Policy establishes limitations on the holding on non-U.S. Government obligations by type of instrument. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

Negotiable Certificates of Deposits/Bank Notes	100% maximum
Repurchase Agreements	50% maximum
Corporate Notes	50% maximum
Bankers' Acceptances	40% maximum
Commercial Paper	35% maximum

The County's Policy expressly prohibits the following securities, unless specifically approved in writing by the Treasurer: derivative products; reverse repurchase agreements; and any other security not specifically authorized in the policy.

The County's Policy also limits the investment of operating funds to investments with a stated maturity of no more than five years from the date of purchase, except that proceeds from the sale of bonds invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

Interest Rate Risk: As a means of limiting exposure to fair value losses arising from rising interest rates, investment maturity is managed to precede or coincide with the expected need of funds, which has resulted in the creation of multiple portfolios. During fiscal year 2007, the County modified its investment strategies by adding a second long term investment portfolio, allowing investments to be managed in three portfolios of differing maturities. Furthermore, the County's Policy limits the investment of operating funds to investments with a stated maturity of no more than 5 years from the date of purchase. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 2 – Deposits and Investments (continued)

As of June 30, 2009, assets held by Hanover County on behalf of the Authority were as follows:

Investment Maturity in Years Investment Type	Fair Value	Less than 1	1 to 3	More than 3
Cash Deposits	\$ 1,673,517	\$ 1,673,517	\$ -	\$ -
Demand and Time Deposits	66,133	66,133	-	-
Money Market Mutual Funds	343,584	343,584	-	-
US Government and Agency Bonds	4,110,934	2,849,793	1,199,990	61,151
Corporate Notes and Bonds	316,583	8,531	308,052	-
Guaranteed Invest Contract	1,630,500	-	-	1,630,500
Total deposits and investments	<u>\$ 8,141,251</u>	<u>\$ 4,941,558</u>	<u>\$ 1,508,042</u>	<u>\$ 1,691,651</u>

Credit Risk: As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following: Moody’s Investors Service, Standard & Poor’s and Fitch Investor’s Service. Furthermore, the County’s Policy requires maturity may not exceed 270 days and the issuing corporation, or its guarantor has a net worth of at least \$50 million and the net income has averaged \$3 million for the five previous years.

Corporate notes, negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service. Notes having a maturity of greater than one year must be rated “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service.

The Jail Authority’s rated debt investments as of June 30, 2009 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings above are using the S& P rating scale. Deposits and investments not exposed to credit quality risk, as defined by Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, are designated as not applicable (N/A) in the credit rating column.

While the AIG Matched FDG Corporation guaranteed investment contract is not rated, the S & P ratings of AIG at June 30, 2009, was rated “A-“. As of September 15, 2009, the Regional Jail Trust continues to hold the asset which is collateralized and has an unconditional guarantee.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 2 – Deposits and Investments (continued)

At the time of purchase, the asset was collateralized at 104% of the sum of the outstanding principal amount of the Investment plus any unpaid accrued interest. As ratings events occur (i.e. rating downgrades), collateralization requirements by the Guarantor increased. If additional ratings events occur (i.e. S & P Ratings below “A-“), the collateralization requirement will increase to 112% or the Trustee may request repayment of the principal and accrued but unpaid interest on the Investment. Also in accordance with the contract, the Regional Jail Trust also has a first perfected security interest in all the Collateral delivered or transferred to the Collateral Agent.

Concentration of Credit Risk: The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than 5% of the portfolio will be invested in the securities of any single issuer with the following exceptions:

U.S. Treasury	100% maximum
Each Federal Agency	35% maximum
Each Repurchase Agreement Counterparty	25% maximum

The Jail Authority had investments at June 30, 2009, with more than 5% of the total securities of the issuing entity. Investments from the following issuers exceeded five percent of the portfolio: AIG Matched FDG Corporation guaranteed investment contract (20%), Federal National Mortgage Association (15%), Federal Home Loan Bank (20%), and Federal Home Loan Mortgage Corporation (18%) and US Treasury Notes (6%).

Custodial Credit Risk – Deposits and Investments: The County’s Policy requires that all investment securities purchased for the County be held by the County or by the County’s designated custodian. If held by a custodian, the securities must be in the County’s or in the custodian’s nominee name and identifiable on the custodian’s books as belonging to the County and the custodian must be a third party, not a counter-party to the investment transaction. As of June 30, 2009, all of the County’s investments were held by the County’s custodial bank’s trust department in the County’s name. The Jail Authority’s investments at June 30, 2009, were held in the name of the Jail Authority by the County’s custodial bank; except \$6,174,271 of the Hanover County pooled deposits and investments at June 30, 2009, which were held by County’s custodial bank in the name of Hanover County.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 3 – Capital Assets

The following schedules denote the changes in capital assets for the years ended June 30, 2009 and 2008 respectively.

Description	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated				
Land	\$ 70,825	\$ -	\$ -	\$ 70,825
Construction in progress	248,035	-	248,035	-
Total non depreciable assets	318,860	-	248,035	70,825
Capital assets being depreciated:				
Buildings	27,020,273	-	-	27,020,273
Improvements other than buildings	25,083	384,289	-	409,372
Equipments	641,278	70,665	23,847	688,096
Total capital assets being depreciated	27,686,634	454,954	23,847	28,117,741
Accumulated depreciation:				
Buildings	8,106,076	772,007	-	8,878,083
Improvements other than buildings	25,083	23,301	-	48,384
Equipment	404,111	88,152	20,591	471,672
Total accumulated depreciation	8,535,270	883,460	20,591	9,398,139
Total capital assets being depreciated (net)	19,151,364	(428,506)	3,256	18,719,602
Total capital assets	\$ 19,470,224	\$ (428,506)	\$ 251,291	\$ 18,790,427

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 3 – Capital Assets (continued)

Description	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital assets not being depreciated:				
Land	\$ 70,825	\$ -	\$ -	\$ 70,825
Construction in progress	-	248,035	-	248,035
Total non-depreciable assets	70,825	248,035	-	318,860
Capital assets being depreciated:				
Buildings	27,020,273	-	-	27,020,273
Improvements other than buildings	25,083	-	-	25,083
Equipment	562,267	107,999	28,988	641,278
Total capital assets being depreciated	27,607,623	107,999	28,988	27,686,634
Accumulated depreciation:				
Buildings	7,334,069	772,007	-	8,106,076
Improvements other than buildings	25,083	-	-	25,083
Equipment	350,068	83,031	28,988	404,111
Total accumulated depreciation	7,709,220	855,038	28,988	8,535,270
Total capital assets being depreciated (net)	19,898,403	(747,039)	-	19,151,364
Total capital assets	\$ 19,969,228	\$ (499,004)	\$ -	\$ 19,470,224

### Note 4 – Interest Payable

Accrued interest payable totaled \$250,773 and \$264,690 at June 30, 2009 and 2008 respectively. This amount is related to the Jail Authority's share of the Series 1996, 2001 and 2003 Jail Facility Revenue Bonds. Accrued interest payable will be paid from restricted cash.

### Note 5 – Bonds Payable

**Series 2003 Jail Facility Revenue Bonds.** On July 1, 2003 the Jail Authority issued \$6,305,000 Jail Facility Refunding Bonds, Series 2003, to advance refund a portion of the Jail Authority's \$21,745,000 Jail Facility Revenue Bonds, Series 1996. The total proceeds of the bond issue were expended as follows: \$36,401 was deposited in a special account created for the payment of the costs of issuing the Bonds, \$6,268,599 was deposited in an escrow fund with the Jail Authority's trustee, SunTrust Bank to defease and refund \$5,470,000 of the 1996 bonds on July 1, 2006, the redemption date and to pay the interest coming due on all of the 1996 bonds until this redemption date. The proceeds of the \$6,305,000 bond issue are invested in United States Treasury Time Deposit Securities – State and Local Government Series (SLGs), and will generate sufficient revenues for principal and interest payments. The defeased bonds have been removed from the statement of net assets of the jail.

# **PAMUNKEY REGIONAL JAIL AUTHORITY**

## **Notes to Financial Statements**

**June 30, 2009 and 2008**

### **Note 5 – Bonds Payable (continued)**

As a result of the advance refunding, the Jail Authority reduced its total debt service requirements by \$411,540, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$368,711.

**Series 2001 Jail Facility Revenue Bonds.** On November 11, 2001 the Jail Authority issued 10,000,000 of series 2001 jail facility revenue bonds with an interest rate of 4.14% to advance refund a portion of the series 1996 revenue bonds with an interest rate of 5.75%. The series 2001 jail facility revenue bonds were issued at par and after paying issuance costs of \$43,416, the net proceeds were \$9,956,584. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an escrow account with the Jail Authority Trustee, SunTrust Bank to provide debt service payments until the term bonds are called on July 1, 2006. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Jail Authority's financial statements.

As a result of the advance refunding, the Jail Authority reduced its total debt service requirements by \$1,401,452, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,142,933.

**Series 1996 Jail Facility Revenue Bonds.** On July 11, 1996, the Jail Authority issued \$21,745,000 in series 1996 Jail Facility Revenue Bonds. These bonds were authorized for the purpose of financing a portion of the cost of the Jail Authority's acquisition, construction and equipping of the jail, funding a debt service reserve fund for the Bonds in the amount of \$1,844,850, funding an operating reserve requirement for the Bonds in the amount of \$1,709,364 and \$1,570,809 in the fiscal year ended 2001 and 2000, respectively, funding payment for all of the interest on the Bonds through July 1, 1998, and paying the costs of issuing the bonds. The bonds were sold on July 24, 1996 at a discount amount of \$345,170, yielding net proceeds of \$21,399,830.

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 5 – Bonds Payable (continued)

The following schedules reflect changes in long-term liabilities for the fiscal years ended June 30, 2009 and 2008:

For the year ending June 30, 2009		Balance			Balance
Description	July 1, 2008	Increase	Decrease	June 30, 2009	
Series 2001 Advance refunding revenue bonds	\$ 9,590,000	\$ -	\$ 50,000	\$ 9,540,000	
Series 2003 Advance refunding revenue bonds	5,805,000	-	1,130,000	4,675,000	
Subtotal	15,395,000	-	1,180,000	14,215,000	
Less :					
Unamortized bond discount	19,346		3,869	15,477	
Deferred loss on retirement of the Series 1996 debt	864,815	-	138,579	726,236	
Total	14,510,839	-	1,037,552	13,473,287	
Compensated absences	409,924	101,333	31,893	479,364	
Less amount due within one year	(1,234,000)	-	-	(1,284,440)	
Total Long-Term Liabilities	\$ 13,686,763	\$ 101,333	\$ 1,069,445	\$ 12,668,211	

For the year ending June 30, 2008		Balance			Balance
Description	July 1, 2007	Increase	Decrease	June 30, 2008	
Series 1996 Jail Facility revenue bonds	\$ 950,000	\$ -	\$ 950,000	\$ -	
Series 2001 Advance refunding revenue bonds	9,640,000		50,000	9,590,000	
Series 2003 Advance refunding revenue bonds	5,935,000	-	130,000	5,805,000	
Subtotal	16,525,000	-	1,130,000	15,395,000	
Less :					
Unamortized bond discount	23,215		3,869	19,346	
Deferred loss on retirement of the Series 1996 debt	1,003,394	-	138,579	864,815	
Total	15,498,391	-	987,552	14,510,839	
Compensated absences	352,320	98,240	40,636	409,924	
Less amount due within one year	(1,198,000)			(1,234,000)	
Total Long-Term Liabilities	\$ 14,652,711	\$ 98,240	\$ 1,028,188	\$ 13,686,763	

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 5 – Bonds Payable (continued)

Debt Service Requirements on outstanding long-term liabilities were composed of the following:

Year ending June 30,	Revenue Bond Principal	Revenue Bond Interest	Total Payment	Bond Discount
2010	1,215,000	487,184	1,702,184	3,869
2011	1,240,000	458,174	1,698,174	3,869
2012	1,275,000	428,433	1,703,433	3,869
2013	1,300,000	396,800	1,696,800	3,870
2014	1,375,000	351,797	1,726,797	-
2015-2019	7,810,000	730,503	8,540,503	-
<b>Total</b>	<b>\$ 14,215,000</b>	<b>\$ 2,852,891</b>	<b>\$ 17,067,891</b>	<b>\$ 15,477</b>

Details of the revenue debt of the Jail Authority at June 30, 2009 are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Amount Due Within One Year
Series 1996 Jail Facility Revenue Bonds	4.7%-5.75%	07/11/1996	2013	\$ 21,745,000	\$ -
Series 2001 Advance refunding revenue bonds	4.14%	11/01/2001	2018	10,000,000	55,000
Series 2003 Advance refunding revenue bonds	2.28%	07/01/2003	2012	6,305,000	1,160,000
Total					<u>\$ 1,215,000</u>

### Note 6 – Compensated Absences

Jail Authority employees are granted vacation and sick leave in varying amounts. In addition, certain employees accrue compensation time for overtime hours worked. In the event of termination, employees are reimbursed for their unused accumulated vacation, compensation time, and a percentage of accumulated sick leave, depending on their length of service. The Authority has accrued \$479,364 and \$409,924 at June 30, 2009 and 2008, respectively, as the liability arising from compensated absences.

The compensated absences liability for the Jail is accounted for using the LIFO basis which is under the assumption that the employees are taking time as it is earned, therefore the current portion to report as of June 30, 2009 and 2008, was approximately \$69,440 and \$54,000, respectively.

# **PAMUNKEY REGIONAL JAIL AUTHORITY**

## **Notes to Financial Statements**

**June 30, 2009 and 2008**

### **Note 7 – Commitments and Contingent Liabilities**

**Contingent Liabilities** – Various claims and lawsuits are pending against the Jail Authority. In the opinion of Jail Management, resolution of these cases would not involve a substantial liability for the Jail Authority.

### **Note 8 – Defined Benefit Pension Plan**

**Plan Description** – The Jail Authority contributes to the Virginia Retirement System (“VRS”), an agent and cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System (“System”). All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employers (age 50 with 25 years of service for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P.O. Box 2500, Richmond, VA 23218-2500.

**Funding Policy** – Plan members are required by Title 51.1 of the Code of Virginia, as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed by the employer. In addition, the Jail Authority is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Jail authority’s contribution rates for the fiscal year ended 2009 and 2008 were 15.06% and 16.58% respectively, of annual covered payroll.

**Annual Pension Cost** – For 2009, the Jail Authority’s annual pension cost of \$505,234 was equal to the Jail Authority’s required and actual contributions. The Jail Authority’s unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 30 years or less. This actuarial valuation uses the assumptions and methods that were adopted as a result of the 2004 Experience Study. In particular, it uses an assumed investment return rate of 7.5%; an assumed annual cost-of-living adjustment of 2.5%; salary increases that range between 3.75% and 5.60% depending on a member’s service and classification (general employee or uniformed officer); and retirement, mortality, disability and

# PAMUNKEY REGIONAL JAIL AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### Note 8 – Defined Benefit Pension Plan (continued)

termination rates that were also based on the 2004 Experience Study prepared for VRS. Liabilities were determined under the Entry Age Normal actuarial cost method.

The information for the employer and employee contributions to the VRS is summarized as follows:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Amount of APC <u>Contributed</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
June 30, 2009	\$505,234	\$505,234	100%	\$-
June 30, 2008	\$541,312	\$541,312	100%	-
June 30, 2007	\$518,221	\$518,221	100%	-
June 30, 2006	\$455,024	\$455,024	100%	-

**Funding Progress** –The following schedule presents information about the funded status of the Jail Authority employees as of June 30, 2008, the date of the most recent actuarial valuation for the group:

<u>Actuarial Valuation Date</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability <u>(AAL)</u>	Unfunded Actuarial Accrued Liability <u>(UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	UAAL as a Percentage of <u>Covered Payroll</u>
June 30, 2008	\$5,488,724	\$6,344,013	\$855,290	86.52%	\$4,885,333	17.51%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of the Jail Authority employee group’s respective plan assets are increasing or decreasing over time relative to their respective actuarial accrued liabilities for benefits.

### Note 9 – Related Party

The County of Hanover provides certain general government administrative and accounting services such as payroll, finance, information technology and purchasing for the Jail. The Jail paid the County of Hanover \$277,000 for the year ended June 30, 2009.

**PAMUNKEY REGIONAL JAIL AUTHORITY**

**Required Supplementary Information**

**June 30, 2009**

Schedule of Funding Progress-Virginia Retirement System (UNAUDITED):

<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) <u>Actuarial Accrued Liability (AAL)</u>	(b-a) Unfunded <u>Actuarial Accrued Liability (UAAL)</u>	(a/b) <u>Funded Ratio</u>	(c) <u>Covered Payroll</u>	(({b-a}/c) <u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2008	\$5,488,724	\$6,344,013	\$855,290	86.52%	\$4,885,333	17.51%
June 30, 2007	\$4,388,973	\$5,325,347	\$936,374	82.42%	\$4,784,073	19.57%
June 30, 2006	\$3,407,500	\$4,363,613	\$956,113	78.09%	\$4,297,627	22.25%
June 30, 2005	\$2,711,012	\$4,236,068	\$1,525,056	64.00%	\$3,988,463	38.24%
June 30, 2004	\$2,086,696	\$3,737,460	\$1,650,764	55.83%	\$3,964,361	41.64%

## **COMPLIANCE SECTION**



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

Members of the Board  
Pamunkey Regional Jail Authority  
Hanover, Virginia

We have audited the financial statements of the Pamunkey Regional Jail Authority (the “Authority”) as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated October 23, 2009. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Authority’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority’s financial statements that is more than inconsequential will not be prevented or detected by the Authority’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

objective of our audits and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Authority board, management, participating jurisdictions, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Bekaert + Holland, LLP*

Richmond, Virginia  
October 23, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Board  
Pamunkey Regional Jail Authority  
Hanover, Virginia

Compliance

We have audited the compliance of Pamunkey Regional Jail Authority (the “Authority”) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The Authority’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the Authority’s management. Our responsibility is to express an opinion on the Authority’s compliance based on our audit.

We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority’s compliance with those requirements.

In our opinion, Pamunkey Regional Jail Authority, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over compliance.

A *control deficiency* in an entity’s internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to administer a federal program such that there is more than a remote likelihood that

noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, members of the Board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Bekaert + Holland, LLP*

Richmond, VA  
October 23, 2009

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2009**

<u>Federal Granting Agency/ Recipient State Agency/Program</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
--	---------------------------------------	---------------------------------

**DEPARTMENT OF EDUCATION:**

Pass-through Payments:  
 State Compensation Board:

ARRA State Fiscal Stabilization Funds –  
 Government Services

84.397

\$1,033,566

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2009**

**1. General**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all federal grant activity of the Pamunkey Regional Jail Authority. The Jail's reporting entity is defined in Note 1 of the Jail's basic financial statements. All federal financial assistance passed through other government agencies is included on the Schedule.

**2. Basis of Accounting**

The Schedule is presented using the accrual basis for proprietary funds, as described in Note 1. C. to the Jail's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**3. Relationship to Basic Financial Statements**

GASB 33 provides that grant revenue should be recognized when all applicable eligibility requirements are met. Therefore, the proceeds of grants which do not specify time requirements, and for which all other eligibility requirements have been met, are recognized as revenues in the current fiscal year. Expenditures are recognized in the fiscal year spent for the required purpose.

**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2009**

**A. Summary of Auditors' Results**

1. The type of report issued on the basic financial statements: **Unqualified opinion**
2. Significant deficiencies in internal control disclosed by audit of the financial statements: **No**  
Material weaknesses: **No**
3. Noncompliance, which is material to the financial statements: **No**
4. Significant deficiencies in internal control over major programs: **No**  
Material weaknesses: **No**
5. The type of report issued on compliance for major programs: **Unqualified opinion**
6. Any audit findings which are required to be reported under Section 510(1) of OMB Circular A-133: **No**
7. The program tested as a major program was:

<u>Name of Program</u>	<u>CFDA#</u>
ARRA-State Fiscal Stabilization Funds – Government Services	84.397
8. Dollar threshold to distinguish between Type A and Type B programs: **\$300,000**
9. The Pamunkey Regional Jail did not qualify as a low-risk auditee.
10. Resolution of prior year findings: **This was the initial audit; therefore there were no prior year findings.**

**B. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards:** None noted.

**C. Findings and Questioned Costs Relating to Federal Awards:** None noted.

# **STATISTICAL INFORMATION**

The statistical section is a required part of the Comprehensive Annual Financial Report (CAFR). The Governmental Accounting Standards Board issued statement 44 which revises this section of the CAFR. The statistical section presents detailed information in ten-year trends, which assists users in utilizing the basic financial statements, notes to the basic financial statements, and requires supplementary information to assess the economic condition of an organization.

The statistical section is broken down into five categories; financial trend data, revenue capacity data, debt capacity data, demographic and economic information, and operating information.

The financial trend data is comprised of tables that show net assets by components, changes in net assets, operating expenses, operating/non-operating revenues and expenses. The revenue capacity data looks at such things as operating revenues by source, revenue and billed inmate days by customer and largest revenue source. The debt capacity data shows outstanding debt by type and revenues bond coverage ratios. The demographic and economic information is comprised of number of inmates by jurisdiction. The operating information contains tables for number of employees by activities and a listing of insurance coverage.

**TABLE 1**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**NET ASSETS BY COMPONENT**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Invested in capital assets,										
net of related debt	\$ 5,317,140	\$ 4,959,385	\$ 4,470,837	\$ 4,286,515	\$ 4,123,364	\$ 4,050,090	\$ 5,010,583	\$ 4,906,160	\$ 5,121,845	\$ 5,121,845
Restricted	4,451,520	4,451,520	4,438,718	4,223,328	4,036,915	3,731,250	3,602,923	3,591,853	3,554,215	1,765,662
Unrestricted	3,219,111	3,649,509	3,489,039	3,232,548	3,235,516	3,417,315	3,847,637	3,902,480	4,026,843	4,978,709
Total Net Assets	<u>\$ 12,987,771</u>	<u>\$ 13,060,414</u>	<u>\$ 12,398,594</u>	<u>\$ 11,742,391</u>	<u>\$ 11,395,795</u>	<u>\$ 11,198,655</u>	<u>\$12,461,143</u>	<u>\$ 12,400,493</u>	<u>\$ 12,702,903</u>	<u>\$11,866,216</u>

**TABLE 2**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**CHANGES IN NET ASSETS**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Total Nonoperating Revenues/ (Expenses)</b>	<b>Change In Net Assets</b>
<b>2009</b>	\$ 11,143,275	\$ 10,980,348	\$ 162,927	\$ (235,570)	\$ (72,643)
<b>2008</b>	\$ 11,226,304	\$ 10,409,322	\$ 816,983	\$ (155,163)	\$ 661,820
<b>2007</b>	\$ 10,821,938	\$ 9,933,229	\$ 888,709	\$ (232,506)	\$ 656,203
<b>2006</b>	\$ 9,953,571	\$ 9,235,934	\$ 717,637	\$ (371,041)	\$ 346,596
<b>2005</b>	\$ 8,996,919	\$ 8,589,269	\$ 407,650	\$ (210,510)	\$ 197,140
<b>2004</b>	\$ 8,673,657	\$ 8,136,139	\$ 537,518	\$ (958,231)	\$ (420,713)
<b>2003</b>	\$ 8,142,977	\$ 7,602,798	\$ 540,179	\$ (479,529)	\$ 60,650
<b>2002</b>	\$ 7,845,626	\$ 6,983,208	\$ 862,418	\$ (1,164,814)	\$ (302,396)
<b>2001</b>	\$ 7,980,082	\$ 6,546,204	\$ 1,433,878	\$ (597,191)	\$ 836,687
<b>2000</b>	\$ 7,375,368	\$ 6,087,747	\$ 1,287,621	\$ (890,324)	\$ 397,297

**TABLE 3**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**OPERATING REVENUES BY SOURCE**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>County of Hanover</b>	<b>Town of Ashland</b>	<b>County of Caroline</b>	<b>Other Governments</b>	<b>Other</b>	<b>Intergovernmental Shared Expenses</b>	<b>Total</b>
2009	\$ 3,516,100	\$ 189,123	\$ 1,115,161	\$ 2,788,031	\$ 306,736	\$ 3,228,124	\$ 11,143,275
2008	\$ 3,437,092	\$ 172,225	\$ 886,694	\$ 2,964,415	\$ 330,950	\$ 3,434,929	\$ 11,226,304
2007	\$ 3,194,685	\$ 158,260	\$ 814,865	\$ 2,494,160	\$ 351,399	\$ 3,808,569	\$ 10,821,938
2006	\$ 3,285,051	\$ 149,717	\$ 693,359	\$ 1,611,234	\$ 410,186	\$ 3,804,024	\$ 9,953,571
2005	\$ 2,717,240	\$ 94,042	\$ 548,731	\$ 1,986,629	\$ 365,212	\$ 3,285,065	\$ 8,996,919
2004	\$ 2,367,759	\$ 98,117	\$ 565,184	\$ 2,409,968	\$ 294,341	\$ 2,938,288	\$ 8,673,657
2003	\$ 2,359,830	\$ 91,700	\$ 526,822	\$ 1,862,987	\$ 247,219	\$ 3,054,419	\$ 8,142,977
2002	\$ 2,188,982	\$ 77,777	\$ 538,421	\$ 1,683,592	\$ 237,090	\$ 3,119,764	\$ 7,845,626
2001	\$ 2,270,042	\$ 71,618	\$ 678,821	\$ 1,714,814	\$ 229,572	\$ 3,015,215	\$ 7,980,082
2000	\$ 1,619,927	\$ 117,709	\$ 590,627	\$ 1,334,576	\$ 194,474	\$ 3,518,055	\$ 7,375,368

**TABLE 4  
PAMUNKEY REGIONAL JAIL  
OPERATING EXPENSES  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Personal Services</b>	<b>Fringe Benefits</b>	<b>Contractual Services</b>	<b>Other Operating Expenses and Supplies</b>	<b>Depreciation</b>	<b>Total Operating Expenses</b>
<b>2009</b>	\$ 5,344,127	\$ 1,970,205	\$ 766,234	\$ 2,016,322	\$ 883,460	\$10,980,348
<b>2008</b>	\$ 4,963,757	\$ 1,852,977	\$ 794,196	\$ 1,943,353	\$ 855,038	\$10,409,322
<b>2007</b>	\$ 4,693,277	\$ 1,743,206	\$ 798,869	\$ 1,853,433	\$ 844,444	\$ 9,933,229
<b>2006</b>	\$ 4,319,240	\$ 1,552,720	\$ 794,539	\$ 1,741,249	\$ 828,186	\$ 9,235,934
<b>2005</b>	\$ 4,019,841	\$ 1,427,428	\$ 773,248	\$ 1,557,255	\$ 811,497	\$ 8,589,269
<b>2004</b>	\$ 3,818,587	\$ 1,094,383	\$ 794,189	\$ 1,627,224	\$ 801,756	\$ 8,136,139
<b>2003</b>	\$ 3,802,141	\$ 1,034,451	\$ 586,263	\$ 1,372,196	\$ 807,747	\$ 7,602,798
<b>2002</b>	\$ 3,389,710	\$ 957,612	\$ 592,660	\$ 1,192,906	\$ 850,320	\$ 6,983,208
<b>2001</b>	\$ 2,893,152	\$ 844,879	\$ 657,469	\$ 1,171,960	\$ 978,744	\$ 6,546,204
<b>2000</b>	\$ 2,932,523	\$ 725,282	\$ 555,719	\$ 1,015,270	\$ 858,953	\$ 6,087,747

**TABLE 5**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**NONOPERATING REVENUES AND EXPENSES**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Interest Income</b>	<b>Interest on long-term debt</b>	<b>Nonoperating Expenses</b>
<b>2009</b>	\$ 269,845	\$ (505,415)	\$ (235,570)
<b>2008</b>	\$ 378,086	\$ (533,249)	\$ (155,163)
<b>2007</b>	\$ 357,552	\$ (590,058)	\$ (232,506)
<b>2006</b>	\$ 272,088	\$ (643,129)	\$ (371,041)
<b>2005</b>	\$ 209,002	\$ (419,512)	\$ (210,510)
<b>2004</b>	\$ 105,939	\$ (1,064,170)	\$ (958,231)
<b>2003</b>	\$ 218,197	\$ (697,726)	\$ (479,529)
<b>2002</b>	\$ 327,754	\$ (1,492,568)	\$ (1,164,814)
<b>2001</b>	\$ 567,466	\$ (1,164,657)	\$ (597,191)
<b>2000</b>	\$ 307,246	\$ (1,197,570)	\$ (890,324)

**TABLE 6**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**REVENUES AND EXPENSES – OPERATING FUND**  
**Last Ten Fiscal Years**

	<b>FY09</b>	<b>FY08</b>	<b>FY07</b>	<b>FY06</b>	<b>FY05</b>	<b>FY04</b>	<b>FY03</b>	<b>FY02</b>	<b>FY01</b>	<b>FY00</b>
<b>Revenues:</b>										
Charges for services -										
Inmate Housing	7,608,415	7,460,426	6,661,969	5,739,361	5,346,642	5,441,028	4,841,339	4,488,772	4,735,295	3,662,839
State Compensation Board	3,228,124	3,434,929	3,808,569	3,804,024	3,285,064	2,938,288	3,054,420	3,119,764	3,015,215	3,518,055
Interest revenue	269,845	378,086	357,552	272,088	209,002	105,939	218,197	327,754	567,466	307,246
Work release	13,088	20,426	26,658	55,042	46,142	38,284	31,710	32,150	54,445	34,379
Telephone Commission	172,687	176,341	195,147	186,811	195,548	170,615	189,849	171,263	163,536	150,300
Miscellaneous	120,961	134,183	129,595	168,333	123,523	85,442	25,659	33,677	11,590	9,781
<b>Total revenues</b>	<b>11,413,120</b>	<b>11,604,391</b>	<b>11,179,490</b>	<b>10,225,659</b>	<b>9,205,921</b>	<b>8,779,596</b>	<b>8,361,174</b>	<b>8,173,380</b>	<b>8,547,547</b>	<b>7,682,600</b>
<b>Expenses:</b>										
Salaries and benefits	7,314,332	6,816,734	6,436,483	5,871,960	5,447,270	4,912,970	4,836,592	4,347,322	3,738,032	3,657,807
Contractual services	712,548	738,118	730,821	738,647	773,251	749,016	515,163	538,231	642,103	549,136
Materials and supplies	526,501	578,519	579,504	501,174	374,520	468,476	353,705	254,089	189,323	245,176
Medical services and supplies	434,575	400,012	383,158	354,636	246,197	270,482	190,021	186,698	222,639	197,727
Food service and supplies	637,835	599,672	560,148	543,528	532,191	578,241	542,454	517,393	466,262	291,649
Repairs and maintenance	53,686	56,078	68,048	55,892	90,828	45,173	71,100	54,429	17,694	10,675
Utilities	417,411	365,150	330,623	341,911	313,515	310,025	286,016	234,726	291,408	276,622
Depreciation	883,460	855,039	844,444	828,186	811,497	801,756	807,747	850,320	978,744	858,953
Interest expense/Bond discount										
Debt refunding	505,415	533,249	590,058	643,129	419,512	1,064,170	697,726	1,492,568	1,164,657	1,197,570
<b>Total expenses</b>	<b>11,485,763</b>	<b>10,942,571</b>	<b>10,523,287</b>	<b>9,879,063</b>	<b>9,008,781</b>	<b>9,200,309</b>	<b>8,300,524</b>	<b>8,475,776</b>	<b>7,710,862</b>	<b>7,285,315</b>
Net income (loss)	\$ (72,643)	\$ 661,820	\$ 656,203	\$ 346,596	\$ 197,140	\$ (420,713)	\$ 60,650	\$ (302,396)	\$ 836,685	\$ 397,285

**TABLE 7**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**REVENUES & BILLED INMATE DAYS - BY CUSTOMER**  
**Last Ten Fiscal Years**

Fiscal Year	Hanover County			Town of Ashland			Caroline County			Federal Inmates		
	Revenue	Per Diem	Inmate Days Billed	Revenue	Per Diem	Inmate Days Billed	Revenue	Per Diem	Inmate Days Billed	Revenue	Per Diem	Inmate Days Billed
2009	\$ 2,154,353	\$ 33.58	64,156	\$ 189,123	\$ 33.58	5,632	\$ 774,724	\$ 33.58	23,071	\$ 2,788,031	\$ 54.00	51,630
2008	2,044,608	29.30	69,782	172,225	29.30	5,878	583,715	29.30	19,922	2,964,415	50.00	59,288
2007	1,786,397	25.75	69,375	158,260	25.75	6,146	535,368	25.75	20,791	2,494,160	50.00	49,883
006	1,876,814	21.57	87,010	149,717	21.57	6,941	413,872	21.57	19,187	1,611,234	50.00	32,225
2005	1,287,434	14.89	84,848	107,119	14.89	7,053	273,648	14.89	18,378	1,986,629	50.00	39,732
2004	1,363,762	14.73	92,584	98,117	14.73	6,661	290,166	14.73	19,699	2,409,968	50.00	48,199
2003	1,415,631	17.83	79,396	91,700	17.83	5,143	332,850	17.83	18,668	1,862,987	50.00	37,260
2002	1,253,432	17.81	70,378	77,776	17.81	4,367	288,184	17.81	16,181	1,683,592	50.00	32,672
2001	2,270,042	17.62	128,833	71,618	17.62	4,065	678,821	17.62	38,526	1,714,814	50.00	34,297
2000	1,619,927	29.23	55,420	117,709	29.23	4,027	590,627	29.23	20,206	1,334,576	50.00	26,692

**TABLE 8**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**LARGEST REVENUE SOURCE**  
**Current Year and Ten Years Ago**

	<b>Fiscal Year 2009</b>	
	<b>Amount</b>	<b>%</b>
<b>County of Hanover</b>	\$ 3,516,100	30.81%
<b>Intergovernmental Shared Expenses</b>	3,228,124	28.28%
<b>Subtotal</b>	6,744,224	59.09%
<b>Balance from other revenue sources</b>	4,668,896	40.91%
<b>Grand Totals</b>	\$ 11,413,120	100.00%

	<b>Fiscal Year 2000</b>	
	<b>Amount</b>	<b>%</b>
<b>County of Hanover</b>	\$ 1,737,636	22.62%
<b>Intergovernmental Shared Expenses</b>	\$ 3,368,054	43.84%
<b>Subtotal</b>	5,105,690	66.46%
<b>Balance from other revenue sources</b>	2,576,910	33.54%
<b>Grand Totals</b>	\$ 7,682,600	100.00%

**Note: The table includes the largest revenue sources required to reach 50 percent of the revenue base.**

**TABLE 9**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Revenue Bonds		Total	Caroline		Hanover						
				Annual Total Personal Income	Annual Per Capita Personal Income	Annual Total Personal Income	Annual Per Capita Personal Income					
2009	\$	13,473,287	\$	13,473,287	N/A	N/A	\$	4,388,331	\$	42,595		
2008	\$	14,510,839	\$	14,510,839	N/A	N/A	\$	4,223,610	\$	42,356		
2007	\$	15,498,391	\$	15,498,391	\$	823,256	\$	30,241	\$	4,065,072	\$	41,119
2006	\$	16,430,943	\$	16,430,943	\$	719,593	\$	28,289	\$	3,884,528	\$	39,641
2005	\$	17,313,495	\$	17,313,495	\$	657,599	\$	27,482	\$	3,658,988	\$	37,933
2004	\$	18,133,973	\$	18,133,973	\$	599,701	\$	25,924	\$	3,430,347	\$	35,952
2003	\$	18,782,198	\$	18,782,198	\$	565,331	\$	25,028	\$	3,235,870	\$	34,590
2002	\$	19,629,548	\$	19,629,548	\$	564,628	\$	25,403	\$	3,111,045	\$	34,006
2001	\$	20,212,310	\$	20,212,310	\$	527,267	\$	23,817	\$	2,987,059	\$	33,602
2000	\$	20,855,343	\$	20,855,343	\$	494,811	\$	22,441	\$	2,736,940	\$	31,461

**TABLE 10**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**REVENUES BOND COVERAGE - OPERATING FUND**  
**Last Ten Fiscal Years**

Fiscal Year	Operating Revenues	Operating and Capital Expenses (1)	Available Unrestricted Assets (3)	Net Revenue Available for Debt Service	Principal	Interest (2)	Payments to Reserves	Total	Bond Coverage
2009	\$ 11,413,120	\$ 10,096,888	\$ 3,219,111	\$ 4,535,343	\$ 1,215,000	\$ 366,836	\$ -	\$ 1,581,836	287%
2008	\$ 11,604,390	\$ 9,554,284	\$ 3,649,509	\$ 5,699,616	\$ 1,180,000	\$ 394,670	\$ -	\$ 1,574,670	362%
2007	\$ 11,179,490	\$ 9,088,785	\$ 3,489,039	\$ 5,579,744	\$ 1,130,000	\$ 451,479	\$ -	\$ 1,581,479	353%
2006	\$ 10,225,659	\$ 8,407,748	\$ 3,232,548	\$ 5,050,459	\$ 1,075,000	\$ 504,550	\$ -	\$ 1,579,550	320%
2005	\$ 9,205,921	\$ 8,083,512	\$ 3,429,376	\$ 4,551,785	\$ 1,025,000	\$ 713,277	\$ -	\$ 1,738,277	262%
2004	\$ 8,779,596	\$ 7,454,213	\$ 3,557,317	\$ 4,882,700	\$ 815,000	\$ 897,395	\$ -	\$ 1,712,395	285%
2003	\$ 8,361,174	\$ 6,795,051	\$ 4,102,579	\$ 5,668,702	\$ 910,000	\$ 967,696	\$ -	\$ 1,877,696	302%
2002	\$ 8,173,380	\$ 5,961,637	\$ 4,338,291	\$ 6,550,034	\$ 700,000	\$ 1,618,884	\$ -	\$ 2,318,884	282%
2001	\$ 8,547,548	\$ 5,567,460	\$ 4,496,433	\$ 7,476,521	\$ 665,000	\$ 1,470,601	\$ -	\$ 2,135,601	350%
2000	\$ 7,375,368	\$ 5,228,794	\$ 3,749,497	\$ 5,896,071	\$ 635,000	\$ 1,174,942	\$ -	\$ 1,809,942	326%

- (1) Greater of budgeted or actual operating expenses exclusive of depreciation
- (2) Less amortization expense
- (3) During fiscal year 2004, the Authority received an interpretation from its bond counsel that allows unrestricted net assets from the prior year to be included as operating revenues for the purposes of the bond coverage calculation. The calculations for previous years have been revised accordingly

**TABLE 11**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY**  
**Last Ten Fiscal Years**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Civilian	23	17	17	14	11	11	14	13	13	11
Sworn	114	113	113	100	103	105	105	101	104	96
Total Employees	137	130	130	114	114	116	119	114	117	107

**TABLE 12**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**INMATE BOOKING STATISTICS**  
**Last Ten Fiscal Years**

Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings	Average # Housed
Hanover	2000	128	18	211	320
	2001	175	25	187	362
	2002	200	27	190	401
	2003	240	27	232	536
	2004	243	22	291	623
	2005	243	21	293	635
	2006	225	19	308	637
	2007	219	19	302	606
	2008	209	16	326	655
	2009	198	14	377	675
Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings	Average # Housed
Ashland	2000	15	33	15	27
	2001	13	23	14	26
	2002	12	30	12	24
	2003	16	32	16	32
	2004	20	36	17	39
	2005	18	34	18	38
	2006	16	29	18	36
	2007	17	21	26	31
	2008	16	26	22	37
	2009	15	19	30	46
Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings	Average # Housed
Caroline	2000	44	22	56	98
	2001	47	17	75	123
	2002	50	18	75	127
	2003	54	21	65	125
	2004	54	21	69	127
	2005	49	18	77	129
	2006	57	19	93	157
	2007	57	19	87	152
	2008	55	16	99	167
	2009	64	16	114	191
Jurisdiction	Fiscal Year	Average Daily Population	Average Length of Stay (Days)	Average Monthly Bookings	Average # Housed
Other	2000	27	222	65	160
	2001	6	260	45	141
	2002	1	288	47	153
	2003	1	345	61	192
	2004	2	371	115	261
	2005	1	335	85	170
	2006	18	362	82	189
	2007	17	153	79	214
	2008	7	276	92	268
	2009	15	462	96	267

**TABLE 13**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND PERIOD NINE YEARS AGO**

<b>Employer</b>	<b>Type of Business</b>	<b>2008</b>			<b>1999</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Total Employment</b>
Hanover County Schools	Education	2,903	1	5.4%	1,942	1	4.2%
Bon Secours Memorial Regional Medical	Hospital/Medical Center	1,200	2	2.2%	1,100	3	2.4%
County of Hanover	Government	1,153	3	2.1%	721	6	1.5%
Supervalu Eastern Region	Food Distributor	1,053	4	2.0%	1,600	2	3.4%
Paramount Kings Dominion	Entertainment	985	5	1.8%	975	5	2.1%
Tyson Foods	Poultry Processing	800	6	1.5%	1,000	4	2.1%
Wal-Mart Stores	Retail	660	7	1.2%	385	8	0.8%
Owens & Minor	Medical Supply Distributor	590	8	1.1%	-	N/A	0.0%
Media General	Newspaper Print	560	9	1.0%	-	N/A	0.0%
Qubica/AMF Bowling, Inc.	Manufacturing	380	10	0.7%	600	7	1.3%
Randolph Macon College	Education	-	N/A	0.0%	300	9	0.6%
First Virginia Bank	Banking Center	-	N/A	0.0%	280	10	0.6%
		10,284		19.0%	8,903		19.0%

Notes: County and schools employment levels provided by the County of Hanover Department of Human Resources, Finance Budget Division and the School Board Administration. Other data provided by the Virginia Employment Commission and the Hanover County Economic Development Department. Employment levels represent full-time equivalents. The most recent year for which data is available is 2008.

**TABLE 14**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**DEMOGRAPHIC STATISTICS FOR MEMBER JURISDICTIONS**  
**CURRENT YEAR AND TEN YEARS**

<b>Fiscal Year</b>	<b>Hanover County</b>		<b>Caroline County</b>	
	<b>Population</b>	<b>Unemployment Rate</b>	<b>Population</b>	<b>Unemployment Rate</b>
2000	86,994	1.6%	21,900	3.2%
2001	88,895	2.5%	22,121	2.2%
2002	91,485	3.3%	22,200	3.0%
2003	93,548	3.2%	22,300	4.3%
2004	95,414	3.0%	23,000	4.2%
2005	96,458	2.9%	23,800	3.9%
2006	97,992	2.5%	25,109	3.7%
2007	98,862	2.4%	27,399	3.3%
2008	99,716	3.5%	27,838	4.8%
2009	103,025	6.6%	27,900	8.5%

**TABLE 15**  
**PAMUNKEY REGIONAL JAIL AUTHORITY**  
**SCHEDULE OF INSURANCE IN FORCE**  
**As of June 30, 2009**

<u>Insurance Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Coverage Limit</u>	<u>Deductible</u>
Building & Personal Property	VACO	7/1/2009	As scheduled	1,000
Electronic Data Processing Equipment	VACO	7/1/2009	As scheduled	1,000
Earthquake/Flood	VACO	7/1/2009	5,000,000	25,000
Business Auto	VACO	7/1/2009	5,000,000	N/A
Schedule Equipment	VACO	7/1/2009	As scheduled	1,000
Boiler and Machinery	VACO	7/1/2009	As scheduled	1,000
Business Interruption and Extra Expense	VACO		Included in blanket	
Workers Compensation	VACGSIA	7/1/2009	1,000,000	N/A
Faithful Performance of Duty Bond *1	Commonwealth of Virginia - Division of Risk Management	7/1/2009	1,000,000	N/A
Constitutional Officer *1	Commonwealth of Virginia - Division of Risk Management	7/1/2009	1,000,000	1,000
General Liability		7/1/2009	2,000,000	N/A
Excess General Liability (Auto Also)		7/1/2009	3,000,000	N/A

NA – Not Applicable

\*1 – Provided by the Commonwealth of Virginia

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