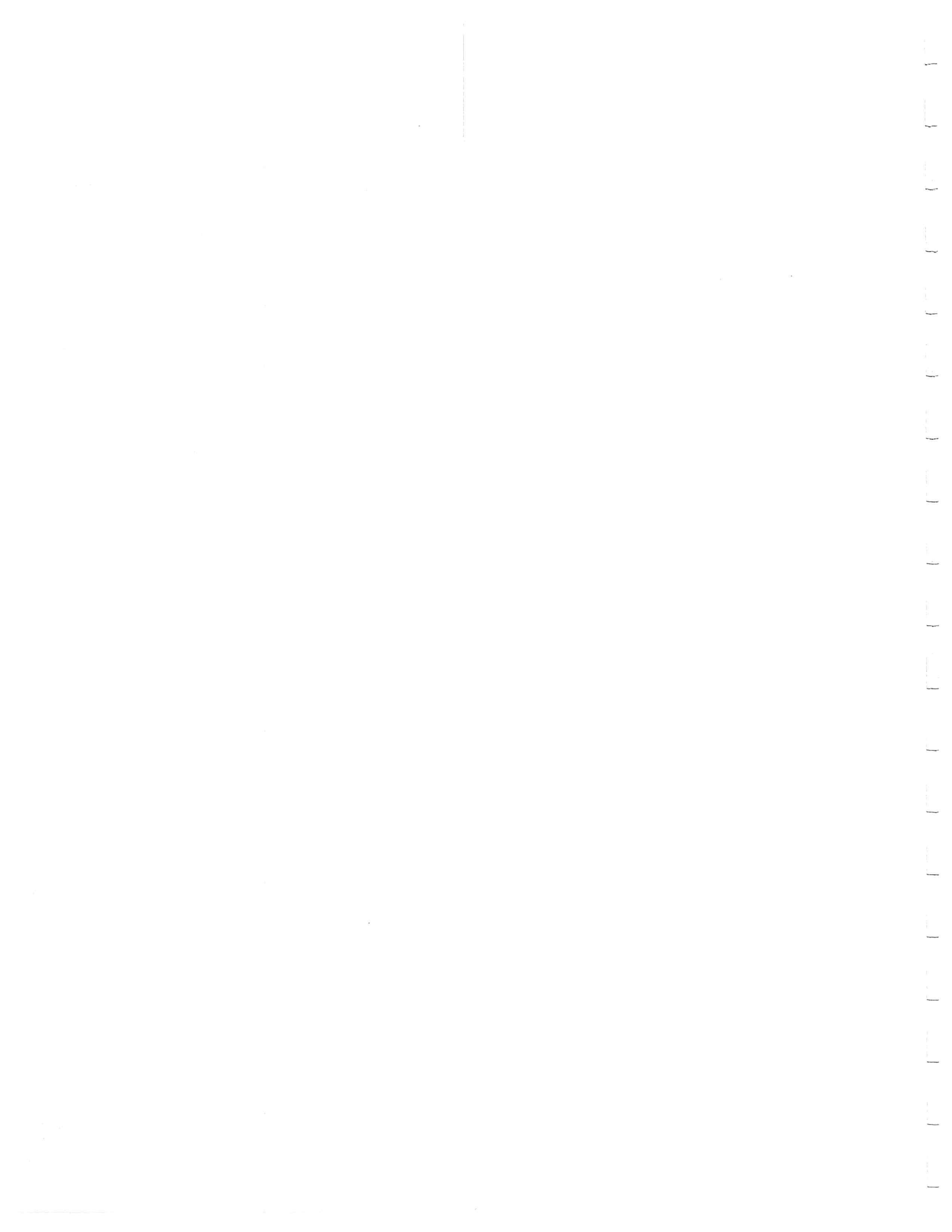
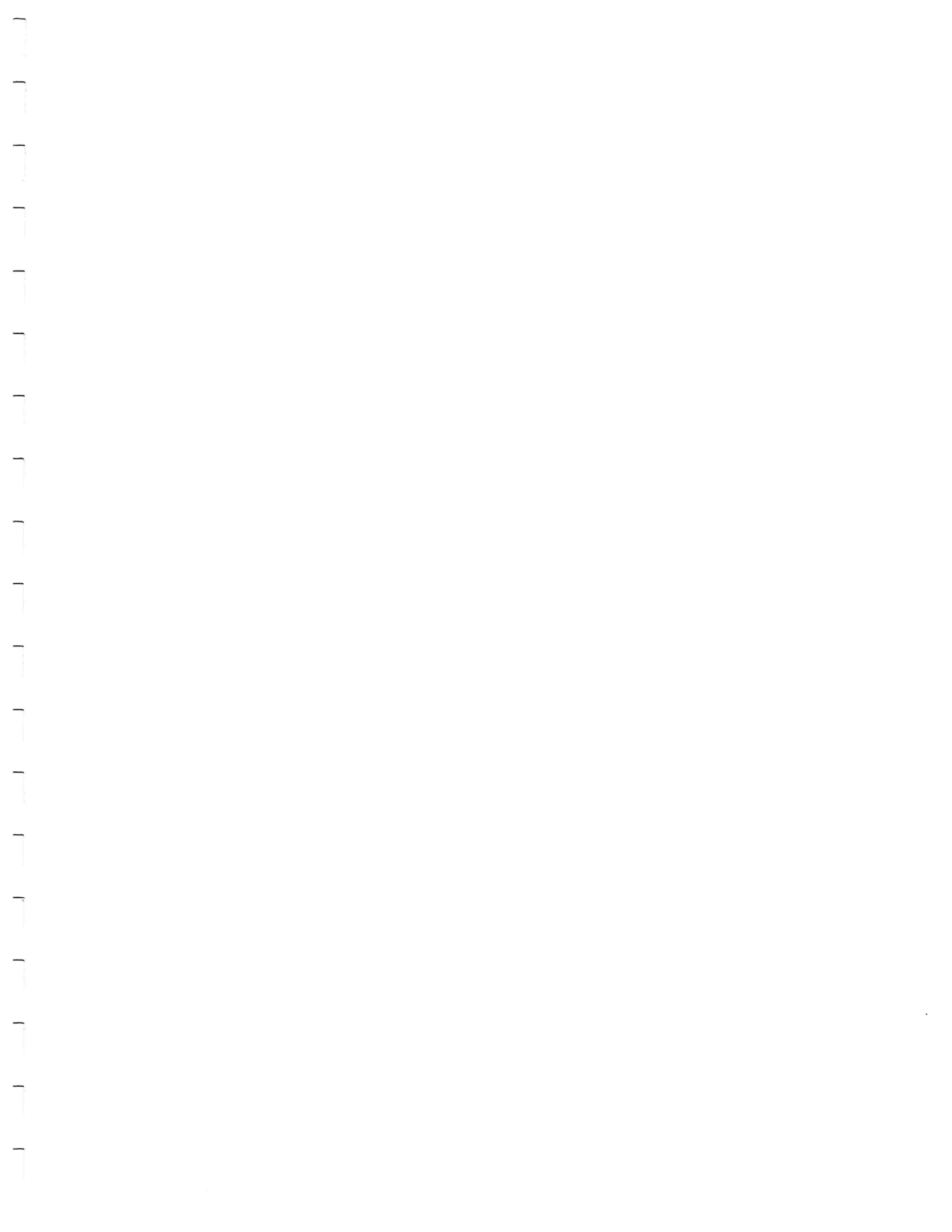


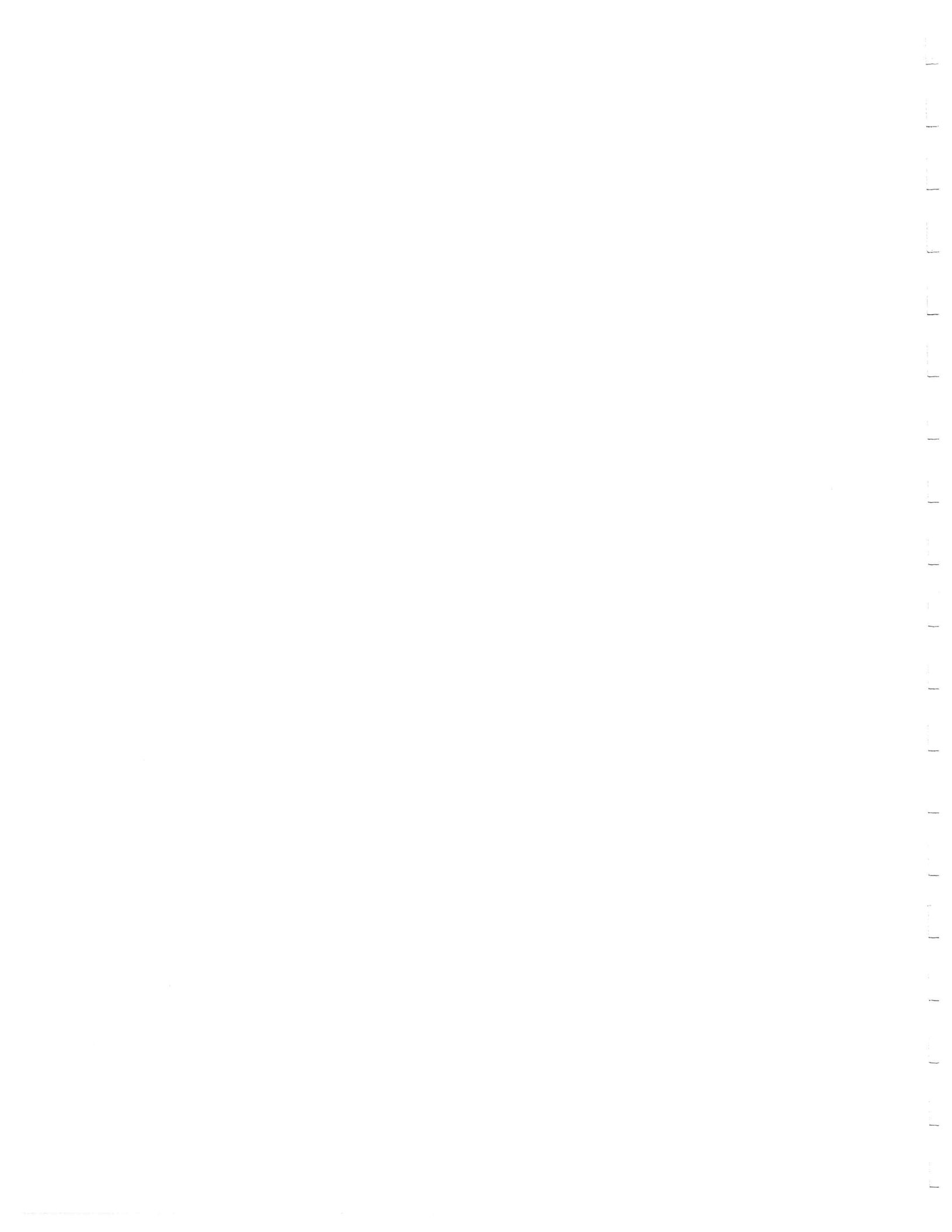
**NEW RIVER CRIMINAL JUSTICE
TRAINING ACADEMY**

FINANCIAL STATEMENTS

Year Ended June 30, 2023







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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New River Criminal Justice Training Academy

Opinion

We have audited the accompanying financial statements of the New River Criminal Justice Training Academy (the "Academy"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the New River Criminal Justice Training Academy, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of the Academy's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Academy's internal control over financial reporting and compliance.

Joti, Alyna, Lauren & Company, P. C.

Roanoke, Virginia
December 22, 2023

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

STATEMENT OF NET POSITION

June 30, 2023

ASSETS

CURRENT ASSETS:

Cash	\$	161,471
Prepaid expenses		<u>2,043</u>
Total current assets		<u>163,514</u>

NONCURRENT ASSETS:

Debt reserve (restricted cash)		944
Lease assets, net of accumulated amortization of \$60,112		13,690
Capital assets, net of accumulated depreciation of \$984,103		<u>1,199,718</u>
Total noncurrent assets		<u>1,214,352</u>

Total assets	\$	<u><u>1,377,866</u></u>
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See accompanying notes to financial statements.

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Accounts payable	\$ 82
Compensated absences	9,191
Notes payable	35,540
Lease liabilities	<u>10,417</u>
Total current liabilities	<u>55,230</u>

NONCURRENT LIABILITIES:

Compensated absences	22,252
Notes payable	1,752,239
Lease liabilities	<u>3,687</u>
Total noncurrent liabilities	<u>1,778,178</u>

DEFERRED INFLOW OF RESOURCES -

Deferred revenue	<u>28,200</u>
Total deferred inflow of resources	<u>28,200</u>
Total liabilities and deferred inflow of resources	<u>1,861,608</u>

NET POSITION:

Net investment in capital assets	(588,061)
Restricted for debt reserve	944
Unrestricted	<u>103,375</u>
Total net position	<u>\$ (483,742)</u>

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Year Ended June 30, 2023

OPERATING REVENUE:

Local assessments	\$	330,285
Pre-employment fees		<u>240</u>
Total operating revenue		<u>330,525</u>

GENERAL AND ADMINISTRATIVE EXPENSES:

Salaries and wages	219,625
Payroll taxes	12,805
Amortization	20,037
Bank fees	446
Cleaning	3,772
Depreciation	67,038
Instructor development	21,879
Insurance	13,623
Legal and professional	19,360
Miscellaneous	2,839
Office	9,362
Postage	252
Pre-employment	615
Repairs and maintenance	4,383
Student supplies	9,830
Telephone	4,362
Utilities	26,304
Vehicle	<u>9,119</u>
Total general and administrative expenses	<u>445,651</u>

Loss from operations (115,126)

NON-OPERATING REVENUES/(EXPENSES):

Interest expense	(64,256)
State grant	<u>75,162</u>

Net non-operating revenue 10,906

Change in net position (104,220)

NET POSITION:

Net position at beginning of year	<u>(379,522)</u>
Net position at end of year	<u>\$ (483,742)</u>

See accompanying notes to financial statements.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Local assessments	\$ 309,015
Pre-employment fees	240
Payments for salaries and wages	(222,363)
Payments for maintenance and supplies	(37,333)
Payments for utilities, telephone, and internet	(30,666)
Payments for other administrative expenses	<u>(82,700)</u>

Net cash used in operating activities (63,807)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES -

State grant	<u>75,162</u>
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Net cash provided by noncapital financing activities 75,162

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal paid on capital debt	(28,702)
Interest paid on capital debt	(50,723)
Lease payments	(14,471)
Purchases of capital assets	<u>(2,430)</u>

Net cash used in capital and related financing activities (96,326)

Net decrease in cash and restricted cash (84,971)

Cash and restricted cash at beginning of year 247,386

Cash and restricted cash at end of year \$ 162,415

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

Loss from operations	\$ (115,126)
Amortization	20,037
Depreciation	67,038
Changes in operating assets and liabilities:	
Prepaid expenses	4,837
Accounts payable	(16,585)
Compensated absences	(2,738)
Deferred revenue	<u>(21,270)</u>

Net cash used in operating activities \$ (63,807)

See accompanying notes to financial statements.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF ACTIVITIES:

General: The financial statements have been prepared to incorporate all funds utilized by the New River Criminal Justice Training Academy (the “Academy”). These financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”). The operations of the Academy are proprietary in nature and as a result these financial statements are prepared to conform to proprietary type governmental financial statements.

Reporting Entity: The Academy was created by legislation passed by the Commonwealth of Virginia as promulgated through the Department of Criminal Justice Services to provide training to law enforcement members of participating jurisdictions.

2. SUMMARY OF SIGNIFICANT POLICIES:

Basis of Accounting: The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting.

Cash and Restricted Cash: Cash is held in accounts in the name of the Academy. For purposes of the statement of cash flows, the Academy considers all highly liquid debt instruments with maturities of three months or less at the time of acquisition to be cash equivalents.

Restricted cash represents a debt reserve required to be held by Rural Development.

The following provides a reconciliation of cash and restricted cash reported within the statement of net position to reflect the total of the same such amounts presented in the statement of cash flows as of June 30, 2023.

Cash	\$	161,471
Debt reserve (restricted cash)		<u>944</u>
Total cash and restricted cash presented in the statement of cash flows	\$	<u><u>162,415</u></u>

Capital Assets: The Academy defines capital assets as assets with an estimated useful life greater than a year. Any additions greater than \$500, including those that significantly prolong a capital asset’s economic life or expand usefulness, are capitalized. Normal repairs that merely maintain the capital asset in its present condition are recorded as expenses and are not capitalized. Capital assets are stated at cost less accumulated depreciation computed by the straight-line method.

Lease Assets: At the commencement of the lease term, the Academy, as lessee, recognizes a lease liability and lease asset. The lease asset is amortized in a systematic and rational manner (straight-line method) over the shorter of the lease term or the useful life of the underlying asset.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

NOTES TO FINANCIAL STATEMENTS - (Continued)

2. SUMMARY OF SIGNIFICANT POLICIES - (Continued):

Revenue and Expense Recognition: Revenues are recognized when earned and expenditures are recognized when the service is provided.

Operating Revenues and Expenses: Operating revenues of the Academy consist of assessments, pre-employment fees, and other revenues. Operating expenses consist of departmental overhead expenses, undistributed overhead expenses, fixed charges, and depreciation. All other revenues and expenses, including transactions related to capital and financing activities, noncapital financing activities, investing activities and state grants, are classified as nonoperating revenues and expenses.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Income Taxes: As a political subdivision of the Commonwealth of Virginia, the Academy is exempt from federal and state income taxes.

Accrued Compensated Absences: The Academy is operated and managed by the Town of Dublin; therefore, the Academy itself has no employees. However, the Academy is allocated salary expenses and accordingly has recorded accrued compensated absences when earned. The liability and expense incurred are recorded at year-end as accrued compensated absences in the statement of net position, and as a component of salaries and wages in the statement of activities and changes in net position.

Net Position: The Academy's net position is classified as follows:

Net investment in capital assets - This represents the Academy's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted for debt reserve - This represents the minimum balance required by Rural Development to be held as debt reserve.

Unrestricted - This represents resources derived from state appropriations and training assessments. These resources are used for transactions relating to the general operations of the Academy and may be used at the discretion of the governing board to meet the current expenses for any purpose.

Classification of Revenues: The Academy has classified its revenues as either operating or nonoperating according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as assessments, pre-employment fees, and other receipts.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources, such as state grants and investment income.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

NOTES TO FINANCIAL STATEMENTS - (Continued)

2. SUMMARY OF SIGNIFICANT POLICIES - (Continued):

Adopted accounting pronouncements: In May of 2020, the GASB released Statement No. 96, *Subscription-Based IT Agreements*. GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of GASB Statement No. 96 are effective for reporting periods beginning after June 15, 2022. The Academy adopted GASB Statement No. 96 effective July 1, 2022. The adoption had no impact to the financial statements.

3. CAPITAL ASSETS:

The following summarizes the changes in capital assets:

	June 30, 2022 Beginning Balance	Additions	Reductions	June 30, 2023 Ending Balance
Cost:				
Building	\$ 1,845,553		\$ -	\$ 1,845,553
Land	52,059	-	-	52,059
Vehicles	69,357	-	-	69,357
Furnishings and equipment	174,748	-	-	174,748
Office equipment	39,674	2,430	-	42,104
Total cost	2,181,391	2,430	-	2,183,821
Less accumulated depreciation:				
Building	\$ 638,700	\$ 63,550	\$ -	\$ 702,250
Vehicles	67,057	1,200	-	68,257
Furnishings and equipment	172,751	806	-	173,557
Office equipment	38,557	1,482	-	40,039
Total accumulated depreciation	917,065	67,038	-	984,103
Capital assets, net	\$ 1,264,326	\$ (64,608)	\$ -	\$ 1,199,718

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

NOTES TO FINANCIAL STATEMENTS - (Continued)

4. LEASE ASSETS AND LEASE LIABILITIES:

The Academy has leases for two vehicles from Enterprise and a copier from De Lage Financial. Both vehicle leases commenced in September 2018 with a 48-month payment period that, once expired, provides the option for month-to-month lease payments for an unlimited period. The Academy plans to hold the vehicles with payments on a month-to-month basis until October 2023. The copier lease has a 60-month payment period and commenced in February 2020. The monthly lease payments sometimes include variable payments for fees and charges. These variable payments are expensed as incurred and are not included in the lease liabilities.

Future principal and interest maturities for the lease liability as of June 30, 2023 are:

Years ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,417	\$ 163	\$ 10,580
2025	<u>3,687</u>	<u>25</u>	<u>3,712</u>
	<u>\$ 14,104</u>	<u>\$ 188</u>	<u>\$ 14,292</u>

The amount of lease assets by major classes of underlying assets as of June 30, 2023 are:

	<u>Lease asset</u>	<u>Accumulated Amortization</u>	<u>Lease asset, net</u>
Vehicles	\$ 49,267	\$ 44,338	\$ 4,929
Office equipment	<u>24,535</u>	<u>15,774</u>	<u>8,761</u>
	<u>\$ 73,802</u>	<u>\$ 60,112</u>	<u>\$ 13,690</u>

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

NOTES TO FINANCIAL STATEMENTS - (Continued)

5. NOTES PAYABLE AND OTHER OBLIGATIONS:

Compensated absences consist of the following:

	June 30, 2022			June 30, 2023	
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 34,181	\$ 10,126	\$ (12,864)	\$ 31,443	\$ 9,191

The note payable related to capital assets consist of the following:

	June 30, 2022			June 30, 2023	
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes payable	\$ 1,799,736	\$ 16,745	\$ (28,702)	\$ 1,787,779	\$ 35,540

In 2011 the U.S. Department of Agriculture (“USDA”) Rural Development approved a loan in the amount of \$1,883,212. The note required interest-only payments to be made at 4% beginning June 28, 2012. Beginning July 28, 2013, monthly payments of \$8,042, including principal and interest, were to be made until the note was paid in full on June 28, 2051. As of June 30, 2023, \$1,787,779 was outstanding.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak caused business disruption through mandated and voluntary closings of many businesses. On June 30, 2020, in response to the effects of the pandemic on the Academy, the USDA drafted a workout agreement for the Academy’s note payable. On August 26, 2021, in response to the continuing effects of the pandemic on the Academy, the USDA executed a second workout agreement, which extended the terms of the initial workout agreement for an additional year. The initial agreement stated that the Academy would use \$64,336 of their debt reserve to make payments on their loan from May 28, 2020 until December 28, 2020. Following the December 28, 2020 payment the Academy’s payments for January 28, 2021 through September 28, 2021 would be deferred while interest continued to accrue. Payments and reserve account deposits would resume on October 28, 2021. The extension workout agreement deferred payments from January 28, 2021 through September 28, 2022, still allowing interest to continue to accrue. Payments and reserve account deposits are now set to resume on October 28, 2022 under the new agreement. As with the initial agreement, reserve account deposits will be transferred into the account in the amount of 10% of the re-amortized monthly payments until the balance equals 12 monthly payments.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

NOTES TO FINANCIAL STATEMENTS - (Continued)

5. NOTES PAYABLE AND OTHER OBLIGATIONS – (Continued):

When payments resumed on October 28, 2022, interest totaling \$16,745 had accrued into the note payable balance for the first three months of the year ended June 30, 2023.

The note payable following the second workout agreement matures as follows:

Years ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	35,540	71,056	106,596
2025	37,185	69,411	106,596
2026	38,700	67,896	106,596
2027	40,276	66,320	106,596
2028	41,738	64,858	106,596
Thereafter	<u>1,594,340</u>	<u>840,891</u>	<u>2,435,231</u>
Total minimum payment	1,787,779	1,180,432	2,968,211
Less: amount representing interest	-	(1,180,432)	(1,180,432)
Less: current portion	<u>(35,540)</u>	-	<u>(35,540)</u>
Noncurrent portion	<u>\$ 1,752,239</u>	<u>\$ -</u>	<u>\$ 1,752,239</u>

6. CONCENTRATION OF CREDIT RISK:

The Academy maintains cash balances at one bank. Amounts in interest and non-interest-bearing accounts and money market deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Approximately 35% of the Academy's total operating revenues came from one local enforcement agency during the year ending June 30, 2023.

7. SUBSEQUENT EVENTS:

The Academy has evaluated all subsequent events through December 22, 2023, the date on which the financial statements were available to be issued.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

Number:	2023-001
Condition:	As of June 30, 2023, the Academy had not publicly posted the financial statements for the year ended June 30, 2022.
Criteria:	The Virginia Specifications for Audits of Authorities, Boards, and Commissions requires a summary statement of financial condition be posted into general circulation showing, at a minimum, total assets, liabilities, fund balances, total revenue, expenditures, and other sources or uses, and the resulting net change in fund balances.
Effect:	Noncompliance with the Auditor for Public Accounts for the Commonwealth of Virginia's requirements.
Cause:	The Academy staff failed to implement the corrective action plan noted in the June 30, 2022 fiscal year schedule of findings and questioned costs number 2022-001.
Recommendation:	Management of the Academy should post the financial statements ended June 30, 2022 to a local circulation or at a minimum to the Academy's website and continue to post the financial statements to the Academy's website for every year thereafter.

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

Comments on findings and recommendation

Management agrees with the finding.

Action taken or planned

Management of the Academy intends to post the financial statements for the fiscal years ended June 30, 2022 to the Academy's website and continue to post the financial statements to the Academy's website for every year thereafter.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

SCHEDULE OF FINDINGS AND
QUESTIONED COSTS

For the Year Ended June 30, 2023

Number:	2023-002
Condition:	As of June 30, 2023, the Academy had four outstanding checks greater than one year not reported with the State Treasurer as unclaimed property.
Criteria:	The Virginia Specifications for Audits of Authorities, Boards, and Commissions requires entities to file an annual report with the State Treasurer listing all unclaimed property by November 1 of each year.
Effect:	Noncompliance with the Auditor for Public Accounts for the Commonwealth of Virginia's requirements.
Cause:	The Academy staff failed to implement the corrective action plan noted in the June 30, 2022 fiscal year schedule of findings and questioned costs number 2022-002.
Recommendation:	Management of the Academy should file with the State Treasurer concerning the outstanding items greater than one year.

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

Comments on findings and recommendation

Management agrees with the finding.

Action taken or planned

Management of the Academy intends to file with the State Treasurer concerning four checks that are outstanding greater than one year.

NEW RIVER CRIMINAL JUSTICE TRAINING ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

- Number: 2023-03
- Condition: As of June 30, 2023, the debt reserve is underfunded by \$8,846.
- Criteria: The loan agreement with Rural Development states “a debt service reserve is required and must be accumulated at the rate of 10% of the monthly debt payment until a sum equal to no less than one annual installment is accumulated”.
- Effect: Noncompliance with Rural Development requirements.
- Cause: In previous years, the debt reserve requirement calculation was misinterpreted. In the current year, payments resumed following a payment deferral period, which resulted in the debt reserve being underfunded again.
- Recommendation: There is a workout agreement in place with Rural Development that allowed the Academy to use their debt reserve to cover mortgage payments from October 28, 2021 through October 28, 2022. The workout agreement also allows for suspension of the debt reserve deposit requirement until October 28, 2021. Contact Rural Development to get clarification as to how to handle the debt reserve deposit deficit following the expiration of the workout agreement.

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

Comments on findings and recommendation

Management agrees with the finding.

Action taken or planned

Management of the Academy intends to contact Rural Development for guidance on corrective action.

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

To the Board of Directors
New River Criminal Justice Training Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the New River Criminal Justice Training Academy, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the New River Criminal Justice Training Academy’s basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or *Specifications for Audits of Authorities, Boards, and Commissions* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003.

New River Criminal Justice Training Academy's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Academy's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Academy's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Joti, Alyna, Lawen & Company, P. C.

Roanoke, Virginia
December 22, 2023

